



英皇證券集團有限公司
Emperor Capital Group Limited



Incorporated in Bermuda with limited liability (Stock Code: 717)

STEADY GROWTH
DRIVES THE BRILLIANT
ROUTE TO SUCCESS

SECURITIES
FUNDSD IPO
SHARES INVESTMENT
CONSULTATION
FUNDS

FINANCIAL MANAGEMENT
BONDS
LONG-TERM INVESTMENT
PROFESSIONAL FINANCIAL
MERGERS AND ACQUISITION
TRADING
CORPORATE RESTRUCTURING

FINANCIAL ANALYSIS
PROFESSIONAL FINANCIAL
MERGERS AND ACQUISITION
TRADING
CORPORATE RESTRUCTURING

INTERIM REPORT
2011/2012

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FINANCIAL HIGHLIGHTS

<i>HK\$'000 (Unaudited)</i>	For the six months ended	
	31 March	
	2012	2011
Revenue	98,691	104,123
– Brokerage	41,827	49,892
– Loans & Financing	45,532	38,214
– Placing & Underwriting	5,603	11,737
– Corporate Finance	5,729	4,280
Profit for the period attributable to owners of the Company	37,337	33,634
		(Restated)
Earnings per Share (Basic & diluted)	HK1.44 cents	HK3.20 cents

MANAGEMENT DISCUSSION AND ANALYSIS

Established in 1993, Emperor Capital Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) is a renowned Hong Kong based brokerage house providing a wide range of financial services including (i) brokerage services for securities, futures and options traded on the exchanges in Hong Kong, the United States, Japan and the United Kingdom, as well as wealth management and asset management services, (ii) provision of margin and IPO financing as well as loans and advances such as personal money lending and second mortgage loan, (iii) placing and underwriting services, and (iv) corporate finance advisory.

Market Review

For the six months ended 31 March 2012 (the “Period”), triggered by the unresolved European debt issue and the tightening of monetary policy in China, the market sentiment remained weak although the Hang Seng Index exhibited gradual pick-up. The average daily turnover on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) plummeted by 24.6% to HK\$61.26 billion, compared with the same period last year. Meanwhile, the fund raising activities, including initial public offering, placing and rights issue exercises, have reduced significantly in terms of the numbers of projects completed and the fund raising sizes.

Financial Review

Despite the general economy and financial environment were exceptionally complex and volatile for the Period, the Group was still able to maintain stable results riding on its balanced and diversified mix of businesses and wide base of clientele.

During the Period, the Group reported revenue of approximately HK\$98.7 million (2011: HK\$104.1 million). The profit for the Period attributable to owners of the Company was HK\$37.3 million (2011: HK\$33.6 million), representing an increase of 11.0% when compared to the first half of the last financial year. Basic earnings per share were HK1.44 cents. The Group proposed an interim dividend of HK0.38 cent per share.

Business Review

During the Period, the Group continued to implement its strategic development plan. Leveraging on its balanced mix of businesses, the Group strived to secure its market position, outperforming the market with impressive growth in loan interest income and corporate finance segments.

MANAGEMENT DISCUSSION AND ANALYSIS

Brokerage

The Group provides brokerage services for securities, futures and options traded on the exchanges in Hong Kong, the United States, Japan and the United Kingdom as well as wealth management and asset management services.

During the Period, revenue generated from the brokerage services segment decreased by 16.2% to HK\$41.8 million (2011: HK\$49.9 million), accounting for 42.4% of the revenue of the Group. Such decrease was relatively small when compared with the total decline of market turnover recorded by the Stock Exchange.

As a move to expand the Group's presence in northern China, a liaison office has been set up in Beijing since October 2011.

With the commencement of new business in asset management, the Group continued to allocate more resources to widen the product range for catering various investment needs of customers. The discretionary portfolio management service provides affluent clients with highly customised investment portfolios.

Emperor Greater China Opportunities Fund, the first equity fund managed by the Group with the focus on equities in the Greater China region, has been launched since October 2011. The concurrent management fee and performance fee were the new revenue sources during the Period.

With respect to the wealth management team, the Group continued to focus on investors from the mainland seeking investments under the Capital Investment Entrant Scheme (the "CIES"). In order to grasp the market opportunities on the growing customers' demand for diversifying its assets, the wealth management team acted as a one-stop investment centre providing various products and services such as mutual funds, insurance-linked products, as well as real estate investment advisory.

Loans and Financing

Major source of revenue in this segment comes from interest income from margin and IPO financing as well as loans and advances.

Revenue from this segment was up by 19.2% to HK\$45.5 million (2011: HK\$38.2 million), accounting for 46.1% of the Group's total revenue. The increase was largely attributable to the strong growth from money lending business and second mortgage loan.

MANAGEMENT DISCUSSION AND ANALYSIS

Placing and Underwriting

The Group offers placing and underwriting services, and acts as placing agents and underwriters for various Hong Kong listed companies. During the Period, the segment recorded revenue of HK\$5.6 million (2011: HK\$11.7 million), accounting for 5.7% of the Group's total revenue. The Group participated in 3 IPO related transactions and 9 placing and rights issue fund raising exercises during the Period.

Corporate Finance

The division holds a full corporate finance licence under the Securities and Futures Ordinance, allowing it to advise on Takeovers Code related transactions and undertake sponsor work for IPO on top of general corporate finance advisory services. Apart from IPO-related services, the Group offers secondary market financing services such as placing, rights issue and advisory services on various corporate transactions including merger and acquisition.

During the Period, this segment was up by 33.9% to HK\$5.7 million (2011: HK\$4.3 million), which accounted for 5.8% of the Group's total revenue. With the strong support of corporate finance team, we secured several corporate transactions and IPO sponsor mandates for companies seeking to be listed on both the Main Board and the GEM Board of the Stock Exchange.

OUTLOOK

Facing the growing demand of CIES customers on shifting their investment portfolio from real estate to securities and bonds, the Group will capture this market window and allocate more resources for catering various investment needs.

To continue the outperforming track record of Emperor Greater China Opportunities Fund, the Group will seek to enlarge the fund size and diversify the investment portfolio to achieve better return.

Riding on its well established network and clientele, the Group will further accelerate the expansion of the money lending business and second mortgage loan as new business drivers for generating stable income steam.

With the gradual stabilisation of the financial markets as well as the Group's balanced mix of businesses, the Group will continue to pursue strategies that can deliver sustainable long term growth. The Group will also strive to explore both the domestic and international markets and expand its institutional and retail clientele, hence further consolidating its market share, utilising competitive edges and procuring steady growth in business volume.

MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

The Group's business, financial conditions and results may be affected by risks and uncertainties pertaining to the Group's business. The credit risk, market risk and liquidity risk are the main inherent risks explained below which could cause the Group's financial condition or results differing materially from expected or historical results.

Credit risk

The Group's Credit Committee has put in place credit management policies and procedures which cover the following: the examination of the approval of clients' trading and credit limits, approval and review of the margin lending ratio of individual stock, monitoring of credit exposures and the follow up of credit risks associated with overdue debts.

Day-to-day credit monitoring is performed by the Group's Credit and Risk Control Department in accordance with the policies and procedures approved by the Credit Committee with toleration and exception reports reviewed by responsible officers and senior management of the Group as well as by the Credit Committee at quarterly meetings.

Moreover, the Group's Internal Audit Department also conducts independent reviews on the adequacy and effectiveness of these policies and controls to ensure that the Group is operating according to the established policies, procedures and limits.

Market risk

If the market value of a margin client's portfolio falls below his margin loan amount and the margin client fails to meet margin calls, the Group will be exposed to the risk that the margin loan being delinquent. Similarly, if the value of the underlying products of a client's futures contract fluctuates such that the outstanding balances in his account falls below the required maintenance margin level, the Group may suffer loss if the client's account incurs loss even after liquidation of the open position.

The management of the Group keeps close monitoring of the market condition so that immediate precautionary measures will be taken to reduce such risk that the Group may encounter. For example, the Group's Credit and Risk Control Department will monitor of the twenty securities with the highest losing percentages and those stocks classified as highly concentrated collaterals of the Group on a daily basis. In addition, follow up actions such as reducing the margin ratio for the pledged securities and requiring clients to top up their position would be taken if considered appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity risk

As part of its ordinary brokerage activities, the Group is exposed to liquidity risk arising from timing difference between settlement with clearing houses or brokers and clients. The goal of liquidity management is to ensure that the Group maintains adequate liquid capital to fund its business commitments as well as to comply with the relevant Financial Resources Rules applying to various licensed subsidiaries.

To address the risk, the Group's Finance and Accounts Department and the senior management will review and monitor the Group's liquidity position on daily basis to ensure the availability of sufficient liquid funds. In addition, the Group has maintained stand-by banking and other facilities in order to meet any contingency in its operations. The management believes the Group's working capital is adequate to meet its financial obligations.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the Group mainly financed its operations by cash generated from operations and short-term bank borrowings.

As at 31 March 2012, the Group's current assets and current liabilities were approximately HK\$1,852.3 million and HK\$699.0 million respectively. The Group had no bank borrowings and zero gearing ratio was recorded (calculated based on the basis of total bank and other borrowings over total equity). With the support of the Group's bank balances and cash amounting to HK\$630.6 million (2011: HK\$637.3 million), the Group demonstrated a strong financial position and healthy cash flow. In addition, its available unutilised bank facilities were approximately HK\$420 million.

With the Group's sufficient bank balances and cash as well as its existing banking facilities, the Board considers the Group has sufficient working capital for its operation and the future development of the Group.

As at 31 March 2012, the Group has operating lease rental commitment of approximately HK\$14.4 million.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

As at 31 March 2012, the Group did not have any material foreign exchange exposure.

LITIGATION, CLAIMS AND CONTINGENT LIABILITY

During the last financial year, the Group had advanced an aggregate amount of HK\$40.0 million (the “Escrow Funds”) to two borrowers as a loan which were agreed to be held in escrow by a solicitor firm in Hong Kong, namely, K&L Gates, as an escrow agent. Despite the Group’s repeated requests, K&L Gates had not returned the overdue Escrow Funds. It was reported that a partner of K&L Gates was arrested by the Hong Kong Police and charged with theft and forgery with respect to monies held in escrow account. The Group had commenced legal proceedings against the two borrowers and all the partners of K&L Gates for recovery of the Escrow Funds.

Based on the opinion of the Group’s legal advisors, the management of the Group is of the view that there is no impairment loss being recognised as at 31 March 2012.

Save as disclosed above, so far as known to the Board, there was no other litigation, arbitration or claim of material importance in which the Group is engaged or pending or which was threatened against the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2012, the Group has 214 (2011: 216) account executives and 113 employees (2011: 87). Total staff costs (including Directors’ remuneration) were approximately HK\$24.6 million (2011: HK\$19.8 million). Employees’ remuneration was determined in accordance with individual’s responsibility, performance and experience. Staff benefits include contributions to retirement benefit scheme, medical insurance and other fringe benefits.

INTERIM DIVIDEND

The board of directors (the “Board” or the “Directors”) is pleased to declare an interim dividend of HK0.38 cent per share (2011: HK1.00 cent per share) for the financial year ending 30 September 2012 (“Interim Dividend”), amounting to approximately HK\$9.87 million. The Interim Dividend will be paid on 22 June 2012 (Friday) to shareholders whose names appear on the register of members of the Company on 12 June 2012 (Tuesday).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining shareholders’ entitlement to the Interim Dividend, from 11 June 2012 (Monday) to 12 June 2012 (Tuesday), during which period no share transfer will be effected.

In order to qualify for the Interim Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on 8 June 2012 (Friday).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 31 March	
		2012 (unaudited) HK\$'000	2011 (unaudited) HK\$'000
Revenue	4	98,691	104,123
Other operating income		1,373	1,346
Staff costs		(24,613)	(19,812)
Commission expenses		(16,200)	(21,966)
Other expenses		(26,205)	(24,417)
Finance costs		(33)	(995)
Share of loss of an associate		(226)	(160)
Cumulative gain reclassified from equity to profit or loss in relation to the available-for-sale investment upon disposal of a subsidiary	5	7,900	–
Profit before taxation		40,687	38,119
Taxation	6	(3,576)	(4,897)
Profit for the period		37,111	33,222
Other comprehensive income for the period			
Exchange differences arising on translation		–	24
Reclassification adjustment for the cumulative gain included in profit or loss in relation to the available-for-sale investment upon disposal of a subsidiary		(7,900)	–
Total comprehensive income for the period		29,211	33,246
Profit (loss) for the period attributable to:			
Owners of the Company		37,337	33,634
Non-controlling interests		(226)	(412)
		37,111	33,222
Total comprehensive income (expense) attributable to:			
Owners of the Company		29,437	33,658
Non-controlling interests		(226)	(412)
		29,211	33,246
Earnings per share	7		(Restated)
– Basic		HK1.44 cents	HK3.20 cents
– Diluted		HK1.44 cents	HK3.20 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at	
		31 March 2012 (unaudited) HK\$'000	30 September 2011 (audited) HK\$'000
Non-current assets			
Interest in an associate		–	–
Property and equipment		6,202	4,255
Other assets		4,288	4,814
Amount due from an associate		3,398	3,624
Financial asset at fair value through profit or loss	9	5,000	–
Loans and advances	10	61,378	–
Available-for-sale financial assets		–	8,036
		80,266	20,729
Current assets			
Trade receivables	11	417,430	511,177
Loans and advances	10	320,524	184,600
Other debtors, deposits and prepayments		15,034	12,886
Tax recoverable		2,597	–
Bank balances and cash			
– trust accounts		466,119	435,073
Bank balances and cash			
– general accounts		630,557	637,327
		1,852,261	1,781,063
Current liabilities			
Trade payables	12	680,980	544,320
Other creditors and accrued charges		15,319	19,645
Tax liabilities		2,722	23,662
		699,021	587,627
Net current assets		1,153,240	1,193,436
Net assets		1,233,506	1,214,165
Capital and reserves			
Share capital		25,974	25,974
Reserves		1,207,950	1,188,383
Equity attributable to owners of the Company		1,233,924	1,214,357
Non-controlling interest		(418)	(192)
Total equity		1,233,506	1,214,165

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Capital contribution reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Share option reserve HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 October 2010 (audited)	8,658	279,987	124,174	2,004	18	171,538	1,023	587,402	327	587,729
Profit for the period	-	-	-	-	-	33,634	-	33,634	(412)	33,222
Other comprehensive income for the period	-	-	-	-	24	-	-	24	-	24
Total comprehensive income for the period	-	-	-	-	24	33,634	-	33,658	(412)	33,246
Dividend recognised as distribution	-	-	(12,988)	-	-	-	-	(12,988)	-	(12,988)
At 31 March 2011 (unaudited)	8,658	279,987	111,186	2,004	42	205,172	1,023	608,072	(85)	607,987

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Capital contribution reserve HK\$'000	Revaluation reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Share option reserve HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 October 2011 (audited)	25,974	841,266	102,529	2,004	7,900	25	233,636	1,023	1,214,357	(192)	1,214,165
Profit for the period	-	-	-	-	-	-	37,337	-	37,337	(226)	37,111
Other comprehensive income for the period	-	-	-	-	(7,900)	-	-	-	(7,900)	-	(7,900)
Total comprehensive income for the period	-	-	-	-	(7,900)	-	37,337	-	29,437	(226)	29,211
Dividend recognised as distribution	-	-	(9,870)	-	-	-	-	-	(9,870)	-	(9,870)
At 31 March 2012 (unaudited)	25,974	841,266	92,659	2,004	-	25	270,973	1,023	1,233,924	(418)	1,233,506

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 March	
	2012	2011
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Net cash (used in) from operating activities	(2,890)	1,152,931
Net cash from (used in) investing activities	5,990	(278)
Net cash (used in) financing activities	(9,870)	(1,129,057)
Net (decrease) increase in cash and cash equivalents	(6,770)	23,596
Effect of foreign exchange rate change	–	(24)
Cash and cash equivalents as at the beginning of the period	637,327	110,440
Cash and cash equivalents as at the end of the period	630,557	134,012
Analysis of the balances of cash and cash equivalents		
Bank balances and cash — general accounts	630,557	134,012

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, that are measured at fair values.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 31 March 2012 are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 September 2011.

In the Period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial period beginning on 1 October 2011.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 1 (Amendments)	Severe hyperinflation and removal of fixed dates for first-time adopters
HKFRS 7 (Amendments)	Disclosures – Transfers of financial assets
HKAS 24 (Revised)	Related party disclosures
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a minimum funding requirement

The application of these new and revised HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (continued)

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRS 1 (Amendments)	Government loans ¹
HKFRS 7 (Amendments)	Disclosures – Offsetting financial assets and financial liabilities ¹
HKFRS 9	Financial instruments ²
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory effective date of HKFRS 9 and transition disclosures ²
HKFRS 10	Consolidated financial statements ¹
HKFRS 11	Joint arrangements ¹
HKFRS 12	Disclosure of interests in other entities ¹
HKFRS 13	Fair value measurement ¹
HKAS 1 (Amendments)	Presentation of items of other comprehensive income ⁴
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets ³
HKAS 19 (as revised in 2011)	Employee benefits ¹
HKAS 27 (as revised in 2011)	Separate financial statements ¹
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures ¹
HKAS 32 (Amendments)	Offsetting financial assets and financial liabilities ⁵
HK(IFRIC)-Int 20	Stripping costs in the production phase of a surface mine ¹

¹ Effective for annual periods beginning on or after 1 January 2013

² Effective for annual periods beginning on or after 1 January 2015

³ Effective for annual periods beginning on or after 1 January 2012

⁴ Effective for annual periods beginning on or after 1 July 2012

⁵ Effective for annual periods beginning on or after 1 January 2014

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The Directors of the Company anticipate that the application of the other new or revised HKFRSs will have no material impact on the Group's consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

According to HKFRS 8, the Group has the following reportable and operating segments:

- | | | | |
|-----|--------------------------|---|--|
| (a) | Brokerage | – | Provision of securities, options, futures, insurance and other wealth management products broking services |
| (b) | Loans and financing | – | Provision of margin financing and money lending services |
| (c) | Placing and underwriting | – | Provision of placing and underwriting services |
| (d) | Corporate finance | – | Provision of corporate finance advisory services |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (continued)

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the six months ended 31 March 2012

	Brokerage (unaudited) HK\$'000	Loans and financing (unaudited) HK\$'000	Placing and underwriting (unaudited) HK\$'000	Corporate finance (unaudited) HK\$'000	Elimination (unaudited) HK\$'000	Total (unaudited) HK\$'000
REVENUE						
Segment revenue						
– external customers	41,827	45,532	5,603	5,729	–	98,691
Inter-segment sales	–	3,510	–	–	(3,510)	–
	41,827	49,042	5,603	5,729	(3,510)	98,691

Inter-segment sales are charged at prevailing market rate.

RESULTS

Segment results	9,235	45,516	4,099	1,284		60,134
Unallocated other operating income						128
Unallocated corporate expenses						
– Staff costs (include directors' remuneration)						(17,775)
– Management fee to a related company						(747)
– Management fee to a fellow subsidiary						(2,590)
– Others						(6,137)
Share of loss of an associate						(226)
Reclassification adjustment for the cumulative gain included in profit or loss in relation to available-for-sale investment upon disposal of a subsidiary						7,900
Profit before taxation						40,687

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (continued)

For the six months ended 31 March 2011

	Brokerage (unaudited) HK\$'000	Loans and financing (unaudited) HK\$'000	Placing and underwriting (unaudited) HK\$'000	Corporate finance (unaudited) HK\$'000	Elimination (unaudited) HK\$'000	Total (unaudited) HK\$'000
REVENUE						
Segment revenue						
– external customers	49,892	38,214	11,737	4,280	–	104,123
Inter-segment sales	–	2,128	–	–	(2,128)	–
	49,892	40,342	11,737	4,280	(2,128)	104,123

Inter-segment sales are charged at prevailing market rate.

RESULTS

Segment results	13,324	37,219	6,326	820		57,689
Unallocated other operating income						150
Unallocated corporate expenses						
– Staff costs (include directors' remuneration)						(12,450)
– Management fee to a related company						(2,361)
– Others						(4,749)
Share of loss of an associate						(160)
Profit before taxation						38,119

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. REVENUE

	Six months ended 31 March	
	2012	2011
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Commission and brokerage fees on dealing in securities	18,293	31,338
Commission and brokerage fees on dealing in futures and options contracts	9,798	11,230
Commission from insurance brokerage and wealth management	8,881	7,324
Corporate finance advisory services fee income	5,729	4,280
Placing and underwriting commission	5,603	11,737
Interest income from:		
Margin and initial public offer ("IPO") financing	15,262	20,710
Loans and advances	30,270	16,816
Bank deposits	4,855	688
	98,691	104,123

5. DISPOSAL OF A SUBSIDIARY

On 30 November, 2011, the Group disposed of its wholly-owned subsidiary, Emperor Gold & Silver Company Limited, details of which were set out in the Company's announcement dated 23 September 2011. Emperor Gold & Silver Company Limited, other than having a membership in The Chinese Gold & Silver Exchange Society and 136,000 shares in Hong Kong Precious Metals Exchange Limited, has no other business operations. The net assets of Emperor Gold & Silver Company Limited as at the date of disposal, being 30 November 2011, were as follows:

Consideration received:

	HK\$'000
	(unaudited)
Total cash consideration received	14,337

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. DISPOSAL OF A SUBSIDIARY (continued)

	As at 30 November 2011 (unaudited) HK\$'000
Analysis of assets and liabilities over which control was lost:	
Available-for-sale financial assets	8,036
Other deposits	802
Bank balances and cash	5,499
Net assets disposed of	14,337
Gain recognised on disposal of a subsidiary:	
Consideration received	14,337
Net assets disposed of	(14,337)
Reclassification adjustment for the cumulative gain included in profit or loss in relation to the available-for-sale investment upon disposal of a subsidiary	7,900
Gain on disposal	7,900
Net cash inflow arising on disposal:	
Cash consideration	14,337
Less: bank balances and cash disposed of	(5,499)
	8,838

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. TAXATION

	Six months ended 31 March	
	2012	2011
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Current period:		
Hong Kong Profits Tax provision for the period	3,555	4,897
PRC Enterprise Income Tax	21	–
	3,576	4,897

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 31 March	
	2012	2011
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Earnings for the purposes of basic and diluted earnings per share	37,337	33,634

	Number of shares	
	2012	2011
		(Restated)
Weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share	2,597,433,816	1,051,777,778

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. EARNINGS PER SHARE (continued)

The computation of diluted earnings per share does not take into consideration the Company's outstanding share options because the exercise price of the Company's share options was higher than the average market price of the Company's shares for the six months ended 31 March 2012 and 31 March 2011.

The weighted average number of ordinary shares adopted in the calculation of the basic and diluted earnings per shares for the six months ended 31 March 2011 have been restated to reflect the bonus element of the rights issue on 4 August 2011.

8. DIVIDENDS

A dividend of HK0.38 cent (2011: HK1.5 cents) per share with an aggregate amount of approximately HK\$9,870,000 (2011: HK\$12,987,000) was paid to the shareholders of the Company during the Period as the final dividend in respect of the year ended 30 September 2011.

9. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

The amount represents an investment in unlisted debt securities measured at fair value at the end of the reporting period.

10. LOANS AND ADVANCES

	As at	
	31 March 2012 (unaudited) HK\$'000	30 September 2011 (audited) HK\$'000
Fixed-rate loan receivables	359,663	184,600
Installment loan receivables	22,239	–
	381,902	184,600
Current portion included under current assets	(320,524)	(184,600)
Amount due after one year	61,378	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. LOANS AND ADVANCES (continued)

The effective interest rate on the Group's loans and advances are as follows:

	31 March 2012 (unaudited)	As at 30 September 2011 (audited)
Effective interest rate:		
Fixed-rate loan receivables	1% to 4.7% per month	1.5%-4.7% per month
Installment loan receivables	2% to 6.3% per annum	N/A

The term of fixed-rate loan receivables entered with customers ranges from 1 month to 1 year.

The term of installment loan receivables entered with customers ranges from 1 year to 30 years.

Included in the loans and advances as at 31 March 2012 are secured loans and advances with the aggregate amount of HK\$301,579,000 (2011: HK\$144,600,000). The remaining amount of HK\$80,323,000 (2011: HK\$40,000,000) are unsecured.

As at 31 March 2012, the non-current unsecured loans and advances amounting to HK\$40,000,000 was advanced to two borrowers as a loan which was agreed to be placed in escrow in a law firm, K&L Gates, as an escrow agent. It was reported that a partner of K&L Gates was arrested by the Hong Kong Police and charged with theft and forgery with respect to monies in the escrow accounts. As described in the paragraph of Litigation, Claims and Contingent Liability under Management Discussion and Analysis, the Group has commenced legal proceedings against the borrowers and the partners of K&L Gates. Based on the opinion of the Group's legal advisors, the management of the Group is of the view that there is no impairment loss being recognized as at 31 March 2012.

As the timing of recovering this amount may now be longer than twelve months, the Group has reclassified the said amount as a non-current asset, which was presented as a current asset under loans and advances as at 30 September 2011.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. LOANS AND ADVANCES (continued)

The Group has policy for impairment on loans and advances for those without sufficient collaterals or with default or delinquency in interest or principal payment, which is based on the closely monitor of evaluation of collectability and aged analysis of accounts and on management's judgment including the current creditworthiness, collaterals value and the past collection history of each client. Accordingly, the Directors of the Company believe that there is no allowance for impairment is made.

The fair values of the Group's loans and advances at the end of each reporting period, determined based on the present value of the estimated future cash flows discounted using the prevailing market rates at the end of each reporting period approximate to the corresponding carrying amount of the receivables.

11. TRADE RECEIVABLES

The aged analysis of the trade receivables are as follows:

	As at	
	31 March 2012 (unaudited) HK\$'000	30 September 2011 (audited) HK\$'000
Past due:		
0–30 days	5,275	11,507
31–60 days	3	69
61–90 days	5	82
Over 90 days	164	4,378
Trade receivables which were past due but not impaired	5,447	16,036
Trade receivables which were neither past due nor impaired	411,983	495,141
	417,430	511,177

No aged analysis for loans to margin clients is disclosed as in the opinion of the Directors, the aged analysis does not give additional value in view of the nature of business of share margin financing.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. TRADE RECEIVABLES (continued)

As at 31 March 2012 and 30 September 2011, the total market value of securities pledged as collateral in respect of the loans to margin clients were approximately HK\$4,749,641,000 and HK\$3,405,308,000 respectively.

The Group has policy for impairment on trade receivables for those without sufficient collaterals or with default or delinquency in interest or principal payment, which is based on the closely monitor of evaluation of collectability and aged analysis of accounts and on management's judgment including the current creditworthiness, collaterals value and the past collection history of each client. Accordingly, the Directors of the Company believe that there is no allowance for impairment is made.

12. TRADE PAYABLES

	As at	
	31 March 2012 (unaudited) HK\$'000	30 September 2011 (audited) HK\$'000
Trade payables from the business of dealing in futures contracts: Margin clients	207,789	203,849
Trade payables from the business of dealing in securities: Clearing house	12,255	11,979
Margin and cash clients	460,936	328,492
	680,980	544,320

No aged analysis is disclosed as in the opinion of the Directors, the aged analysis does not give additional value in view of the nature of these businesses.

Included in trade payables amounts of HK\$466,119,000 and HK\$435,073,000 at 31 March 2012 and 30 September 2011 respectively were payable to clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of the conduct of regulated activities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. RELATED PARTY TRANSACTIONS

(a) During the Period, the Group had the following significant transactions with the related parties:

	Six months ended 31 March	
	2012	2011
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
(i) Advisory income from fellow subsidiaries	760	800
(ii) Management fee to a fellow subsidiary		
– computer services	223	296
– administrative services and staff costs	2,367	1,907
	2,590	2,203
Management fee to related companies		
– administrative services and staff costs	953	645
(iii) Operating lease rentals expenses to fellow subsidiaries	3,337	2,169
(iv) Printing, advertising and promotion expenses to fellow subsidiaries	144	363
(v) Commission and brokerage income from directors of the Company	–	1
(vi) Interest income from a director of the Company	–	85
(vii) Interest expenses paid to an immediate holding company	–	57
(viii) Trade payables to margin and cash clients arising from business dealing in securities		
– an associate of the Group	5,856	1,415
– directors of the Company	222	280
	6,078	1,695
(ix) Rental and other deposits paid to fellow subsidiaries	2,110	1,619

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. RELATED PARTY TRANSACTIONS (continued)

- (b) The key management personnel of the Company are the Directors of the Company. The remuneration paid to them during the Period are as follows:

	Six months ended 31 March	
	2012	2011
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Fees	405	325
Salaries and other emoluments	6,953	3,074
	7,358	3,399

Notes:

Related companies and fellow subsidiaries are companies controlled by a deemed substantial shareholder or certain directors of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. OPERATING LEASE COMMITMENTS

At the end of each of the reporting periods, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises and office equipment which fall due as follows:

	31 March 2012		As at 30 September 2011	
	Rental premises (unaudited) HK\$'000	Hired equipment (unaudited) HK\$'000	Rental premises (audited) HK\$'000	Hired equipment (audited) HK\$'000
Within one year	7,893	336	7,589	336
In the second to fifth years inclusive	6,544	557	9,099	741
	14,437	893	16,688	1,077

For office premises and office equipment, leases are mainly negotiated and rentals are fixed for an average term of two years.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 March 2012, the interests and short positions of the Directors and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") of the Listing Rules were as follows:

(i) Long Position in Ordinary Shares of HK\$0.01 Each ("Shares") of the Company

Name of Director	Capacity/ Nature of interests	Number of issued Shares held	Approximate percentage holding
Ms. Daisy Yeung	Beneficiary of a trust	1,576,668,907	60.70%

Note: The above shares were held by Win Move Group Limited ("Win Move") (renamed as Emperor Capital Group Holdings Limited), a wholly-owned subsidiary of Million Way Holdings Limited ("Million Way") (renamed as Albert Yeung Holdings Limited). Million Way was held by STC International Limited ("STC International"), acting as the trustee of the Albert Yeung Discretionary Trust ("AY Trust"), a discretionary trust under which Ms. Daisy Yeung is one of the eligible beneficiaries.

(ii) Long Position in Underlying Shares of the Company

Name of Director	Capacity/ Nature of interests	Adjusted exercise price HK\$	Adjusted number of underlying Shares held	Approximate percentage holding
Ms. Daisy Yeung	Beneficial owner	0.9879	3,644,100	0.14%

Note: These are share options granted to the Director pursuant to the share option scheme of the Company. There is no vesting period for the options granted. The exercise price and the number of underlying shares under the share options had been adjusted with effect from 4 August 2011 as a result of the rights issue of shares by the Company.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES

(iii) Long Positions in Ordinary Shares of the Associated Corporations

Name of Director	Name of associated corporations	Capacity/ Nature of interests	Number of shares held	Approximate percentage holding
Ms. Daisy Yeung	Emperor International Holdings Limited ("Emperor International")	Beneficiary of a trust	2,747,493,823 (Note 1)	74.93%
Ms. Daisy Yeung	Emperor Entertainment Hotel Limited ("Emperor EH")	Beneficiary of a trust	794,912,845 (Note 1)	61.50%
Ms. Daisy Yeung	Emperor Watch & Jewellery Limited ("Emperor W&J")	Beneficiary of a trust	3,565,450,000 (Note 2)	53.07%
Ms. Daisy Yeung	New Media Group Holdings Limited ("New Media Group")	Beneficiary of a trust	453,080,000 (Note 3)	52.44%

Notes:

- Emperor EH is company with its shares listed in Hong Kong. These shares in Emperor EH were held by Worthly Strong Investment Limited ("Worthly Strong") (renamed as Emperor Entertainment Hotel Holdings Limited) being the controlling shareholder of Emperor EH. Worthly Strong was an indirect wholly owned subsidiary of Emperor International (a company with its shares listed in Hong Kong). The 2,747,493,823 shares in Emperor International was held by Charron Holdings Limited ("Charron") (renamed as Emperor International Group Holdings Limited) being the controlling shareholder of Emperor International. Charron was wholly-owned by Million Way which in turn was wholly-owned by STC International, being the trustee of the AY Trust. Ms. Daisy Yeung, by virtue of being one of the eligible beneficiaries of the AY Trust, had deemed interests in these shares and the entire share capital of Charron and Million Way.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES

(iii) Long Positions in Ordinary Shares of the Associated Corporations (continued)

Notes (continued):

2. Emperor W&J is a company with its shares listed in Hong Kong. These shares of Emperor W&J were held by Allmighty Group Limited ("Allmighty") (renamed as Emperor Watch & Jewellery Group Holdings Limited) being the controlling shareholder of Emperor W&J. Allmighty was wholly-owned by Million Way which was in turn wholly-owned by STC International, being the trustee of the AY Trust. Ms. Daisy Yeung, by virtue of being one of the eligible beneficiaries of the AY Trust, had deemed interests in these shares and the entire share capital of Allmighty.

3. New Media Group is a company with its shares listed in Hong Kong. These shares of New Media Group were held by Velba Limited ("Velba") (renamed as New Media Group Investment Limited) being the controlling shareholder of New Media Group. Velba was wholly-owned by Million Way which was in turn wholly-owned by STC International, being the trustee of the AY Trust. Ms. Daisy Yeung, by virtue of being one of the eligible beneficiaries of the AY Trust, had deemed interests in these shares and the entire share capital of Velba.

Save as disclosed above, as at 31 March 2012, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SHARE OPTIONS

The Company adopted a share option scheme (“Share Option Scheme”) at the annual general meeting held on 20 September 2007 to provide incentive or rewards to participants including the Directors and eligible employees of the Group.

Under the Share Option Scheme, the Directors are authorized, at any time within ten years after 27 September 2007, the date where the Share Option Scheme become effective, to grant options to any participant to subscribe for shares in the Company at a price not less than the highest of (i) the closing price of the Company’s shares on the date of grant; (ii) the average closing prices of the Company’s shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company’s share. A nominal consideration of HK\$1 is payable on acceptance of the grant of options.

Details of movements in the number of share options are set out below:

Name of grantee	Date of grant	Exercisable period	Exercise price	No. of share options outstanding as at 1 October 2011	No. of share options outstanding as at 31 March 2012
Ms. Daisy Yeung	28 January 2008	28 January 2008 – 27 January 2013	HK\$0.9879 (adjusted)	3,644,100 (adjusted)	3,644,100

During the Period, no options was granted, lapsed, exercised or cancelled under the Share Option Scheme.

OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 March 2012, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have, an interest or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Long Positions in the Shares of the Company

Name of shareholders	Capacity/ Nature of interests	Number of issued Shares held	Approximate percentage holding
Win Move	Beneficial owner	1,576,668,907	60.70%
Million Way	Interest in a controlled corporation	1,576,668,907	60.70%
STC International	Trustee	1,576,668,907	60.70%
Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung")	Founder of a discretionary trust	1,576,668,907	60.70%
Ms. Luk Siu Man, Semon ("Ms. Semon Luk")	Interest of spouse	1,576,668,907	60.70%

Note: The entire issued share capital of Win Move was held by Million Way which was in turn wholly-owned by STC International. STC International and Dr. Albert Yeung were the trustee and founder of the AY Trust respectively. By virtue of the SFO, each of Million Way, STC International and Dr. Albert Yeung had deemed interests in the same shares held by Win Move. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk also had deemed interests in the said shares. The said shares were the same shares as those set out under Section (i) of "Directors' and Chief Executive's Interests and Short Positions in Securities" above.

Save as disclosed above, as at 31 March 2012, the Directors or chief executive were not aware of any persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company.

Code on Corporate Governance Practices

During the Period, the Company has complied with all code provisions of the Code on Corporate Governance Practices under Appendix 14 of the Listing Rules, except with the deviation from code provision A.2.1 which requires the roles of chairman and chief executive officer be separate and not be performed by the same individual. Currently, the Board has appointed Ms. Daisy Yeung as the Managing Director of the Company, who also assumes the responsibility to lead the Board and ensure the Board works effectively. The Board is of the opinion that the current structure functions effectively and does not intend to make any change thereof.

Model Code for Securities Transactions

The Company had adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transaction. Having made specific enquiry to the Directors, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Period.

Continuing disclosure pursuant to Rule 13.20 of the Listing Rules

As disclosed in the announcement made by the Company on 14 February 2012, Emperor Securities Limited ("Emperor Securities"), an indirect wholly-owned subsidiary of the Company, has been making advances under its ordinary course of business of margin financing to an independent entity (the "Entity") for the purpose of financing part of the consideration for the acquisition of the shares of a company listed on the Main Board of the Stock Exchange ("Target Company").

The Entity is an investment holding company and has pledged its shares of the Target Company, the securities under its margin account maintained with Emperor Securities, and all the issued shares of the Entity as collateral in favour of Emperor Securities.

The Entity has been a client of Emperor Securities for half a year prior to entering into the aforesaid loan arrangement and has been trading securities with its securities account maintained with Emperor Securities. The advances were approved based on the Group's own credit assessments made with reference to the Entity's financial strength, the background of the Entity's shareholder and director, trading pattern, and the collaterals provided.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The applicable interest rates were equivalent to those charged to other loans of similar nature and borrowers of similar financial standing at that time, which were approximately 2% to 4% per month.

As at 31 March 2012, the aggregate loan receivables (including principal and accrued interests) of Emperor Securities to the Entity is approximately HK\$192 million, representing approximately 10.7% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules. Such amount consists of approximately HK\$39 million by way of margin financing with no definite term of repayment and approximately HK\$153 million by way of fixed term loan which is repayable within one year from the date of first draw down of the facility.

Changes in Information of Directors

Pursuant to the requirements of Rule 13.51B(1) of the Listing Rules, the changes in Directors' information since the date of the 2010/2011 Annual Report or subsequent to the announcement dated 15 December 2011 regarding the appointment of Mr. Chan Shek Wah as Executive Director are set out below:

(a) Positions held in the board committees

Positions held in various board committees of the Company	Appointment Date	Cessation Date
Ms. Daisy Yeung		
■ Remuneration Committee – chairperson ^{note 1}	–	28 March 2012
■ Nomination Committee ^{note 2} – member	28 March 2012	–
Ms. Choi Suk Hing, Louisa		
■ Corporate Governance Committee ^{note 3} – chairperson	28 March 2012	–
Mr. Kwok Chi Sun, Vincent		
■ Corporate Governance Committee ^{note 3} – member	28 March 2012	–
Mr. Cheng Wing Keung, Raymond		
■ Nomination Committee – chairman	28 March 2012	–
■ Corporate Governance Committee ^{note 3} – member	28 March 2012	–
■ Remuneration Committee – member	–	28 March 2012
Mr. Chu Kar Wing		
■ Remuneration Committee – chairman	28 March 2012	–
■ Nomination Committee ^{note 2} – member	28 March 2012	–

Notes:

1. Ms. Daisy Yeung remains as a member of the Remuneration Committee of the Company.
2. The Nomination Committee was established on 28 March 2012.
3. The Corporate Governance Committee was established on 28 March 2012.

The updated list of Directors and their role and function as well as the terms of reference of the various Committees are available on the website of the Company.

(b) Directors' Emoluments

The Remuneration Committee has reviewed and revised the remuneration of the Executive Directors with effect from 1 January 2012 based on the performance, experience, ability and responsibility of the individuals and with reference to the market rates. The total emoluments of the Executive Directors of the Company, namely Ms. Daisy Yeung, Mr. Chan Shek Wah, Ms. Choi Suk Hing, Louisa and Ms. Pearl Chan for the Period were HK\$1,862,400, HK\$2,445,508, HK\$1,556,580 and HK\$1,267,709 respectively. These amounts comprise basic salary and director's fee accrued in respect of his/her service during the Period as well as performance related incentive payment (related to previous year's performance), retirement benefit scheme contributions and housing allowance paid during the Period.

In January 2012, the Remuneration Committee has also reviewed the director's fee of executive directors and non-executive directors. With effect from 1 April 2012, the fees have been adjusted to HK\$150,000 per annum for each Executive Director as determined by the Remuneration Committee and HK\$180,000 per annum for each Independent Non-Executive Director (namely Mr. Kwok Chi Sun, Vincent, Mr. Cheng Wing Keung, Raymond and Mr. Chu Kar Wing) as determined by the Board. The fees were determined with reference to the market rates and the duties and responsibility of the Directors.

(c) Directorships held in other public companies the securities of which are listed on the Stock Exchange

Directorships held in other listed companies	Cessation Date
Mr. Chan Shek Wah ■ Future Bright Holdings Limited – Independent Non-executive Director	7 May 2012
Mr. Cheng Wing Keung, Raymond ■ China Investment Fund Company Limited – Independent Non-executive Director	23 March 2012

Review of Interim Report

The condensed consolidated financial statements as set out in this interim report had not been audited nor reviewed by the Company's auditor, Deloitte Touche Tohmatsu, but this report had been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company, namely Mr. Kwok Chi Sun, Vincent, Mr. Cheng Wing Keung, Raymond and Mr. Chu Kar Wing.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

By order of the Board
Emperor Capital Group Limited
Daisy Yeung
Managing Director

Hong Kong, 23 May 2012

As at the date of this report, the Board comprised:

Executive Directors:

Ms. Daisy Yeung

Mr. Chan Shek Wah

Ms. Choi Suk Hing, Louisa

Ms. Pearl Chan

Independent Non-executive Directors:

Mr. Kwok Chi Sun, Vincent

Mr. Cheng Wing Keung, Raymond

Mr. Chu Kar Wing

This Interim Report (in both English and Chinese versions) is available to any shareholder in printed form and/or on the Company's website (<http://www.emperorcapiatal.com>). In order to protect the environment, the Company highly recommends shareholders to elect to receive electronic copy of this Report. Upon written request, a free printed version of this Report will be sent to shareholders who have elected to receive electronic copies but for any reason have difficulty in receiving or gaining access to this Report through the Company's website. Shareholders may have the right to change their choice of receipt of all future Corporate Communications at any time by reasonable notice in writing to the Company or the Company's Hong Kong Branch share registrar, Tricor Secretaries Limited, by post at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong or by email at is-enquiries@hk.tricorglobal.com.