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英皇證券集團有限公司*

Emperor Capital Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 717)

CONTINUING CONNECTED TRANSACTIONS

REVISION OF ANNUAL CAPS FOR THE LEE FINANCIAL SERVICES AGREEMENT AND THE EIHL FINANCIAL SERVICES AGREEMENT AND PROPOSED REVISION OF THE YEUNG FINANCIAL SERVICES AGREEMENT

The Company was granted by the Stock Exchange on 30 March 2007, a waiver from strict compliance with the announcement and/ or independent shareholders' approval requirements pursuant to Rule 14A.42(3) of the Listing Rules in respect of the continuing connected transactions under the Yeung Financial Services Agreement, the Lee Financial Services Agreement and the EIHL Financial Services Agreement.

It comes to the attention of the Directors that as at the date of this announcement, some of the annual caps for the transactions under the Lee Financial Services Agreement and the Yeung Financial Services Agreement have been exceeded and therefore the Company makes this announcement pursuant to Rule 14A.36 of the Listing Rules.

The Company has on 4 March 2008 entered into agreements with the relevant parties to extend and revise the terms of the Yeung Financial Services Agreement and the EIHL Financial Services Agreement. The Company makes this announcement to propose to the Independent Shareholders the Yeung Proposed Annual Caps for their consideration and approval at the SGM.

The Yeung Family, the Lee Family and the Emperor Group are connected persons of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Revised Financial Services Agreements and the Lee Financial Services Agreement constitute continuing connected transactions of the Company. The applicable percentage ratios calculated with reference to the Lee Revised Annual Caps are less than 2.5% and the applicable percentage ratios calculated with reference to the EIHL Revised Annual Caps are more than 2.5% but less than 25%, and the

consideration is less than HK\$10,000,000. Accordingly, the transactions under the Lee Financial Services Agreement and the Revised EIHL Financial Services Agreement are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempted from the independent shareholders' approval requirements. The applicable percentage ratios calculated with reference to the Yeung Proposed Annual Caps exceed 2.5%, and the consideration exceeds HK\$10 million. Accordingly, the Revised Yeung Financial Services Agreement and the Yeung Proposed Annual Caps are subject to reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

A circular containing, amongst others, the details of the Revised Yeung Financial Services Agreement and the Yeung Proposed Annual Caps, a letter of advice from the independent financial adviser, a letter of recommendation from the Independent Board Committee, together with a notice convening the SGM will be dispatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

BACKGROUND

Reference is made to the prospectus of the Company dated 11 April 2007 where amongst others, the Stock Exchange has granted the Company on 30 March 2007 a waiver from strict compliance with the announcement and / or independent shareholders' approval requirements pursuant to Rule 14A.42(3) of the Listing Rules in respect of the continuing connected transactions under the Financial Services Agreements. The Company has obtained annual caps for each of the Financial Services Agreements.

Pursuant to the Lee Financial Services Agreement, the Group has agreed to (i) provide financial services including brokerage services for securities, futures and options trading; and (ii) provide margin loan to the Lee Family from time to time on normal commercial terms and at rates no more favorable than those available to other Independent Third Parties for a three-year term commencing from 1 April 2006 up to 31 March 2009.

Pursuant to the Yeung Financial Services Agreement, the Group has agreed to (i) provide financial services including brokerage service for securities, futures and options trading; (ii) provide margin loan to the Yeung Family; and (iii) pay commission and fee to the Yeung Family for their acting as placees for the securities underwritten or placed by the Group on normal commercial terms and at rates no more favourable than those available to the other Independent Third Parties for a three-year term commencing from 1 April 2006 up to 31 March 2009.

Pursuant to the EIHL Financial Services Agreement, the Group has agreed to (i) provide financial services including brokerage services for securities, futures and options trading; (ii) act as placing agent, underwriter or sub-underwriter for the listed members of the Emperor Group and (iii) provide margin loan to the Emperor Group from time to time on normal commercial terms and at rates no more favorable than those available to other Independent Third Parties for a three-year term commencing from 1 April 2006 up to 31 March 2009.

It comes to the attention of the Directors that as at the date of this announcement, some of the Previous Annual Caps for the transactions under the Yeung Financial Services Agreement and the Lee Financial Services Agreement have been exceeded and therefore the Company makes this announcement pursuant to Rule 14A.36 of the Listing Rules.

For the reasons stated in the paragraph headed “Reasons for the Revised Financial Services Agreements and the revision of the Previous Annual Caps”, the Company entered into the Revised Financial Services Agreements on 4 March 2008 with each of EIHL and Ms. Daisy Yeung to (i) extend the expiry date of their respective agreements from 31 March 2009 to 31 March 2010, and (ii) include the service of providing loan for IPO applications. The Company also revises the Previous Annual Caps under the Lee Financial Services Agreement.

REVISION OF ANNUAL CAPS IN RELATION TO THE LEE FINANCIAL SERVICES AGREEMENT

Previous Annual Caps

Set out below are the Previous Annual Caps obtained for the Lee Financial Services Agreement:

	For the year ending 31 March	
	Previous Annual Caps	
	2008	2009
	<i>HK\$</i>	<i>HK\$</i>
(i) Commission and brokerage on securities, futures and options trading and interest income from margin financings from the Lee Family	710,000	710,000
(ii) Maximum margin loan amount to the Lee Family	4,800,000	4,800,000
Total	<u>5,510,000</u>	<u>5,510,000</u>

Historical transactions amounts

Set out below are the historical transaction amounts between the Lee Family and the Group for the three financial years ended 31 March 2007 and the six months ended 30 September 2007:

	For the year ended 31 March			For the six months ended
	2005	2006	2007	30 September 2007
	HK\$	HK\$	HK\$	HK\$
(i) Commission on dealing in securities, futures and options trading and interest income from margin financing from the Lee Family (% to the Group's total turnover from the same activities)	15,100 (0.03%)	58,400 (0.08%)	271,300 (0.26%)	114,200 (0.15%)
(ii) Maximum margin loan amount to the Lee Family	365,200	809,300	2,882,100	4,674,300

Lee Revised Annual Caps

For the period from 1 April 2007 to 31 January 2008, the amount of commission and interests income received under the Lee Financial Services Agreement up to 31 January 2008 has reached approximately HK\$0.94 million, and that the maximum margin loan amount to the Lee Family has reached approximately HK\$5.9 million. As such, the Previous Annual Caps under the Lee Financial Services Agreement have been exceeded.

Mr. Lee Wai Shing has resigned as a director of a subsidiary of the Group on 12 October 2007, and under the definition of connected persons in the Listing Rules, Mr. Lee will remain as a connected person for 12 months following his resignation. While preparing the information for the revision of the Previous Annual Caps for inclusion in this announcement, it has come to the attention of the Directors that the Previous Annual Caps under the Lee Financial Services Agreement have already been exceeded in around November 2007. The Directors investigated into the matter and discovered that monitoring on Lee Family's transactions was not continued once Mr. Lee left the Group in October 2007.

As the Previous Annual Caps under the Lee Financial Services Agreement have been exceeded and that Mr. Lee has indicated that he will continue to engage the Group financial services, the Company announces to revise the Previous Annual Caps as below:

	Lee Revised Annual Caps	
	For the year ending	
	31 March	
	2008	2009
	<i>HK\$</i>	<i>HK\$</i>
(i) Commission and brokerage on dealing in securities, futures and options trading and interest income from margin and IPO financing from the Lee Family	1,200,000	1,500,000
(ii) Maximum margin loan amount to the Lee Family	<u>6,200,000</u>	<u>6,500,000</u>
Total	<u><u>7,400,000</u></u>	<u><u>8,000,000</u></u>

In determining the Lee Revised Annual Caps for the transactions contemplated under the Lee Financial Services Agreement, the following principal factors have been taken into consideration:

- (i) Commission and interest income from the Lee Family
 - the annualized amount of commission and brokerage income and interest income from Lee Family for the year ending 31 March 2008 based on the amount accumulated during the period from 1 April 2007 up to 31 January 2008;
 - the increasing trading activities of the Lee Family during the past years;
 - the growth rate of the Group’s commission and brokerage income from dealings in securities, futures and options and interest income from margin and IPO financings for the year ended 31 March 2007 as compare to that of the year ended 31 March 2006; and
 - the percentage of the commission and brokerage income and interest income from the Lee Family to the Group’s revenue from the same activities for the period from 1 April 2007 up to 31 January 2008.

- (ii) Maximum margin loan amount to the Lee Family
- the maximum amount of margin loan advanced to the Lee Family for the six months period from 1 April 2007 to 30 September 2007 and during the period from 1 April 2008 to 31 January 2008; and
 - the Group's interests income from margin and IPO loans for the six months ended 30 September 2007 and the growth rate of the same as compare to previous year.

The Directors including the independent non-executive Directors consider that the Lee Revised Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

REVISION OF PREVIOUS ANNUAL CAPS IN RELATION TO THE REVISED EIHL FINANCIAL SERVICES AGREEMENT

Previous Annual Caps

Set out below are the Previous Annual Caps obtained for the EIHL Financial Services Agreement:

	For the year ending 31 March	
	Previous Annual Caps	
	2008	2009
	<i>HK\$</i>	<i>HK\$</i>
(i) Commission and brokerage on securities, futures and options trading and interest income from margin financings from the Emperor Group	1,700,000	1,700,000
(ii) Maximum margin loan amount to the Emperor Group	1,600,000	1,600,000
Total	3,300,000	3,300,000

Historical transaction amounts

Set out below are the historical transaction amounts between the Emperor Group and the Group for the three financial years ended 31 March 2007 and the six months ended 30 September 2007:

	For the year ended 31 March			For the six months ended
	2005	2006	2007	30 September
	HK\$	HK\$	HK\$	HK\$
(i) Commission, brokerage and interest income to be received from the Emperor Group	2,692,900	791,600	117,000	nil
(% to the Group's total turnover from the same activities)	(5.35%)	(1.06%)	(0.11%)	(nil)
(ii) Maximum margin loan amount to the Emperor Group	3,380,400	1,576,800	108,700	nil
(iii) Maximum IPO loan amount to the Emperor Group	2,495,000	1,881,900	nil	nil

For the period from 1 April 2007 to 31 January 2008, the commission, brokerage and interest income received under the EIHL Financial Services Agreement up to early February 2008 was approximately HK\$1.64 million and it is within the Previous Annual Caps obtained under the EIHL Financial Services Agreement. No margin loan has been advanced to the Emperor Group during the same period. Though the amount falls within the Previous Annual Caps obtained under the EIHL Financial Services Agreement for the year ending 31 March 2008, the Company would like to obtain new annual caps for the three years ending 31 March 2010 to provide flexibility and buffer to the expansion of the Group's business.

EIHL Revised Annual Caps

The Company enters into the Revised EIHL Financial Services Agreement to (i) revise the term of the agreement for a 3 year term commencing from 1 April 2007 up to 31 March 2010, and (ii) include the provision of IPO financing to the Emperor Group.

The Directors revise the annual caps for the Revised EIHL Financial Services Agreement as follows:

	EIHL Revised Annual Caps		
	For the year ending 31 March		
	2008	2009	2010
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
(i) Commission, brokerage and interest income from the Emperor Group	4,100,000	4,100,000	4,100,000
(ii) Maximum margin loan amount to the Emperor Group	1,600,000	1,600,000	1,600,000
(iii) Maximum IPO loan amount to the Emperor Group	2,500,000	2,500,000	2,500,000
Total	8,200,000	8,200,000	8,200,000

In determining the EIHL Revised Annual Caps for the transactions contemplated under the Revised EIHL Financial Services Agreement, the following principal factors have been taken into consideration:

- (i) Commission and interest income from the Emperor Group
 - the amount of commission income for placing, underwriting and sub-underwriting services provided to the Emperor Group is expected to increase as it is anticipated that there will be an increase in number of fund raising exercise to be carried out by the listed members of the Emperor Group and there will be increase in the amount of fund raised in light of the recent market sentiments;
 - there are five listed companies under the Emperor Group; and
 - the expected interest income from IPO loans with reference to the expected amount of IPO loans to be advanced to the Emperor Group for each of the three years ending 31 March 2010.
- (ii) Maximum margin loans amounts to the Emperor Group
 - the Previous Annual Caps obtained under the EIHL Financial Services Agreement for each of the two years ending 31 March 2009 will remain applicable, and it is expected that the same amount will be sufficient for the year ending 31 March 2010 as the trading activities of the Emperor Group have been stable throughout the years.

(iii) IPO financing to the Emperor Group

- the highest amount of the IPO loans advanced to the Emperor Group during the three years ended 31 March 2007.

The Directors including the independent non-executive Directors consider that the terms of the Revised EIHL Financial Services Agreement and the EIHL Revised Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

PROPOSED REVISION OF ANNUAL CAPS IN RELATION TO THE REVISED YEUNG FINANCIAL SERVICES AGREEMENT

Previous Annual Caps

Set out below are the Previous Annual Caps obtained for the Yeung Financial Services Agreement:

	For the year ending 31 March	
	Previous Annual Caps	
	2008	2009
	<i>HK\$</i>	<i>HK\$</i>
(i) Commission and brokerage on securities, futures and options trading and interest income from margin financings from the Yeung Family	2,900,000	3,100,000
(ii) Maximum margin loan amount to the Yeung Family	31,000,000	31,000,000
(iii) Commission and fee payment to the Yeung Family	24,000	27,000
Total	<u>33,924,000</u>	<u>34,127,000</u>

Historical transaction amounts

Set out below are the historical transaction amounts between the Yeung Family and the Group for the three financial years ended 31 March 2007 and the six months ended 30 September 2007:

	For the year ended 31 March			For the six months ended
	2005	2006	2007	30 September 2007
	HK\$	HK\$	HK\$	HK\$
(i) Commission for dealing in securities, futures and options trading and interest income from margin financing from the Yeung Family (% to the Group's turnover from the same activities)	1,864,800 (4.31%)	1,780,300 (2.57%)	1,631,900 (1.54%)	1,351,700 (1.82%)
(ii) Maximum margin loan amount to the Yeung Family	15,468,800	16,606,600	28,436,800	13,313,300
(iii) Maximum IPO loan amount to the Yeung Family	2,008,500	26,934,300	590,094,000	6,604,500
(iv) Commission and fee payment to the Yeung Family (% to the Group total commission expenses for placing and underwriting)	nil (nil)	39,250 (0.94%)	nil (nil)	122,000 (1.98%)

Yeung Proposed Annual Caps

It has come to the attention of the Directors in mid January 2008 that for the period from 1 April 2007 to 31 January 2008 that the aggregate value of such continuing connected transactions are likely to exceed the Previous Annual Caps for the year ending 31 March 2008. The Directors then closely monitored the daily trading activities of the Yeung Family and by late February 2008, the Directors were notified that the aggregate value of the commission income from dealing in securities, futures and options contracts and the interest income from margin financing received from the Yeung Family reached approximately HK\$2.90 million. While preparing information for the revision of the Previous Annual Caps, it was discovered that by late July 2007, a total of HK\$122,000 was paid by the Group to the Yeung Family being commission payment for acting as placee of the securities underwritten by the Group. As a result, the amounts of commission and interest income from the Yeung Family and the commission paid to the Yeung Family, exceeded the relevant Previous Annual Caps for the year ending 31 March 2008. Nevertheless, the maximum margin loan amount to the Yeung Family as at the date of this announcement is still within the relevant Previous Annual Cap for the year ending 31 March 2008.

The securities, futures and options trading and placing activities under the Yeung Financial Services Agreement increased and exceeded the Previous Annual Caps as a result of improving economy and market sentiment of securities trading in Hong Kong.

The Company enters into the Revised Yeung Financial Services Agreement to (i) revise the term of the agreement for a 3 year term commencing from 1 April 2007 up to 31 March 2010, and (ii) include the provision of IPO financing to the Yeung Family.

As the Previous Annual Caps under the Yeung Financial Services Agreement have been exceeded, the Company announces to revise the annual caps under the Revised Yeung Financial Services Agreement as below:

	Yeung Proposed Annual Caps		
	For the year ending 31 March		
	2008	2009	2010
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
(i) Commission and brokerage on dealing in securities, futures and options trading and interest income from margin and IPO financing from the Yeung Family	5,000,000	7,200,000	10,500,000
(ii) Maximum margin loan amount to the Yeung Family	32,600,000	34,200,000	35,900,000
(iii) Maximum IPO loan amount to the Yeung Family	209,200,000	209,200,000	209,200,000
(iv) Commission and fee payment to the Yeung Family	180,000	210,000	220,000
Total	<u><u>246,980,000</u></u>	<u><u>250,810,000</u></u>	<u><u>255,820,000</u></u>

In determining the Yeung Proposed Annual Caps for the transactions contemplated under the Revised Yeung Financial Services Agreement, the following principal factors have been taken into consideration:

- (i) Commission and interest income from the Yeung Family
 - the growth rate of the Group’s commission and brokerage income from dealings in securities, futures and options and interest income from margin and IPO financings for the year ended 31 March 2007 as compare to that of the year ended 31 March 2006;
 - the percentage of the commission and brokerage income and interest income from the Yeung Family to the Group’s revenue from the same activities for each of the three years ended 31 March 2007; and

- the expected interest income from IPO financing to be advanced to the Yeung Family for the three years ending 31 March 2010.
- (ii) Maximum margin loan amounts to the Yeung Family
- the Group's interests income from margin and IPO loans for the six months ended 30 September 2007 and the growth rate of the same as compare to previous year; and
 - the highest amount of margin loans advanced to the Yeung Family for the three years ended 31 March 2007.
- (iii) Commission and fee payment payable to the Yeung Family
- the amount of commission and fee paid to the Yeung Family by the Group for them acting as placees of the securities underwritten by the Group during the period from 1 April 2007 to 31 January 2008,
 - the increasing Group's placing and underwriting expenses with reference to the amount for the six months ended 30 September 2007;
 - the increasing opportunities for the Group being the placing agent, underwriter or sub-underwriter for securities in view of the recent market sentiment; and
 - the increasing placing opportunities which the Yeung Family will be interested to participate.
- (iv) IPO financing to the Yeung Family
- the average of the historical maximum amount of IPO loan advanced to the Yeung Family for the three years ended 31 March 2007.

The Directors including the independent non-executive Directors consider that the terms of the Revised Yeung Financial Services Agreement and the Yeung Proposed Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

REASONS FOR THE REVISED FINANCIAL SERVICES AGREEMENTS AND THE REVISION OF THE PREVIOUS ANNUAL CAPS

The Company is an investment company and its subsidiaries are principally engaging in the provision of financial services in Hong Kong, including brokerage services for securities, futures and options, and providing margin and IPO financings as well as loans and advances to its clients.

Set out below is (i) the Group's revenue in relation to the commission and brokerage on dealing in securities, futures and options contracts and from placing and underwriting together with interest income from margin and IPO financing; (ii) the Group's expenses in relation to the commission and fee payment for placing and underwriting and (iii) the Group's maximum margin loan and IPO amount for the two years ended 31 March 2007 and the six months ended 30 September 2007:

	For the year ended 31 March 2006 (audited) (HK\$'000)	For the year ended 31 March 2007 (audited) (HK\$'000)	For the six months ended 30 September 2007 (unaudited) (HK\$'000)
(i) the Group's revenue in relation to the commission and brokerage on dealing in securities, futures and options contracts and from placing and underwriting, together with interest income from margin loan including IPO financing	74,496	110,479	76,435
(ii) the Group's expenses in relation to the commission and fee payment from placing and underwriting	4,187	3,009	6,148
	As at 31 March 2006 (audited)	As at 31 March 2007 (audited)	As at 30 September 2007 (unaudited)
(iii) the Group's margin and IPO loan amount	89,994	114,792	2,237,754

The growth in revenue and profit for the Group for the year ended 31 March 2007 and for the six months ended 30 September 2007 is satisfactory. The Hong Kong stock market had shown continuous improvement in 2007, backed by booming economy of China and favourable policy initiatives introduced by the Chinese government. As stated in the Company's interim report dated 27 December 2007, for the six months ended 30 September 2007, the Group recorded a turnover of approximately HK\$80.9 million, an increase of 33.7% from HK\$60.5 million in the previous year. Looking at the commission and fee payment amount and the loan amount as shown in the table above, the placing and underwriting, as well as the margin and IPO loan activities of the Group have increased substantially in the first half of year 2007.

The Directors consider that under the present heated economy and securities market, together with the dedication of the Group in expanding its business, the Directors consider that the Previous Annual Caps will limit the potential growth of the Group. After the listing of the Company in April 2007, the Yeung Family, the Lee Family and the Emperor Group have been restricting their trading activities and limiting their engagement with the services of the Group, or even engaged third party securities house for their trading activities so as to ensure the transacted amounts under the Financial Services Agreements fall within the parameters set out by the Previous Annual Caps. The Directors consider that business from connected parties which are on normal commercial terms and with well monitored internal control measures can benefit to the growth of the Group. The revision of the annual caps under the Lee Financial Services Agreement and the Revised EIHL Financial Services Agreement and the Yeung Proposed Annual Caps are set at higher amounts than the existing trading pattern of the Yeung Family, the Lee Family and the Emperor Group, so as to allow more flexibility and business opportunities for the Group.

The Financial Services Agreements have not covered IPO financing and no annual cap has been obtained for each of the three years ending 31 March 2009. IPO and fund raising exercise in the Hong Kong stock market were very active in 2007. Retail clients of the Group have obtained IPO financing from the Group and as at 30 September 2007, the amount of IPO loan advanced to the clients of the Group amounted to approximately HK\$2.1 billion. The Company considers that the performance of the Group can be benefited by the IPO surge in Hong Kong and therefore, the Directors would like to apply for a separate cap for IPO financing so as to increase the business opportunity for the Group.

CONTINUING CONNECTED TRANSACTIONS

Ms. Daisy Yeung is a managing Director and Mr. Lee Wai Shing is a former director of a subsidiary of the Group within the past 12 months. According to Chapter 14A of the Listing Rules, the members of the Yeung Family and the Lee Family are defined as associates of Ms. Daisy Yeung and Mr. Lee Wai Shing respectively. As such, Ms. Daisy Yeung, Mr. Lee Wai Shing and their respective associates are connected persons of the Company.

The Company is owned as to approximately 45.09% indirectly by the Albert Yeung Discretionary Trust, a discretionary trust of which Dr. Yeung Sau Shing, Albert is a founder. Dr. Yeung is a member of the Yeung Family and he is deemed to be a controlling shareholder of the Company. Dr. Yeung is also deemed as a controlling shareholder of EIHL. As such, the Emperor Group is defined as connected person under 14A of the Listing Rules. EIHL is an investment holding company and its subsidiaries are principally engaged in property investment and development as well as hotel operation.

The Previous Annual Caps for the commission and interest income and the maximum margin loan amount under the Lee Financial Services Agreement and the Previous Annual Caps for the commission and interest income and the commission and fee payment under the Yeung Financial Services Agreement have been exceeded and announcement and/ or independent shareholders' approval to revise the relevant Previous Annual Caps should have been made at that time, and as such, the Company constitutes a breach of Rule 14A.36 of the Listing Rules.

In monitoring the Previous Annual Caps, the Company has adopted internal guidelines and the Directors had monitored the continuing connected transactions contemplated under the Financial Services Agreements from time to time. Monthly review of the aggregate values of such continuing connected transactions had been generated and the management would be informed once any of such continuing connected transactions were likely to exceed. In view of the incident regarding the Lee Financial Services Agreement and the Yeung Financial Services Agreement, the Directors consider that the Company needs to strengthen the reporting system, provide more training for staff on connected transactions and enhance communication among responsible departments and management. These practices will be closely followed in the future to monitor the Lee Revised Annual Caps, the Yeung Proposed Annual Caps and the EIHL Revised Annual Caps in order to ensure strict compliance with the Listing Rules. Announcements and/ or independent shareholders' approval will be made in compliance with the Listing Rules if the Lee Revised Annual Caps, the Yeung Proposed Annual Caps and the EIHL Revised Annual Caps are exceeded or that the terms of the Lee Financial Services Agreement or the Revised Financial Services Agreements are varied.

GENERAL

The applicable percentage ratios calculated with reference to the Lee Revised Annual Caps are less than 2.5% and the EIHL Revised Annual Caps are more than 2.5% but less than 25%, and the consideration is less than HK\$10,000,000. Accordingly, the transactions under the Lee Financial Services Agreement and the Revised EIHL Financial Services Agreement are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempted from the independent shareholders' approval requirements. The applicable percentage ratios calculated with reference to the Yeung Proposed Annual Caps exceed 2.5%, and the consideration exceeds HK\$10 million. Accordingly, the Revised Yeung Financial Services Agreement and the Yeung Proposed Annual Caps are subject to reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

A circular containing, amongst others, the details of the Revised Yeung Financial Services Agreement and the Yeung Proposed Annual Caps, a letter of advice from the independent financial adviser, a letter of recommendation from the Independent Board Committee, together with a notice convening the SGM will be dispatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“associate”	has the meaning ascribed thereto under the Listing Rules
“Company”	Emperor Capital Group Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EIHL”	Emperor International Holdings Limited, an exempted company incorporated in Bermuda, the shares of which are listed on the Stock Exchange under stock code 163
“EIHL Financial Services Agreement”	an agreement dated 2 April 2007 entered into between the Company and EIHL in relation to the financial services to be provided by the Group to the Emperor Group
“EIHL Revised Annual Caps”	the revised annual caps for the transactions contemplated under the Revised EIHL Financial Services Agreement for the three years ending 31 March 2010
“Emperor Group”	EIHL, its subsidiaries and associates
“Financial Services Agreements”	the Yeung Financial Services Agreement, the Lee Financial Services Agreement and EIHL Financial Services Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People Republic of China
“Independent Board Committee”	the independent board committee comprising the independent non-executive Directors to advise the Independent Shareholders on the Revised Yeung Financial Services Agreement and the Yeung Proposed Annual Caps

“Independent Shareholders”	Shareholders other than Ms. Daisy Yeung and her associates
“Independent Third Parties”	independent third parties who are not connected persons of the Company as defined in the Listing Rules and are independent of the Company and the connected persons of the Company
“IPO”	initial public offering
“Lee Family”	Mr. Lee Wai Shing, a former director of a subsidiary of the Company, and his associates
“Lee Financial Services Agreement”	an agreement dated 2 April 2007 entered into between the Company and Mr. Lee Wai Shing in relation to the financial services to be provided by the Group to the Lee Family
“Lee Revised Annual Caps”	the revised annual caps for the transactions contemplated under the Lee Financial Services Agreement for the two years ending 31 March 2009
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange
“Previous Annual Caps”	the previously obtained annual caps of the transactions contemplated under each and any of the Financial Services Agreements for the three years ending 31 March 2009
“Revised EIHL Financial Services Agreement”	the agreement dated 4 March 2008 entered into between the Company and EIHL to extend and revise the terms of the EIHL Financial Services Agreement
“Revised Financial Services Agreements”	the Revised Yeung Financial Services Agreement and the Revised EIHL Financial Services Agreement
“Revised Yeung Financial Services Agreement”	the agreement dated 4 March 2008 entered into between the Company and Ms. Daisy Yeung to extend and revise the terms of the Yeung Financial Services Agreement

“SGM”	the special general meeting of the Company to be convened to consider and approve, if thought fit, the Revised Yeung Financial Services Agreement and the Yeung Proposed Annual Caps
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yeung Family”	Ms. Daisy Yeung, the managing Director and her associates
“Yeung Financial Services Agreement”	an agreement dated 2 April 2007 entered into between the Company and Ms. Daisy Yeung in relation to the financial services to be provided by the Group to the Yeung Family
“Yeung Proposed Annual Caps”	the annual caps for the transactions contemplated under the Revised Yeung Financial Services Agreement for each of the three years ending 31 March 2010 that to be proposed at the SGM
“HK\$”	Hong Kong dollars

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

Hong Kong, 6 March 2008

As at the date hereof, the board of Directors comprised Ms. Daisy Yeung (Managing Director); Mr. Chan Pak Lam, Tom and Mr. Yeung Kun Lee, Sunny (executive Directors); Mr. Fung Chi Kin, Mr. Kwok Chi Sun, Vincent and Mr. Cheng Wing Keung, Raymond (independent non-executive Directors).