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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**

The board of directors of the Company announces that:

- (i) Emperor Securities entered into the First Tenancy Agreement dated 23 April 2008 with Very Sound; and
- (ii) Emperor Securities entered into the Second Tenancy Agreement dated 23 April 2008 with Emperor Bullion.

Emperor Securities is a wholly-owned subsidiary of the Company. Very Sound is a wholly-owned subsidiary of Emperor International. Both the Company and Emperor International are companies indirectly owned as to 45.09% and 55.69% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of the Company. As such, Very Sound is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the First Tenancy Agreement constitutes a continuing connected transaction for the Company.

Emperor Bullion is indirectly wholly-owned by The Yeung Family Discretionary Trust, the settlor of which is Mr. Michael Yeung. Mr. Michael Yeung is the uncle of Ms. Daisy Yeung, the Managing Director of the Company, and the brother of Dr. Albert Yeung. As such, Emperor Bullion is a connected person for the Company under Chapter 14A of the Listing Rules. Accordingly, the Second Tenancy Agreement constitutes a continuing connected transaction for the Company.

Based on the calculations of the applicable percentage ratios (as defined in the Listing Rules), the Tenancy Agreements and the Previous Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) will be subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and exempt from the approval of independent shareholders in accordance with Rule 14A.34 of the Listing Rules.

## **FIRST TENANCY AGREEMENT DATED 23 APRIL 2008**

Landlord: Very Sound

Tenant: Emperor Securities

First Property: Basement 11-20, G10 and G11A on the Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 7,517 sq.ft.

Term: three years commencing from 1 April 2008 to 31 March 2011 (both days inclusive)

Rent: HK\$181,200 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance

Rent free period: two months from 1 April 2008 to 31 May 2008, one month from 1 April 2009 to 30 April 2009 and one month from 1 April 2010 to 30 April 2010

Deposit: HK\$644,359.57 which is equivalent to three months' rent, rates, management fee and any outgoings

## **SECOND TENANCY AGREEMENT DATED 23 APRIL 2008**

Principal Tenant: Emperor Bullion

Sub-Tenant: Emperor Securities

Second Property: Portion of Shop 6, Ground Floor, 1st Floor and canopy adjacent thereto, 2nd Floor with reserved flat roof, one advertising wall of East Ocean Court, 525 Shanghai Street, Kowloon with lettable floor area of 3,398 sq.ft.

Term: three years commencing from 1 April 2008 to 30 March 2011 (both days inclusive)

Rent: 1st year : HK\$120,000 per month  
2nd year : HK\$127,750 per month  
3rd year : HK\$135,415 per month  
(all rents are exclusive of rates, management fees and all other outgoings, payable monthly in advance)

Rent free period: two months from 1 April 2008 to 31 May 2008 and two months from 1 February 2011 to 30 March 2011

Deposit: HK\$446,939.26 which is equivalent to three months' rent, rates, management fee and any outgoings

Special conditions: The Sub-Tenant has to observe certain terms and conditions as provided in the principal tenancy agreement in so far as not to affect the premises and not to adversely affect and prejudice the rights and interest of the principal tenancy and the Second Tenancy Agreement is subject to early termination provided twelve months' prior notice is given should the premises be sold by the landlord.

### **AGGREGATE ANNUAL CAPS OF THE TENANCY AGREEMENTS**

The Aggregate Annual Caps for Tenancy Agreements and the Previous Tenancy Agreement based on the total annual rental payable under the Tenancy Agreements and the Previous Tenancy Agreement for each of the years ending 31 March 2009, 2010 and 2011, will be as follows:-

	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
First Tenancy Agreement	1,812,000	1,993,200	1,993,200
Second Tenancy Agreement	1,200,000	1,533,000	1,354,150
Previous Tenancy Agreement	432,000	196,800	0
Aggregate Annual Caps	<u>3,444,000</u>	<u>3,723,000</u>	<u>3,347,350</u>

### **REASONS FOR THE TENANCY AGREEMENTS**

The Company is an investment holding company and its subsidiaries are principally engaged in providing a wide range of financial services including brokerage services for securities, futures and options, and providing margin and IPO financings as well as loans and advances to its clients. The Group also provides corporate finance advisory services. The premises under the Tenancy Agreements are all rented by Emperor Securities for carrying on its business.

The terms of Tenancy Agreements are arrived at after arm's length negotiation and are on normal commercial terms. The rentals of the Tenancy Agreements were determined by reference to the prevailing market rent of similar properties in the nearby locations. The directors (including the independent non-executive directors) of the Company consider that the Tenancy Agreements are on normal commercial terms, in the normal course of business, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **GENERAL**

Emperor Securities is a wholly-owned subsidiary of the Company and principally engaged in securities brokerage business. Very Sound is a wholly-owned subsidiary of Emperor International and principally engaged in property investment. Both the Company and Emperor International are companies indirectly owned as to 45.09% and 55.69% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of the Company. As such, Very Sound is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the First Tenancy Agreement constitutes a continuing connected transaction for the Company.

Emperor Bullion is indirectly wholly-owned by The Yeung Family Discretionary Trust, the settlor of which is Mr. Michael Yeung. The principal business activity of Emperor Bullion is the provision of bullion trading services. Mr. Michael Yeung is the uncle of Ms. Daisy Yeung, the Managing Director of the Company, and the brother of Dr. Albert Yeung. As such, Emperor Bullion is a connected person for the Company under Chapter 14A of the Listing Rules. Accordingly, the Second Tenancy Agreement constitutes a continuing connected transaction for the Company.

The Second Property is leased by eDaily Systems Limited (as landlord) to Emperor Bullion (as principal tenant) which in turn sub-lease the Second Property to Emperor Securities (as sub-tenant). Since eDaily Systems Limited and Very Sound, the landlord of the First Property, are both wholly-owned subsidiaries of Emperor International, the Second Tenancy Agreement is required to aggregate with the First Tenancy Agreement under Rule 14A.25 of the Listing Rules. Based on the calculations of the applicable percentage ratios (as defined in the Listing Rules), the Tenancy Agreements and the Previous Tenancy Agreement (which are aggregated under Rule 14A.25 of the Listing Rules) will be subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and exempt from the approval of independent shareholders in accordance with Rule 14A.34 of the Listing Rules.

## **TERMS USED IN THIS ANNOUNCEMENT**

“Aggregate Annual Caps”	the maximum amount of rental payable under the Tenancy Agreements and the Previous Tenancy Agreement, based on the total annual rental payable under the Tenancy Agreements and the Previous Tenancy Agreement for each of the years ending 31 March 2009, 2010, and 2011
“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Albert Yeung
“Company”	Emperor Capital Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Dr. Albert Yeung”	Dr. Yeung Sau Shing, Albert

“Emperor Bullion”	Emperor Bullion Investments (Asia) Limited, a company incorporated in Hong Kong and is indirectly wholly-owned by The Yeung Family Discretionary Trust
“Emperor International”	Emperor International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange with the stock code 00163
“Emperor Securities”	Emperor Securities Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“First Property”	Basement 11-20, G10 and G11A on the Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong
“First Tenancy Agreement”	the tenancy agreement dated 23 April 2008 entered into between Very Sound and Emperor Securities in relation to the tenancy of the First Property
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Michael Yeung”	Mr. Yeung Lik Shing, Michael
“Previous Tenancy Agreement”	the agreement dated 18 September 2007, entered into between Richorse Limited (a wholly-owned subsidiary of Emperor International) as landlord and Famous Winner Holdings Limited (a wholly-owned subsidiary of the Company) as tenant in respect of Office A, 2/F., Tak Fat Building, 50-52 Russell Street, Causeway Bay, Hong Kong for a term of two years from 15 September 2007 to 14 September 2009 at a rental of HK\$36,000 per month
“Second Property”	Portion of Shop 6 on Ground Floor, 1st Floor and canopy adjacent thereto, 2nd Floor with reserved flat roof, one Advertising Wall of East Ocean Court, 525 Shanghai Street, Kowloon
“Second Tenancy Agreement”	the tenancy agreement dated 23 April 2008 entered into between Emperor Bullion and Emperor Securities in relation to the tenancy of the Second Property

“sq.ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreements”	the First Tenancy Agreement and the Second Tenancy Agreement
“Very Sound”	Very Sound Investments Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Emperor International
“The Yeung Family Discretionary Trust”	a discretionary trust set up by Mr. Michael Yeung
“HK\$”	Hong Kong dollars

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

Hong Kong, 7 May 2008

*As at the date hereof, the board of directors of the Company comprises Ms. Daisy Yeung (Managing Director); Mr. Chan Pak Lam, Tom, Mr. Yeung Kun Lee, Sunny and Ms. Choi Suk Hing, Louisa (Executive Directors); Mr. Fung Chi Kin, Mr. Kwok Chi Sun, Vincent and Mr. Cheng Wing Keung, Raymond (Independent Non-executive Directors).*

*\* for identification purposes only*