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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)

**(1) LAPSE OF TOP-UP SUBSCRIPTION,
(2) CONNECTED TRANSACTION – SUPPLEMENTAL SUBSCRIPTION
OF 72,150,000 NEW SHARES
AND
(3) APPLICATION OF WHITEWASH WAIVER**

LAPSE OF TOP-UP SUBSCRIPTION

Reference is made to the announcement of the Company dated 7 August 2009 in relation to the Placing, Top-Up Subscription and the Subscription.

The Top-Up Subscription Agreement was not completed on its long stop date, i.e. 19 August 2009 as the Top-Up Waiver, being one of the conditions of the Top-Up Subscription Agreement, was not obtained before the long stop date and the Company decided not to extend the long stop date and proceed further with the application of Top-Up Waiver. Pursuant to the terms of the Top-Up Subscription Agreement, the agreement shall lapse and each of the parties thereto shall be released from the obligations and liabilities of the agreement.

CONNECTED TRANSACTION – SUPPLEMENTAL SUBSCRIPTION AGREEMENT

The Company entered into a Supplemental Subscription Agreement with Win Move on 19 August 2009 pursuant to which Win Move agreed to subscribe for and the Company agreed to issue and allot to Win Move 72,150,000 new Shares in addition to the 72,150,000 Subscription Shares to be allotted under the Subscription Agreement. As such, a total of 144,300,000 new Shares will be allotted to Win Move upon completion of the Subscription Agreement and the Supplemental Subscription Agreement. The Subscription Agreement and the Supplemental Subscription Agreement constitute connected transactions of the Company.

* for identification purposes only

WHITEWASH WAIVER

Win Move is beneficially interested in 253,172,302 Shares as at the date hereof, representing approximately 35.09% of the existing issued share capital of the Company. Upon completion of the Subscription Agreement and the Supplemental Subscription Agreement, Win Move will become beneficially interested in 397,472,302 Shares, representing approximately 45.91% of the issued share capital of the Company as enlarged by the Total Subscription. The subscription of the Total Subscription Shares will trigger an obligation on Win Move and the parties acting in concert with it to make a mandatory general offer for all the issued Shares not already owned or agreed to be subscribed by them.

An application will be made by Win Move and parties acting in concert with it to the Executive for the Whitewash Waiver pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in relation to the Total Subscription. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the SGM by way of poll.

If the Whitewash Waiver is not obtained, the Total Subscription will lapse and will not proceed. Shareholders and the potential investors of the Company should exercise caution when dealing in the Shares.

LAPSE OF TOP-UP SUBSCRIPTION AGREEMENT

Reference is made to the announcement of the Company dated 7 August 2009 in relation to the Placing, Top-Up Subscription and the Subscription.

As announced, Win Move and Emperor Securities Limited entered into a Placing Agreement on 5 August 2009, and on the same day, Win Move and the Company entered into the Top-Up Subscription Agreement and the Subscription Agreement. The Placing was completed on 12 August 2009 and 72,150,000 existing Shares beneficially owned by Win Move were placed to individual placees. However, the Top-Up Subscription Agreement was not completed on its long stop date, i.e. 19 August 2009 as the Top-Up Waiver, being one of the conditions of the Top-Up Subscription Agreement, was not obtained before the long stop date and the Company decided not to extend the long stop date and proceed further with the application of Top-Up Waiver.

Pursuant to the terms of the Top-Up Subscription Agreement, the agreement shall lapse and each of the parties thereto shall be released from the obligations and liabilities of the agreement.

Upon completion of the Placing but without completing the Top-Up Subscription, Win Move is now holding 253,172,302 Shares, representing approximately 35.09% of the issued share capital of the Company.

CONNECTED TRANSACTION – SUPPLEMENTAL SUBSCRIPTION AGREEMENT

As announced on 7 August 2009, the Company entered into the Subscription Agreement with Win Move on 5 August 2009 pursuant to which the Company agreed to allot and issue and Win Move agreed to subscribe for 72,150,000 new Shares at a price of HK\$0.42 per new Share.

The Company entered into the Supplemental Subscription Agreement with Win Move on 19 August 2009 pursuant to which Win Move agreed to subscribe for and the Company agreed to issue and allot to Win Move 72,150,000 new Shares in addition to the 72,150,000 Subscription Shares to be allotted under the Subscription Agreement. As such, a total of 144,300,000 new Shares will be allotted to Win Move upon completion of the Subscription Agreement and the Supplemental Subscription Agreement.

Parties to the Supplemental Subscription Agreement

Issuer : The Company

Subscriber : Win Move

Win Move currently holds 253,172,302 Shares which is approximately 35.09% of the issued share capital of the Company. Win Move is a substantial shareholder of the Company and therefore a connected person of the Company within the meaning of the Listing Rules.

Number of new Shares

Pursuant to the Supplemental Subscription Agreement, 72,150,000 new Shares will be issued and allotted to Win Move in addition to the 72,150,000 Subscription Shares. The Total Subscription Shares (i.e. 144,300,000 new Shares) represent approximately 20% of the existing issued share capital of the Company of 721,511,272 Shares and approximately 16.67% of the share capital of 865,811,272 Shares as enlarged by the Total Subscription.

Subscription Price

HK\$0.42 per Share, and it:

- a) equals to the subscription price of the Subscription Shares;
- b) is equivalent to the closing price of HK\$0.42 per Share as quoted on the Stock Exchange on 19 August 2009, being the last trading day before the publication of this announcement; and
- c) represents a discount of 2.55% to the average of the closing price of the Shares of HK\$0.431 per Share quoted on the Stock Exchange for the five trading days up to and including 19 August 2009.

The Company will bear all cost and expenses incurred in connection with the Total Subscription. The subscription price was arrived at after arm's length negotiation between the Company and Win Move. The Directors considered the subscription price is fair and reasonable as far as the Company is concerned.

Mandate to issue new Shares

The Total Subscription Shares will be issued and allotted under a specific mandate to be obtained at the SGM.

Ranking of new Shares

The Total Subscription Shares when fully paid, will rank pari passu with the existing Shares in issue.

Conditions of the Supplemental Subscription Agreement

The conditions for the Supplemental Subscription Agreement are the same as those set out in the Subscription Agreement, and they are:

- (i) the approval of the Subscription Agreement and the Supplemental Subscription Agreement and the issue of the Total Subscription Shares and the Whitewash Waiver by the Independent Shareholders at the SGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, all of the Total Subscription Shares,
- (iii) the granting of the Whitewash Waiver by Executive, and
- (iv) all other necessary consents and approvals which may be required to be obtained on the part of the Company in respect of the Total Subscription and the transactions contemplated therein.

None of the above conditions can be waived. If any of the above conditions precedent is not fulfilled on or before the long stop date of 31 October 2009 (or such other date as the parties may mutually agree), the Subscription Agreement and the Supplemental Subscription Agreement shall lapse and become null and void and both the Company and Win Move will be released from all obligations under the Subscription Agreement and the Supplemental Subscription Agreement (save for liabilities for any antecedent breaches thereof).

Completion

Completion of the Subscription Agreement and the Supplemental Subscription Agreement shall take place simultaneously within two business days (or such other date as the Company and Win Move may agree) after fulfilment of all the above conditions precedent.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange granting of the listing of, and permission to deal in, the Total Subscription Shares.

WHITEWASH WAIVER

Win Move is beneficially interested in 253,172,302 Shares as at the date hereof, representing approximately 35.09% of the existing issued share capital of the Company. Upon completion of the Total Subscription, Win Move will become beneficially interested in 397,472,302 Shares, representing approximately 45.91% of the issued share capital of the Company as enlarged by the Total Subscription Shares. The subscription of the Total Subscription Shares will trigger an obligation on Win Move and the parties acting in concert with it to make a mandatory general offer for all the issued Shares not already owned or agreed to be subscribed by them.

An application will be made by Win Move and parties acting in concert with it to the Executive for the Whitewash Waiver pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in relation to the Total Subscription. A separate application will also be made by Win Move and parties acting in concert with it for the Executive's consent on Win Move's disposing the Placing Shares under paragraph 3(b) of Schedule VI to the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the SGM by way of poll.

If the Whitewash Waiver is not obtained, the Total Subscription will lapse and will not proceed. Shareholders and the potential investors of the Company should exercise caution when dealing in the Shares.

As at the date of this announcement, save as (i) the 253,172,302 Shares beneficially held by Win Move, (ii) Ms. Daisy Yeung, the Managing Director of the Company, who is deemed to be interested in the 253,172,302 Shares held by Win Move (which is indirectly wholly owned by STC International Limited, the trustee of the Albert Yeung Discretionary Trust, a trust of which Ms. Daisy Yeung is one of the eligible beneficiaries), and (iii) the share options granted to Ms. Daisy Yeung on 28 January 2008 conferring rights for her to subscribe for 3,000,000 Shares, Win Move and parties acting in concert with it, are not beneficially interested in any Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares. Save as the aforesaid share options granted to Ms. Daisy Yeung and the share options granted to Mr. Chan Pak Lam, Tom (an executive Director) on 28 January 2008 conferring rights for him to subscribe for 3,000,000 Shares, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

As at the date of this announcement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Company and Win Move and which might be material to the Total Subscription and the Whitewash Waiver.

Pursuant to the Takeovers Code, Emperor Securities Limited (the placing agent under the Placing) is presumed to be acting in concert with Win Move for the purpose of the Total Subscription. Save for (i) non-discretionary dealings in the Shares for and on behalf of its individual clients by Emperor Securities Limited, (ii) the disposal of the Placing Shares by Win Move and (iii) the entering into the Placing Agreement, Top-Up Subscription Agreement, the Subscription Agreement and the Supplemental Subscription Agreement by Win Move, there has been no dealing of the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares by Win Move and parties acting in concert with it for the six months period immediately prior to and including the date of this announcement.

None of Win Move or parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the six months period immediately prior to and including the date of this announcement.

USE OF PROCEEDS

The aggregate gross proceeds of the Total Subscription will be approximately HK\$60.61 million and the net proceeds will be approximately HK\$60.10 million after deducting all related expenses (including, brokerage fees under the Placing, professional advisors fees and printing costs). The Company intends to apply the net proceeds as general working capital and future business development of the Group. The net price to be raised per Share from the Total Subscription will be approximately HK\$0.42 per Share.

REASON FOR THE TOTAL SUBSCRIPTION

The Company is an investment company and its subsidiaries are principally engaged in the provision of financial services in Hong Kong, including (i) brokerage services for securities, futures and options, (ii) providing margin and IPO financings as well as loans and advances to its clients, and (iii) corporate finance advisory and wealth management services. The Directors consider that the Total Subscription will strengthen the financial position of the Company. As the Top-Up Subscription has lapsed, the Company entered into the Supplemental Subscription Agreement so as to maintain the amount of fund to be raised. The Directors consider that the terms of the Supplemental Subscription Agreement fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

No fund raising exercise was carried out during the twelve months period immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING

The effect on the shareholding structure of the Company before and after the Total Subscription is set out below:

	Before Placing		Existing (Placing completed on 12 August 2009)		Immediately after the Total Subscription	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Win Move and its concert parties (<i>note 1</i>)	325,322,302	45.09	253,172,302	35.09	397,472,302	45.91
Placees (<i>note 2</i>)	–	–	72,150,000	10.00	72,150,000	8.33
Public Shareholders	<u>396,188,970</u>	<u>54.91</u>	<u>396,188,970</u>	<u>54.91</u>	<u>396,188,970</u>	<u>45.76</u>
Total	<u><u>721,511,272</u></u>	<u><u>100.00</u></u>	<u><u>721,511,272</u></u>	<u><u>100.00</u></u>	<u><u>865,811,272</u></u>	<u><u>100.00</u></u>

Notes:

- 1. The Shares are beneficially held by Win Move, the entire issued share capital of which is indirectly held by STC International Limited, being the trustee of the Albert Yeung Discretionary Trust, a trust of which Dr. Yeung Sau Shing, Albert is the founder.*
- 2. Assuming none of the placees disposes of any Placing Shares.*

LISTING RULES IMPLICATION

Win Move is the controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the Total Subscription constitutes connected transaction of the Company under Chapter 14A of the Listing Rules which require Independent Shareholders' approval at general meeting by way of poll. The Directors will convene a SGM to seek approval of the Independent Shareholders to approve the Subscription Agreement and the Supplemental Subscription Agreement.

SGM

A SGM will be held to consider and if thought fit, passing the resolutions by Independent Shareholders to approve the Subscription Agreement, the Supplemental Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver. Win Move and its associates will abstain from voting at the SGM on the resolution in relation to the Subscription Agreement and the Supplemental Subscription Agreement pursuant to the Listing Rules. Win Move and parties acting in concert with it and those who are involved in or interested in the Subscription Agreement, the Supplemental Subscription Agreement and the Whitewash Waiver will abstain from voting at the SGM on the resolution in relation to the Whitewash Waiver pursuant to the Takeovers Code. Moreover, certain placees under the Placing, who are staff of companies related to Win Move and of the parties acting in concert with Win Move, have voluntarily undertaken not to vote at the SGM on the Whitewash Waiver.

An Independent Board Committee has been formed to advise the Independent Shareholders. The Independent Board Committee has approved the appointment of Pelican Securities Limited as the independent financial advisor to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement, the Supplemental Subscription Agreement and the Whitewash Waiver. None of the members of the Independent Board Committee has any interests in the Subscription Agreement and the Supplemental Subscription Agreement.

A circular containing, inter alia, (i) the information regarding the details of the Subscription Agreement and the Supplemental Subscription Agreement, (ii) the advice of Pelican Securities Limited to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement, the Supplemental Subscription Agreement and the Whitewash Waiver, (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement, the Supplemental Subscription Agreement and the Whitewash Waiver and (iv) a notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

TERMS USED IN THIS ANNOUNCEMENT

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Board”	the board of directors of the Company
“Company”	Emperor Capital Group Limited, a company incorporated in Bermuda with limited liabilities, the securities of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company

“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors to advise the Independent Shareholders of the Subscription Agreement, the Supplemental Subscription Agreement and the Whitewash Waiver
“Independent Shareholders”	Shareholders other than (i) Win Move, its associates and/or parties acting in concert, and (ii) those who are involved in or interested in the Subscription Agreement, the Supplemental Subscription Agreement and the Whitewash Waiver
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Placing Shares”	72,150,000 existing Shares placed pursuant to the Placing
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated 5 August 2009 entered into between Win Move and Emperor Securities Limited in relation to the placing of 72,150,000 existing Shares at a placing price of HK\$0.42 per Share
“SFC”	The Securities and Futures Commission of Hong Kong
“SGM”	a special general meeting of the Company to be convened to approve the Subscription Agreement, the Supplemental Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver
“Shares”	ordinary shares of HK\$0.01 each of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 72,150,000 new Shares by Win Move pursuant to the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated 5 August 2009 entered between Win Move and the Company for the subscription of 72,150,000 new Shares by Win Move
“Subscription Shares”	the 72,150,000 new Shares to be issued to Win Move pursuant to the Subscription Agreement
“Supplemental Subscription Agreement”	the supplemental subscription agreement dated 19 August 2009 entered between Win Move and the Company for the subscription of 72,150,000 new Shares by Win Move in addition to the Subscription Shares
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC
“Top-Up Subscription”	the conditional subscription by Win Move of the Top-Up Shares pursuant to the Top-Up Subscription Agreement
“Top-Up Subscription Agreement”	the subscription agreement dated 5 August 2009 entered into between the Company and Win Move pursuant to which Win Move would subscribe up to 72,150,000 Top-Up Shares
“Top-Up Shares”	up to 72,150,000 new Shares to be issued to Win Move pursuant to the Top-Up Subscription Agreement
“Top-Up Waiver”	a waiver pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code of the obligation of Win Move and persons acting in concert with it arising as a result of the Top-Up Subscription to make a mandatory offer for all the Shares not already owned or agreed to be subscribed by them
“Total Subscription”	the subscription of a total of 144,300,000 new Shares by Win Move pursuant to the Subscription Agreement and Supplemental Subscription Agreement
“Total Subscription Shares”	the 144,300,000 new Shares to be issued to Win Move pursuant to the Subscription Agreement and the Supplemental Subscription Agreement
“Whitewash Waiver”	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligation of Win Move and parties acting in concert with it to make a mandatory offer for all the Shares not already owned or agreed to be subscribed by them as a result of the Total Subscription

“Win Move”

Win Move Group Limited, a company indirectly owned by the Albert Yeung Discretionary Trust, the founder of which is Dr. Yeung Sau Shing, Albert and of which Ms. Daisy Yeung (the Managing Director) is an eligible beneficiary

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

Hong Kong, 19 August 2009

As at the date of this announcement, the Board comprises:

Executive Directors: *Ms. Daisy Yeung (Managing Director)*
Mr. Chan Pak Lam, Tom
Ms. Choi Suk Hing, Louisa

Independent Non-executive Directors: *Mr. Fung Chi Kin*
Mr. Kwok Chi Sun, Vincent
Mr. Cheng Wing Keung, Raymond

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.