
DIRECTORS, SENIOR MANAGEMENT AND STAFF

DIRECTORS

The Board has the ultimate responsibility for the administration of the Company's affairs. The Bye-laws as currently in effect, provides for a Board comprising not less than two Directors. If the Directors were appointed by the Board, such Directors would hold office until the next following general meeting of shareholders at which time such Directors are eligible for re-election. The Board currently consists of six Directors, three of whom are independent non-executive Directors.

Under Bermuda law, the Directors must act honestly, in good faith and in the Company's best interests. The Directors must also exercise care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duties to the Company, the Directors must ensure compliance with the Company's memorandum of association (the "Memorandum of Association") and the Bye-laws. The Company may take action against its officers including Directors, for breach of their statutory and fiduciary duty to act honestly and in good faith with a view to the best interests of the Company.

Managing Director

Yeung, Daisy, aged 41, is the managing Director of the Company and a responsible officer of both Emperor Securities and Emperor Futures. She is responsible for the formulation of corporate strategy, overseeing operations and the overall steering of the Company's management focusing on the areas of marketing and business development. She is a daughter of Mr. Albert Yeung. Mr. Albert Yeung is the settlor of The Albert Yeung Discretionary Trust which indirectly owns the entire beneficial interest of Charron. Charron will after completion of the EIHL Distribution and the Share Offer become the controlling Shareholder. Ms. Yeung has over 10 years' experience in securities and futures business. She has obtained a Bachelor's Degree of Science in Business Administration from the University of San Francisco in 1988. Ms. Yeung joined the Group in 1996.

Executive Directors

Chan Pak Lam, Tom, aged 44, is an executive Director of the Company. He is responsible for the formulation of corporate strategy and the overall steering of the Company's management focusing on the areas of compliance and support function. He graduated from the University of Keele in Britain with a Bachelor's Degree of Social Science with principal subjects in economics and law. He is a lawyer in Hong Kong by profession. He has over 12 years' experience in forex trading, securities and respective financial field. Mr. Chan has been involved in the management of the Group since 1994. Mr. Chan has been an executive director of EIHL since August 2002 and he will resign from such directorship prior to the listing of the Shares.

On 18 August 2003, the SFC publicly reprimanded Mr. Chan under the SFO. The reprimand stemmed from a complaint lodged with the SFC in January 2002 by a client of a licensed corporation under the Forex Group ("Licensed Corporation") licensed under the repealed Leveraged Foreign Exchange Trading Ordinance ("LFET Ordinance"). It was found that an account executive of the Licensed Corporation had discretionarily traded the complainant's account in breach of her licence condition which prohibited her from providing discretionary account services under the LFET Ordinance. Mr. Chan was one of the directors of the Licenced Corporation at that time and in the opinion of the SFC, he was responsible for the Licenced Corporation's failure to put in place adequate internal control procedures for the Licensed

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Corporation to prevent the above incident and to properly supervise the employees of the Licensed Corporation adequately. Mr. Chan has resigned from the Forex Group with effect from 31 March 2007 and is now working full-time for the Group.

Yeung Kun Lee, Sunny, aged 74, is an executive Director and a responsible officer of Emperor Securities licensed under the SFO. He has over 22 years' experience in the securities business and is responsible for sales and marketing. He first joined the Group in July 1991 and had been with the Group until July 2005. He rejoined the Group in February 2006.

Independent non-executive Directors

Fung Chi Kin, aged 57, was appointed as an independent non-executive Director in March 2007. Mr. Fung is the director of Fung Chi Kin Consulting Limited. Prior to establishing his own firm in 2003, Mr. Fung had served over 30 years with Po Sang Bank Limited and had been the vice chairman until Po Sang Bank Limited merged with Bank of China (Hong Kong) Limited. Before he left BOC International Holdings Limited as chief administration officer in 2003, Mr. Fung had also served BOCI Securities as general manager. Mr. Fung is currently the honorary permanent president of The Chinese Gold & Silver Exchange Society and has been an international advisor of Shanghai Gold Exchange. He also acts as an independent non-executive director of two listed companies in Hong Kong, namely Chaoda Modern Agriculture (Holdings) Limited and New Times Group Holdings Limited. He was also an executive director of Yanion International Holdings Limited, a company listed on the Stock Exchange, until February 2006.

Kwok Chi Sun, Vincent, aged 44, was appointed as an independent non-executive Director in March 2007. Mr. Kwok is the sole proprietor of Vincent Kwok & Co., Certified Public Accountants. He holds a Bachelor's Degree in Economics from University of Sydney. Mr. Kwok is a Certified Public Accountant (Practising) and a member of both the Hong Kong Institute of Certified Public Accountants and Institute of Chartered Accountants in Australia. He is an independent non-executive director of the following listed companies in Hong Kong, namely, Union Bridge Holdings Limited, KanHan Technologies Group Limited, Magnificent Estates Limited, Shun Ho Resources Holdings Limited and Shun Ho Technology Holdings Limited. He was also a non-executive director of Oriental Investment Corporation Limited ("Oriental") until September 2005 and an independent non-executive director of Fortuna International Holdings Limited ("Fortuna") until June 2006. Both Oriental and Fortuna are companies listed on the Stock Exchange.

Cheng Wing Keung, Raymond, aged 47, was appointed as an independent non-executive Director in March 2007. Mr. Cheng is a solicitor practising in Hong Kong. He holds a Degree in Laws from the University of London and a Master's Degree in Business Administration from the University of Strathclyde. He has over 12 years of experience in company secretarial affairs. He is an associate member of The Institute of Chartered Secretaries and Administrators in UK and The Hong Kong Institute of Chartered Secretaries in Hong Kong. He is also an independent non-executive director of two listed companies in Hong Kong, namely China Investment Fund Company Limited and Skyfame Realty (Holdings) Limited. He was also an independent non-executive director of Fortuna until September 2006.

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PARTICULARS OF SERVICE CONTRACTS AND DIRECTORS' REMUNERATION

The Company was incorporated on 27 June 2006. Prior to that, the Group's operations were conducted by other members of the Group. The compensation information set forth below for the Directors and senior management, insofar as it relates to periods prior to the Company's incorporation, is stated at historical amounts as if the Group's current structure had been in existence throughout the relevant periods.

The Directors receive compensation in the form of salaries, allowance, commissions and other benefits-in-kind, including the Group's contribution to retirement benefits scheme. The aggregate fees or compensation the Group paid to the Directors (not including independent non-executive Directors who have not been appointed at that time) for the three years ended 31 March 2006 and the nine months ended 31 December 2006 were approximately HK\$1,213,000, HK\$1,713,000, HK\$1,521,000 and HK\$1,420,000 respectively, of which approximately HK\$450,000, HK\$922,000, HK\$811,000 and HK\$646,000 were commission paid to two Directors (namely Ms. Daisy Yeung and Mr. Yeung Kun Lee, Sunny) who were also account executives of the Group. Ms. Daisy Yeung ceased to be an account executive of the Group as from January 2007. A Director is one of the five highest paid individuals of the Group and her compensation is included above. The aggregate compensation for the remaining four highest paid individuals for the three years ended 31 March 2006 and the nine months ended 31 December 2006 were approximately HK\$2,161,000, HK\$2,223,000, HK\$2,021,000 and HK\$1,794,000 respectively.

The above mentioned compensation paid to the Directors during the Track Record Period had not included compensation paid to a Director, who is also a director of EIHL, in the sum of approximately HK\$262,000, HK\$635,000, HK\$323,000 and HK\$123,000 respectively for the three years ended 31 March 2006 and the nine months ended 31 December 2006 which were charged to the Group under the management fee paid to the Emperor Group. That Director also received remuneration (including discretionary bonus) from Emperor Group in the sum of approximately HK\$612,000, HK\$1,453,000, HK\$634,000 and HK\$287,000 respectively for the three years ended 31 March 2006 and the nine months ended 31 December 2006 for his services rendered to the Emperor Group. Save as mentioned above, none of the Directors had received any remuneration from the Emperor Group during the Track Record Period.

Pursuant to the service contracts entered into between the Group and the Directors (which are for a term of three years or with no fixed terms, but shall be terminable by the Group upon giving one to two months' notice), salaries, allowance and other benefit-in-kind shall be paid to the Directors. Based on the present arrangement, the aggregate remuneration to be paid to the Directors for the year ending 31 March 2008 would be approximately HK\$2.7 million. The above sum does not include any commission income to be received by Mr. Yeung Kun Lee, Sunny from his brokerage services provided to the Group and discretionary bonus that may be paid to the executive Directors.

As above-mentioned, each of the executive Directors may receive a discretionary bonus which shall be determined by the Board in its discretion having regard to the performance of the relevant executive Director and the operating results of the Group in respect of the financial year of the Company. An executive Director may not vote on any resolution of the Directors regarding the amount of the bonus payable to him or her.

The executive Directors are also entitled to medical benefits as provided under the Group's medical benefits scheme.

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AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Code on Corporate Governance Practices as set out in appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise the Company's financial reporting process and internal control systems of the Group. All members of the audit committee are appointed by the Board. The audit committee currently consists of three independent non-executive Directors, namely Mr. Fung Chi Kin, Mr. Kwok Chi Sun, Vincent and Mr. Cheng Wing Keung, Raymond. Mr. Kwok Chi Sun, Vincent is the chairman of the audit committee.

REMUNERATION COMMITTEE

The Company has established a remuneration committee in compliance with the Code on Corporate Governance Practices as set out in appendix 14 to the Listing Rules. The primary duties of the remuneration committee are to review and determine the remuneration packages, including benefits-in-kind and other compensation payable to the Directors and other senior management of the Group. The remuneration committee currently consists of two independent non-executive Directors, namely Mr. Kwok Chi Sun, Vincent and Mr. Cheng Wing Keung, Raymond, and one executive Director, Mr. Chan Pak Lam, Tom. Mr. Chan Pak Lam, Tom is the chairman of the remuneration committee.

SENIOR MANAGEMENT

Wong Chi Hung, aged 42, a director and responsible officer of both Emperor Securities and Emperor Futures. He is responsible for overseeing operations in the areas of dealing, marketing, administration and business development. He has over 12 years' experience in securities and futures business. Mr. Wong joined the Group in June 1994.

Lee Wai Shing, aged 44, is a director and responsible officer of Emperor Futures licensed under the SFO. He has over 10 years' experience in the securities and futures business and is responsible for sales and marketing. He holds a bachelor degree of Arts from The University of Manitoba. He joined the Group in February 1995.

Wong Hok Kam, aged 41, is a responsible officer of Emperor Securities licensed under the SFO. He has over 8 years' experience in the securities business and is responsible for sales and marketing. He joined the Group in August 2003.

Yu Man Chor, aged 33, is a responsible officer of Emperor Securities and Emperor Futures licensed under the SFO. With 9 years' experience in the securities and futures business, he oversees the research function of the Group. He holds a Bachelor's Degree of Science in Chemistry from The Hong Kong University of Science and Technology. He joined the Group in September 1997.

Choi Kwan Wing, aged 30, is the legal consultant and head of compliance department of the Group. She obtained a Bachelor's Degree of Laws from the University of Hong Kong and is a practising solicitor in Hong Kong. Ms. Choi has over 6 years' legal experience in the private sector. Ms. Choi provides legal advice in commercial law and civil litigations to the Group and is responsible for formulating compliance policies and advising on the implementation of these policies. Ms. Choi is empowered to have access to all necessary information and records of the Group and she reports directly to the Directors. She joined the Group on 1 November 2006.

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COMPANY SECRETARY

Chan Yuk Chun, aged 45, has over 13 years' experience in company secretarial field. Ms. Chan holds a Bachelor's Degree in Laws from University of London and a Master's Degree in Corporate Finance from The Hong Kong Polytechnic University. She is an associate member of The Hong Kong Institute of Chartered Secretaries. She was appointed as the company secretary of the Company in August 2006.

QUALIFIED ACCOUNTANT

Tsang Pui Yee, Vanessa, aged 31, has over 8 years' experience in finance and accounting fields. Prior to joining the Group, Ms. Tsang was the qualified accountant, company secretary and financial controller of Tanrich Financial Holdings Limited, a listed company which provides financial services in Hong Kong. She holds a Master's Degree in Corporate Finance from The Hong Kong Polytechnic University. She is a fellow of the Association of Chartered Certified Accountants and also a member of The Hong Kong Institute of Certified Public Accountants. Ms. Tsang joined the Group in February 2007.

COMPLIANCE DEPARTMENT

The compliance department currently comprises two members and is headed by Ms. Choi Kwan Wing, the legal consultant of the Group whose qualifications and experience are set out in the paragraph headed "Senior management" above. The compliance department is responsible for assisting management in formulating policies with regard to the applicable regulatory requirements relevant to the Group's operation and handling of complaints.

INTERNAL AUDIT DEPARTMENT

The internal audit department currently comprises two members and is headed by a qualified accountant with over 8 years' external and internal audit experiences. The internal audit department is assigned to perform regular reviews on selected systems of the Group. It will report audit review findings to management and advise on the implementation of necessary steps or systems to enhance operational or financial controls.

CREDIT RISK CONTROL DEPARTMENT

The credit risk control department of the Group currently comprises four members. The head of credit risk control department has over four years' experience in the securities and futures business and is responsible for overseeing the credit risk control function of the Group. The credit risk control department is principally responsible for detecting any trading irregularity, recommending credit and trading limit, compiling the list of clients subject to margin calls and reporting to the relevant person for follow-up actions.

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STAFF

Overview of staff number

As at 31 December 2006, the Group had a total of 48 full time employees, 2 part-time employees and 51 account executives of whom 19 are engaged in both securities and futures brokerage service, 17 are engaged in securities brokerage services only and 15 are engaged in futures brokerage services only. The following table sets out the number of employees and account executives by principal functions:

	Number of employees and account executives
Management	3
Marketing and sales	56
Dealing	11
Credit risk control	4
Compliance	2
Settlement and accounting	11
Administration and personnel	10
Research	2
Internal audit	2
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Benefits

The staff costs of the Group (including salaries, allowances and commission and contributions to retirement scheme) for the three years ended 31 March 2006 and nine months ended 31 December 2005 and 2006 were approximately HK\$10.8 million, HK\$11.0 million, HK\$10.6 million, HK\$7.9 million and HK\$8.1 million respectively.

The Group has joined the mandatory provident fund and occupational retirement schemes for its full time employees in Hong Kong. Medical benefits are also provided to its full time employees. Staff of the Group are remunerated with monthly salary, commission and discretionary bonuses based on their individual performance.

The Group's relationship with staff and account executives

The Directors consider that the Group maintains good working relationships with its employees, including its account executives. The Group has not experienced any difficulty in recruiting suitable staff or account executives for its operations and has not experienced any disruption of its operations arising from labour disputes.

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Staff training

The Group will provide continuous professional training to its staff and account executives to inform them the changes in legislation and other relevant rules and regulations from time to time. In addition, the Group has sponsored its senior management or staff to attend seminars organised by the Stock Exchange and the Hong Kong Securities Institute.

COMPLIANCE ADVISER

The Company has appointed Hantec Capital Limited as its compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise the Company in the following circumstances:

- (1) before the publication of any regulatory announcement, circular or financial report;
- (2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- (3) where the Company proposes to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or where the Group's business activities, developments or results of operation deviate from any forecast, estimate or other information in this prospectus; and
- (4) where the Stock Exchange makes an inquiry regarding unusual movements in the price or trading volume of the Shares.

The term of the appointment will commence on the Listing Date and end on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date.