英皇證券集團有限公司*

Emperor Capital Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 717)

ANNOUNCEMENT OF THE SECOND INTERIM RESULTS FOR THE TWELVE MONTHS ENDED 31 MARCH 2009

The board of directors (the "Board" or the "Directors") of Emperor Capital Group Limited (the "Company") announces the unaudited consolidated second interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the twelve months ended 31 March 2009 (the "Period") together with the comparative figures for the twelve months ended 31 March 2008. This second interim results announcement is prepared due to the change of financial year end date from 31 March to 30 September, details of which were set out in the announcement of the Company dated 25 March 2009.

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the 12 months ended 31 March	
		2009	2008
		(unaudited)	(audited)
	Notes	***HK$'000***	*HK$'000*
Revenue	3	**82,099**	185,259
Other operating income		**3,394**	3,188
Staff costs		**(26,144)**	(29,697)
Commission expenses		**(13,084)**	(40,004)
Other expenses		**(33,335)**	(28,215)
Depreciation and amortisation		**(1,877)**	(1,322)
Finance costs		**(460)**	(33,627)
Impairment on trade receivables	6(c)	**(37,350)**	(533)
Loss on disposal of unlisted investment funds		**(10)**	–
Gain on disposal of intangible assets		**–**	701
Share of loss of an associate		**(395)**	(371)
(Loss) profit before taxation		**(27,162)**	55,379
Taxation	4	**611**	(9,437)
(Loss) profit for the period		**(26,551)**	45,942
Dividends		**–**	7,215
(Loss) earnings per share			
– Basic	5	**(HK3.68 cents)**	HK7.39 cents
– Diluted		**N/A**	N/A

* *For identification purposes only*

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	As at 31 March 2009 (unaudited) HK$'000	As at 31 March 2008 (audited) HK$'000
Non-current assets			
Investment in an associate		**–**	–
Property and equipment		**7,735**	3,413
Intangible assets		**–**	317
Other assets		**4,122**	4,229
Amount due from an associate		**606**	1,001
Available-for-sale financial assets		**136**	136
		12,599	9,096
Current assets			
Trade receivables	*6*	**209,283**	290,812
Loans and advances	*7*	**10,000**	–
Other debtors, deposits and prepayments		**4,942**	5,479
Investments held for trading		**–**	2,163
Tax recoverable		**617**	376
Bank balances and cash – trust		**223,581**	173,445
Bank balances and cash – general		**311,171**	250,224
		759,594	722,499
Current liabilities			
Trade payables	*8*	**310,244**	233,844
Other creditors and accrued charges		**12,050**	17,392
Tax liabilities		**–**	3,909
		322,294	255,145
Net current assets		**437,300**	467,354
Total assets less current liabilities		**449,899**	476,450
Capital and reserves			
Share capital		**7,215**	7,215
Reserves		**442,396**	468,947
Total capital and reserves		**449,611**	476,162
Non-current liability			
Deferred taxation		**288**	288
		449,899	476,450

Notes:

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated second interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and 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").

The accounting policies adopted in the preparation of the unaudited condensed consolidated second interim financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 March 2008.

The following new interpretations have been issued and effective for the Group's financial year beginning 1 April 2008. The adoption of these interpretations had no material effect on the result or financial position of the Group for the current and prior accounting periods.

HK (IFRIC) – INT 12	Service Concession Arrangements
HK (IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The following new standards, amendments to standards and interpretations have been issued by HKICPA but are not effective for the financial year beginning 1 April 2008 and have not been early adopted. The Directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results or financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 3 (Revised)	Business Combinations
HKFRS 8	Operating Segments
HK (IFRIC) – INT 13	Customer Loyalty Programmes
HK (IFRIC) – INT 15	Agreements for the Construction of Real Estate
HK (IFRIC) – INT 16	Hedges of a Net Investment in a Foreign Operation
HK (IFRIC) – INT 17	Distributions of Non-cash Assets to Owners
HK (IFRIC) – INT 18	Transfers of Assets from Customers

HKFRS represents Hong Kong Financial Reporting Standard
IFRIC represents the International Financial Reporting Interpretations Committee

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

The Group is principally engaged in four main operating divisions, namely, broking, financing, placing and underwriting, and corporate finance. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Broking	–	Provision of securities, options, futures, insurance and other wealth management products broking services
Financing	–	Provision of margin financing and money lending services
Placing and underwriting	–	Provision of placing and underwriting services
Corporate finance	–	Provision of corporate finance advisory services

Notes: (continued)

2. BUSINESS AND GEOGRAPHICAL SEGMENTS *(continued)*

Business segments *(continued)*

All of the activities of the Group are based in Hong Kong and all of the Group's revenue is derived from Hong Kong. Accordingly, no analysis by geographical segments is presented.

For the twelve months ended 31 March 2009

	Broking (unaudited) *HK$'000*	Financing (unaudited) *HK$'000*	Placing and underwriting (unaudited) *HK$'000*	Corporate finance (unaudited) *HK$'000*	Elimination (unaudited) *HK$'000*	Consolidated (unaudited) *HK$'000*
REVENUE						
Revenue	**49,193**	**19,781**	**9,410**	**3,715**	**–**	**82,099**
Inter-segment sales	**–**	**186**	**–**	**–**	**(186)**	**–**
	49,193	**19,967**	**9,410**	**3,715**	**(186)**	**82,099**

Inter-segment sales are charged at prevailing market rate.

	Broking	Financing	Placing and underwriting	Corporate finance	Elimination	Consolidated
RESULTS						
Segment results	**22,775**	**(17,990)**	**8,701**	**776**		**14,262**
Unallocated other operating income						**2,114**
Unallocated corporate expenses						**(43,143)**
Share of loss of an associate						**(395)**
Loss before taxation						**(27,162)**
Taxation						**611**
Loss for the period						**(26,551)**

Notes: (continued)

2. BUSINESS AND GEOGRAPHICAL SEGMENTS *(continued)*

Business segments *(continued)*

For the twelve months ended 31 March 2008

	Broking (audited) *HK$'000*	Financing (audited) *HK$'000*	Placing and underwriting (audited) *HK$'000*	Corporate finance (audited) *HK$'000*	Elimination (audited) *HK$'000*	Consolidated (audited) *HK$'000*
REVENUE						
Revenue	121,759	51,764	11,386	350	–	185,259
Inter-segment sales	95	2,660	2,333	50	(5,138)	–
	121,854	54,424	13,719	400	(5,138)	185,259

Inter-segment sales are charged at prevailing market rate.

RESULTS						
Segment results	69,476	18,809	5,321	314		93,920
Unallocated other operating income						833
Unallocated corporate expenses						(39,003)
Share of loss of an associate						(371)
Profit before taxation						55,379
Taxation						(9,437)
Profit for the period						45,942

3. REVENUE

	For the 12 months ended 31 March **2009** **(unaudited)** ***HK$'000***	2008 (audited) *HK$'000*
Commission and brokerage fees on dealing in securities and equity options	**37,311**	99,559
Commission and brokerage fees on dealing in futures and options contracts	**8,602**	14,237
Commission from insurance brokerage and wealth management	**1,260**	871
Corporate finance advisory services fee income	**3,715**	350
Placing and underwriting commission	**9,410**	11,386
Interest income from:		
Margin and initial public offer financing	**17,733**	51,534
Loans and advances	**2,048**	230
Bank deposits	**1,996**	6,960
Others	**24**	132
	82,099	185,259

Notes: (continued)

4. TAXATION

No Hong Kong Profits Tax is provided as the Group had no assessable profits arising in Hong Kong for the Period (2008: 16.5%).

5. (LOSS) EARNINGS PER SHARE

The calculation of basic loss per share for the twelve months ended 31 March 2009 is based on the loss for the period attributable to equity holders of the Company of approximately HK$26,551,000 (2008: profit of HK$45,942,000) and on the weighted average number of 721,511,272 ordinary shares (2008: 621,896,913) in issue during the Period.

No diluted (loss) earnings per share was presented because the exercise price of the Company's share options was higher than the average market price of the Company's shares during both periods.

6. TRADE RECEIVABLES

The aged analysis of the trade receivables which were past due but not impaired are as follows:

	As at	
	31 March 2009 (unaudited) ***HK$'000***	31 March 2008 (audited) *HK$'000*
0 – 30 days	**4,167**	1,052
31 – 60 days	**2**	174
61 – 90 days	**2**	270
Over 90 days	**29**	17
	4,200	1,513
Trade receivables which were neither past nor impaired	**205,038**	266,883
Gross impaired trade receivables	**38,045**	23,066
Less: Impairment on trade receivables *(Note c)*	**(38,000)**	(650)
	209,283	290,812

Notes:

(a) 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 shares margin financing.

(b) As at 31 March 2009 and 31 March 2008, the total market value of securities pledged as collateral in respect of the loans to margin clients were approximately HK$688,237,000 and HK$657,811,000 respectively.

(c) The movement in the impairment on trade receivables:

	As at	
	31 March 2009 (unaudited) ***HK$'000***	31 March 2008 (audited) *HK$'000*
Balance at the beginning of the period	**650**	117
Impairment recognised	**37,350**	533
Balance at the end of the period	**38,000**	650

As at 31 March 2009, the impairment represented individually impaired trade receivables of HK$38,000,000 (2008: HK$650,000) with an aggregate gross balance of HK$38,045,000 (2008: HK$23,066,000) due to margin clients' default or delinquency in interest or principal payments.

Notes: (continued)

7. LOANS AND ADVANCES

	As at 31 March 2009 (unaudited) HK$'000	31 March 2008 (audited) HK$'000
Unsecured fixed-rate loan receivables	**10,000**	–
Carrying amount analysed for reporting purpose:		
Current assets (receivable within 12 months from the period end date)		
– Unsecured fixed-rate loan receivables	**10,000**	–

The effective interest rate (which are equal to contractual interest rates) on the Group's loan receivables is 25% per annum (2008: Nil).

8. TRADE PAYABLES

	As at 31 March 2009 (unaudited) HK$'000	31 March 2008 (audited) HK$'000
Trade payables from the business of dealing in futures contracts:		
Margin clients	**54,491**	35,089
Trade payables from the business of dealing in securities:		
Margin and cash clients	**226,607**	187,755
Clearing house and brokers	**29,146**	–
Trade payables from the business of corporate finance	**–**	11,000
	310,244	233,844

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$223,581,000 and HK$173,445,000 at 31 March 2009 and 2008 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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group provides a wide range of financial services including brokerage services for securities and futures and options traded on the exchanges in Hong Kong, Japan, the United States and the United Kingdom. It also provides margin and IPO financing as well as loans and advances to clients in Hong Kong. Its services further extended to corporate finance advisory and wealth management services.

The continuous negative news from international banks since late 2007 had fuelled investors with pessimistic sentiments and triggered panic selling in global equity markets. The worsening global financial crisis, frozen credit markets, announcements of declining corporate earnings over 2008 had also weakened investor confidence. Funds as well as retail clients continued to cash out their investments and deleverage their portfolios for the sake of cash and other low risk instruments. A widespread sell-off was triggered in the global as well as Asian markets, which were particularly weak in the second half of 2008 with investors becoming more prudent.

Meanwhile, Hong Kong had experienced a slow-down in domestic consumption and exports. Gross Domestic Product Index had declined by 7.8% in real terms from a year earlier. Private consumption expenditure contracted by 5.5% in real terms in the first quarter of 2009 from the same period of the previous year, following the 4.1% decline in the fourth quarter of 2008. Exports of services were down 8.2% year-on-year in real terms in the first quarter of 2009. These all had adversely impacted on the market sentiment and trading activities. At 31 March 2009, Hang Seng Index ("HSI") closed at 16,740 points, down by nearly 40% from a year ago. Average daily trading volume of HSI also shrunk to HK$40.0 billion on 31 March 2009 on the back of weak market sentiment compared to HK$74.5 billion a year ago.

During the 12 months ended 31 March 2009 (the "Period"), the Group recorded revenue of approximately HK$82.1 million (2008: HK$185.3 million) and a loss for the period of approximately HK$26.6 million (2008: profit of HK$45.9 million). Loss per share was 3.68 HK cents, compared to earnings per share of 7.39 HK cents in the previous period. Such loss was primarily attributable to the persistent widespread economic and financial uncertainty globally and in Hong Kong, which resulted in a decrease in turnover and an increase in impairment on trade receivables of the Group. Excluding such increased impairment, the Group recorded operating profit of approximately HK$10.8 million for the Period.

During the Period, the Group had launched a three-storey financial service centre in Mongkok, Kowloon, in conjunction with the privately run Emperor Financial Group, in line with its commitment to offer full-range financial services to customers. The centre offers customers a wide range of financial services and products including brokerage, wealth management, forex and bullion trading.

The Group had also organised during the Period seminars and talks to investors and customers in Hong Kong as well as Guangzhou, PRC to raise investment awareness of the public and the popularity of the Group.

Brokerage

The Group provides brokerage services for securities, options, futures, insurance and other wealth management products. During the Period, trading on The Stock Exchange of Hong Kong Limited ("SEHK") had significantly decreased and hence the securities and futures business of the Group had dropped following the outbreak of the economic turmoil. The segment recorded revenue of approximately HK$49.2 million (2008: HK$121.8 million), and remained core contributor to the Group's revenue, accounting for 59.9% of total revenue.

The Group had expanded the range of services to its customers during the Period. The launch of iTrade Service enabled the Group to offer HSI, MHI, HHI and MCH index and option trading services on an integrated platform. It has also extended the scope of trading services to US futures market, providing a wide range of trading services on FX futures, metal futures, energy futures, agricultural futures and equity index futures.

To extend its customers reach, the Group had also broadened its service on online trading platform to trading futures and contracts on London Metal Exchange. The Group saw a growing popularity of its online trading system, which offers customers greater access to the stock market and investment opportunities.

To stay competitive in the market, the Group endeavours to take advantage of the quieter markets to expand its business to capture future growth opportunities. The Group had launched its wealth management services, allowing its clients to diversify their portfolio to other investment products including funds and insurance related products. The wealth management section, currently in investment stage, is determined to cope with growing customer demand and facilitate clients to seize investment opportunities and enhance the quality and diversification of client assets.

Loans and Financing

The segment comprises interest income from margin and IPO financing as well as loans and advances. During the Period, only 44 companies were newly listed on SEHK and have raised a total of HK$34.33 billion new capital, against 79 listings and raising of HK$303.4 billion a year ago. The weak market sentiment had discouraged financing and fund raising exercises while a number of companies had cancelled their IPOs during the subscription period or postponed their planned listings.

Income from the segment amounted to approximately HK$19.8 million (2008: HK$51.8 million), with decreasing demand for financing and margin activities in the markets. The segment contributed 24.1% to the total revenue.

Owing to the global adverse investment condition, the Group saw an increase in impairment on trade receivables from the Group's margin financing business. The Group has taken measures and will continue to improve its credit control.

Placing and Underwriting

The Group offers placing and underwriting services. During the Period, the segment contributed revenue of approximately HK$9.4 million (2008: HK$11.4 million), representing 11.5% of total revenue. The team acted as agent of placing exercises and underwriters of fund-raising exercises. It will actively seek mandates for fundraising opportunities from local and mainland enterprises.

Corporate Finance

The division holds a full corporate finance licence under the Securities and Futures Ordinance for advising on Takeovers Code related transactions and undertaking sponsor work for IPOs in addition to general corporate finance advisory services. Its services cover IPO-related services as well as secondary market financing services such as placing, rights issues and provision of corporate finance advisory services including merger and acquisition.

During the Period, the segment contributed revenue of approximately HK$3.7 million (2008: HK$0.4 million) and accounted for 4.5% of the Group's total revenue. Despite the slackened IPO activities in Hong Kong, the division had successfully sponsored a client to launch its IPO in July 2008 with overwhelming response of subscription. The division had also participated in a number of corporate financing and restructuring exercises for companies.

OUTLOOK

The Group remained cautious about the market outlook with the turbulent global credit markets continues to affect the financial markets. The international financial markets are undergoing a fundamental volatility and reorganisation following the unveiling of rescue plans of financial institutions by the US government. Despite the global investment sentiment is believed to remain challenging with a contracted global economy, some markets have seen to have stabilised and rallied with some rebounces.

The Group would manage its cost structure and conduct its business prudently. The Group believes that survival is the key to staying in the business amid the rapid changing market environments and challenges. It will continue to review and improve its credit control and maintain a healthy liquidity and financial position. The Group would also incessantly improve its trading channels and platforms to foster greater efficiencies and enhance customer experiences. The management will continue to streamline the internal operations and sustain an appropriate cost containment discipline in order to improve its performance.

The management believes that mainland China, in the long term, would be a major investment focus. China is believed to be one of the markets least affected by the economic turmoil, and the recent announcement by the PRC government on proactive plans to stimulate domestic economy would take the country to a modest recovery.

The Group has developed a team of China-focused executives to explore business opportunities across different products and services in a move to tap into the lucrative mainland China market. We have recently launched a new line of service to our clients who wish to immigrate to Hong Kong under the Capital Investment Entrant Scheme. Our professionals would assist them to invest capital in different permissible investment assets such as equities, funds or real estates depending on client's need and market conditions through our one-stop investment platform. The Group hopes to extend its reach to corporate as well as retail clients of mainland China in the offering of brokerage, financing, corporate finance and other services while enhancing its corporate image.

OUTLOOK *(continued)*

Looking forward, the Group targets to diversify its revenue mix through strengthening existing business and sourcing new income streams. The Group will also strive to explore both the domestic and international markets and expand its institutional and retail clientele by leveraging on its goodwill, networking and utilising its competitive edges.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

There is no change in the capital structure of the Group for the Period.

The Group financed its operations by shareholders' equity, cash generated from operations, and short-term bank borrowings.

As at 31 March 2009, the Group's current assets and current liabilities were approximately HK$759.6 million (2008: HK$722.5 million) and HK$322.3 million (2008: HK$255.1 million) respectively. The Group had no bank borrowings and zero gearing ratio was resulted (calculated based on the basis of total bank and other borrowings over total equity). Its available unutilized banking facilities were approximately HK$80 million.

With the Group's sufficient bank balances and cash of approximately HK$311.2 million (2008: HK$250.2 million) as well as its existing banking facilities, the Directors consider the Group has sufficient working capital for its operations and the future development of the Group.

SIGNIFICANT INVESTMENTS

During the Period, the Group disposed of all unlisted investment funds and a loss on such disposal of approximately HK$10,000 was recorded. As at 31 March 2009, the Group did not have any significant investments.

CAPITAL EXPENDITURES

During the Period, the Group incurred capital expenditures of approximately HK$5.8 million, which was financed by the Group's internal resources. As at 31 March 2009, the Group has operating lease commitment of approximately HK$9.8 million.

FOREIGN EXCHANGE EXPOSURE

As at 31 March 2009, the Group did not have any material foreign exchange exposure.

CONTINGENT LIABILITY

As at 31 March 2009, the Group did not have any significant contingent liability.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2009, the Group has 141 (2008: 97) account executives and 71 employees (2008: 79). Total staff costs (including directors' remuneration) were approximately HK$26.1 million (2008: HK$29.7 million). Employees' remuneration was determined in accordance with individual's responsibility, performance and experience. Staff benefits include contributions to retirement benefit scheme, medical allowances and other fringe benefits.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the financial year ending 30 September 2009.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

During the Period, the Group has complied with all 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 for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all the Directors of the Company, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Period.

REVIEW OF SECOND INTERIM RESULTS

These condensed consolidated second interim financial statements of the Group have not been audited nor reviewed by the Company's auditor, Deloitte Touche Tohmatsu, but have been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

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.

PUBLICATION OF THE UNAUDITED SECOND INTERIM RESULTS AND SECOND INTERIM REPORT

The second interim results announcement is published on the SEHK's website (http://www.hkex.com.hk) and the Company's website (http://www.emperor717.com). The second interim report will be dispatched to the shareholders of the Company and will be available on the websites of the SEHK and the Company in due course.

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

Hong Kong, 25 May 2009

As at the date of this announcement, the Board of the Company comprised:

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*