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英皇資本集團有限公司
Emperor Capital Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 717)

2024/2025 INTERIM RESULTS ANNOUNCEMENT

The board of directors (“**Board**” or “**Directors**”) of Emperor Capital Group Limited (“**Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as “**Group**”) for the six months ended 31 March 2025 (“**Period**”).

FINANCIAL SUMMARY			
	For the six months ended 31 March		Changes
	2025	2024	
	HK\$'000	HK\$'000	
Total revenue	402,634	185,386	+117%
Wealth solutions	297,607	52,905	+463%
Financing	100,534	128,525	-22%
Corporate finance	4,493	3,956	+14%
Impairment allowances ¹	52,721	57,402	-8%
Net profit	56,120	41,627	+35%
Basic earnings per share	HK0.83 cent	HK0.62 cent	+34%

¹ Represents the net impairment allowances for margin loans, other loans and advances

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

As a result of the Group's dedicated efforts in developing the wealth solutions business, the Group's total revenue increased by 117.2% to HK\$402.6 million (2024: HK\$185.4 million) during the Period. Net impairment allowances for margin loans, other loans and advances ("**Impairment Allowances**") decreased to HK\$52.7 million (2024: HK\$57.4 million). The Group's net profit was HK\$56.1 million (2024: HK\$41.6 million). Basic earnings per share was HK0.83 cent (2024: HK0.62 cent).

BUSINESS REVIEW

Established in 1993, the Group is a renowned financial institution providing one-stop financial services including (i) wealth solutions covering global investment, wealth management and asset management services; (ii) financing covering provision of margin financing and money lending services; and (iii) corporate finance advisory services. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") since April 2007. Currently, the Group's headquarters is located in Hong Kong, and is operating three liaison offices in Mainland China – in Beijing, Shanghai and Guangzhou.

Wealth Solutions

The Group's wealth solutions segment comprises the global investment, wealth management and asset management divisions.

The global investment division offers a full range of financial services and investment products to its high net worth clients spanning securities, futures and options traded on exchanges in Hong Kong, Mainland China (via Shanghai and Shenzhen-Hong Kong Stock Connect schemes respectively) and major overseas countries, bonds and fund investments, proprietary trading, etc. The Group's web-based and mobile trading platforms enable real-time transaction and investment portfolio monitoring for its clients.

The wealth management division offers balanced solutions, helping its high net worth clients create customised and robust investment portfolios which comprise a wide array of financial products, including insurance, funds, bonds and stocks.

The asset management division offers customised investment services, ranging from private investment funds, personalised discretionary investment portfolio management services to investment information services, helping its clients to generate stable and substantial returns. It also manages Open-Ended Fund Companies (OFC) and Limited Partnership Funds (LPF), as well as possesses Qualified Foreign Institutional Investor (QFII) and Qualified Foreign Limited Partner (QFLP).

The launch of the new Capital Investment Entrant Scheme (CIES) in 2024 has provided abundant opportunities for advisory and customised discretionary investment services. In this regard, the Group has stepped up efforts and strived to capture the opportunities riding on its two decades of experience, with an aim to increase the revenue of the wealth solutions segment.

During the Period, revenue from the wealth solutions segment surged 462.6% to HK\$297.6 million (2024: HK\$52.9 million), accounting for 73.9% (2024: 28.5%) of the Group's total revenue.

Financing

The Group's financing segment derives interest income from both short-term and long-term loans, including but not limited to personal loans, first and second mortgages loans. Building on its strong reputation for delivering professional and personalised loan services, the Group has developed a niche in the loan market, providing corporate and retail clients with tailored liquidity solutions to meet their corporate goals and personal needs.

During the Period, the Group continued adhering to its cautious approach and adopted a stringent credit risk management and control mechanism, in order to minimise default risks. The Group adjusted the interest rate and loan-to-value ratio on a timely basis, according to the market situation. During the Period, revenue from the financing segment was HK\$100.5 million (2024: HK\$128.5 million), accounting for 25.0% (2024: 69.3%) of the Group's total revenue.

Corporate Finance

The corporate finance segment offers professional advisory services on corporate transactions comprising initial public offerings, mergers and acquisitions, spin-offs, project investment, asset sales, corporate restructuring, issuance, placement and underwriting of shares and bonds. The Group holds a full corporate finance advisory licence under the Securities and Futures Ordinance.

During the Period, the Group continued to partake in fundraising projects, with involvement in multiple roles. Revenue from the corporate finance segment increased mildly to HK\$4.5 million (2024: HK\$4.0 million), accounting for 1.1% (2024: 2.2%) of the Group's total revenue.

PROSPECTS

According to Knight Frank *Wealth Report 2025*, published in March 2025, Hong Kong was the world's 10th largest wealth hub in 2024 based on the number of individuals having a net worth of over US\$10 million. With the Hong Kong government launching schemes to attract more wealthy individuals, Hong Kong is poised to reinforce its status as a vital hub for wealth management and investment in the region. The Group will continue strengthening its wealth solutions team in order to drive this business segment, which spans global investment, wealth management and asset management.

Looking forward, the Group anticipates both opportunities and challenges. While geopolitical and economic uncertainties continue to hinder development and affect the investment appetite, the stimulus measures in Mainland China – including lowering the reserve ratio, an interest rate cut and issuance of special sovereign bonds – provide hope for a gradual market recovery and positive sentiment for capital market. With its integrated business model and diversification strategies, the Group is able to meet customers' demands amidst the volatile economic environment. The Group will maintain its vigilant and prudent approach, and adopt appropriate strategies while seizing development opportunities.

FINANCIAL INFORMATION

Capital Structure, Liquidity and Financial Resources

The Group financed its business operations by cash mainly generated from business operations and borrowings. As at 31 March 2025, the Group's current assets and current liabilities were HK\$5,127.5 million (30 September 2024: HK\$4,977.1 million) and HK\$1,907.4 million (30 September 2024: HK\$1,813.5 million) respectively. As at 31 March 2025, aggregate of bank balances, cash and pledged bank deposits of the Group amounted to HK\$2,072.8 million (30 September 2024: HK\$1,520.8 million), which were mainly denominated in Hong Kong dollar.

As at 31 March 2025, the Group did not have any bank borrowings (30 September 2024: Nil), hence the gearing ratio was zero (30 September 2024: zero; calculated as a percentage of total borrowings over total equity of the Group). The Group did not have any material foreign exchange exposure as at 31 March 2025.

With the Group's sufficient bank balances and cash, as well as its available unutilised banking facilities of HK\$1,205.0 million (30 September 2024: HK\$1,205.0 million) as at 31 March 2025, the Board considers the Group has sufficient working capital for its operation and future development.

Pledge of Assets

As at 31 March 2025, bank deposit of the Group with aggregate carrying amount of HK\$260.0 million (2024: HK\$260.0 million) was pledged to a bank as security for banking facilities.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group had 90 (2024: 86) account executives and 105 (2024: 121) employees. Total staff costs (including Directors' remuneration) were HK\$39.1 million (2024: HK\$36.2 million) for the Period. Each employee's remuneration was determined in accordance with individual's responsibilities, competence and skills, experience and performance as well as market pay levels. Staff benefits include medical and life insurance, provident funds and other competitive fringe benefits.

To provide incentives or rewards to the staff, the Company has adopted a share option scheme, particulars of which will be set out in the section headed "Share Options" of the interim report of the Company.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (2024: Nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 31 March	
		2025	2024
		(unaudited)	(unaudited)
	Notes	HK\$'000	HK\$'000
Revenue			
Commission and fee income	4	271,263	30,751
Interest income	4	131,371	154,635
		<u>402,634</u>	<u>185,386</u>
Other income and gains or losses	5	(190,351)	2,140
Impairment allowances, net of reversal	6	(52,721)	(57,402)
Staff costs		(39,069)	(36,179)
Commission and fee expenses		(22,851)	(11,012)
Other expenses	7	(40,916)	(38,303)
Finance costs		<u>(331)</u>	<u>(3,203)</u>
Profit before tax	7	56,395	41,427
Income tax (expense) credit	8	<u>(275)</u>	<u>200</u>
Profit and total comprehensive income for the period attributable to owners of the Company		<u>56,120</u>	<u>41,627</u>
Earnings per share			
– Basic	9	<u><u>HK0.83 cent</u></u>	<u><u>HK0.62 cent</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		31 March 2025 (unaudited) HK\$'000	30 September 2024 (audited) HK\$'000
	Notes		
Non-current assets			
Property and equipment		6,189	7,696
Right-of-use assets		399	2,307
Intangible assets	11	–	–
Assets acquired for financial products issued		147,602	–
Other assets		9,963	9,635
Loans and advances	12	274,951	276,546
Deferred tax assets		590	590
		<u>439,694</u>	<u>296,774</u>
Current assets			
Accounts receivable	13	617,227	699,774
Loans and advances	12	835,632	1,263,046
Other debtors, deposits and prepayments		8,327	7,099
Tax recoverable		8,278	8,278
Pledged bank deposits – general accounts		260,000	260,000
Bank balances and cash – general accounts		1,812,784	1,260,778
Bank balances and cash – segregated accounts		1,585,282	1,478,077
		<u>5,127,530</u>	<u>4,977,052</u>
Current liabilities			
Accounts payable	14	1,824,625	1,750,576
Other creditors and accrued charges		73,066	53,261
Tax liabilities		1,750	1,491
Lease liabilities		7,981	8,193
		<u>1,907,422</u>	<u>1,813,521</u>
Net current assets		<u>3,220,108</u>	<u>3,163,531</u>
Total assets less current liabilities		<u>3,659,802</u>	<u>3,460,305</u>
Non-current liabilities			
Financial products issued at fair value		147,602	–
Lease liabilities		–	4,225
		<u>147,602</u>	<u>4,225</u>
Net assets		<u>3,512,200</u>	<u>3,456,080</u>
Capital and reserves			
Share capital	15	67,408	67,408
Reserves		3,444,792	3,388,672
Total equity		<u>3,512,200</u>	<u>3,456,080</u>

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 31 March 2025 (“**Interim Financial Statements**”) have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (“**Listing Rules**”) on the Stock Exchange and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The Interim Financial Statements should be read, where relevant, in conjunction with the annual financial statements of the Group for the year ended 30 September 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by HKICPA.

2. SIGNIFICANT ACCOUNTING POLICIES

The Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value as appropriate. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Other than changes in accounting policies resulting from application of new HKFRSs, the accounting policies and methods of computation used in the Interim Financial Statements are the same as those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 30 September 2024.

Details of any changes in accounting policies are set out below:

Application of Amendments to HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Noncurrent and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Company’s financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Application of Amendments to HKFRSs (Continued)

New and amendments to HKFRSs in issue but not yet effective

The Company has not early applied the following new and amendments to HKFRSs that are relevant to the Company that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

The Directors anticipate that the application of the new and amendments to HKFRSs will have no material impact on the Interim Financial Statements in the foreseeable future.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

According to HKFRS 8, the Group has the following operating and reportable segments:

- | | |
|-----------------------|---|
| (a) Wealth solutions | – Provision of global investment, wealth management and asset management services |
| (b) Financing | – Provision of margin financing and money lending services |
| (c) Corporate finance | – Provision of corporate finance advisory services |

3. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by operating and reportable segments:

For the six months ended 31 March 2025

	Wealth solutions (unaudited) HK\$'000	Financing (unaudited) HK\$'000	Corporate finance (unaudited) HK\$'000	Elimination (unaudited) HK\$'000	Total (unaudited) HK\$'000
REVENUE					
Segment revenue – external customers					
Commission and fee income	266,770	–	4,493	–	271,263
Interest income	30,837	100,534	–	–	131,371
Inter-segment sales	–	72,034	–	(72,034)	–
	<u>297,607</u>	<u>172,568</u>	<u>4,493</u>	<u>(72,034)</u>	<u>402,634</u>
RESULTS					
Segment results	<u>37,008</u>	<u>26,505</u>	<u>592</u>		64,105
Unallocated other income and gains or losses					148
Unallocated corporate expenses					
– staff costs (including directors' remuneration but excluding staff commission expenses)					(562)
– service charge to a related company					(5,931)
– others					<u>(1,365)</u>
Profit before tax					56,395
Income tax expense					<u>(275)</u>
Profit for the period					<u>56,120</u>

3. SEGMENT INFORMATION *(Continued)*

For the six months ended 31 March 2024

	Wealth solutions (unaudited) HK\$'000	Financing (unaudited) HK\$'000	Corporate finance (unaudited) HK\$'000	Elimination (unaudited) HK\$'000	Total (unaudited) HK\$'000
REVENUE					
Segment revenue – external customers					
Commission and fee income	26,795	–	3,956	–	30,751
Interest income	26,110	128,525	–	–	154,635
Inter-segment sales	–	145,355	–	(145,355)	–
	<u>52,905</u>	<u>273,880</u>	<u>3,956</u>	<u>(145,355)</u>	<u>185,386</u>
Inter-segment sales are charged at prevailing market rates.					
RESULTS					
Segment results	<u>20,035</u>	<u>38,209</u>	<u>(382)</u>		57,862
Unallocated other income and gains or losses					1,915
Unallocated corporate expenses					
– staff costs (including directors' remuneration but excluding staff commission expenses)					(2,089)
– service charge to related companies					(12,780)
– others					<u>(3,481)</u>
Profit before tax					41,427
Income tax credit					<u>200</u>
Profit for the period					<u>41,627</u>

4. REVENUE

	Six months ended 31 March	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Commission and fee income (<i>Note</i>):		
Commission and fee income on dealing in securities	37,095	22,627
Commission and fee income on dealing in futures and options contracts	4,716	1,946
Commission and fee income from insurance brokerage and wealth management	5,137	355
Placing and underwriting commission	219,822	1,867
Corporate finance advisory services fee income	4,493	3,956
	<u>271,263</u>	<u>30,751</u>
Interest income:		
Interest income from margin and initial public offer financing	25,441	23,452
Interest income from loans and advances	75,093	105,073
Interest income from bank deposits	30,499	25,718
Others	338	392
	<u>131,371</u>	<u>154,635</u>
	<u>402,634</u>	<u>185,386</u>

Note: Commission and fees income is the only revenue arising from HKFRS 15, while interest income is under the scope of HKFRS 9.

5. OTHER INCOME AND GAINS OR LOSSES

	Six months ended 31 March	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Other income and gains or losses:		
Other income	2,450	1,513
Exchange gains or losses, net	(214)	627
Loss incurred under wealth solutions business	(192,587)	—
	<u>(190,351)</u>	<u>2,140</u>

6. IMPAIRMENT ALLOWANCES, NET OF REVERSAL

	Six months ended 31 March	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Net impairment allowances on:		
Accounts receivable	(8,036)	(8,446)
Loans and advances	<u>60,757</u>	<u>65,848</u>
	<u>52,721</u>	<u>57,402</u>

7. PROFIT BEFORE TAX

	Six months ended 31 March	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Profit before tax has been arrived at after charging:		
Other expenses:		
Auditor's remuneration	1,213	1,378
Legal and professional fee	2,152	1,233
Advertising and promotion expenses	1,861	1,953
Information technology services and communication expenses	13,298	13,542
Depreciation of property and equipment	1,515	1,296
Depreciation of right-of-use assets	1,908	3,612
General and administrative expenses	7,333	8,432
Rates and building management fee	1,178	1,157
Settlement expenses	1,015	950
Miscellaneous expenses	<u>9,443</u>	<u>4,750</u>
	<u>40,916</u>	<u>38,303</u>

8. INCOME TAX (EXPENSE) CREDIT

	Six months ended 31 March	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Current period:		
Hong Kong Profits Tax	(259)	186
PRC Enterprise Income Tax	(16)	14
	<u>(275)</u>	<u>200</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 31 March	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Earnings		
Earnings for the purpose of basic earnings per share	<u>56,120</u>	<u>41,627</u>
	Six months ended 31 March	
	2025	2024
	(unaudited)	(unaudited)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>6,740,846</u>	<u>6,740,846</u>

No diluted earnings per share for the six months ended 31 March 2025 and 31 March 2024 were presented as there were no potential ordinary shares outstanding during both periods.

10. DIVIDENDS

The Board has resolved not to declare any interim dividend for the Period (2024: Nil).

11. INTANGIBLE ASSETS

HK\$'000

COST

At 1 October 2023, 30 September 2024 and **31 March 2025**

9,802

AMORTISATION AND IMPAIRMENT

At 1 October 2023, 30 September 2024 and **31 March 2025**

9,802

CARRYING VALUES

At **31 March 2025**

—

At 30 September 2024

—

Trading rights were fully amortised over 10 years from the effective date of the merger of the Stock Exchange, the Hong Kong Futures Exchange and the Hong Kong Securities Clearing Company Limited to year 2000.

12. LOANS AND ADVANCES

	As at	
	31 March 2025 (unaudited) HK\$'000	30 September 2024 (audited) HK\$'000
Fixed-rate loans receivable	1,824,465	2,188,495
Variable-rate loans receivable	184,934	191,358
	2,009,399	2,379,853
Less: provision for impairment	(898,816)	(840,261)
	1,110,583	1,539,592
Analysed as:		
Current	835,632	1,263,046
Non-current	274,951	276,546
	1,110,583	1,539,592

12. LOANS AND ADVANCES (Continued)

Note: In determining the allowances for credit-impaired loans and advances, the management of the Group also takes into account the fair value of collateral and the outstanding balance of loan receivables individually taking into account of executable settlement plan and restructuring arrangements with available forward looking information.

The Group has established credit policies to ensure all loans and advances are subject to credit risk assessment and ongoing monitoring, including evaluation of customers' credit ratings (if publicly available), financial background and repayment abilities. ECL assessment is carried out based on a close monitoring and evaluation of the collectability of individual account and on management's judgement, including the current creditworthiness of the borrowers, collateral value, the past collection history and available forward looking information. The Group had commenced legal proceedings against the borrowers of the credit-impaired loans with the gross carrying amount totalling approximately HK\$493 million (30 September 2024: HK\$727 million), on which provision for impairment of approximately HK\$320 million (30 September 2024: HK\$398 million) was made as at 31 March 2025. As at the reporting date of the Interim Financial Statements, the legal proceedings are still in progress.

The carrying amounts of the Group's fixed-rate and variable-rate loans receivable together with their remaining contractual maturity dates are as follows:

	As at	
	31 March 2025 (unaudited) HK\$'000	30 September 2024 (audited) HK\$'000
Fixed-rate loans receivable:		
Within one year	526,460	722,686
In more than one year but no more than five years	36,333	25,238
Over five years	114,014	127,164
	<hr/>	<hr/>
	676,807	875,088
Past due	274,346	492,062
	<hr/>	<hr/>
	951,153	1,367,150
	<hr/>	<hr/>

12. LOANS AND ADVANCES (Continued)

	As at	
	31 March 2025 (unaudited) HK\$'000	30 September 2024 (audited) HK\$'000
Variable-rate loans receivable:		
Within one year	5,951	4,532
In more than one year but no more than five years	20,347	21,262
Over five years	104,257	102,882
	<hr/>	<hr/>
	130,555	128,676
Past due	28,875	43,766
	<hr/>	<hr/>
	159,430	172,442
	<hr/>	<hr/>

The effective interest rates of the Group's loans receivable are as follows:

	As at	
	31 March 2025 (unaudited)	30 September 2024 (audited)
Effective interest rates:		
Fixed-rate loans receivable	0.67% per month to 3.83% per month	0.67% per month to 3.83% per month
Variable-rate loans receivable	Prime rate – 2.5% per annum to prime rate per annum	Prime rate – 2.5% per annum to prime rate per annum

As at 31 March 2025, 141 (30 September 2024: 178) secured loans with the aggregate gross amount of approximately HK\$994 million (30 September 2024: HK\$1,184 million) were secured by first legal charges in respect of respective properties located in Hong Kong and Canada. The collateral for each individual loan is sufficient to cover the loan amount on an individual basis. They were advanced to various independent borrowers and will be due for repayment within 1 to 29 years (30 September 2024: 1 to 30 years).

As at 31 March 2025, loans receivable amounting to approximately HK\$419 million (30 September 2024: HK\$548 million) provided to independent third parties of the Group, were with second or third legal charges in respect of properties located in Hong Kong and Canada and will be due for repayment within 1 to 29 years (30 September 2024: 1 to 30 years) from the respective loans' date of advance.

12. LOANS AND ADVANCES (Continued)

As at 31 March 2025, there was no secured loan (30 September 2024: one) with the aggregate gross amount of HK\$nil (30 September 2024: approximately HK\$93 million) where the borrower held Hong Kong listed marketable securities under the securities account in one of the Group entities. The Group had the right to sell or require a sale of all these securities and used the proceeds to repay the outstanding loan in the event that the borrower failed to pay the amount due on due date when the value of marketable securities was sufficient to cover the margin loan amount under the securities account. The remaining gross balance of loans of approximately HK\$386 million (30 September 2024: HK\$303 million) were unsecured.

As at 31 March 2025 and 30 September 2024, there was no individual loan with net carrying amount, on an individual basis, being more than 10% of the net carrying amount of the total loans and advances.

The carrying amounts of the Group's loans and advances approximate their fair value.

13. ACCOUNTS RECEIVABLE

	As at	
	31 March 2025 (unaudited) HK\$'000	30 September 2024 (audited) HK\$'000
Accounts receivable from the business of dealing in securities:		
Clearing houses, brokers and cash clients	231,623	294,439
Secured margin loans	1,207,246	1,570,343
Accounts receivable from the business of dealing in futures contracts:		
Clearing houses, brokers and margin clients	81,205	65,503
Accounts receivable from the business of corporate finance and placing and underwriting	28,589	67,865
	<u>1,548,663</u>	<u>1,998,150</u>
Less: provision for impairment	<u>(931,436)</u>	<u>(1,298,376)</u>
	<u>617,227</u>	<u>699,774</u>

The settlement terms of accounts receivable, except for secured margin loans and IPO margin loans, arising from the business of dealing in securities are two days after trade date, and of accounts receivable arising from the business of dealing in futures contracts are one day after trade date.

Normal settlement terms of accounts receivable from the business of corporate finance, and placing and underwriting are determined in accordance with the contractual terms. The Group seeks to maintain tight control over its outstanding accounts receivable from the business of corporate finance in order to minimise the credit risk.

As at 31 March 2025 and 30 September 2024, no individual account represented more than 10% of the net carrying amount of total accounts receivable.

No ageing analysis of secured margin loans and IPO margin loans is disclosed as in the opinion of the executive directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

13. ACCOUNTS RECEIVABLE (Continued)

The ageing analysis of the remaining balance of the accounts receivable (before impairment) are as follows:

	As at	
	31 March 2025 (unaudited) HK\$'000	30 September 2024 (audited) HK\$'000
Past due:		
0-30 days	26,430	6,223
31-60 days	262	1,261
61-90 days	240	531
Over 90 days	5,250	4,224
Accounts receivable which were past due	32,182	12,239
Accounts receivable which were not past due	309,235	415,568
	341,417	427,807

Note: In determining the allowances for credit-impaired loans to margin clients, the management of the Group also takes into account shortfall by comparing the fair value of listed securities pledged as collateral and the outstanding balance of accounts receivable from margin client individually taking into account of subsequent settlement or executable settlement plan and restructuring arrangements with available forward looking information.

To minimise the Group's exposure to credit risk, the Group has a policy for reviewing and monitoring accounts receivable without sufficient collateral and those with default or delinquency in interest or principal payment. ECL assessment is carried out based on an evaluation of the collectability and ageing analysis of the accounts and on management's judgement including the current creditworthiness, collateral value, the past collection history and available forward looking information.

Management had set up the credit limits for each individual customer which are subject to regular reviews by the management. Any extension of credit beyond these approval limits has to be approved by relevant level of management on an individual basis according to the exceeded amount. Impairments are made for those clients with shortfall as at the end of the reporting period and with no settlement or executable settlement plan and arrangement after the end of the reporting period. The Group had commenced legal proceedings against the borrowers of the credit-impaired loans of the gross carrying amount totalling approximately HK\$352 million (30 September 2024: HK\$326 million) for recovery, on which provision for impairment of HK\$261 million (30 September 2024: HK\$263 million) was made as at 31 March 2025. As at the reporting date of the Interim Financial Statements, the legal proceedings are still in progress.

14. ACCOUNTS PAYABLE

	As at	
	31 March 2025 (unaudited) HK\$'000	30 September 2024 (audited) HK\$'000
Accounts payable from the business of dealing in securities:		
Clearing houses and brokers	26,442	6,163
Margin and cash clients	1,577,731	1,484,863
Accounts payable from the business of dealing in futures contracts:		
Margin clients	220,452	259,550
	<u>1,824,625</u>	<u>1,750,576</u>

The settlement terms of accounts payable, except for margin loans, arising from the business of dealing in securities are two days after trade date and accounts payable arising from the business of dealing in futures contracts are one day after trade date. No ageing analysis is disclosed as in the opinion of the executive directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts payable to margin and cash clients arising from the business of dealing in securities and dealing in futures bear variable interest at commercial rates, and are repayable on demand subsequent to settlement date.

Included in accounts payable, amounts of approximately HK\$1,585 million and HK\$1,478 million as at 31 March 2025 and 30 September 2024 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 conducting the regulated activities. However, the Group currently does not have an enforceable right to offset these accounts payable with the deposits placed.

15. SHARE CAPITAL

	Number of shares '000	HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 October 2024 and 31 March 2025	<u>500,000,000</u>	<u>5,000,000</u>
Issued and fully paid:		
At 1 October 2024	<u>6,740,846</u>	<u>67,408</u>
At 31 March 2025	<u>6,740,846</u>	<u>67,408</u>

16. FAIR VALUE MEASUREMENT ON FINANCIAL INSTRUMENTS

The executive directors of the Company consider that the carrying amounts of all financial assets and financial liabilities recorded at amortised cost at the respective reporting period ends approximate their corresponding fair values.

REVIEW OF INTERIM RESULTS

The condensed consolidated financial statements of the Group for the Period have not been reviewed nor audited by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, but have been reviewed by the audit committee of the Company, which comprises three independent non-executive Directors.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company complied throughout the Period with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except with the deviation from code provision C.2.1 which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Ms. Daisy Yeung serves as the Chairperson of the Board as well as the Chief Executive Officer of the Group. Ms. Daisy Yeung has extensive management experience in financial industry. The Board considers that the combination of the roles of Chairperson and Chief Executive Officer can promote the efficient formulation and implementation of the Company's strategies to grasp business opportunities efficiently and effectively. The Board believes that the balance of power and authority of the Board is adequately ensured by the current Board which comprises experienced and high calibre individuals, with half of them being independent non-executive Directors, and the independent mechanism.

Model Code for Securities Transactions

The Company has adopted its own code of conduct regarding securities transactions by Directors ("ECG Securities Code") on no less exacting terms than the required standards as set out in Appendix C3 to the Listing Rules regarding the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"). Having made specific enquiry of the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the ECG Securities Code throughout the Period.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines in line with the Model Code. No incident of non-compliance by relevant employees was noted during the Period.

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 INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.EmperorCapital.com>). The interim report of the Company for the Period will be published on the aforesaid websites in due course.

By order of the Board
Emperor Capital Group Limited
Daisy Yeung
Chairperson

Hong Kong, 22 May 2025

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

Executive Directors:

Ms. Daisy Yeung
Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors:

Mr. Wong Tak Ming, Gary
Mr. Yu King Tin
Ms. Chan Sim Ling, Irene