



英皇證券集團有限公司
Emperor Capital Group Limited

於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability

REVENUE GROWS 6% TO HK\$1,314 MILLION IN 2017/18 UNLEASHES UNIQUE STRENGTHS AND EXPANDS FINANCING BUSINESS

Financial Summary

HK\$'000	For the year ended 30 September		Changes
	2018	2017	
Total revenue	1,314,270	1,241,000	+ 5.9%
Financing	1,085,879	837,521	+ 29.7%
Brokerage	133,844	132,961	+ 0.7%
Placing & Underwriting	75,920	203,708	- 62.7%
Corporate Finance	18,627	66,810	- 72.1%
Net profit			
Per reported	549,195	659,185	- 16.7%
Adjusted*	754,773*	662,686*	+ 13.9%
Basic earnings per share	HK8.15 cents	HK9.96 cents	- 18.2%
Total dividends per share	HK2.85 cents	HK2.90 cents	- 1.7%

* Excluding aggregate impairment allowances for accounts receivable, loans and advances, net of reversal, totalling HK\$205.6 million (2017: HK\$3.5 million)

(Hong Kong, 11 December 2018) **Emperor Capital Group Limited** (the “Group”) (Stock code: 717), a one-stop comprehensive financial services institution in Hong Kong, today announced its annual results for the year ended 30 September 2018 (the “Year”).

During the Year, the Group’s revenue increased by 5.9% to HK\$1,314.3 million (2017: HK\$1,241.0 million), mainly driven by the growth of financing segment. Reported net profit decreased to HK\$549.2 million (2017: HK659.2 million) as a result of the impairment allowances for accounts receivable, loans and advances, net of reversal (“Impairment Allowances”) recognised. Excluding the Impairment Allowances, the adjusted net profit up by 13.9% to HK\$754.8 million (2017: HK\$662.7 million) and the adjusted net profit margin was 57.4% (2017: 53.4%). Basic earnings per share were HK8.15 cents (2017: HK9.96 cents). The Group has recommended payment of a final dividend of HK0.64 cent per share, together with the interim dividend, the total dividends per share for the Year will amount to HK2.85 cents (2017: HK2.90 cents).

As at 30 September 2018, aggregate of bank balances, cash and pledged bank deposits of the Group amounted to HK\$1,043.0 million (as at 30 September 2017: HK\$674.1 million). During the Year, the Group issued and placed 3-year HKD-denominated bonds with a principal amount of HK\$1,200.0 million. Together with the bonds, the total borrowings increased to HK\$3,245.3 million (as at 30 September 2017: HK\$1,917.6 million).

Financing

Revenue from the financing segment grew by 29.7% to HK\$1,085.9 million (2017: HK\$837.5 million), accounting for 82.6% (2017: 67.5%) of the Group's total revenue, reflecting the success of the Group's strategy in prioritising the financing segment. During the Year, apart from actively expanding its property mortgage business which achieved satisfactory performance, the Group also focused on developing its personal loan business and enlarged the customer base by enhancing marketing capabilities and optimising loan service processes.

Brokerage

As one of the major listing and fund-raising markets in the world, the uptrend of Hong Kong's total fund-raising amount and the number of newly listed companies remained, which helped drove the Group's brokerage business. During the Year, revenue from the brokerage segment increased slightly to HK\$133.8 million (2017: HK\$133.0 million). The segment accounted for 10.2% (2017: 10.7%) of total revenue.

As at 30 September 2018, the Group operated 6 branches in Hong Kong and 3 liaison offices in mainland China. Since the launch of the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect schemes in recent years, the Group has included Northbound trading services, enabling investors to trade eligible stocks listed in Shanghai Stock Exchange and Shenzhen Stock Exchange.

Placing and Underwriting

During the Year, the revenue of the Group's placing and underwriting segment was HK\$75.9 million (2017: HK\$203.7 million), accounting for 5.8% (2017: 16.4%) of total revenue.

During the Year, the Group acted as one of the Joint Sponsors, Sole Bookrunner and Lead Manager in the IPO of Ulferts International Limited, which was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in January 2018. The Group also acted as one of the Joint Bookrunners and Joint Lead Managers in the IPO of Grace Wine Holdings Limited, which was listed on GEM of the Stock Exchange in June 2018.

Corporate Finance

The Group's corporate finance segment recorded revenue of HK\$18.6 million (2017: HK\$66.8 million) during the Year, accounting for 1.4% (2017: 5.4%) of total revenue.

Ms. Daisy Yeung, Chief Executive Officer of Emperor Capital Group Limited, said, “Sino-US tension and monetary policies of major central banks are set to overshadow the global economic outlook in the near term. The sentiments on monetary and capital market have become more cautious. It is expected that banks may adjust their loans and property mortgages arrangements accordingly. Against this backdrop, the Group will adjust its strategy in a timely manner in response to market demand and strengthen its property mortgage business which has a unique market positioning. It will also focus on expanding its personal loan business to meet the market demand for loans with higher flexibility. The Group will press ahead with its growth strategies by exploring new opportunities spanning various loan products. Meanwhile, the Group strives to enhance the risk management and response system, in order to achieve stable returns amid an unstable market environment.”

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About Emperor Capital Group Limited

Established in 1993, Emperor Capital Group Limited (717.HK) is a renowned Hong Kong based financial institution providing a wide range of financial services including (i) commercial and personal lending as well as margin and IPO financing; (ii) brokerage, wealth management and asset management; (iii) placing and underwriting services for listed issuers; and (iv) corporate finance advisory services. It has become one of the constituent stocks of MSCI HK Small Cap Index since 1 December 2015. For more information, please visit its website: www.emperorcgroup.com

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