

Established in 1993, **Emperor Capital Group Limited** (“Company”) and its subsidiaries (collectively referred to as “Group”) is a renowned financial institution providing one-stop financial services including (i) wealth solutions covering global investment, wealth management and asset management; (ii) financing 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 since April 2007. Currently, the Group’s headquarters is located in Hong Kong, and has set up liaison offices in Mainland China.

RESULTS

Despite facing a tough operating business environment, the Group’s total revenue increased by 20.5% to HK\$531.6 million (2023: HK\$441.0 million) during the year ended 30 September 2024 (“Year”). Net impairment allowances mainly from margin loans, other loans and advances (“Impairment Allowances”) decreased significantly to HK\$158.9 million (2023: HK\$403.6 million), resulting in the Group turning around to a net profit of HK\$66.4 million (2023: net loss of HK\$160.6 million). Basic earnings per share was HK0.98 cent (2023: basic loss per share of HK2.38 cents).

MARKET REVIEW

Although the macro economy had once seen improvement after the pandemic, the world’s major economies – China and the United States – have been facing headwinds during the Year: geopolitical tensions, debt issues, inflationary pressure, high unemployment rates, etc, plus the expectations for delayed Federal Reserve interest rate cut, have all adversely impacted the capital markets as well as business performance of corporations. Turnovers of the Hong Kong stock market remained low, and the initial public offering (“IPO”) market was sluggish. In the second half of the Year, investment sentiment improved following the announcement of measures to enhance mutual access between the capital markets of Mainland China and Hong Kong in late April; trading activities picked up and fund raising activities revived to a certain extent. Furthermore, with the Federal Reserve interest rate cut in mid-September serving as a catalyst that had a positive influence on the stock markets, the Hang Seng Index rose markedly, and closed at its highest during the Year at 21,133 on 30 September 2024.

BUSINESS REVIEW

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).

With an aim of expanding its revenue sources, the Group has stepped up efforts in introducing new services and products. During the Year, revenue from the wealth solutions segment increased by 165.6% to HK\$278.0 million (2023: HK\$104.7 million), accounting for 52.3% (2023: 23.7%) of the Group's total revenue, despite an unfavourable stock market environment.

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 Year, 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 Year, revenue from the financing segment was HK\$242.8 million (2023: HK\$323.1 million), accounting for 45.7% (2023: 73.3%) of the Group's total revenue.

Corporate Finance

The corporate finance segment offers professional advisory services on corporate transactions comprising IPOs, 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 Year, the Group continued to partake in fundraising projects, with involvement in multiple roles. Revenue from the corporate finance segment was HK\$10.8 million (2023: HK\$13.3 million), accounting for 2.0% (2023: 3.0%) of the Group's total revenue.

OUTLOOK

Subsequent to the Year, sentiment across various sectors such as financial, property and retail have revived as a result of the Federal Reserve interest rate cut, contributing to the increase in transactions and consumption within these sectors. The further interest rate cuts in November and December, as well as the stimulus measures launched by the Central Government subsequent to the Year are expected to exert a positive influence on the market environments and trading turnovers, which will also help boost the demand for monetary and financial services.

That said, factors including but not limited to geopolitical tensions and interest rate volatility may weigh on business confidence and asset markets; the Group will therefore continue adopting a cautious yet pragmatic approach to combat the uncertainties. The local government has been strengthening its economic links with overseas economies and Mainland China; with its strategic role as an international financial centre and within the Greater Bay Area, Hong Kong is well placed to attract foreign investments from around the world, and the Group will implement appropriate strategies in order to seize the market opportunities.

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

The Group financed its business operations by cash mainly generated from business operations and borrowings. As at 30 September 2024, the Group's current assets and current liabilities were HK\$4,977.1 million (2023: HK\$4,712.5 million) and HK\$1,813.5 million (2023: HK\$1,792.0 million) respectively. As at 30 September 2024, aggregate of bank balances, cash and pledged bank deposits of the Group amounted to HK\$1,520.8 million (2023: HK\$1,162.3 million), which were mainly denominated in Hong Kong dollar.

As at 30 September 2024, the Group did not have any bank borrowings (2023: HK\$210.0 million), hence the gearing ratio was zero (2023: 6.2%; 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 30 September 2024.

With the Group's sufficient bank balances and cash, as well as its available unutilised banking facilities of HK\$1,205.0 million (2023: HK\$1,765.0 million) as at 30 September 2024, the Board considers the Group has sufficient working capital for its operation and future development.

Pledge of Assets

As at 30 September 2024, bank deposit of the Group with aggregate carrying amount of HK\$260.0 million (2023: HK\$160.0 million) was pledged to a bank as security for banking facilities.