



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

ANNOUNCES 2019/20 ANNUAL RESULTS

Financial Summary

HK\$'000	For the year ended 30 September	
	2020	2019
Total revenue	917,407	1,082,854
<i>Financing</i>	779,246	940,016
<i>Brokerage Services</i>	115,607	102,020
<i>Placing & Underwriting</i>	13,409	34,453
<i>Corporate Finance</i>	9,145	6,365
Net (loss) / profit		
Per reported	(689,747)	(258,706)
Adjusted*	637,598*	630,578*
Basic loss per share	HK(10.23) cents	HK(3.84) cents

* Excluding aggregate impairment allowances on margin loans and, loans and advances, net of reversal, totalling approximately HK\$1,327.3 million (2019: HK\$889.3 million)

(Hong Kong, 18 December 2020) **Emperor Capital Group Limited** (“Emperor Capital Group” or the “Group”) (Stock code: 717), a one-stop financial services institution in Hong Kong, announced its annual results for the year ended 30 September 2020 (the “Year”).

During the Year, the global economy faced severe headwinds arising from the COVID-19 pandemic, which resulted in disruptions to business activities around the world. As a result of a tough business operating environment, the Group’s revenue decreased to HK\$917.4 million (2019: HK\$1,082.9 million) during the Year. The loss for the year attributable to owners of the Company was HK\$689.7 million (2019: HK\$258.7 million), which was mainly due to the recognition of impairment allowances for margin loans and, loans and advances (“Impairment Allowances”) and the decline of total revenue. Excluding the Impairment Allowances of approximately HK\$1,327.3 million, the Group’s adjusted net profit remained stable at HK\$637.6 million (2019: HK\$630.6 million). Basic loss per share was HK10.23 cents (2019: HK3.84 cents).

As at 30 September 2020, the Group had bank borrowings of HK\$2,371.0 million (2019: HK\$231.2 million), which solely represented IPO financing and was fully repaid in early October 2020. The total borrowings of the Group, which included the bonds and excluded the IPO financing, amounted to HK\$1,394.6 million (2019: HK\$3,044.7 million), hence the gearing ratio was 31.5% (2019: 59.5%; calculated as a percentage of total borrowings excluding IPO financing over total equity of the Group).

Financing

During the Year, the segment's revenue was HK\$779.2 million (2019: HK\$940.0 million), accounting for 84.9% (2019: 86.8%) of the Group's total revenue. In the face of an unprecedented challenging business environment, the Group continued to adopt a conservative approach and further tightened the loan approval procedures. The Group monitored the market situation closely and adjusted the interest rate and loan-to-value ratio timely, in order to enhance its risk and capital management. Legal proceedings have been initiated in response to the Impairment Allowances during the Year.

Brokerage Services

The Group offers web-based and mobile trading platforms which enable real-time transaction and investment portfolio monitoring. As at 30 September 2020, the Group operated 3 branches in Hong Kong and 3 liaison offices in mainland China. During the Year, the increase of China concepts stocks turning to Hong Kong for listing has contributed to the increase in the stock market turnover. The Stock Connect Northbound and Southbound average daily turnover value also reached record half-yearly highs during the first half of 2020. As a result, revenue from brokerage services increased by 13.3% to HK\$115.6 million (2019: HK\$102.0 million) during the Year, accounting for 12.6% (2019: 9.4%) of the Group's total revenue.

Placing and Underwriting

During the Year, the revenue of the Group's placing and underwriting segment was HK\$13.4 million (2019: HK\$34.5 million), accounting for 1.5% (2019: 3.2%) of the Group's total revenue.

Corporate Finance

The corporate finance segment's revenue was HK\$9.1 million (2019: HK\$6.4 million) during the Year, accounting for 1.0% (2019: 0.6%) of the Group's total revenue.

Ms. Daisy Yeung, Chief Executive Officer of Emperor Capital Group, said, “With a number of challenges which are yet to be resolved, the gloomy economic outlook and market instability are expected to remain, a certain period of time is anticipated for the market recovery. On the other hand, Hong Kong is a vital link for access to China’s stock market. It is expected that more foreign-listed Chinese firms and Chinese new economy companies may consider to list in Hong Kong, and the return of China concepts stocks will benefit the Hong Kong stock market in the long run as more global funds will be allocated to the Hong Kong market. In addition, development of the ‘Guangdong-Hong Kong-Macao Greater Bay Area’ would bring more opportunities for Hong Kong as an international financial hub.”

Ms. Yeung concluded, “The Group will actively review its loan portfolio and loan receivables status; conduct more comprehensive assessments of the collaterals to minimise default risk; and exercise stringent control over operating costs. In the face of threats and opportunities ahead, the Group will adhere to its prudent management approach and adopt appropriate strategies to mitigate downside risk while seizing opportunities, and will endeavour to maintain steady businesses development.”

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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 services, wealth management and asset management; (iii) placing and underwriting services for listed issuers; and (iv) corporate finance advisory services. For more information, please visit its website: www.emperorcapital.com.

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