



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

EMPEROR CAPITAL GROUP ANNOUNCES 1H2018/19 RESULTS
REINFORCES RISK AND CAPITAL MANAGEMENT
STRIVES TO MAINTAIN STEADY DEVELOPMENT OF BUSINESSES

Financial Summary

HK\$'000 (Unaudited)	For the six months ended 31 March	
	2019	2018
Total revenue	590,427	668,068
Financing	519,426	521,857
Brokerage	50,802	68,993
Placing & Underwriting	17,149	60,843
Corporate Finance	3,050	16,375
Net profit		
Per Reported	37,638	371,408
Adjusted*	357,365*	372,516*
Basic earnings per share	HK0.55 cent	HK5.51 cents

* Excluding aggregate impairment allowances for margin loans, loans and advances, net of reversal, totalling HK\$319.7 million (2018: HK\$1.1 million)

(Hong Kong, 21 May 2019) **Emperor Capital Group Limited** (“Emperor Capital Group” or the “Group”) (Stock code: 717), a one-stop comprehensive financial services institution in Hong Kong, today announced its unaudited interim results for the six months ended 31 March 2019 (the “Period”).

During the Period, due to several market uncertainties, the general market sentiment was volatile and the Group’s revenue inevitably decreased by 11.6% to HK\$590.4 million (2018: HK\$668.1 million). Reported net profit decreased to HK\$37.6 million (2018: HK\$371.4 million) as a result of the impairment allowances for margin loans, loans and advances, net of reversal (“Impairment Allowances”) recognised. Excluding the Impairment Allowances, the adjusted net profit declined by 4.1% to HK\$357.3 million (2018: HK\$372.5 million). Basic earnings per share were HK0.55 cent (2018: HK5.51 cents).

Financing

Fluctuations in the local stock and property markets have influenced the demand for the Group's loans and financing services as well as its performance. During the Period, the segment's revenue remained broadly stable at HK\$519.4 million (2018: HK\$521.9 million), accounting for 88.0% (2018: 78.1%) of the Group's total revenue. In response to the significant amount of Impairment Allowances during the Period, relevant legal proceedings have been taken. The Group will closely monitor its recoverability and take further action as appropriate. The Group will also further strengthen its credit control measures for relevant businesses to minimize potential risks posted to the Group.

Brokerage

During the Period, a decline were recorded in both the number of newly listed companies and total turnover when compared with the same period last year. Revenue from brokerage services therefore decreased to HK\$50.8 million (2018: HK\$69.0 million). The segment accounted for 8.6% (2018: 10.3%) of total revenue.

As at 31 March 2019, the Group operated 4 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 Period, the revenue of the Group's placing and underwriting segment was HK\$17.1 million (2018: HK\$60.8 million), accounting for 2.9% (2018: 9.1%) of total revenue.

During the Period, the Group acted as the Lead Manager and Sole Bookrunner in the IPO of Metropolis Capital Holdings Limited (Stock code: 8621), which was listed on GEM of The Stock Exchange of Hong Kong Limited in December 2018.

Corporate Finance

The Group's corporate finance segment recorded revenue of HK\$3.1 million (2018: HK\$16.4 million) during the Period, accounting for 0.5% (2018: 2.5%) of total revenue.

Ms. Daisy Yeung, Chief Executive Officer of Emperor Capital Group, said, "Against the backdrop of unresolved trade and political frictions, as well as a slowdown in the growth of China's economy, the visibility of global outlook is less clear, and Hong Kong financial market remains volatile. A challenging external environment is anticipated in the near term, and markets are adopting a cautious view of the future. In the face of a vulnerable and fast-changing economic environment, the Group will adopt a pragmatic approach, carefully evaluate the market situation and adjust its product portfolio accordingly, while continuing to strengthen its risk management. The Group strives to maintain steady development of its businesses."

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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. For more information, please visit its website: www.emperorcapiatal.com

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