



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(股份代號:717)
Incorporated in Bermuda with limited liability (Stock Code:717)

Announces 2020/21 Annual Results

(Hong Kong, 30 December 2021) **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 2021 (the “Year”).

As a result of a tough business operating environment, the Group’s revenue inevitably decreased to HK\$676.8 million (2020: HK\$917.4 million) during the Year. An impairment allowances for margin loans, and other loans and advances (the “Impairment Allowances”) of HK\$939.3 million (2020: HK\$1,327.3 million) was recognised. Loss for the year attributable to owners of the Company was HK\$576.1 million (2020: HK\$689.7 million). Basic loss per share was HK8.55 cents (2020: HK10.23 cents).

Financing

During the Year, the segment’s revenue was HK\$548.4 million (2020: HK\$779.2 million), accounting for 81.0% (2020: 84.9%) of the Group’s total revenue. With the visibility on the economic outlook remained uncertain, the Group has taken a pro-active approach to strengthen the overall credit risk management and control mechanism in its financing business. The Group has tightened the loan approval procedures and was prudent on the valuation assessment of the collaterals. The Group also monitored the market situation closely and adjusted the interest rate and loan-to-value ratio timely, in order to optimise the balance between risk and capital.

Brokerage Services

The Group offers web-based and mobile trading platforms which enable real-time transaction and investment portfolio monitoring. As at 30 September 2021, the Group operated 3 branches in Hong Kong and 3 liaison offices in mainland China. During the Year, as a result of the volatile stock market, revenue from brokerage services was HK\$99.3 million (2020: HK\$115.6 million), accounting for 14.7% (2020: 12.6%) of the Group’s total revenue. During the Year, the Group launched its digital

enhancement project, with a focus on online account opening and eIPO application, enabling the Group to attract new customers. The Group also promoted the use of electronic services by its customers in various ways, to enhance customer engagement.

Placing and Underwriting

During the Year, the revenue of the Group's placing and underwriting segment increased to HK\$16.3 million (2020: HK\$13.4 million), accounting for 2.4% (2020: 1.5%) of the Group's total revenue.

Corporate Finance

During the Year, the corporate finance segment's revenue increased to HK\$12.7 million (2020: HK\$9.1 million), accounting for 1.9% (2020: 1.0%) of the Group's total revenue.

Ms. Daisy Yeung, Chief Executive Officer of Emperor Capital Group, said, "With Hong Kong's further solidifying and amplifying strategic role in the Greater Bay Area ("GBA"), and reaping the benefits of potential collaboration with Shenzhen's Qianhai economic zone, Hong Kong's position as an international financial hub will be reinforced by capitalising on a surge of interest from mainland Chinese investors. In addition, the Cross-boundary Wealth Management Connect Scheme in the GBA will surely stimulate demand for capital investment and related products, by enabling mainland Chinese investors domiciled in the GBA to invest in approved wealth management products in Hong Kong, and allowing foreign investors to tap financial products launched in China via the city. The Group believes that the China market will continue to be a growth engine."

Ms. Yeung concluded, "Looking ahead, the Group will further update its frontend and backend trading systems and diversify its digital offerings, as well as strengthen its wealth management business development. With a number of challenges which are yet to be resolved, the gloomy economic outlook and market instability are expected to remain. The Group will actively review its loan portfolio and loan receivables status; conduct more comprehensive assessments of collaterals to minimise default risk; and exercise stringent control over operating costs. The Group will adhere to its prudent 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.emperorcgroup.com.

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