



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 INTERIM RESULTS**  
**IMPLEMENT STRICTER SCRUTINY OF LOAN APPROVAL PROCEDURES**  
**STRIVES TO REDUCE OPERATING COSTS TO**  
**ENHANCE OPERATIONAL EFFICIENCY**

**Financial Summary**

HK\$'000 (Unaudited)	For the six months ended 31 March	
	2020	2019
Total revenue	<b>494,453</b>	590,427
<i>Financing</i>	<b>427,550</b>	519,426
<i>Brokerage Services</i>	<b>58,819</b>	50,802
<i>Placing &amp; Underwriting</i>	<b>3,144</b>	17,149
<i>Corporate Finance</i>	<b>4,940</b>	3,050
Net (loss) / profit		
Per reported	<b>(268,067)</b>	37,638
Adjusted*	<b>324,869*</b>	357,365*
Basic (loss) / earnings per share	<b>HK(3.98) cents</b>	HK0.55 cent

\* Excluding aggregate impairment allowances on margin loans and, loans and advances, net of reversal, totalling approximately HK\$592.9 million (2019: HK\$319.7 million)

(Hong Kong, 19 May 2020) **Emperor Capital Group Limited** (“Emperor Capital Group” or the “Group”) (Stock code: 717), a one-stop financial services institution in Hong Kong, today announced its interim results for the six months ended 31 March 2020 (the “Period”).

During the Period, the global trade dispute, fluctuating exchange rate of the Chinese yuan, and fears caused by the outbreak of coronavirus disease (COVID-19; the “Pandemic”), have greatly impacted the local as well as global economy. As a result, the Group’s revenue decreased to HK\$494.5 million (2019: HK\$590.4 million). Net loss for the Period was HK\$268.1 million (2019: net profit of HK\$37.6 million), which was mainly due to a recognition of impairment allowances of approximately HK\$592.9 million for margin loans as well as loans and advances, net of reversal (“Impairment Allowances”). Excluding the Impairment Allowances, the Group’s adjusted net profit decreased by 9.1% to HK\$324.9 million (2019: HK\$357.4 million). Basic loss per share were HK3.98 cents (2019: Basic earnings per share of HK0.55 cent).

As at 31 March 2020, the Group had no bank borrowings (as at 30 September 2019: HK\$231.2 million). The total borrowings of the Group, which comprised bonds only, amounted to HK\$1,799.7 million (as at 30 September 2019: HK\$3,044.7 million). The gearing ratio, calculated as a percentage of total borrowings over total equity of the Group, therefore decreased to 37.1% (as at 30 September 2019: 59.5%).

### **Financing**

The global economic instability has hindered the development of the financial services market. During the Period, the financing segment's revenue was HK\$427.6 million (2019: HK\$519.4 million), accounting for 86.5% (2019: 88.0%) of the Group's total revenue. Facing the vulnerable business environment, the Group adopted a conservative approach, and continued striving to reinforce its risk management and strengthen its capital management. Legal proceedings have been initiated in response to the significant amount of Impairment Allowances during the Period.

### **Brokerage Services**

Despite the volatile stock market, the brokerage segment's revenue increased to HK\$58.8 million (2019: HK\$50.8 million) during the Period. The segment accounted for 11.9% (2019: 8.6%) of total revenue. As at 31 March 2020, the Group operated 3 branches in Hong Kong and 3 liaison offices in mainland China.

### **Placing and Underwriting**

During the Period, the revenue of the Group's placing and underwriting segment was HK\$3.1 million (2019: HK\$17.1 million), accounting for 0.6% (2019: 2.9%) of total revenue.

### **Corporate Finance**

The corporate finance segment's revenue increased to HK\$4.9 million (2019: HK\$3.1 million) during the Period, accounting for 1.0% (2019: 0.5%) of total revenue.

**Ms. Daisy Yeung, Chief Executive Officer of Emperor Capital Group**, said, "With the slowdown of IPO deals and corporate transactions, as well as corporations' business prospects being undermined which in turn impair their liquidity and perceived credibility, a tough business environment is expected to persist for some time. On the other hand, the Group expects the financial relief measures at both regional and nationwide level to combat the Pandemic will help to accelerate market recovery in the Greater China. The Group will adhere to its prudent approach by actively reviewing its loan portfolio, reinforcing risk management, promptly reacting to market changes, and exercising stringent control over operating costs. The Group is well poised to seize development opportunities, whilst endeavouring 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 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.emperorcapiatal.com](http://www.emperorcapiatal.com).

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