



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 2015/16 INTERIM RESULTS
NET PROFIT SURGES BY 75% TO HK\$258 MILLION

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CHINA HUARONG WILL INCREASE ITS STAKE FROM 4.0% TO 9.95%
BY SHARE SUBSCRIPTION

Financial Highlights

HK\$'000 (Unaudited)	Six months ended 31 March		Changes
	2016	2015	
Total revenue	460,153	289,255	+59.1%
Financing	372,732	154,376	+141.4%
Brokerage	61,395	51,261	+19.8%
Placing & Underwriting	16,120	61,096	-73.6%
Corporate Finance	9,906	22,522	-56.0%
Net profit	257,859	147,221	+75.2%
Net profit margin	56.0%	50.9%	+5.1pp
Earnings per share		(restated)	
Basic	HK4.49 cents	HK4.14 cents	+8.5%
Diluted	HK4.49 cents	HK3.99 cents	+12.5%
Dividend per share	HK1.20 cents	HK0.70 cent	+71.4%

(Hong Kong, 18 May 2016) **Emperor Capital Group Limited** (the “Group” or “Emperor Capital Group”) (Stock code: 717.HK), a one-stop comprehensive financial services institution in Hong Kong, today announced its I.) interim results for the six months ended 31 March 2016 (the “Period”) and II.) share subscription under general mandate.

I.) Interim Results

Driven by significant growth in interest income, the Group achieved an outstanding performance despite market volatility. During the Period, the Group’s total revenue registered growth of 59.1% to HK\$460.2 million (2015: HK\$289.3 million). Net profit surged by 75.2% to HK\$257.9 million (2015: HK\$147.2 million). Net profit margin widened from 50.9% to 56.0%. Basic earnings per share was HK4.49 cents (2015: HK4.14 cents, restated). The Group declared an interim dividend of HK1.20 cent per share (2015: HK0.70 cent).

Financing

The Group continued to sharpen its focus on the financing segment and drive rapid growth in interest income. In order to enhance its lending capacity, the Group strives to bolster its capital base through diversified fund raising channels.

Aiming to penetrate into the property mortgage market, the Group stepped up its marketing efforts and developed extensive advertising campaigns to maximise the exposure of “Emperor Finance” across different media platforms during the Period. The campaigns have succeeded in boosting awareness in the marketplace and yielded immediate positive results in attracting new customers. The Group also expanded its team comprising of specialists who possess technical expertise and extensive experience in the provision of property mortgage services.

With enhanced contributions from interest income for short to medium term loans, revenue from the financing segment soared to another new record high, reaching HK\$372.7 million (2015: HK\$154.4 million) during the Period, representing robust growth of 141.4%. Revenue from the financial segment as percentage of the Group’s total revenue increased significantly to 81.0% (2015: 53.4%).

Brokerage

Despite a subdued market turnover during the Period, the Group continued to deliver satisfactory growth in brokerage service segment riding on its diversified product offerings. Segmental revenue increased by 19.8% to HK\$61.4 million (2015: HK\$51.3 million), accounting for 13.3% (2015: 17.7%) of total revenue.

As at 31 March 2016, the Group operated 10 branches in Hong Kong, covering key commercial and popular residential areas with convenient pedestrian access. The Group also runs three liaison offices, in Beijing, Shanghai and Guangzhou. As a dynamic financial institution, the Group has actively introduced mobile trading platforms which allow users to manage their accounts from portable devices, enabling customers to seamlessly access the global market. During the Period, the Group upgraded its SPTrader Pro mobile trading platform to introduce Hong Kong stock options trading services on top of Hong Kong and global stock and futures products being traded on the existing platform.

Given the growing complexity of financial products and services, the Group addressed the importance of investors education by hosting a series of informative workshops and seminars, helping clients to more accurately navigate the financial marketplace. During the Period, the Group partnered with Sina Finance, a leading Chinese financial news portal, to launch the “Hong Kong Securities Investment Contest”, offering an exciting opportunity for Mainland China investors to experience trading Hong Kong securities through a mock platform by using virtual funds. The contest received an overwhelming response, attracting close to 10,000 participants who wish to sharpen their investment skills in Hong Kong securities trading.

Placing and Underwriting

The Group offers placing and underwriting services, and acts as placing agents and underwriters for various Hong Kong listed companies. Revenue from the placing and underwriting segment was HK\$16.1 million (2015: HK\$61.1 million), accounting for 3.5% (2015: 21.1%) of total revenue.

Corporate Finance

The division mainly offers advisory services for corporate transactions including IPO, placing, rights issue, corporate restructuring and merger and acquisition. During the Period, revenue from the corporate finance segment was HK\$9.9 million (2015: HK\$22.5 million), accounting for 2.2% (2015: 7.8%) of total revenue.

In an endeavour to achieve sustained growth, the Group is focused on strengthening its capital base and optimising its balance sheet by efficiently deploying capital. In this regard, the Group has announced its debt raising plan to raise up to HK\$1.2 billion through multiple tranches of bond placings by 31 July 2016. The enlarged capital base will allow greater lending capacity to fuel growth of the money lending business and enable the Group to capitalise on new opportunities for further success.

II.) Share Subscription under General Mandate

The Group agree to allot and issue a total of 380,000,000 shares (the "Subscription Shares") at HK\$0.66 per subscription share (the "Subscription Price") to an indirect subsidiary of China Huarong Asset Management Co., Ltd (Stock code: 2799.HK) (the "Subscriber"), one of the largest financial asset management companies in China, under general mandate.

The Subscription Shares represent (i) approximately 6.61% of the existing issued share capital of the Group; and (ii) approximately 6.20% of the enlarged share capital comprising 6,127,945,724 shares. The Subscription Price represents a discount of approximately 1.49% to the closing price of HK\$0.67 per share as quoted on The Stock Exchange of Hong Kong Limited on 18 May 2016 (i.e. the date of such announcement).

The estimated aggregate net proceeds from such share subscription will be approximately HK\$250.8 million, which are intended to be used (i) for expansion of money lending business which include the commercial and personal lending as well as margin and IPO financing, and (ii) for repayment of outstanding loans.

The controlling shareholder of the Group currently holds 2,545,309,360 shares, representing approximately 44.28% of the issued share capital of the Group. Subsequent to the completion of such share subscription, the controlling shareholder will hold approximately 41.54% of the enlarged issued share capital of the Group, while the Subscriber will increase its stake from 4.0% to 9.95%.

Ms. Daisy Yeung, Chief Executive Officer of Emperor Capital Group, said, “The Group’s robust performance was largely attributed to its strategic transformation from a brokerage house to a loan service provider that aspires to accommodate the needs of a diverse customer base. Our inclusion in MSCI HK Small Cap Index since December 2015 demonstrates recognition from the capital market in our unique business model and solid track record.”

Ms Yeung continued, “We remain ambitious regarding further expansion of the Group’s financing segment and increasing its penetration in the money lending market, backed by our solid clientele network and unique market position. To preserve a strong capital position, we successfully kicked off our bond issuance programme up to HK\$1.2 billion and just raised HK\$250.8 million by share subscription. The aggregate proceeds from bond issuance and Share Subscription will provide additional liquidity to fuel our ever-expanding money lending business, driving us to achieve new milestones and escalate to new heights.”

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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. Emperor Capital Group Limited has become one of the constituent stocks of MSCI HK Small Cap Index since 1 December 2015. For more information, please visit its website:

www.emperorcapi.com

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