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英皇證券集團有限公司*
Emperor Capital Group Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 717)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 MARCH 2015**

FINANCIAL HIGHLIGHTS			
<i>HK\$'000 (Unaudited)</i>			
	Six months ended 31 March		
	2015	2014	Changes
Total revenue	289,255	223,763	+29.3%
Financing	154,376	127,797	+20.8%
Brokerage	51,261	46,513	+10.2%
Placing & Underwriting	61,096	43,380	+40.8%
Corporate Finance	22,522	6,073	+270.9%
Profit for the period attributable to owners of the Company	147,221	71,046	+107.2%
Net profit margin	50.9%	31.8%	+19.1ppts
Earnings per share			
Basic	HK5.59 cents	HK2.72 cents	+105.5%
Diluted	HK5.39 cents	HK2.71 cents	+98.9%
Dividend per share	HK0.70 cent	HK0.60 cent	+16.7%

* For identification purpose only

The board of directors (the “Board” or the “Directors”) of Emperor Capital Group Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 March 2015 (the “Period”) together with the comparative figures for the corresponding period in 2014 as set out below:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 31 March	
		2015	2014
		(unaudited)	(unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	4	289,255	223,763
Other operating income		11,644	7,738
Staff costs		(40,053)	(43,255)
Commission expenses		(37,793)	(37,367)
Other expenses		(38,789)	(38,394)
Finance costs		(20,558)	(19,915)
Share of profit (loss) of associate(s)		10,506	(1,803)
		<hr/>	<hr/>
Profit before taxation	5	174,212	90,767
Taxation	6	(26,991)	(19,721)
		<hr/>	<hr/>
Profit and total comprehensive income for the period		147,221	71,046
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share	7		
– Basic		HK5.59 cents	HK2.72 cents
		<hr/> <hr/>	<hr/> <hr/>
– Diluted		HK5.39 cents	HK2.71 cents
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		31 March 2015 (unaudited) HK\$'000	30 September 2014 (audited) HK\$'000
	Notes		
Non-current assets			
Property and equipment		5,115	5,399
Intangible assets		–	–
Other assets		7,919	7,308
Interest in an associate		13,689	2,733
Amount due from an associate		5,987	5,987
Interest in a joint venture		536	536
Loans and advances	9	53,672	73,513
		<u>86,918</u>	<u>95,476</u>
Current assets			
Accounts receivable	10	4,461,051	1,681,956
Loans and advances	9	1,011,107	858,911
Other debtors, deposits and prepayments		41,692	22,816
Bank balances and cash – trust accounts		1,110,262	1,164,249
Bank balances and cash – general accounts		409,193	527,546
Tax recoverable		16	7
		<u>7,033,321</u>	<u>4,255,485</u>
Current liabilities			
Accounts payable	11	1,491,337	1,301,188
Other creditors and accrued charges		59,331	85,341
Tax liabilities		44,156	68,599
Short-term bank borrowings		3,245,000	710,000
Loans payable		10,000	10,000
		<u>4,849,824</u>	<u>2,175,128</u>
Net current assets		<u>2,183,497</u>	<u>2,080,357</u>
Total assets less current liabilities		<u>2,270,415</u>	<u>2,175,833</u>
Non-current liabilities			
Bonds issued		605,699	605,699
		<u>605,699</u>	<u>605,699</u>
Net assets		<u>1,664,716</u>	<u>1,570,134</u>
Capital and reserves			
Share capital		26,320	26,320
Reserves		1,638,396	1,543,814
Total equity		<u>1,664,716</u>	<u>1,570,134</u>

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the unaudited condensed consolidated financial statements include the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value as appropriate. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Except for the Group has applied the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by HKICPA, which are mandatory for the accounting periods beginning on or after 1 October 2014, the accounting policies and methods of computation used in the preparation of these accounts are consistent with those used in the annual accounts for the year ended 30 September 2014.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 19	Defined benefit plans: Employee Contribution
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedging accounting
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle
HK(IFRIC) - INT 21	Levies

The executive directors of the Company anticipate that the adoption of these new and revised HKFRSs has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations ¹
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortization ¹
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 cycle ¹
Amendments to HKAS 27	Equity method in separate financial statements ¹
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ¹
HKFRS 9	Financial instruments ³
HKFRS 15	Revenue from contracts with customers ²
HKFRS 14	Regulatory deferral accounts ⁴
Amendments to HKAS 1	Disclosure initiative ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception ¹

¹ Effective for annual periods beginning on or after 1 January 2016.

² Effective for annual periods beginning on or after 1 January 2017.

³ Effective for annual periods beginning on or after 1 January 2018.

⁴ Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

According to HKFRS 8, the Group has the following reportable and operating segments:

- | | | |
|------------------------------|---|--|
| (a) Financing | – | Provision of margin financing and money lending services |
| (b) Brokerage | – | Provision of securities, options, futures, insurance and other asset and wealth management products broking services |
| (c) Placing and underwriting | – | Provision of placing and underwriting services |
| (d) Corporate finance | – | Provision of corporate finance advisory services |

3. SEGMENT INFORMATION (Continued)

Segment Revenue and Results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the six months ended 31 March 2015

	Financing (unaudited) HK\$'000	Brokerage (unaudited) HK\$'000	Placing and underwriting (unaudited) HK\$'000	Corporate finance (unaudited) HK\$'000	Elimination (unaudited) HK\$'000	Total (unaudited) HK\$'000
REVENUE						
Segment revenue						
– external customers	154,376	51,261	61,096	22,522	–	289,255
Inter-segment sales	16,248	–	–	–	(16,248)	–
	<u>170,624</u>	<u>51,261</u>	<u>61,096</u>	<u>22,522</u>	<u>(16,248)</u>	<u>289,255</u>

Inter-segment sales are charged at prevailing market rate.

RESULTS

Segment results	<u>134,092</u>	<u>12,747</u>	<u>39,330</u>	<u>17,507</u>		203,676
Unallocated other operating income						3,871
Unallocated corporate expenses						
– staff costs (include Directors' remuneration)						(27,246)
– management fee to related companies						(166)
– service charge to a related company						(5,746)
– others						(10,683)
Share of profit of an associate						<u>10,506</u>
Profit before taxation						<u>174,212</u>

3. SEGMENT INFORMATION (Continued)

Segment Revenue and Results (Continued)

For the six months ended 31 March 2014

	Financing (unaudited) HK\$'000	Brokerage (unaudited) HK\$'000	Placing and underwriting (unaudited) HK\$'000	Corporate finance (unaudited) HK\$'000	Elimination (unaudited) HK\$'000	Total (unaudited) HK\$'000
REVENUE						
Segment revenue						
– external customers	127,797	46,513	43,380	6,073	–	223,763
Inter-segment sales	13,484	–	16,917	–	(30,401)	–
	<u>141,281</u>	<u>46,513</u>	<u>60,297</u>	<u>6,073</u>	<u>(30,401)</u>	<u>223,763</u>

Inter-segment sales are charged at prevailing market rate.

RESULTS

Segment results	<u>106,222</u>	<u>8,550</u>	<u>14,686</u>	<u>557</u>		130,015
Unallocated other operating income						1,496
Unallocated corporate expenses						
– staff costs (include Directors' remuneration)						(24,231)
– management fee to related companies						(161)
– service charge to a related company						(5,197)
– others						(9,352)
Share of loss of associates						<u>(1,803)</u>
Profit before taxation						<u>90,767</u>

No total assets and liabilities by reportable and operating segments is disclosed as such amounts are not regularly provided to the CODM for review.

4. REVENUE

	Six months ended 31 March	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Commission and brokerage fees on dealing in securities	32,052	24,639
Commission and brokerage fees on dealing in futures and options contracts	11,862	15,071
Commission from insurance brokerage and wealth management	3,869	2,763
Corporate finance advisory services fee income	22,522	6,073
Placing and underwriting commission	61,096	43,380
Interest income from:		
Margin and initial public offer financing	95,256	57,929
Loans and advances	59,120	69,868
Bank deposits	3,478	4,040
	<u>289,255</u>	<u>223,763</u>

5. PROFIT BEFORE TAXATION

	Six months ended 31 March	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging (crediting):		
Included in other expenses:		
Depreciation of property and equipment	1,083	990
Allowance and written off for loans and advances	2,500	–
	<u>1,083</u>	<u>990</u>
Included in other operating income:		
Written back for loans and advances	(500)	–
	<u>(500)</u>	<u>–</u>

6. TAXATION

	Six months ended 31 March	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Current period:		
Hong Kong Profits Tax provision for the period	26,839	19,568
PRC Enterprise Income Tax	<u>152</u>	<u>153</u>
	<u>26,991</u>	<u>19,721</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 31 March	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share	<u>147,221</u>	<u>71,046</u>

7. **EARNINGS PER SHARE** (Continued)

	Six months ended 31 March	
	2015	2014
	(unaudited)	(unaudited)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,631,964	2,608,808
Effect of dilutive potential ordinary shares:		
Share options of the Company	97,008	13,801
	<u>2,728,972</u>	<u>2,622,609</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>2,728,972</u>	<u>2,622,609</u>

The weighted average number of ordinary shares adopted in the calculation of the diluted earnings per share for the six months ended 31 March 2015 and 31 March 2014 have been adjusted to reflect the share options granted and outstanding as at 31 March 2015 and 31 March 2014.

8. **DIVIDENDS**

	Six months ended 31 March	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Recognised as distribution:		
Final dividend of HK2.0 cents per share for the year ended 30 September 2014 paid during the Period (year ended 30 September 2013: HK1.3 cents)	52,639	34,187
	<u>52,639</u>	<u>34,187</u>

9. LOANS AND ADVANCES

	As at	
	31 March 2015 (unaudited) HK\$'000	30 September 2014 (audited) HK\$'000
Fixed-rate loans receivable	1,008,722	893,713
Variable-rate loans receivable	57,760	60,914
	<u>1,066,482</u>	<u>954,627</u>
Less: Individually assessed impairment allowances	(1,703)	(22,203)
	<u>1,064,779</u>	<u>932,424</u>
Analysed as:		
Current	1,011,107	858,911
Non-current	53,672	73,513
	<u>1,064,779</u>	<u>932,424</u>

Note: In April 2015, the Group has reached a confidential settlement with K&L Gates and withdrawn the claim. Detail information is set out in the paragraph headed “Litigation, Claims and Contingent Liability” on page 22 of this announcement.

9. LOANS AND ADVANCES (Continued)

The contractual maturity dates of the Group's fixed-rate loans and variable-rate loans are presented as below:

	As at	
	31 March 2015 (unaudited) HK\$'000	30 September 2014 (audited) HK\$'000
Fixed-rate loans receivable:		
Within one year	975,245	820,718
In more than one year but no more than five years	<u>31,774</u>	<u>30,983</u>
	<u>1,007,019</u>	<u>851,701</u>

	As at	
	31 March 2015 (unaudited) HK\$'000	30 September 2014 (audited) HK\$'000
Variable-rate loans receivable:		
Within one year	35,862	38,193
In more than one year but no more than five years	5,440	6,463
Over five years	<u>16,458</u>	<u>16,067</u>
	<u>57,760</u>	<u>60,723</u>

The effective interest rates of all of the Group's loans receivable are as follows:

	As at	
	31 March 2015 (unaudited)	30 September 2014 (audited)
Effective interest rate:		
Fixed-rate loans receivable	0.246% per month to 4.7% per month	0.246% per month to 4.7% per month
Variable-rate loans receivable	Prime rate – 3% per annum to Prime rate + 5% per annum	Prime rate – 3% per annum to Prime rate + 5% per annum

9. LOANS AND ADVANCES *(Continued)*

Included in the loans and advances as at 31 March 2015 were secured loans and advances with the aggregate amount of HK\$168,722,000 (30 September 2014: HK\$167,722,000). These secured loans and advances were secured by listed marketable securities in Hong Kong except for four (30 September 2014: two) secured loans which were secured with first legal charge in respect of residential properties located in Hong Kong, in which the collateral for each individual loan is sufficient to cover the loan amount on an individual basis. These loans and advances were advanced to various independent individual/ corporate borrowers and will be due for repayment within one year from the date of advance.

The balance of the loans and advances amounting to HK\$896,057,000 (30 September 2014: HK\$744,702,000) were unsecured. Included in the unsecured loans and advances, there were advances made to corporates and individuals, which are independent third parties of the Group, amounting to HK\$94,505,000 (30 September 2014: HK\$79,668,000), with second legal charges in respect of commercial and residential properties located in Hong Kong, which will be due for repayment within 1 to 26 years (30 September 2014: 1 to 27 years) from the respective loans' date of advance.

To minimise the Group's exposure to credit risk, credit risk control team is responsible for the evaluation of customers' credit rating, financial background and repayment abilities. The Group has a policy for assessing impairment on loans and advances that are unsecured, those that are secured but without sufficient collateral and those with default or delinquency in interest or principal payment, on individual basis. The assessment is based on a close monitoring and evaluation of the collectability of individual account and on management's judgment, including the current creditworthiness of the borrowers, collateral value and the past collection history of each individual client.

The carrying amounts of the Group's loans and advances approximate their fair value.

10. ACCOUNTS RECEIVABLE

	As at	
	31 March 2015 (unaudited) HK\$'000	30 September 2014 (audited) HK\$'000
Accounts receivable from the business of dealing in securities:		
Clearing houses, brokers and cash clients	199,338	55,240
Secured margin loans	1,560,458	1,545,371
Initial public offer margin loan	2,515,703	–
Accounts receivable from the business of dealing in futures contracts:		
Clearing houses and brokers	183,482	80,182
Accounts receivable from the business of corporate finance	2,070	1,163
	4,461,051	1,681,956

The settlement terms of accounts receivable, except for secured margin loans, arising from the business of dealing in securities are two days after trade date, and of accounts receivable arising from the business of dealing in futures contracts are one day after trade date.

For secured margin loans, as at 31 March 2015, the total market value of securities pledged as collateral in respect of the loans to margin clients were approximately HK\$18,867,666,000 (30 September 2014: HK\$11,096,307,000). 98% of the balance were secured by sufficient collateral on an individual basis. Management has assessed the market value of the pledged securities of each individual customer who has margin shortfall as at year end, and considered that no impairment allowance is necessary. The loans to margin clients bear variable interest at commercial rate and are repayable on demand. No collateral was pledged for other accounts receivable.

10. ACCOUNTS RECEIVABLE (Continued)

The ageing analysis of the remaining of the accounts receivable, which are past due but not impaired, are as follows:

	As at	
	31 March 2015 (unaudited) HK\$'000	30 September 2014 (audited) HK\$'000
Past due:		
0–30 days	3,031	3,288
31–60 days	5,047	11
61–90 days	21	5
Over 90 days	267	236
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Accounts receivable which were past due but not impaired	8,366	3,540
Accounts receivable which were neither past due nor impaired	376,524	133,045
	<hr/>	<hr/>
	384,890	136,585
	<hr/> <hr/>	<hr/> <hr/>

11. ACCOUNTS PAYABLE

	As at	
	31 March 2015 (unaudited) HK\$'000	30 September 2014 (audited) HK\$'000
Accounts payable from the business of dealing in securities:		
Clearing house	62	63,724
Margin and cash clients	1,249,917	1,036,988
Accounts payable from the business of dealing in futures contracts:		
Margin clients	241,358	200,476
	<hr/>	<hr/>
	1,491,337	1,301,188
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11. ACCOUNTS PAYABLE *(Continued)*

The settlement terms of accounts payable, except for margin loans, arising from the business of dealing in securities are two days after trade date and accounts payable arising from the business of dealing in futures contracts are one day after trade date. No ageing analysis is disclosed as in the opinion of the executive directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts payable to certain margin and cash clients arising from the business of dealing in securities bear variable interest at commercial rates, and are repayable on demand subsequent to settlement date.

Included in accounts payable, amounts of HK\$1,110,262,000 and HK\$1,164,249,000 as at 31 March 2015 and 30 September 2014 respectively were payable to clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of conducting the regulated activities. However, the Group currently does not have an enforceable right to offset these payables with the deposits placed.

12. FAIR VALUE MEASUREMENT ON FINANCIAL INSTRUMENTS

The executive directors of the Company consider that the carrying amounts of all financial assets and financial liabilities recorded at amortised cost at the respective end of the reporting period approximate their corresponding fair values.

MANAGEMENT DISCUSSION & ANALYSIS

Established in 1993, the Group 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 initial public offering (“IPO”) financing; (ii) brokerage, wealth management and asset management; (iii) placing and underwriting services for listed issuers; and (iv) corporate finance advisory services.

Market Review

During the Period, the Hong Kong stock market was active on the back of ample liquidity from the Mainland and improvements in corporate earnings. China’s regulators suggested a new round of financial reforms, which also buoyed investor confidence in the Chinese economy. Following the launch of the landmark Shanghai-Hong Kong Stock Connect program in November 2014, which aimed to provide mutual stock market access, investors in Hong Kong and Shanghai have started cross trading shares. Securities turnover in The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has since increased as investors sought opportunities arising from the massive valuation gap between Hong Kong and Shanghai listed companies. During the Period, the average daily turnover on the Stock Exchange was HK\$83.55 billion (2013: HK\$63.65 billion), representing a remarkable increase of 31.3% compared with the same period last year.

Investment activities are encouraged amid an optimistic market environment, stimulating strong liquidity needs and loan demands from potential investors. In recent years, lending companies have sought to increase their exposure and brand awareness through strengthened marketing efforts. With flexible borrowing procedures and tailor-made arrangements, demand for both personal and commercial loans from licensed money lenders continued to grow. In February 2015, the Hong Kong Monetary Authority lowered the cap of loan-to-value ratio to 60.0% for properties worth less than HK\$7.0 million, to safeguard banking stability associated with residential mortgage lending. Hence, more potential borrowers are expected to obtain mortgage loans from licensed money lenders.

Financial Review

Overall Review

With strong performances across all segments, the Group's total revenue registered a growth of 29.3% to HK\$289.3 million (2014: HK\$223.8 million). Profit for the period attributable to owners of the Company surged by 107.2% to HK\$147.2 million (2014: HK\$71.0 million), which is mainly attributable to the increase in commission income from placing and underwriting activities and interest income from the money lending business. Net profit margin rose by 19.1 percentage points to 50.9% (2014: 31.8%). Basic earnings per share was HK5.59 cents (2014: HK2.72 cents). The Board declared an interim dividend of HK0.70 cent per share (2014: HK0.60 cent).

Capital Structure, Liquidity and Financial Resources

The Group financed its operations mainly by cash generated from operations, borrowings and proceeds from issuance of bonds. As at 31 March 2015, the Group's current assets and current liabilities were HK\$7,033.3 million and HK\$4,849.8 million (as at 30 September 2014: HK\$4,255.5 million and HK\$2,175.1 million), respectively. The Group's bank balances and cash amounted to HK\$409.2 million (as at 30 September 2014: HK\$527.5 million), which were denominated mainly in Hong Kong dollars.

As at 31 March 2015, there was a total of HK\$605.7 million (30 September 2014: HK\$605.7 million) 3-year unsecured guaranteed bonds denominated in Hong Kong dollars, bearing interest rate at 5.5% per annum payable annually in arrears and maturing in November 2016. The total of short-term bank borrowings and loans payable of the Group increased to HK\$3,255.0 million (30 September 2014: HK\$720.0 million) mainly to support the IPO financing business, out of which HK\$2,505.0 million was repaid in April 2015. These borrowings were denominated in Hong Kong dollars and carried interest rates approximated market rates. Together with the bonds, the total borrowings of the Group amounted to HK\$3,860.7 million (as at 30 September 2014: HK\$1,325.7 million), resulting in a gearing ratio of 231.9% (as at 30 September 2014: 84.4%; calculated as a percentage of total borrowings over total equity of the Group). The Group did not have any material foreign exchange exposure as at 31 March 2015.

With the Group's sufficient bank balances and cash, its available unutilised banking facilities of HK\$40.0 million as well as the total net proceeds of approximately HK\$1,281.5 million from the right issue and the placing which are expected to be received by the end of May 2015, the Board considers the Group has sufficient working capital for its operation and future development.

Business Review

Leveraging its integrated business model, the Group strives to capture the full synergies across business lines and derive maximum benefits. The Group has realigned its long-term growth objectives and sharpened its focus on the financing segment, paving a way for continued growth and success. During the Period, the Group strengthened its position in the commercial lending market. Building on its strong network and renowned reputation, coupled with the effectiveness of marketing campaigns, the Group has further enlarged its customer base and ensured its competitive position in the market. Tapping an increasing demand for loan products driven by rising investment activities, financing segment income soared to a new record high during the Period.

Financing

The Group's financing segment derives interest income from commercial and personal lending as well as margin and IPO financing. The loans granted to customers range from short-term unsecured loans (e.g. tax loan, bridging loan, term loan, personal loan) to long-term secured loans (e.g. mortgage loan). Built on a renowned reputation for delivering professional and personalised loan services, the Group has developed a niche in the loan market, providing corporate and retail clients with tailored liquidity solutions to meet their corporate goals and personal needs.

The Group has aggressively accelerated expansion of the financing segment, by strengthening customer relationships, optimising revenue potential and boosting the efficiency of capital allocation. During the Period, the financing segment continued to perform strongly, with enhanced contributions from interest income of short to mid-term loans. Segmental revenue achieved a robust growth of 20.8% to HK\$154.4 million (2014: HK\$127.8 million), accounting for 53.4% (2014: 57.1%) of total revenue.

Brokerage

The Group provides brokerage services for securities, futures and options traded on exchanges in Hong Kong, the United States, Japan and the United Kingdom, as well as wealth management and asset management services. During the Period, revenue generated from the brokerage services segment increased by 10.2% to HK\$51.3 million (2014: HK\$46.5 million), accounting for 17.7% (2014: 20.8%) of total revenue.

The Group operates 11 branches, 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 continues to expand its product offerings on a timely basis, in response to market opportunities. In November 2014, the Group started to offer Northbound trading services, for customers to access the Shanghai-Hong Kong Stock Connect initiative.

The asset management arm runs a private equity fund – “Emperor Greater China Opportunities Fund”, covering a basket of selected equities focusing on the Greater China region. The Group also provides customised discretionary investment services to its customers.

Effective from 15 January 2015, the Hong Kong government has suspended new applications under the Capital Investment Entrant Scheme (“CIES”). Despite the suspension, the Group has strived to unlock the investment potential from existing CIES customers, and attract new CIES customers who had processed applications prior to the suspension being announced. Comprising qualified and experienced wealth management professionals, the Group’s wealth management division provides advice regarding a wide array of investment services, including securities, mutual funds, insurance-linked products, and real estate investment.

Placing and Underwriting

The Group offers placing and underwriting services, and acts as placing agents and underwriters for various Hong Kong listed companies.

Transactions in secondary markets have become active, in the light of an improved economic outlook and favourable sentiment. During the Period, the Group successfully completed a number of fundraising transactions. Revenue from the placing and underwriting segment grew by 40.8% to HK\$61.1 million (2014: HK\$43.4 million), accounting for 21.1% (2014: 19.4%) of total revenue. The Group served as placing agents in many equity and debt placement deals and IPO-related transactions. The Group also participated in rights issue fundraising exercises.

During the Period, the Group acted as Joint Bookrunner and Joint Lead Manager in the share offer for the IPO of Global International Credit Group Limited, which was listed on the Main Board of the Stock Exchange in December 2014.

Corporate Finance

The division holds a full corporate finance licence under the Securities and Futures Ordinance, allowing it to advise on Takeovers Code related transactions and undertake sponsor work for IPOs in addition to general corporate finance advisory services. Apart from IPO-related services, the Group offers advisory and financing services for corporate transactions including placing, rights issue, corporate restructuring, merger and acquisition and pre-IPO financing.

During the Period, revenue from the corporate finance segment increased significantly by 270.9% to HK\$22.5 million (2014: HK\$6.1 million), accounting for 7.8% (2014: 2.7%) of total revenue.

Outlook

Accelerating economic and financial reforms on the Mainland will reinforce Hong Kong's position as an ideal investment destination for Chinese investors, and as a platform for overseas investors to gain access to the Mainland. Serving as a positive catalyst for both the Shanghai and Hong Kong exchanges, the Shanghai-Hong Kong Stock Connect scheme has boosted securities turnover at the Stock Exchange on trading days during April this year, beating the previous record set in 2007. The sources of investment from China will be further widened through the forthcoming Shenzhen-Hong Kong Stock Connect, which is pending approval by regulators of the two markets. Moving towards a cross-border market, the Group is well-positioned to seize the enormous opportunities arising from increased outbound capital from the Mainland.

In view of more stringent conventional bank lending requirements, licensed and non-bank money lenders provide one of the best alternatives for potential borrowers to obtain efficient and flexible liquidity solutions. This drives an increasing demand for loan services from money lenders, and creates huge potential for the Group to further expand its financing segment. The Group will strive to sharpen its edge and increase its penetration in the money lending market, whilst seeking to strengthen its lending capacity to enhance overall profitability. With a strong track record and solid business fundamentals, the Group is poised to expand its horizons and scale new heights in the years to come, aiming to maximise returns and value for shareholders.

LITIGATION, CLAIMS AND CONTINGENT LIABILITY

In 2011, the Group had placed an aggregate amount of HK\$40,000,000 (the “Escrow Fund”) with a solicitor firm in Hong Kong, namely, K&L Gates, as an escrow agent (the “Escrow Agent”), of which HK\$25,000,000 and HK\$15,000,000 were advanced to two respective borrowers as a loan which were agreed to be held in escrow by the Escrow Agent. The Escrow Fund had fallen due and became payable to the Group in June 2011. In July 2011, the Group had commenced legal proceedings against the two borrowers and partners of K&L Gates, claiming for the return of the Escrow Fund, plus interests and costs. In April 2015, the Group had reached a confidential settlement with K&L Gates and withdrawn the claim. It is considered that the settlement has caused no material impact to the Group.

Save as disclosed above, so far as known to the Directors, there was no other litigation, arbitration or claim of material importance in which the Company is engaged or pending or which was threatened against the Company.

EVENT AFTER THE REPORTING PERIOD

On 26 March 2015, the Company proposed to raise approximately HK\$658.0 million before expenses, by way of rights issue of 1,315,981,908 rights shares at the subscription price of HK\$0.50 per rights share. The Company also proposed to raise approximately HK\$650.0 million before expenses by way of placing of a maximum number of 1,300,000,000 placing shares, as to 400,000,000 placing shares by RaffAello Securities (HK) Limited (“RaffAello Securities”) on an underwritten basis and the balance by the placing agents, RaffAello Securities and Emperor Securities Limited, on a best effort basis. The rights issue and the placing are expected to be completed by the end of May 2015.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2015, the Group had 172 (2014: 195) account executives and 134 employees (2014: 126). Total staff costs (including Directors’ remuneration) were approximately HK\$40.0 million (2014: HK\$43.2 million). Employees’ remuneration was determined in accordance with individual’s responsibility, competence and skills, experience and performance as well as market pay level. Staff benefits include medical and life insurance, provident funds and other competitive fringe benefits.

INTERIM DIVIDEND

The Board is pleased to declare an interim dividend of HK0.70 cent per share (2014: HK0.6 cent per share) for the financial year ending 30 September 2015 (“Interim Dividend”), amounting to approximately HK\$36.74 million taking into account the expected completion by the end of May 2015 of the rights issue and the placing as announced on 26 March 2015 (2014: HK\$15.8 million). The Interim Dividend will be paid on 19 June 2015 (Friday) to shareholders whose names appear on the register of members of the Company on 9 June 2015 (Tuesday).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining shareholders’ entitlement to the Interim Dividend, from 8 June 2015 (Monday) to 9 June 2015 (Tuesday), during which period no share transfer will be effected.

In order to qualify for the Interim Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on 5 June 2015 (Friday).

CORPORATE GOVERNANCE

Corporate Governance Code

During the Period, the Company had complied with all code provisions of the Corporate Governance Code under Appendix 14 of the Listing Rules, except with the deviation from code provision A.2.1 which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Currently, the Board has appointed Ms. Daisy Yeung as the Managing Director of the Company, who is responsible for the management of the Board and the day-to-day management of the business of the Group. The Board is of the opinion that the current Board structure functions effectively and does not intend to make any change thereof.

Model Code for Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiry to the Directors of the Company, all of them confirmed that they had complied with the required standard of dealings as set out in the Model Code throughout the Period.

REVIEW OF INTERIM RESULTS

These condensed consolidated interim financial statements of the Group had not been audited nor reviewed by the Company's auditor, Deloitte Touche Tohmatsu, but had been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.emperorcapiatal.com>). The interim report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Emperor Capital Group Limited
Daisy Yeung
Managing Director

Hong Kong, 19 May 2015

As at the date of this announcement, the Board comprises:

Executive Directors:

Ms. Daisy Yeung
Mr. Chan Shek Wah
Ms. Choi Suk Hing, Louisa
Ms. Pearl Chan

Independent Non-Executive Directors:

Mr. Chu Kar Wing
Mr. Poon Yan Wai
Mr. Tse Hin Lin, Arnold