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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 ANNUAL RESULTS  
 FOR THE YEAR ENDED 30 SEPTEMBER 2014**

<b>FINANCIAL HIGHLIGHTS</b>			
<i>HK\$'000 (Audited)</i>	<b>For the year ended</b>		<b>Changes</b>
	<b>30 September</b>		
	<b>2014</b>	<b>2013</b>	
Revenue	<b>546,408</b>	434,804	<b>+25.7%</b>
Financing	<b>311,105</b>	180,049	<b>+72.8%</b>
Brokerage	<b>91,616</b>	99,927	<b>-8.3%</b>
Placing & Underwriting	<b>127,910</b>	143,588	<b>-10.9%</b>
Corporate Finance	<b>15,777</b>	11,240	<b>+40.4%</b>
Profit for the year attributable to owners of the Company	<b>220,795</b>	155,745	<b>+41.8%</b>
Net profit margin	<b>40.4%</b>	35.8%	<b>+4.6ppts</b>
Earnings per share			
Basic	<b>HK8.39 cents</b>	HK6.00 cents	<b>+39.8%</b>
Diluted	<b>HK8.09 cents</b>	HK6.00 cents	<b>+34.8%</b>
Total dividend per share	<b>HK2.60 cents</b>	HK1.80 cents	<b>+44.4%</b>

\* 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 audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 September 2014 (the “Year”) together with comparative figures for the corresponding year in 2013 as set out below.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2014

	Notes	2014 HK\$'000	2013 HK\$'000
Revenue	4	546,408	434,804
Other operating income		18,034	9,148
Staff costs		(100,123)	(70,122)
Commission expenses		(87,725)	(114,228)
Other expenses		(69,999)	(69,134)
Finance costs	5	(40,402)	(7,259)
Gain upon deemed disposal of a subsidiary		2,525	–
Share of profit of an associate		422	3,749
Share of loss of a joint venture		(13)	–
		<u>269,127</u>	<u>186,958</u>
Profit before taxation	6	269,127	186,958
Taxation	7	(48,332)	(30,981)
		<u>220,795</u>	<u>155,977</u>
<b>Other comprehensive income (expenses)</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		–	25
		<u>–</u>	<u>25</u>
Total comprehensive income for the year		<u><b>220,795</b></u>	<u><b>156,002</b></u>
<b>Profit for the year attributable to:</b>			
Owners of the Company		220,795	155,745
Non-controlling interests		–	232
		<u><b>220,795</b></u>	<u><b>155,977</b></u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		220,795	155,770
Non-controlling interests		–	232
		<u><b>220,795</b></u>	<u><b>156,002</b></u>
Earnings per share	9		
Basic		<u><b>HK8.39 cents</b></u>	<u><b>HK6.00 cents</b></u>
Diluted		<u><b>HK8.09 cents</b></u>	<u><b>HK6.00 cents</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2014*

	<i>Notes</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property and equipment		5,399	5,288
Intangible assets		–	–
Other assets		7,308	7,739
Interest in an associate		2,733	2,311
Amount due from an associate		5,987	5,987
Interest in a joint venture		536	–
Loans and advances	11	73,513	45,349
Available-for-sale investments		–	–
		<b>95,476</b>	66,674
<b>Current assets</b>			
Accounts receivable	10	1,681,956	1,160,030
Loans and advances	11	858,911	531,893
Other debtors, deposits and prepayments		22,816	21,804
Bank balances and cash – trust accounts		1,164,249	1,845,175
Bank balances and cash – general accounts		527,546	338,585
Tax recoverable		7	1,102
		<b>4,255,485</b>	3,898,589
<b>Current liabilities</b>			
Accounts payable	12	1,301,188	2,066,356
Other creditors and accrued charges		85,341	38,552
Tax liabilities		68,599	29,274
Short-term bank borrowings		710,000	310,000
Amount due to a related company		–	100,000
Loans payable		10,000	26,000
		<b>2,175,128</b>	2,570,182
<b>Net current assets</b>		<b>2,080,357</b>	1,328,407
<b>Total assets less current liabilities</b>		<b>2,175,833</b>	1,395,081
<b>Non-current liabilities</b>			
Loans payable		–	10,000
Bonds issued		605,699	–
		<b>605,699</b>	10,000
<b>Net assets</b>		<b>1,570,134</b>	1,385,081
<b>Capital and reserves</b>			
Share capital		26,320	25,974
Reserves		1,543,814	1,359,107
<b>Total equity</b>		<b>1,570,134</b>	1,385,081

Notes:

## 1. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and by the Hong Kong Companies Ordinance.

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

## 2. Application of new and revised Hong Kong Financial Reporting Standards

In the current year, the Group has applied a number of amendments to HKFRSs issued by the HKICPA that are mandatorily effective for current reporting period.

The Group has applied the following new or revised HKFRSs issued by the HKICPA for the first time in the current year.

### Application of new and revised Hong Kong Financial Reporting Standards

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and Disclosure of interests in other entities: transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### **Amendments to HKFRS 7 “*Offsetting financial assets and financial liabilities*”**

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement.

Notes: (Continued)

## 2. Application of new and revised Hong Kong Financial Reporting Standards (Continued)

### HKFRS 13 “Fair value measurement”

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements. The application of HKFRS 13 has not had any material impact on the amounts recognized in the consolidated financial statements.

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities <sup>1</sup>
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations <sup>5</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation <sup>5</sup>
Amendments to HKAS 19	Defined benefit plans: Employee contributions <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures <sup>3</sup>
Amendments to HKAS 32	Offsetting financial assets and financial liabilities <sup>1</sup>
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets <sup>1</sup>
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting <sup>1</sup>
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle <sup>4</sup>
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle <sup>2</sup>
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle <sup>5</sup>
Amendments to HKAS 27	Equity method in separate financial statements <sup>5</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture <sup>5</sup>
HKFRS 9	Financial instruments <sup>3</sup>
HKFRS 15	Revenue from contracts with customers <sup>6</sup>
HK(IFRIC) – INT 21	Levies <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2014.

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2014.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2016.

<sup>6</sup> Effective for annual periods beginning on or after 1 January 2017.

Notes: (Continued)

## 2. Application of new and revised Hong Kong Financial Reporting Standards (Continued)

### **HKFRS 9 “Financial instruments”**

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018, with earlier application permitted. The executive directors anticipate that the application of HKFRS 9 in the future may have impact on amounts reported in respect of the Group’s financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

### **Amendments to HKAS 32 *Offsetting financial assets and financial liabilities***

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realization and settlement”.

The amendments to HKAS 32 requires retrospective application. The Directors of the Company do not anticipate that the application of these amendments to HKAS 32 will have a significant impact on the Group’s consolidated financial statements.

Except for above, the executive directors of the Company anticipate that the application of the other new and revised standards and amendments will have no material impact on the consolidated financial statements of the Group.

Notes: (Continued)

### 3. Segment information

Information reported to the executive directors of the Company, being the chief operating decision makers, 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) Brokerage – Provision of securities, options, futures, insurance, other assets and wealth management products broking services
- (b) Financing – Provision of margin financing and money lending services
- (c) Placing and underwriting – Provision of placing and underwriting services
- (d) Corporate finance – Provision of corporate finance advisory services

#### Segment revenue and results

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

#### For the year ended 30 September 2014

	Brokerage HK\$'000	Financing HK\$'000	Placing and underwriting HK\$'000	Corporate finance HK\$'000	Elimination HK\$'000	Total HK\$'000
<b>REVENUE</b>						
Segment revenue – external customers	91,616	311,105	127,910	15,777	–	546,408
Inter-segment sales	–	42,214	16,918	–	(59,132)	–
	<u>91,616</u>	<u>353,319</u>	<u>144,828</u>	<u>15,777</u>	<u>(59,132)</u>	<u>546,408</u>

Inter-segment sales are charged at prevailing market rates.

	Brokerage HK\$'000	Financing HK\$'000	Placing and underwriting HK\$'000	Corporate finance HK\$'000	Total HK\$'000
<b>RESULTS</b>					
Segment results	<u>13,212</u>	<u>262,710</u>	<u>72,848</u>	<u>5,455</u>	<u>354,225</u>
Unallocated other operating income					2,751
Unallocated corporate expenses					(61,979)
– Staff costs (including Directors' remuneration)					(334)
– Management fee to related companies					(9,500)
– Service charge to a related company					(18,970)
– Others					2,525
Gain upon deemed disposal of a subsidiary					(13)
Share of loss of a joint venture					422
Share of profit of an associate					
Profit before taxation					<u>269,127</u>

Notes: (Continued)

**3. Segment information (Continued)**

**Segment revenue and results (Continued)**

For the year ended 30 September 2013

	<b>Brokerage</b>	<b>Financing</b>	<b>Placing and underwriting</b>	<b>Corporate finance</b>	<b>Elimination</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>REVENUE</b>						
Segment revenue – external customers	99,927	180,049	143,588	11,240	–	434,804
Inter-segment sales	–	10,850	–	350	(11,200)	–
	<u>99,927</u>	<u>190,899</u>	<u>143,588</u>	<u>11,590</u>	<u>(11,200)</u>	<u>434,804</u>

Inter-segment sales are charged at prevailing market rates.

	<b>Brokerage</b>	<b>Financing</b>	<b>Placing and underwriting</b>	<b>Corporate finance</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>RESULTS</b>					
Segment results	<u>10,922</u>	<u>162,423</u>	<u>81,084</u>	<u>415</u>	<u>254,844</u>
Unallocated other operating income					1,750
Unallocated corporate expenses					(52,401)
– Staff costs (including Directors' remuneration)					(540)
– Management fee to related companies					(7,641)
– Service charge to a related company					(12,803)
– Others					3,749
Share of profit of an associate					<u>186,958</u>

The accounting policies of the reportable segments are the same as the Group's accounting policies used in consolidated financial statements of the Group. Segment profit represents the profit earned by each segment without allocation of central administrative staff costs (including directors' remuneration but excluding staff commission expenses), unallocated other operating income, gain upon deemed disposal of a subsidiary, management fee to related companies, central administration costs, share of loss of a joint venture and share of profit of an associate. This is the measure reported to the executive directors of the Company for the purpose of resource allocation and performance assessment.



Notes: (Continued)

### 3. Segment information (Continued)

#### Other segment information

	Brokerage <i>HK\$'000</i>	Financing <i>HK\$'000</i>	Placing and underwriting <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the year ended</b>					
<b>30 September 2014</b>					
Additions of property and equipment	2,128	-	-	-	2,128
Depreciation of property and equipment	2,017	-	-	-	2,017
Allowances for loans and advances	-	2,203	-	-	2,203
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>For the year ended</b>					
<b>30 September 2013</b>					
Additions of property and equipment	1,782	8	-	48	1,838
Depreciation of property and equipment	2,223	1	-	20	2,244
Allowance for loans and advances	-	8,000	-	-	8,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### Geographical information

The following illustrates the geographical analysis of the Group's revenue from its external customers, based on the country from which the trades are derived in relation to brokerage revenue and based on the country in which the customers are located in relation to financing, placing and underwriting and corporate finance revenue.

	<b>Revenue</b>	
	<b>2014</b>	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	518,606	390,004
United States	27,429	43,801
Others	373	999
	<u>          </u>	<u>          </u>
	<b>546,408</b>	434,804
	<u>          </u>	<u>          </u>

All non-current assets held by the Group are located in Hong Kong.

#### Information about major customer

Revenue from a customer of the corresponding years contributing over 10% of total revenue of the Group is as follows:

	<b>2014</b>	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Customer A	- <sup>1</sup>	61,900 <sup>2</sup>
	<u>          </u>	<u>          </u>

<sup>1</sup> No single customer amounts to more than 10% of the Group's revenue.

<sup>2</sup> Revenue mainly from placing and underwriting.

Notes: (Continued)

**4. Revenue**

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Commission and brokerage fees on dealing in securities	45,590	40,552
Commission and brokerage fees on dealing in futures and options contracts	32,360	47,690
Commission from insurance brokerage and wealth management	4,690	8,532
Corporate finance advisory services fee income	15,777	11,240
Placing and underwriting commission	127,910	143,588
Interest income from:		
Margin and initial public offer financing	164,065	87,517
Loans and advances	147,040	92,201
Bank deposits	8,972	3,153
Others	4	331
	<u>546,408</u>	<u>434,804</u>

**5. Finance costs**

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Interest on:		
Bank overdrafts and loans wholly repayable within five years	7,415	2,725
Amount due to a related company	1,815	3,515
Loans payable	3,000	1,012
Bonds issued	28,170	–
Others	2	7
	<u>40,402</u>	<u>7,259</u>

Notes: (Continued)

**6. Profit before taxation**

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging (crediting):		
Included in other expenses:		
Advertising and promotion expenses	5,353	6,925
Auditor's remuneration	1,570	1,386
Depreciation of property and equipment	2,017	2,244
Management fee to related companies	334	823
Service charge to a related company	9,500	7,641
Net exchange loss	97	42
Operating lease rentals in respect of		
– rented premises	9,775	9,518
– office equipment	2,543	2,614
Other equipment hiring charges	9,807	9,372
Legal and professional fee	1,358	3,211
Allowances for loans and advances	2,203	8,000
	<u>          </u>	<u>          </u>
Included in other operating income:		
Handling fee income	(15,181)	(5,597)
Bad debt recovered	–	(2,000)
	<u>          </u>	<u>          </u>

**7. Taxation**

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current year:		
Hong Kong Profits Tax provision for the year	47,742	30,828
PRC Enterprise Income Tax	590	153
	<u>          </u>	<u>          </u>
	<u>48,332</u>	<u>30,981</u>

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

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 for the PRC subsidiaries is 25%.

Notes: (Continued)

## 8. Dividends

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Recognised as distribution:		
Interim dividend paid: HK\$0.006 per share (2013: HK\$0.005 per share)	15,793	12,988
Final dividend paid in respect of 2013: HK\$0.013 per share (2013: HK\$0.0038 per share in respect of 2012)	34,188	9,870
	<u>49,981</u>	<u>22,858</u>

The Directors proposed the payment of a final dividend of HK2.00 cents per share amounting to HK\$52,639,000 in aggregate in respect of the year ended 30 September 2014 (2013: final dividend paid in respect of the year ended 30 September 2013 of HK1.30 cents per share amounted to HK\$34,188,000 in aggregate), which is subject to approval of the shareholders at the forthcoming annual general meeting of the Company.

## 9. Earnings per share

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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings for the purposes of basic and diluted earnings per share	<u>220,795</u>	<u>155,745</u>
	2014 '000	2013 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,631,964	2,597,434
Effect of dilutive potential ordinary shares: Share options of the Company	<u>97,008</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>2,728,972</u>	<u>2,597,434</u>

*Note:* The weighted average number of ordinary shares adopted in the calculation of the diluted earnings per share for the year ended 30 September 2014 have been adjusted to reflect the share options granted and outstanding as at 30 September 2014. In the prior year, the computation of diluted earnings per share did not assume the exercise of the Company's outstanding share options because the exercise price of those share options was higher than the average market price of the Company's share for that year.

Notes: (Continued)

**10. Accounts receivable**

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Accounts receivable from the business of dealing in securities:		
Clearing houses, brokers and cash clients	<b>55,240</b>	81,212
Secured margin loans	<b>1,545,371</b>	924,298
Accounts receivable from the business of dealing in futures contracts:		
Clearing houses and brokers	<b>80,182</b>	154,090
Accounts receivable from the business of corporate finance	<b>1,163</b>	430
	<b>1,681,956</b>	1,160,030

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 30 September 2014, the total market value of securities pledged as collateral in respect of the loans to margin clients were approximately HK\$11,096,307,000 (2013: HK\$10,761,572,000). 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 rates and are repayable on demand. No collateral was pledged for other accounts receivable.

As at 30 September 2014, accounts receivable from foreign brokers denominated in Japanese Yen and United States dollar were approximately HK\$35,000 (2013: HK\$31,000) and HK\$70,397,000 (2013: HK\$121,210,000) respectively.

As at 30 September 2014, for accounts receivable due from various customers, amounts due from the top two margin customers represented 18% and 11% respectively (2013: 8% and 7%) of the total balance of the accounts receivable. Apart from the above, no concentration of accounts receivable from each remaining debtor who represented less than 7% (2013: 7%) of the total balance of accounts receivable.

Notes: (Continued)

**10. Accounts receivable (Continued)**

No ageing analysis of secured margin loan 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.

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

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Past due:		
0 – 30 days	<b>3,288</b>	1,078
31 – 60 days	<b>11</b>	3
61 – 90 days	<b>5</b>	5
Over 90 days	<b>236</b>	218
	<hr/>	<hr/>
Accounts receivable which were past due but not impaired	<b>3,540</b>	1,304
Accounts receivable which were neither past due nor impaired	<b>133,045</b>	234,428
	<hr/>	<hr/>
	<b>136,585</b>	235,732
	<hr/> <hr/>	<hr/> <hr/>

*Note:* To minimise the Group's exposure to credit risk, there is a credit risk control team responsible for evaluation of the customers' credit ratings, financial background and repayment abilities. Management had set up the credit limits for each individual customer which are subject to regular review by the management. Any extension of credit beyond these approval limits has to be approved by relevant level of management on individual basis according to the exceeded amount. The Group has a policy for reviewing impairment of accounts receivable without sufficient collateral and those with default or delinquency in interest or principal payment. The assessment is based on an evaluation of the collectability and ageing analysis of the accounts and on management's judgment including the current creditworthiness, collateral value and the past collection history of each customer.

In determining the recoverability of the accounts receivable, the Group considers any change in the credit quality of the accounts receivable from the date when credit was initially granted up to the reporting date. The credit risk is limited due to the customer base being large and unrelated. The executive directors of the Company believe that no provision for impairment is necessary as the fair values of the securities collateral held by the Group for these balances are generally in excess of the relevant carrying amounts as at 30 September 2014.

Notes: (Continued)

## 11. Loans and advances

	2014 HK\$'000	2013 HK\$'000
Fixed-rate loans receivable	853,713	522,861
Variable-rate loans receivable	<u>60,914</u>	<u>34,381</u>
	914,627	557,242
Less: Individually assessed impairment allowances	<u>(2,203)</u>	<u>–</u>
	<u>912,424</u>	<u>557,242</u>
Other receivable from K&L Gates ( <i>note</i> )	40,000	40,000
Less: Allowance for other receivable from K&L Gates	<u>(20,000)</u>	<u>(20,000)</u>
	<u>20,000</u>	<u>20,000</u>
	<u>932,424</u>	<u>577,242</u>
Analysed as:		
Current	858,911	531,893
Non-current	<u>73,513</u>	<u>45,349</u>
	<u>932,424</u>	<u>577,242</u>

*Note:* During the year ended 30 September 2011, the Group 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, were both in default. In July 2011, the Group has commenced legal proceedings against the two borrowers and the partners of K&L Gates, claiming for the return of the Escrow Fund, plus interest and cost. Final and interlocutory judgment were entered against the two borrowers and a partner of K&L Gates in 2011. Such partner of K&L Gates was arrested by the Hong Kong Police and in 2013 he was sentenced to 12 years jail under the charge for fraud and forgery with respect to the monies held in escrow accounts of K&L Gates. The legal proceedings against the other partners of K&L Gates claiming for the return of escrow money are still pending for trial. Taking into account the specific facts and circumstances and the legal advice, the executive directors of the Company are of the opinion that it is probable to obtain a judgment favourable to the Group, in which event each of the partners of K&L Gates will be personally liable to the Group to satisfy the judgment and hence, the amount of HK\$40,000,000 will be recovered. However, as the timing of recovering this amount is expected to be longer than 12 months after the end of the reporting period, the Group has recognised an aggregate allowance of HK\$20,000,000 (2013: HK\$20,000,000) at a discount rate of 12% per annum, and the Escrow Fund is presented as a non-current asset at the reporting date. Taking into account the change of estimated time of recovery to around five years from 30 September 2014 due to the prolonged legal procedures (particularly taking into consideration the recent discovery process and increased complication in the procedures including the introduction of expert witnesses), the allowance remained unchanged accordingly. If actual recoverable amount is less than expected, a material impairment loss may arise.

Notes: (Continued)

**11. Loans and advances (Continued)**

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

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Fixed-rate loans and other receivable:		
Within one year ( <i>note</i> )	<b>840,718</b>	521,609
In more than one year but no more than five years	<b>30,983</b>	1,252
	<u><b>871,701</b></u>	<u>522,861</u>
	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Variable-rate loans receivable:		
Within one year	<b>38,193</b>	10,284
In more than one year but no more than five years	<b>6,463</b>	7,113
Over five years	<b>16,067</b>	16,984
	<u><b>60,723</b></u>	<u>34,381</u>

*Note:* No loans receivable balance had been past due and impaired as at 30 September 2014. Therefore, no allowance for impairment is necessary. As at 30 September 2013, included in fixed-rate loans receivable was balance of HK\$2,500,000 which had been past due for two months but not impaired. Taking into account the creditworthiness of the borrowers, the executive directors of the Company believed that no allowance for impairment was necessary as at 30 September 2013.

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

	<b>2014</b>	2013
Effective interest rates:		
Fixed-rate loans receivable	<b>0.246% per month to 4.7% per month</b>	0.127% per month to 4.7% per month
Variable-rate loans receivable	<b>Prime rate -3% per annum to Prime rate +5% per annum</b>	Prime rate -3% per annum to Prime rate +5% per annum



*Notes: (Continued)*

**11. Loans and advances (Continued)**

Included in the loans and advances as at 30 September 2014, there were secured loans and advances with the aggregate amount of HK\$167,722,000 (2013: HK\$159,722,000). These secured loans and advances were secured by listed marketable securities in Hong Kong except for two (2013: one) secured loans which were secured with first legal charge in respect of respective residential properties located in Hong Kong, and the collateral for each individual loan is sufficient to cover the loan amount on an individual basis. They were advanced to various independent individual/corporate borrowers and will be due for repayment within one year from the date of advance.

Included in the balance of loans receivable, one fixed-rate loan advance which was secured by listed marketable securities in Hong Kong was made to a corporate amounting to HK\$149,922,000 (2013: HK\$149,922,000), representing 16% (2013: 25%) of the gross loans and advances balance. Each of the remaining loans and advances represents less than 10% (2013: 10%) of the gross balance.

The balance of the loans and advances amounting to HK\$744,702,000 (2013: HK\$397,520,000) 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\$79,668,000 (2013: HK\$37,890,000), with second legal charges in respect of commercial and residential properties located in Hong Kong, which will be due for repayment within 1 to 27 years (2013: 1 to 28 years) from the respective loans' date of advance. Included in the balance of loans receivable, one fixed-rate unsecured loan advance was made to a corporate amounting to HK\$150,000,000 (2013: nil), which represents 16% (2013: nil) of the gross loans and advances balance. The remaining loans and advances with second legal charges in respect of residential properties in Hong Kong and other unsecured loans each represents less than 10% (2013: 10%) of the gross balance of loans and advances.

To minimise the Group's exposure to credit risk, credit risk control team is responsible for the evaluation of customers' credit ratings financial background and repayment abilities. The Group has a policy for assessing the 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 an 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. Taking into account of the above, the executive directors of the Company have made an allowance for impairment of HK\$2,203,000 as at 30 September 2014 (2013: nil).

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

Notes: (Continued)

**12. Accounts payable**

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Accounts payable from the business of dealing in securities:		
Clearing house	<b>63,724</b>	–
Margin and cash clients	<b>1,036,988</b>	1,805,724
Accounts payable from the business of dealing in futures contracts:		
Margin clients	<b>200,476</b>	260,632
	<b><u>1,301,188</u></b>	<b><u>2,066,356</u></b>

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 aging analysis is disclosed as in the opinion of the executive directors of the Company, the aging analysis does not give additional value in view of the nature of this business.

Accounts payable to 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\$1,164,249,000 and HK\$1,845,175,000 as at 30 September 2014 and 2013 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 accounts payable with the deposits placed.

As at 30 September 2014, accounts payable denominated in Japanese Yen and United States dollars were approximately HK\$553,000 (2013: HK\$610,000) and HK\$183,131,000 (2013: HK\$187,634,000) respectively.

## **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) brokerage services for securities, futures and options traded on the exchanges in Hong Kong, the United States, Japan and the United Kingdom, as well as wealth management and asset management services; (ii) margin and initial public offering (IPO) financings as well as loans and advances such as personal money lending and mortgage loan; (iii) placing and underwriting services; and (iv) corporate finance advisory services.

### **Market Review**

During the Year, Hong Kong securities and derivatives markets generally remained stable as investors turned to be cautious over possible interest rate hikes in United States, along with the tightening credit conditions and deteriorating growth prospects in China. However, starting from July 2014, investor confidence has stabilised in the hope of bottoming out of local economy and potential capital inflows after imminent implementation of Shanghai-Hong Kong Stock Connect scheme. During the Year, the average daily turnover on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) was HK\$64.01 billion (2013: HK\$61.81 billion), representing an increase of 3.6% year-on-year.

IPO market in Hong Kong was vibrant on the back of a gradual global recovery, and an increase in cross-border listings of multinational corporations and spin-offs by conglomerates. During the Year, the number of new listings reached 143 (2013: 57), with HK\$240.38 billion (2013: HK\$103.64 billion) of total fundraising. The figures revealed a more-than-double year-on-year growth in both total number of new listed companies and size of fundraising, reinforcing Hong Kong’s status as one of the top fundraising destinations globally.

The tightening credit measures of the banks provide lending companies with rooms to grow. Characterised by fast and convenient application procedures, loan products from lending companies have attracted more customers who seek for flexible loan structures.

### **Financial Review**

#### *Overall Review*

Attributable to the strong interest income growth in the financing segment, the Group achieved a remarkable growth of revenue by 25.7% to HK\$546.4 million (2013: HK\$434.8 million) during the Year despite a mild market sentiment. Profit for the year attributable to owners of the Company was HK\$220.8 million (2013: HK\$155.7 million), representing an impressive growth of 41.8%. Net profit margin rose by 4.6 percentage points to 40.4% (2013: 35.8%). Basic earnings per share was HK8.39 cents (2013: HK6.00 cents). The Group proposed a final dividend of HK2.00 cents per share (2013: HK1.30 cents). Together with the interim dividend of HK0.60 cent per share, the total dividend per share for the Year was HK2.60 cents (2013: HK1.80 cents).

### *Capital Structure*

During the Year, 32,346,000 and 2,184,000 share options of the Company were exercised at an exercise price of HK\$0.334 and HK\$0.385 per share, respectively. The number of issued shares of the Company was then increased by 34,530,000 ordinary shares of HK\$0.01 per share to 2,631,963,816 shares. The new shares rank pari passu with the existing shares in all respects. As a result, the share capital and share premium of the Company increased by HK\$0.3 million and HK\$15.9 million respectively, and the share option reserve of the Company reduced by HK\$2.0 million.

### *Liquidity and Financial Resources*

The Group financed its operations mainly by cash generated from operations, borrowings and proceeds from issuance of bonds. As at 30 September 2014, the Group's current assets and current liabilities were HK\$4,255.5 million and HK\$2,175.1 million (as at 30 September 2013: HK\$3,898.6 million and HK\$2,570.2 million) respectively. Bank balances and cash of the Group amounted to HK\$527.5 million (as at 30 September 2013: HK\$338.6 million), which were denominated mainly in Hong Kong dollars.

In order to support the expansion of the financing and the placing and underwriting businesses, the Company issued a total of HK\$605.7 million worth of bonds in the first half of the Year, which were 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. Together with such bonds, the total borrowings increased to HK\$1,325.7 million (as at 30 September 2013: HK\$446.0 million) as at 30 September 2014, resulting in a gearing ratio of 84.4% (as at 30 September 2013: 32.2%; calculated as a percentage of total borrowings over total equity of the Group). The Group's borrowings were denominated in Hong Kong dollars and carried interest rates which approximated market rates. The Group did not have any material foreign exchange exposure as at 30 September 2014.

With the Group's sufficient bank balances and cash as well as its available unutilised banking facilities of HK\$345.0 million, the Board considers the Group has sufficient working capital for its operation and future development.

## **Business Review**

After years of efforts, the Group had successfully transformed from a traditional local brokerage house to a one-stop financial institution with wide exposure in both Hong Kong and the mainland. During the Year, the Group has received many outstanding awards from reputable organisations attributable to its dedicated services and professionalism. The awards obtained by the Group during the Year are listed as follows:

- **Capital Merits of Achievements in Banking & Finance Awards**  
*Capital Weekly, September 2014*
- **The Greater China Super Brands Award**  
*East Week, September 2014*
- **Hong Kong Leaders' Choice Excellent Brand of Investment Immigration**  
*Metro Finance, February 2014*
- **Hong Kong Outstanding Enterprise**  
*Economic Digest, December 2013*

Subsequent to the Year, the Group has been named as the “**Best Brokerage House Hong Kong 2014**” by Global Banking & Finance Review, a London based financial portal, to recognise its prominent position in local brokerage market.

The Group has succeeded in developing a robust business model with diversified income streams to withstand an increasingly complex market conditions. Having successfully captured the customers' increasing liquidity need, the Group had again achieved significant growth in the financing segment during the Year. The Group also tapped into the booming IPO activities and delivered solid growth in the corporate finance segment.

### *Financing*

The Group's financing segment derives interest income from margin and IPO financing as well as loans and advances. It offers corporate and retail clients with financial flexibility to meet their business and personal needs. 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).

In recent years, the Group has devoted considerable resources to securing new customers and capturing new business in the financing segment. Leveraging on its solid capital base, renowned reputation and widespread network, 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 72.8% to HK\$311.1 million (2013: HK\$180.0 million), accounting for 56.9% (2013: 41.4%) of the total revenue.

### *Brokerage*

The Group provides brokerage services for securities, futures and options traded on the exchanges in Hong Kong, the United States, Japan and the United Kingdom as well as wealth management and asset management services. During the Year, revenue generated from the brokerage services segment was HK\$91.6 million (2013: HK\$99.9 million), accounting for 16.8% (2013: 23.0%) of the total revenue.

The Group operates 12 branches, covering key commercial and popular residential areas with convenient pedestrian access. The Group also runs three liaison offices located at Beijing, Shanghai and Guangzhou respectively. As a dynamic financial institution, the Group continued to extend its product offerings on a timely basis in response to market windows. In January 2014, the Group introduced an online platform for the trading of securities listed on the New York Stock Exchange (NYSE) and the NASDAQ in the United States.

The asset management arm runs a private equity fund, namely “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.

In the wealth management division, the Group mainly serves the mainland investors who are seeking investments under the Capital Investment Entrant Scheme. Comprising of qualified and experienced wealth management professionals, the division advises a wide array of investment services including securities, mutual funds, insurance-linked products, as well as real estate investment advisory.

### *Placing and Underwriting*

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

During the Year, the Group successfully completed a number of fundraising transactions. Revenue from the placing and underwriting segment was HK\$127.9 million (2013: HK\$143.6 million), accounting for 23.4% (2013: 33.0%) of the 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 Year, the Group acted as the Lead Manager in the IPO placing of Orient Securities International Holdings Limited which was listed on the GEM board of the Stock Exchange. The Group also participated in the underwriting syndicate in the IPO of China Everbright Bank Company Limited which was listed on the main board of the Stock Exchange.

### *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 IPO on top of 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 Year, revenue from the corporate finance segment increased significantly to HK\$15.8 million (2013: HK\$11.2 million), accounting for 2.9% (2013: 2.6%) of the total revenue.

### **Outlook**

Hong Kong's leading role in global financial market is widely recognised in light of its sound market fundamentals and intensive linkages with the mainland. Against a backdrop of large worldwide investor base and abundant capital pool, the Group is optimistic to capitalise on Hong Kong's unique position as the gateway to the mainland and the Asia Pacific market. Acceleration in economic and financial reform on the mainland will provide Hong Kong, and hence the financial market participants, with emerging business opportunities. Shanghai-Hong Kong Stock Connect scheme, a cross-border investment channel lately launched in November 2014, is one of the milestones in the development of capital markets in China. In this respect, the Group endeavors to stay abreast of the latest regulatory and market development, and is well-positioned to meet the challenges and opportunities ahead.

Interest income from the money lending business will continue to serve as the Group's major revenue contributor. Riding on its strong network and renowned reputation, the Group strives to enlarge its customer base and ensure its competitive position in the market. As the financing segment grows, the Group would maintain a proactive yet prudent approach in its credit control and loan book management.

The Group has made great strides in transforming into a one-stop financial services provider which offers diversified business lines. The Group will continually work closely among all business lines to enhance the synergies and strengthen its total solution capabilities to cater for the customers' evolving needs. The Group will also implement the measures proactively to manage its capital and liquidity, and ensure efficient use of its capital across business lines to pursue sustainable growth and maximise value for shareholders amid fluctuating market environment.

## **LITIGATION, CLAIMS AND CONTINGENT LIABILITY**

In 2011, the Group 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 commenced legal proceedings against the two borrowers and the partners of K&L Gates, claiming for the return of the Escrow Fund, plus interest and cost. Final and interlocutory judgment were entered against the two borrowers and a partner of K&L Gates in 2011. Such partner of K&L Gates was arrested by the Hong Kong Police and in 2013 he was sentenced to 12 years jail under the charge for fraud and forgery with respect to the monies held in escrow accounts of K&L Gates. The legal proceedings against the other partners of K&L Gates claiming for the return of escrow money are still pending for trial. Taking into account the specific facts and circumstances and the legal advice, the executive directors of the Company are of the opinion that it is probable to obtain a judgment favourable to the Group, in which event each of the partners of K&L Gates will be personally liable to the Group to satisfy the judgment and hence, the amount of HK\$40,000,000 will be recovered.

In November 2013, the Group granted a loan of HK\$1,950,000 to a borrower. In June 2014, the borrower failed to repay the outstanding principal to the Group when it was due. As a result, the Group has commenced legal proceedings to recover the debt against the borrower and the guarantor in September 2014. Based on the opinion of the Group’s legal advisors, a court judgment can be entered in favour of the Group and against the borrower in early 2015.

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.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 September 2014, the Group has 176 (2013: 194) account executives and 135 employees (2013: 136). Total staff costs (including Directors’ remuneration) were approximately HK\$100.1 million (2013: HK\$70.1 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.

To provide incentives or rewards to the staff, the Company adopted a share option scheme (the “Scheme”) on 20 September 2007. Under the terms of the Scheme a total of 129,354,000 share options were granted to four executive directors of the Company at an exercise price of HK\$0.334 each in August 2013 and a total of 2,184,000 share options were granted to certain employees of the Company at an exercise price of HK\$0.385 each in April 2014. During the year, 34,530,000 share options were exercised. After that, 97,008,000 share options were outstanding as at 30 September 2014.



## **FINAL DIVIDEND**

The Board is pleased to recommend the payment of a final dividend of HK2.00 cents per share (“Final Dividend”) for the year ended 30 September 2014 (2013: HK1.30 cents per share), amounting to approximately HK\$52.6 million (2013: HK\$34.2 million), subject to the approval of the shareholders at the forthcoming annual general meeting (“AGM”) of the Company to be held on 21 January 2015 (Wednesday). If approved, the Final Dividend will be paid on 17 February 2015 (Tuesday) to shareholders whose names appear on the register of members of the Company on 29 January 2015 (Thursday).

## **CLOSURE OF REGISTER OF MEMBERS**

### **For ascertaining shareholders’ right to attend and vote at the AGM**

Latest time to lodge transfers	4:30 p.m. on 19 January 2015 (Monday)
Book close dates	20 and 21 January 2015 (Tuesday and Wednesday)
Record date	21 January 2015 (Wednesday)
AGM	21 January 2015 (Wednesday)

### **For ascertaining shareholders’ entitlement to the proposed Final Dividend**

Latest time to lodge transfers	4:30 p.m. on 27 January 2015 (Tuesday)
Book close dates	28 and 29 January 2015 (Wednesday and Thursday)
Record date	29 January 2015 (Thursday)
Final Dividend payment date	17 February 2015 (Tuesday)

In order to qualify for the right to attend and vote at the AGM and for the proposed Final 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 before the above latest time to lodge transfers.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 September 2014 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR**

The Audit Committee of the Company, which comprises the three independent non-executive directors of the Company, had reviewed the audited consolidated financial statements for the year ended 30 September 2014 in conjunction with the Group's auditors, Messrs. Deloitte Touche Tohmatsu. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at 30 September 2014 and results for the year ended 30 September 2014.

## **CORPORATE GOVERNANCE**

### **Corporate Governance Code**

During the Year, the Company had complied with all the code provisions of the Corporate Governance Code under Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), except with the deviation from code provision A.2.1 which requires the roles of chairman and chief executive officer be separate and not be performed by the same individual. Currently, the Board has appointed Ms. Daisy Yeung as the Managing Director of the Company, who also assumes the responsibility to lead the Board and ensure the Board works effectively. The Board is of the opinion that the current 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 Year.

## **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 Year.

## **PUBLICATION OF THE AUDITED ANNUAL RESULTS AND ANNUAL REPORT**

The annual results announcement is published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.emperorcapi.com>). The annual 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, 3 December 2014

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