



英皇證券集團有限公司  
Emperor Capital Group Limited

於百慕達註冊成立之有限公司(股份代號:717)  
Incorporated in Bermuda with limited liability (Stock Code:717)

## Achieves Turnaround in 1H 2020/21

### Financial Summary

HK\$'000 (Unaudited)	For the six months ended 31 March	
	2021	2020
Total revenue	346,586	494,453
Impairment allowance *	(140,056)	(592,936)
Net profit / (loss)	53,679	(268,067)
Basic earnings/(loss) per share	HK0.80 cent	HK(3.98) cents

\* Represents the net impairment allowances of margin loans, and other loans and advances

(Hong Kong, 26 May 2021) **Emperor Capital Group Limited** (“Emperor Capital Group” or the “Group”) (Stock code: 717), a one-stop financial services institution in Hong Kong, announced its interim results for the six months ended 31 March 2021 (the “Period”).

During the Period, the Group’s recorded a revenue of HK\$346.6 million (2020: HK\$494.5 million), of which over 80% came from the financing segment, amounting to HK\$283.2 million. The Group achieved a turnaround and recorded a net profit of HK\$53.7 million (2020: net loss of HK\$268.1 million), which was mainly attributable to a significant drop in the net impairment allowances for margin loans, and other loans and advances (“Impairment Allowances”). The Impairment Allowances of approximately HK\$140.1 million (2020: HK\$592.9 million) were made after reviewing the account portfolios and financial positions of certain clients. Basic earnings per share was HK0.80 cent (2020: basic loss per share of HK3.98 cents).

As at 31 March 2021, the Group had bank borrowings of HK\$370.0 million (30 September 2020: Nil), excluding the IPO financing. The total borrowings of the Group, excluding the IPO financing, was HK\$1,393.0 million (30 September 2020: HK\$1,394.6 million) as at 31 March 2021, hence the gearing ratio was 31.1% (30 September 2020: 31.5%; calculated as a percentage of total borrowings excluding IPO financing over total equity of the Group).

## **Financing**

With the visibility on the economic outlook remained uncertain, the Group has increased its risk awareness and further tightened loan approval procedures in the interim, leading to a decrease in total loan transactions. As a result, the segment's revenue decreased to HK\$283.2 million, accounting for 81.7% of the Group's total revenue. The Group monitored the market situation closely and adjusted the interest rate and loan-to-value ratio timely, in order to enhance its risk and capital management. Legal proceedings regarding the Impairment Allowances were in process.

## **Brokerage Services**

The Group offers web-based and mobile trading platforms which enable real-time transaction and investment portfolio monitoring. As at 31 March 2021, the Group operated 3 branches in Hong Kong and 3 liaison offices in mainland China. During the Period, revenue from brokerage services was HK\$55.1 million, accounting for 15.9% of the Group's total revenue. To seize the opportunities arising from the stock markets, the Group launched its digital enhancement project during the Period, with a focus on online account opening and eIPO application, enabling the Group to attract new customers. The Group also promoted the use of electronic services by its customers in various ways, to enhance customer engagement.

## **Placing and Underwriting**

During the Period, the revenue of the Group's placing and underwriting segment was HK\$5.0 million, accounting for 1.4% of the Group's total revenue.

## **Corporate Finance**

The corporate finance segment's revenue was HK\$3.4 million during the Period, accounting for 1.0% of the Group's total revenue.

**Ms. Daisy Yeung, Chief Executive Officer of Emperor Capital Group**, said, "Supported by the rollout of vaccination programmes around the world, various countries are striving to rebuild their economies and create jobs to fuel growth. In the meantime, various central banks have injected liquidity into markets by different means to maintain market stability, contributing to the buoyant investment and property markets. With China's intensified efforts to open up its capital markets and offer a broader range of products, it is expected that the China market will be a growth engine in the near future. In addition, mainland China, Hong Kong and Macau continue working closely to enhance financial connectivity within the Greater Bay Area. All these factors will be beneficial to the Group in the long run."

Ms. Yeung concluded, “With the shift of consumer behaviour towards the use of digital platforms, the Group will further enhance its digital offerings, in order to provide a comprehensive, fast and reliable online service experience for its customers – enhancing customer engagement and ultimately enlarging the customer base. During the course of economic recovery, the Group will continue adhering to its prudent approach and adopt a stringent credit control policy in terms of its financing business. The Group will also exercise cost control measures, with the aim of improving its profitability and maintaining steady businesses development.”

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### **About Emperor Capital Group Limited**

Established in 1993, Emperor Capital Group Limited (717.HK) is a renowned Hong Kong based financial institution providing a wide range of financial services including (i) commercial and personal lending as well as margin and IPO financing; (ii) brokerage services, wealth management and asset management; (iii) placing and underwriting services for listed issuers; and (iv) corporate finance advisory services. For more information, please visit its website: [www.emperorcapi.com](http://www.emperorcapi.com).

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