Imperium Group Global Holdings Limited
帝 國 集 團 環 球 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0776)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

The board (the "Board") of directors (the "Directors") of Imperium Group Global Holdings Limited (the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2017, together with the unaudited comparative figures for the corresponding period in 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017

		Unaudited	
		Six months ended 30 June	
		2017	2016
	Note	***HK$'000***	*HK$'000*
REVENUE		**77,145**	69,752
Cost of goods sold		**(72,474)**	(65,043)
Gross profit		**4,671**	4,709
Other income	*4*	**1,661**	1,271
Distribution costs		**(1,924)**	(889)
Administrative expenses		**(10,136)**	(9,807)
Other operating expenses		**—**	(229)

	Note	Unaudited Six months ended 30 June 2017 HK$'000	2016 HK$'000
LOSS FROM OPERATIONS		**(5,728)**	(4,945)
Finance costs		**(821)**	(587)
LOSS BEFORE TAX		**(6,549)**	(5,532)
Income tax expense	*5*	**(16)**	—
LOSS FOR THE PERIOD		**(6,565)**	(5,532)
Other comprehensive loss:			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translating foreign operations		**1,541**	(1,253)
Total comprehensive loss for the period		**(5,024)**	(6,785)
LOSS PER SHARE			
Basic (HK cents)	*7*	**(2.29)**	(1.93)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	Note	**Unaudited At 30 June 2017 HK$'000**	Audited At 31 December 2016 HK$'000
Non-current assets			
Property, plant and equipment	*8*	**12,487**	15,232
Investment properties		**16,913**	15,901
Intangible asset		**500**	500
		29,900	31,633
Current assets			
Inventories		**37,224**	22,471
Loan receivables	*9*	**60,000**	22,000
Trade receivables	*10*	**15,822**	19,903
Due from a related company		**4,737**	4,737
Deposits, other receivables and prepayments		**8,473**	5,923
Cash and bank balances		**54,790**	96,057
		181,046	171,091
Current liabilities			
Trade and other payables and accruals	*11*	**44,747**	51,232
Due to a related company	*12*	**—**	5,154
Current tax liabilities		**243**	820
Bank borrowings		**36,575**	11,113
		81,565	68,319
NET CURRENT ASSETS		**99,481**	102,772
TOTAL ASSETS LESS CURRENT LIABILITIES		**129,381**	134,405
Non-current liabilities			
Deferred tax liabilities		**1,716**	1,716
NET ASSETS		**127,665**	132,689
CAPITAL AND RESERVES			
Share capital	*13*	**2,872**	2,872
Reserves		**124,793**	129,817
TOTAL EQUITY		**127,665**	132,689

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Total equity of the Group at 1 January	**132,689**	151,608
Changes in equity during the period:		
— Exchange differences arising on translating on foreign operations	**1,541**	(1,253)
— Loss for the period	**(6,565)**	(5,532)
Total comprehensive loss for the period	**(5,024)**	(6,785)
Total equity of the Group at 30 June	**127,665**	144,823

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Net cash (used in)/from operating activities	**(66,131)**	87,628
Net cash from/(used in) investing activities	**480**	(557)
Net cash from/(used in) financing activities	**24,641**	(7,958)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(41,010)**	79,113
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**96,057**	42,537
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(257)**	(1,509)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**54,790**	120,141
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**54,790**	120,141

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1–1111, Cayman Islands. The address of its principal place of business is Room 2408, 24/F., China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The condensed consolidated financial information are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated, which is the Company's functional and presentation currency.

In the opinion of the Directors, Power Ocean Holdings Limited, a company incorporated in the British Virgin Islands, is the immediate parent and Mr. Chau Cheok Wa and Mr. Cheng Ting Kong are the ultimate controlling parties of the Company.

The condensed consolidated financial information have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial information have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at fair value, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial information for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

Application of a new amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2017. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); HKAS and Interpretations. The following standards have been adopted by the Group for the first time for the financial period beginning on 1 January 2017:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses

The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's condensed consolidated financial information and amounts reported for the current period and prior years.

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial period beginning on 1 January 2017. The Directors anticipate that the new and revised HKFRSs will be adopted in the Group's condensed consolidated financial information when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. SEGMENT INFORMATION

Information reported to the Executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. For management purposes, the Group has three reportable segments, stainless steel furnishings, property investment and money lending.

Information about reportable segment revenue, profit or loss and assets:

2017

	Stainless steel furnishings *HK$'000*	Property investment *HK$'000*	Money lending *HK$'000*	Total *HK$'000*
Six months ended 30 June 2017 (unaudited)				
Revenue from external customers	**74,480**	**440**	**2,225**	**77,145**
Intersegment revenue	**—**	**—**	**—**	**—**
Segment (loss)/profit	**(4,234)**	**156**	**1,643**	**(2,435)**
Interest revenue	**974**	**—**	**2,225**	**3,199**
Interest expense	**(821)**	**—**	**—**	**(821)**
Depreciation	**(1,875)**	**—**	**(32)**	**(1,907)**
Income tax expense	**—**	**—**	**(16)**	**(16)**
Additions to segment non-current assets	**494**	**—**	**302**	**796**
Other material non-cash item:				
— Fair value change of investment properties	**—**	**661**	**—**	**661**
As at 30 June 2017				
Segment assets	**78,298**	**25,962**	**68,459**	**172,719**

2016

	Stainless steel furnishings HK$'000	Property investment HK$'000	Money lending HK$'000	Total HK$'000
Six months ended 30 June 2016 (unaudited)				
Revenue from external customers	69,641	111	—	69,752
Intersegment revenue	—	—	—	—
Segment loss	(842)	(149)	—	(991)
Interest revenue	47	—	—	47
Interest expense	(587)	—	—	(587)
Depreciation	(927)	—	—	(927)
Additions to segment non-current assets	2,531	—	—	2,531
Other material non-cash item:				
— Fair value change of investment properties	—	(229)	—	(229)
As at 31 December 2016				
Segment assets	68,127	24,582	23,537	116,246

Reconciliations of segment assets:

	At 30 June 2017 (unaudited) ***HK$'000***	At 31 December 2016 (audited) *HK$'000*
Assets		
Total assets of reportable segment	**172,719**	116,246
Unallocated corporate assets	**38,227**	86,478
Consolidated total assets	**210,946**	202,724

Reconciliation of reportable segment revenue and results:

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Revenue		
Total revenue of reportable segments	**77,145**	69,752
Elimination of intersegment revenue	**—**	—
Consolidated revenue	**77,145**	69,752
Profit or loss		
Total loss of reportable segments	**(2,435)**	(991)
Unallocated corporate income	**26**	1,139
Unallocated corporate expenses	**(4,156)**	(5,680)
Consolidated loss for the period	**(6,565)**	(5,532)

4. OTHER INCOME

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Fair value gain on investment property	**661**	—
Interest income	**974**	97
Investment income	**—**	919
Net exchange gain	**26**	216
Others	**—**	39
	1,661	1,271

5. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at 16.5% (2016: 16.5%) on the estimated assessable profits for the period.

Under the Law of the PRC on Enterprise Income Tax and Implementation Rules, the statutory tax rate of PRC subsidiaries is 25% (2016: 25%), except for 寧波捷豐金屬製品有限公司 (Ningbo JF Metal Products Co., Ltd.), a subsidiary of the Company which was recognised as a small and thin profit enterprise during the period under relevant enterprise income tax rules and regulations and is subject to preferential enterprise income tax at 20%.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

6. DIVIDEND

No dividend was paid, declared or proposed during the period. The Directors have determined that no dividend will be paid in respect of the interim period (2016: Nil).

7. LOSS PER SHARE

The calculation of basic loss per share is based on the following:

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company, used in the basic loss per share calculation	**(6,565)**	(5,532)

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares used in basic loss per share calculation	**287,206,000**	287,206,000

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group had additions to property, plant and equipment in the amount of approximately HK$494,000 (2016: approximately HK$2,531,000). The Group has no material disposal of property, plant and equipment on both periods.

9. LOAN RECEIVABLES

The maturity profile of loan receivables at the reporting date is analysed by the remaining periods to their contractual maturity dates at follows:

	At 30 June 2017 (unaudited)	At 31 December 2016 (audited)
	HK$'000	*HK$'000*
Within one year	**60,000**	22,000

10. TRADE RECEIVABLES

The Group normally granted customers with credit terms of 30 to 90 days. The aging analysis of the Group's trade receivables, based on the invoice date, and net of allowance, is as of follows:

	At 30 June 2017 (unaudited)	At 31 December 2016 (audited)
	HK$'000	*HK$'000*
0–30 days	**15,776**	19,806
31–60 days	**—**	97
Over 90 days	**46**	—
Total	**15,822**	19,903

11. TRADE AND OTHER PAYABLES AND ACCRUALS

	At 30 June 2017 (unaudited) *HK$'000*	At 31 December 2016 (audited) *HK$'000*
Trade payables	**11,659**	15,136
Other payables and accruals	**33,088**	36,096
	44,747	51,232

The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers. The aging analysis of the Group's trade payables, based on invoice date, is as follows:

	At 30 June 2017 (unaudited) *HK$'000*	At 31 December 2016 (audited) *HK$'000*
0–30 days	**8,283**	10,193
31–60 days	**3,367**	4,659
61–90 days	**9**	156
Over 90 days	**—**	128
Total	**11,659**	15,136

12. DUE TO A RELATED COMPANY

The balance is unsecured, interest-free and has no fixed repayment terms.

13. SHARE CAPITAL

	Number of shares *'000*	*HK$'000*
Ordinary shares of HK$0.01 each:		
Authorised:		
At 1 January 2016 (audited), 31 December 2016 (audited) and 30 June 2017 (unaudited)	5,000,000	50,000
Issued and fully paid:		
At 1 January 2016 (audited), 31 December 2016 (audited) and 30 June 2017 (unaudited)	287,206	2,872

14. OPERATING LEASE COMMITMENTS

The Group as lessee

The Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of leasehold land and buildings which full due as follow:

	At 30 June 2017 (unaudited) ***HK$'000***	At 31 December 2016 (audited) *HK$'000*
Within one year	**1,518**	1,774
In the second to fifth years, inclusive	**6,073**	5,954
After five years	**5,314**	5,954
	12,905	13,682

The Group as lessor

The Group's total future minimum lease payments under non-cancellable operating leases are receivables as follows:

	At 30 June 2017 (unaudited) *HK$'000*	At 31 December 2016 (audited) *HK$'000*
Within one year	**885**	—
In the second to fifth years inclusive	**2,806**	2,040
Over five years	**2,776**	4,365
	6,467	6,405

15. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosure of level in fair value hierarchy at 30 June 2017 and 31 December 2016:

	Fair value measurements using: Level 3	
	At 30 June 2017 (unaudited)	At 31 December 2016 (audited)
	HK$'000	*HK$'000*
Recurring fair value measurements:		
Investment property		
Residential unit — Hong Kong	**7,000**	6,600
Commercial units — the PRC	**9,913**	9,301
	16,913	15,901

(b) Reconciliation of assets measured at fair value based on level 3:

Investment properties	**At 30 June 2017 (unaudited)**	At 31 December 2016 (audited)
	HK$'000	*HK$'000*
At 1 January	**15,901**	16,985
– Subsequent expenditure	**—**	9,355
Total gains/(losses) recognised in profit or loss (#)	**661**	(9,890)
Exchange realignment	**351**	(549)
At 30 June/31 December	**16,913**	15,901
(#) Include gains/(losses) for assets held at end of reporting period	**661**	(9,890)

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in other income (2016: other operating expenses) in the condensed consolidated statement of profit or loss and other comprehensive income.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2017 and 31 December 2016:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Key unobservable inputs used in level 3 fair value measurements are mainly:

— Price index difference (estimated based on private domestic price indices by class published by Rating and Valuation Department of the Government of the Hong Kong Special Administrative Region)

— Floor level difference (estimated based on actual data)

— Size difference (estimated based on actual data)

— View difference (estimated based on valuation experts' in-house database)

— Building age difference (estimated based on actual data)

— Market quote adjustment factor (estimated based on valuation experts' in-house database)

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs Range	Range	Effect on fair value for increase of inputs	Fair value 30 June 2017 (unaudited)	Fair value 31 December 2016 (audited)
			%		*HK$'000*	*HK$'000*
Investment property — Residential unit located in Hong Kong	Market comparable approach	Price index difference	1.18% to 9.15% (2016: 0% to 2.65%)	Increase	**7,000**	6,600
		Floor difference	-5.5% to 5.5% (2016: -4.5% to 4.5%)	Increase		
		Size difference	-0.92% to 7.76% (2016: 0.91% to 4.39%)	Increase		
		View difference	–5% to 0% (2016: 0% to 5%)	Increase		
		Building age	0% (2016: 0% to 2%)			
Investment property — Commercial units located in the PRC	Market comparable approach	Market quote adjustment factor	-5% (2016: -5%)	Decrease	**9,913**	9,301
		Floor difference	-35% to 45% (2016: -35% to 45%)	Decrease		

There were no changes in the valuation techniques used as at 30 June 2017 and 31 December 2016.

16. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the condensed financial information, the Group had the following transactions and balances with related parties during the period:

(a) Key management personnel compensation

The key management personnel of the Group comprise all Directors. Details of their emoluments were disclosed as follows:

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Directors' remuneration	**1,033**	553

(b) Transactions with related parties

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Rental income from		
— 寧波捷豐現代家俱有限公司		
(Ningbo JF Furniture Co., Limited*)	**373**	525
Interest income from		
— 寧波捷豐現代家俱有限公司		
(Ningbo JF Furniture Co., Limited*)	**933**	—
Processing charges paid to		
— 寧波捷豐現代家俱有限公司		
(Ningbo JF Furniture Co., Limited*)	**547**	477
Purchase from		
— 寧波捷豐現代家俱有限公司		
(Ningbo JF Furniture Co., Limited*)	**1,086**	1,751
License fees paid to		
— A.C.R. Equipment Supplies Limited	**60**	60
Rental expenses paid to		
— 寧波捷豐現代家俱有限公司		
(Ningbo JF Furniture Co., Limited*)	**723**	787
— Senior management	**—**	45

An executive Director, Mr. Leung Kwok Yin has beneficial interests in above companies.

(c) Balance with related parties

— Due from a related company

	At	At
	30 June	31 December
	2017	2016
	(unaudited)	(audited)
	HK$'000	*HK$'000*
JF Household Furnishings (BVI) Limited	**4,737**	4,737

— Due to a related company

	At 30 June 2017 (unaudited) *HK$'000*	At 31 December 2016 (audited) *HK$'000*
寧波捷豐現代傢俱有限公司 (Ningbo JF Furniture Co., Limited*)	—	5,154

* *for identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

The Group's revenue for the six months ended 30 June 2017 amounted to approximately HK$77.1 million, representing an increase of approximately 10.6% over the corresponding period of 2016. Such increase is due to the increase of selling price of household products and there is an income arising from money lending business.

Gross profit margin of the Group decreased 0.7% to approximately 6.1% for the six months ended 30 June 2017 was mainly due to the higher materials costs and increase of depreciation expenses during the period.

Other income increased from approximately HK$1.3 million for the six months ended 30 June 2016 to approximately HK$1.7 million for the six months ended 30 June 2017, mainly due to the increase in fair value gain on investment property and interest income from a related company.

Distribution costs increased from approximately HK$1.0 million for the six months ended 30 June 2016 to approximately HK$1.9 million for the six months ended 30 June 2017, mainly due to the increase in declaration charge and transportation cost.

Administrative expenses increased from approximately HK$9.8 million for the six months ended 30 June 2016 to approximately HK$10.1 million for the six months ended 30 June 2017, mainly due to the increase in staff costs and rental expenses.

Business Review and Outlook

Household products business

During 2017, market condition remains challenging as the slow growth in China economy. Besides, the rising of staff costs and intense competition also deteriorates to household market in China. The revenue from household products business for the six months ended 30 June 2017 was approximately HK$74,480,000 (2016: approximately HK$69,641,000), representing a slightly increase of 6.9%. The segment loss for the reporting period was approximately HK$4,234,000 (2016: approximately HK$842,000). The reduction in gross margin was mainly due to higher material costs and increase of depreciation expenses after the production base migrated to the periphery area of Yuyao City.

The Group will take active measure to strengthen its operational efficiency, reduce the cost of production and improve the product mix in order to improve the gross profit margin and increase the market share.

Property investment business

The Group has diversified its business by acquired investment properties in Hong Kong and PRC for rental purpose. The Group's revenue from property investment business during the reporting period was approximately HK$440,000 (2016: approximately HK$111,000). It attributes to the Group has leased out the hotel to an independent third party for operation in second half of 2016. The segment profit was approximately HK$156,000 (2016: segment loss of approximately HK$149,000), mainly due to change of fair value gain on investment property which is non-cash in nature.

Money lending business

To diversify the Group's business and broaden the Group's source of income, the Group is now engaged in money lending business which provides customers with a wide range of loan products and services to meet their financial needs. The Group's revenue from money lending business during the period was approximately HK$2,225,000 (2016: Nil). The segment profit of approximately HK$1,643,000 (2016: Nil).

Future prospects

Looking forward, the Group will from time to time to the business opportunities that can broaden the income base of the Group and create the maximum returns to the shareholders.

Liquidity, Financial Resources, Funding and Treasury Policy

As at 30 June 2017, the Group had cash and bank balances of approximately HK$54.8 million (as at 31 December 2016: approximately HK$96.1 million) and short-term bank borrowings of approximately HK$36.6 million (as at 31 December 2016: approximately HK$11.1 million) respectively.

As at 30 June 2017, the Group had current assets of approximately HK$181.0 million (31 December 2016: HK$171.1 million) and current liabilities of approximately HK$81.6 million (31 December 2016: HK$68.3 million).

Gearing ratio

As at 30 June 2017, the Group's gearing ratio, which was derived from the total borrowings to total assets, increased to 17.4% from that of 5.5% as at 31 December 2016.

Capital Structure

The share capital of the Company comprises of ordinary shares only.

Material Acquisition and Disposal

Save as disclosed, the Group did not have any material acquisition and disposal for the six months ended 30 June 2017.

Dividends

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2017 (2016: Nil).

Foreign Exchange Exposure

Most of the trading transactions, assets and liabilities of the Group were denominated in Renminbi, United States dollars and Hong Kong dollars.

Contingent Liabilities

As at 30 June 2017, the Group had no material contingent liabilities.

Employees and Remuneration Policy

As at 30 June 2017, the Group employed 492 staff in the PRC and Hong Kong. The Group's remuneration to employees, including Directors' emoluments, amounted to approximately HK$16,577,000 for the period. The Group reviews employee remuneration annually and rewards its employee with reference to the length of services and performance. The Group also grants share options and bonuses to employees of the Group at the discretion of the Directors and based on the financial performance of the Group.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2017, none of the Directors and the chief executives of the Company nor each of their respective associates (as defined under the Listing Rules), had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") which (a) were required, to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests and short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

As at 30 June 2017, none of the Directors have options to subscribe for shares in the Company.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2017, the following substantial shareholders had interests or short positions in the shares or the underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO. Other than the interests disclosed below, the Directors were not aware of any other persons who had interests or short positions in the shares or the underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Substantial Shareholders	Number of shares interested in	Capacity	Approximate percentage of the total issue capital of the Company *(Note 3)*
Power Ocean Holdings Limited *(Note 1&2)*	179,407,488	Beneficial owner	62.46%
Chau Cheok Wa *(Note 1)*	179,407,488	Interest through a controlled corporation	62.46%
Cheng Ting Kong *(Note 2)*	179,407,488	Interest through a controlled corporation	62.46%

Notes:

1. According to the record in the register kept under section 336 of the SFO, Power Ocean Holdings Limited, which 50% of issued share capital is owned by Mr. Chau Cheok Wa and he is therefore deemed to be interested in 179,407,488 shares of the Company.

2. According to the record in the register kept under section 336 of the SFO, Power Ocean Holdings Limited, which 50% of issued share capital is owned by Mr. Cheng Ting Kong and he is therefore deemed to be interested in 179,407,488 shares of the Company.

3. The percentage has been adjusted based on the total number of shares of the Company in issue as at 30 June 2017 (i.e.287,206,000 shares).

SHARE OPTION AND SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to the shareholder's resolution passed on 26 November 2008. No options granted under the Scheme since its adoption are still outstanding. During the six months ended 30 June 2017, no share option were granted, exercised and lapsed.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company or any of its subsidiaries or its holding company, was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the period under review or any time during the period under review save and except for the transactions disclosed as connected and/or related party transactions in accordance with the requirements of the Listing Rules and accounting principles generally accepted in Hong Kong.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares for the six months ended 30 June 2017.

CORPORATE GOVERNANCE

In the opinion of the Directors, save as disclosed below, the Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2017.

Under the CG Code provision E.1.2, the chairman of the Board should attend the annual general meeting ("AGM") and invite the chairman of audit, remuneration and nomination committee to attend. However, in the AGM held on 2 June 2017 ("2017 AGM"), the chairman of the Board was unable to attend the meeting as he had to attend to other business commitments. He then appointed an executive Director to chair the 2017 AGM on his behalf and answer any question from the shareholders concerning the Company's corporate governance. As provided for in the CG Code provision A.6.7, independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. An independent non-executive Director, Mr. Ting Wong Kacee, was unable to attend the 2017 AGM due to other business commitments.

Under the Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Following the resignation from the post of Ms. Yeung So Lai as executive Director and chief executive officer of the Company on 1 August 2016 in order to devote more time on her personal engagements, the role of chief executive officer were shared among the members of the Board during the reporting period. There is no time schedule to change this structure, as the Directors consider that this structure provides the Group with consistent leadership in the Company's decision making process and operational efficiency. The Board shall review this arrangement from time to time to ensure appropriate and timely action is taken to meet changing circumstances.

The Company reviews its corporate governance practices from time to time to ensure compliance with the CG Code.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in accordance with the Listing Rules. The primary duties of the Audit Committee are to review the Company's interim and annual reports and accounts and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing internal control procedures of the Group. The Audit Committee comprises of three independent non-executive Directors, namely Mr. Fung Tze Wa (Chairman), Mr. Ting Wong Kacee and Mr. Tse Ting Kwan.

The Audit Committee has reviewed the unaudited condensed financial information for the six months ended 30 June 2017.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers, as amended from time to time (the "Model Code"), set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions of the directors of the Company. On specific enquiries made, all directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2017.

Employees who are likely to be in possession of unpublished price sensitive information of the Company are also subject to compliance with guidelines on no less exacting terms than the Model Code.

By order of the Board
Imperium Group Global Holdings Limited
Cheng Ting Kong
Chairman

Hong Kong, 31 August 2017

As at the date of this announcement, the executive Directors are Mr. Cheng Ting Kong, Ms. Yeung So Mui, Mr. Luk Wai Keung and Mr. Leung Kwok Yin; and the independent nonexecutive Directors are Mr. Fung Tze Wa, Mr. Ting Wong Kacee and Mr. Tse Ting Kwan.