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 2019

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 2019, together with the unaudited comparative figures for the corresponding period in 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

		Unaudited Six months ended 30 June	
		2019	2018
	Note	***HK$'000***	*HK$'000*
REVENUE		**121,390**	131,306
Cost of goods sold		**(110,156)**	(116,588)
Gross profit		**11,234**	14,718
Other income	*4*	**6,206**	1,682
Distribution costs		**(18,695)**	(305)
Administrative expenses		**(27,951)**	(21,850)
Other operating expenses		**(5,859)**	(4,847)
LOSS FROM OPERATIONS		**(35,065)**	(10,602)
Finance costs		**(1,842)**	(1,227)

	Note	Unaudited Six months ended 30 June 2019 HK$'000	2018 HK$'000
LOSS BEFORE TAX		**(36,907)**	(11,829)
Income tax expense	*5*	**(972)**	(1,446)
LOSS FOR THE PERIOD		**(37,879)**	(13,275)
Loss for the period attributable to:			
Owners of the Company		**(37,398)**	(13,275)
Non-controlling interests		**(481)**	—
		(37,879)	(13,275)
LOSS PER SHARE			
Basic	*7*	**(0.13)**	(0.05)
Diluted		**(0.13)**	(0.05)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
LOSS FOR THE PERIOD	**(37,879)**	(13,275)
Other comprehensive income/(loss):		
Items that may be reclassified to profit or loss:		
Exchange differences arising on translating foreign operations	**1,993**	(1,257)
Item that will not be reclassified to profit or loss:		
Fair value changes of equity instruments at fair value through other comprehensive income (FVTOCI)	**(66)**	(127)
Other comprehensive income/(loss) for the period, net of tax	**1,927**	(1,384)
Total comprehensive loss for the period	**(35,952)**	(14,659)
Total comprehensive loss for the period attributable to:		
Owners of the Company	**(35,471)**	(14,659)
Non-controlling interests	**(481)**	—
	(35,952)	(14,659)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	Note	**Unaudited At 30 June 2019 *HK$'000***	Audited At 31 December 2018 *HK$'000*
Non-current assets			
Property, plant and equipment	*8*	**17,086**	17,074
Investment properties		**24,381**	31,156
Right-of-use assets		**10,116**	—
Goodwill		**16,482**	16,482
Financial assets at FVTOCI		**3,804**	3,870
Deposits paid for acquisition of long-term assets		**2,355**	1,175
Intangible assets		**16,046**	20,756
		90,270	90,513
Current assets			
Inventories		**23,779**	27,474
Loan receivables	*9*	**17,540**	23,462
Trade receivables	*10*	**20,994**	26,535
Due from related companies		**4,737**	5,190
Deposits, other receivables and prepayments		**26,693**	16,883
Financial assets at fair value through profit or loss (FVTPL)		**—**	9,109
Cash and bank balances		**46,999**	47,338
		140,742	155,991
Current liabilities			
Trade and bills payables	*11*	**18,061**	17,315
Due to related companies	*12*	**6,357**	34,373
Other payables and accruals		**43,466**	46,721
Retirement benefit obligations		**64**	48
Contract liabilities		**7,126**	3,130
Lease liabilities		**2,867**	—
Current tax liabilities		**695**	1,757
Bank borrowings		**33,942**	44,952
		112,578	148,296

	Note	Unaudited At 30 June 2019 HK$'000	Audited At 31 December 2018 HK$'000
NET CURRENT ASSETS		**28,164**	7,695
TOTAL ASSETS LESS CURRENT LIABILITIES		**118,434**	98,208
Non-current liabilities			
Due to related companies	*12*	**50,000**	—
Other payable		**—**	2,957
Lease liabilities		**7,366**	—
Retirement benefit obligations		**502**	303
Deferred tax liabilities		**2,632**	2,632
		60,500	5,892
NET ASSETS		**57,934**	92,316
CAPITAL AND RESERVES			
Equity attributable to owners to the Company			
Share capital	*13*	**2,872**	2,872
Reserves		**54,281**	88,182
		57,153	91,054
Non-controlling interests		**781**	1,262
TOTAL EQUITY		**57,934**	92,316

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Total equity of the Group at 1 January	**92,316**	126,512
Changes in equity during the period:		
— Exchange differences arising on translating on foreign operations	**1,993**	(1,257)
— Loss for the period	**(37,879)**	(13,275)
— Fair value changes of equity instruments at FVTOCI	**(66)**	(127)
Total comprehensive loss for the period	**(35,952)**	(14,659)
Equity settled share-based transactions	**1,570**	2,609
Total equity of the Group at 30 June	**57,934**	114,462

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Net cash (used in)/from operating activities	**(3,695)**	33,476
Net cash from investing activities	**16,239**	5,035
Net cash used in financing activities	**(14,596)**	(4,026)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(2,052)**	34,485
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**47,338**	56,227
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**1,713**	(246)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**46,999**	90,466
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**46,999**	90,446

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 provision of 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 2019 are the same as those followed in the preparation of the Group's annual financial information for the year ended 31 December 2018.

Adoption of new and revised Hong Kong Financial Reporting Standards

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2019. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has initially adopted HKFRS 16 Leases from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's consolidated financial information.

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. HKFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

Lessor accounting under HKFRS 16 is substantially unchanged under HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact for leases where the Group is the lessor.

The Group has applied HKFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated — i.e. it is presented, as previously reported, under HKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

(a) *Definition of a lease*

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to HKFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied HKFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under HKAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(b) *As a lessee*

The Group leases assets, including properties.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under HKFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The recognised right-of-use assets relate to the following types of assets:

	Balance as at	
	30 June 2019 (unaudited)	1 January 2019 (unaudited)
	HK$'000	*HK$'000*
Properties	**10,116**	11,978

Significant accounting policies

The Group recognsies a right-of-use assets and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Transition

Previously, the Group classified property leases as operating leases under HKAS 17. The leases typically run for a period from 2-7 years.

At transition, for leases classified as operating leases under HKAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying HKFRS 16 to leases previously classified as operating leases under HKAS 17.

– Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.

– Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

– Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(c) As a lessor

The Group leases out its investment property. The Group has classified these leases as operating leases.

The accounting policies applicable to the Group as a lessor are not different from those under HKAS 17.

The Group is not required to make any adjustments on transition to HKFRS 16 for leases in which it acts as a lessor. However, the Group has applied HKFRS 15 *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component.

(d) Impacts of financial statements

Impact on transition

On transition to HKFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The change in accounting policy affected the following items on the condensed consolidated statement of financial position (increase/(decrease)) as at 1 January 2019 is summarised below.

	1 January 2019 (unaudited) ***HK$'000***
Assets	
Right-of-use assets	**11,978**
Increase in total assets	**11,978**
Liabilities	
Lease liabilities	**11,978**
Increase in total liabilities	**11,978**

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is from 0.94% to 10.51%.

	1 January 2019 (unaudited) *HK$'000*
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	**13,801**
Discounted using the incremental borrowing rate at 1 January 2019	**(1,811)**
Less: Recognition exemption for leases with less than 12 months of leases term at transition	**(12)**
Lease liability recognised as at 1 January 2019	**11,978**
Of which are:	
Current lease liabilities	**3,523**
Non-current lease liabilities	**8,455**
	11,978

Impacts for the period

As a result of initially applying HKFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised approximately HK$10,116,000 of right-of-use assets and approximately HK$10,233,000 of lease liabilities as at 30 June 2019.

Also in relation to those leases under HKFRS 16, the Group has recognised depreciation and finance costs, instead of operating lease expense. During the six months ended 30 June 2019, the Group recognised approximately HK$1,861,000 of depreciation charges and approximately HK$268,000 of finance costs from these leases.

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 four (2018: four) reportable segments, stainless steel furnishings, property investment, money lending and mobile game.

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

2019

	Stainless steel furnishings	**Property investment**	**Money lending**	**Mobile game**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30 June 2019 (unaudited)					
Revenue from external customers	86,390	768	3,335	30,897	121,390
Intersegment revenue	—	—	—	—	—
Segment (loss)/profit	(146)	1,804	(1,972)	(32,575)	(32,889)
Interest revenue	225	—	—	102	327
Interest expense	(1,342)	—	(24)	(26)	(1,392)
Depreciation	(1,304)	—	(643)	(1,029)	(2,976)
Income tax expense	(907)	—	—	(65)	(972)
Additions to segment non-current assets	77	—	—	1,649	1,726
Other material non-cash item:					
— Impairment of assets	—	—	4,544	1,315	5,859
— Fair value change of investment properties	—	569	—	—	569
As at 30 June 2019					
Segment assets	83,354	31,495	20,127	87,489	222,465

2018

	Stainless steel furnishings *HK$'000*	Property investment *HK$'000*	Money lending *HK$'000*	Mobile game *HK$'000*	Total *HK$'000*
Six months ended 30 June 2018 (unaudited)					
Revenue from external customers	127,169	471	3,666	—	131,306
Intersegment revenue	—	—	—	—	—
Segment (loss)/profit	3,556	1,191	2,821	(11,215)	(3,647)
Interest revenue	795	74	3,666	8	4,543
Interest expense	(1,227)	—	—	—	(1,227)
Depreciation	(1,985)	—	(66)	(78)	(2,129)
Income tax expense	(1,365)	(1)	(80)	—	(1,446)
Additions to segment non-current assets	141	—	—	9,235	9,376
Other material non-cash item:					
— Fair value change of investment properties	—	800	—	—	800
As at 30 June 2018					
Segment assets	95,508	29,210	38,547	23,889	187,154

Reconciliations of segment assets:

	At 30 June 2019 (unaudited) HK$'000	At 31 December 2018 (audited) HK$'000
Assets		
Total assets of reportable segment	**222,465**	238,252
Unallocated corporate assets	**8,547**	8,252
Consolidated total assets	**231,012**	246,504

Reconciliation of reportable segment revenue and results:

	Six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Revenue		
Total revenue of reportable segments	**121,390**	131,306
Elimination of intersegment revenue	**—**	—
Consolidated revenue	**121,390**	131,306
Profit or loss		
Total loss of reportable segments	**(32,889)**	(3,647)
Unallocated corporate income	**—**	5
Unallocated corporate expenses	**(4,990)**	(9,633)
Consolidated loss for the period	**(37,879)**	(13,275)

4. OTHER INCOME

	Six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Government grants	**1,807**	—
Gain on disposal of investment property	**514**	—
Performance bonus	**1,800**	—
Fair value gain on investment property	**569**	800
Interest income	**327**	877
Net exchange gain	**995**	—
Others	**194**	5
	6,206	1,682

5. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at 16.5% (2018: 16.5%) on the estimated assessable profits for the period.

On 21 March 2018, the Inland Revenue (Amendment) (No. 7) Bill 2017, which introduces a two-tiered profits tax regime, was substantively enacted. Under the two-tiered profits tax regime, the first HK$2 million of assessable profits of qualifying corporations will be taxed at 8.25% with effect from the year assessment 2018/2019. Profits above HK$2 million will continue to be subject to the tax rate of 16.5%.

PRC Enterprise Income Tax has been provided at a rate of 25% (2018: 25%) on the estimated assessable profits for the period.

Malaysia Corporate Tax has been provided at a rate of 24% on the estimated assessable profit for the period.

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 (2018: Nil).

7. LOSS PER SHARE

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

	Six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company, used in the basic loss per share calculation	**(37,398)**	(13,275)

	Six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares used in basic loss per share calculation	**287,206,000**	287,206,000

No diluted loss per share information presented for the six months periods ended 30 June 2019 and 2018 as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group had additions to property, plant and equipment in the amount of approximately HK$547,000 (2018: approximately HK$1,619,000). 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 2019 (unaudited) *HK$'000*	At 31 December 2018 (audited) *HK$'000*
Within one year	**17,540**	23,462

At 30 June 2019 and 31 December 2018, all loan and interest receivables are unsecured, bear interest at fixed rates and are repayable with fixed terms agreed with the customers.

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 2019 (unaudited) *HK$'000*	At 31 December 2018 (audited) *HK$'000*
0–30 days	**15,851**	23,041
31–60 days	**2,951**	1,359
61–90 days	**351**	277
over 90 days	**1,841**	1,858
Total	**20,994**	26,535

11. TRADE AND BILLS PAYABLES

	At 30 June 2019 (unaudited) *HK$'000*	At 31 December 2018 (audited) *HK$'000*
Trade payables	**17,238**	17,315
Bills payables	**823**	—
	18,061	17,315

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

	At 30 June 2019 (unaudited) ***HK$'000***	At 31 December 2018 (audited) *HK$'000*
0–30 days	**10,994**	13,343
31–60 days	**3,096**	958
61–90 days	**1,919**	1,189
Over 90 days	**2,052**	1,825
Total	**18,061**	17,315

12. DUE TO RELATED COMPANIES

As at 30 June 2019, included in amounts due to related companies of HK$50,000,000 (2018: HK$30,000,000) represented loan from related parties. The loan of HK$30,000,000 and HK$20,000,000 was unsecured, interest bearing at 2.0% per annum and 1.5% per annum respectively and repayable within three year. The remaining balances are unsecured, interest-free and have no fixed repayment terms.

13. SHARE CAPITAL

	Number of shares *'000*	*HK$'000*
Ordinary shares of HK$0.01 each:		
Authorised:		
At 1 January 2018 (audited), 31 December 2018 (audited) and 30 June 2019 (unaudited)	5,000,000	50,000
Issued and fully paid:		
At 1 January 2018 (audited), 31 December 2018 (audited) and 30 June 2019 (unaudited)	287,206	2,872

14. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	At 30 June 2019 (unaudited) *HK$'000*	At 31 December 2018 (audited) *HK$'000*
Mobile game intellectual properties	**5,165**	—

15. OPERATING LEASE COMMITMENTS

The Group as lessor

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

	At 30 June 2019 (unaudited) *HK$'000*	At 31 December 2018 (audited) *HK$'000*
Within one year	**1,136**	1,109
In the second to fifth years inclusive	**400**	212
Over five years	**—**	—
	1,536	1,321

16. 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 2019 and 31 December 2018:

Description	Fair value measurements using:			Total
	Level 1	**Level 2**	**Level 3**	**At 30 June 2019**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Recurring fair value measurements:				
Financial assets				
Financial assets at FVTOCI				
Unlisted equity instruments	**—**	**—**	**3,804**	**3,804**
Investment properties				
Office units — Malaysia	**—**	**—**	**24,381**	**24,381**
Total	**—**	**—**	**28,185**	**28,185**

Description	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	At 31 December 2018
	(audited)	(audited)	(audited)	(audited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Recurring fair value measurements:				
Financial assets				
Financial assets at FVTPL				
Wealth managements products	—	9,109	—	9,109
Financial assets at FVTOCI				
Unlisted equity securities	—	—	3,870	3,870
Investment properties				
Residential units — Hong Kong	—	—	7,300	7,300
Office units — Malaysia	—	—	23,856	23,856
	—	—	31,156	31,156
Total	—	9,109	35,026	44,135

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

Description	Financial assets at FVTOCI — unlisted equity securities (unaudited) *HK$'000*	Investment properties (unaudited) *HK$'000*	2019 Total (unaudited) *HK$'000*
At 1 January 2019	3,870	31,156	35,026
Total gains or losses recognised in			
profit or loss (#)	—	569	569
in other comprehensive income	(66)	—	(66)
Disposal of subsidiaries	—	(7,300)	(7,300)
Exchange differences	—	(44)	(44)
At 30 June 2019	3,804	24,381	28,185
(#) Include gains or losses for assets held at end of reporting period	—	569	569

Description	Financial assets at FVTOCI — unlisted equity securities (audited) *HK$'000*	Investment properties (audited) *HK$'000*	2018 Total (audited) *HK$'000*
At 1 January 2018	—	17,750	17,750
Total gains or losses recognised in			
profit or loss (#)	—	440	440
in other comprehensive income	(2,400)	—	(2,400)
Acquisition of subsidiaries	—	23,982	23,982
Disposal of subsidiaries	—	(10,098)	(10,098)
Purchases	6,270	—	6,270
Exchange differences	—	(918)	(918)
At 31 December 2018	3,870	31,156	35,026
(#) Include gains or losses for assets held at end of reporting period	—	440	440

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

Total losses recognised in other comprehensive income are presented in fair value change of equity instrument at FVTOCI in the condensed consolidated statement of profit or loss and other comprehensive income.

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 (2018: other income) in the consolidated statement of profit or loss.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2019 and 31 December 2018:

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.

Investment properties:

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)

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

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

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

— Adjusted forward price to sales ratio (estimated based on market comparables)

— Marketability discount (estimated based on market comparables)

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	**Fair value 30 June 2019 (unaudited)** ***HK$'000***	Fair value 31 December 2018 (audited) *HK$'000*
Investment property — Residential unit located in Hong Kong	Market comparable approach	Price index	2018: -7.04% to 2.91%	Increase	**—**	7,300
		Floor difference	2018: -6% to 9%	Increase		
		Size difference	2018: 0% to 4.39%	Increase		
		View difference	2018: -1% to 0%	Increase		
		Building age	2018: 0% to 2%	Increase		
Investment property-Commercial building located in Malaysia	Market comparable approach	Time difference	5%-7% (2018: 3%-5%)	Increase	**24,381**	23,856
		Location difference	5%-10% (2018: 3%-10%)	Increase		
		Size difference	-15%-5% (2018: -15%-5%)	Increase		
		Tenure difference	-3% (2018: -10%)	Decrease		
Equity investment classified as financial assets at FVTOCI	Market approach	Adjusted forward price	2.41 (2018: 2.54)	Increase	**3,804**	3,870
		Marketability discount	17.89% (2018: 17.31%)	Decrease		

There were no changes in the valuation techniques used as at 30 June 2019 and 31 December 2018.

17. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated 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	
	2019	2018
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Directors' remuneration	**1,163**	1,235

(b) Transactions with related parties

For the period ended 30 June 2019 and 2018, transactions with the following parties are considered to be related party transactions:

寧波捷豐現代家俱有限公司 (Ningbo JF Furniture Co., Limited*)	A director of the Company, Mr. Leung Kwok Yin, has beneficial interests.
A.C.R Equipment Supplies Limited	A director of the Company, Mr. Leung Kwok Yin, has beneficial interests.
Imperium Credit Limited	A director of the Company, Mr. Cheng Ting Kong, has beneficial interests.
Imperium Financial Group Limited	A director of the Company, Mr. Cheng Ting Kong, has beneficial interests.

	Six months ended 30 June	
	2019	2018
	(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*)	**—**	427
Purchase from — 寧波捷豐現代家俱有限公司 (Ningbo JF Furniture Co., Limited*)	**1,236**	2,233
Leasing charges paid to — 寧波捷豐現代家俱有限公司 (Ningbo JF Furniture Co., Limited*)	**1,251**	825
License fees paid to — A.C.R. Equipment Supplies Limited	**60**	60
Interest expense paid to — Imperium Credit Limited	**300**	—
— Imperium Financial Group Limited	**150**	—
Salaries to a close family member of a director	**700**	600

(c) Balance with related parties

— Due from related companies

	At	At
	30 June	31 December
	2019	2018
	(unaudited)	(audited)
	HK$'000	*HK$'000*
JF Household Furnishings (BVI) Limited	**4,737**	4,737
King Leader Investment Limited	**—**	453
	4,737	5,190

— Due to related companies

	At 30 June 2019 (unaudited) *HK$'000*	At 31 December 2018 (audited) *HK$'000*
寧波捷豐現代家俱有限公司 (Ningbo JF Furniture Co., Limited*)	**6,357**	3,885
鳳凰數位娛樂有限公司	**—**	488
Imperium Credit Limited	**30,000**	30,000
Imperium Financial Group Limited	**20,000**	—
	56,357	34,373

* *for identification purpose only*

FINANCIAL REVIEW

The Group's revenue for the six months ended 30 June 2019 amounted to approximately HK$121.4 million, representing a decrease of approximately 7.6% over the corresponding period of 2018. Such decrease is due to the decrease of sales of household products offset the increase in income arising from mobile game business.

Gross profit margin of the Group decreased from 11.2% to approximately 9.3% for the six months ended 30 June 2019 was mainly due to the decease of gross profit margin of household business and low profit margin for mobile game business during the period.

Other income increased from approximately HK$1,682,000 for the six months ended 30 June 2018 to approximately HK$6,206,000 for the six months ended 30 June 2019, mainly due to increase in government grant and performance bonus.

Distribution costs increased from approximately HK$0.3 million for the six months ended 30 June 2018 to approximately HK$18.7 million for the six months ended 30 June 2019, as there was increase in marketing expenses for launching new mobile games during the period.

Administrative expenses increased from approximately HK$21.9 million for the six months ended 30 June 2018 to approximately HK$28.0 million for the six months ended 30 June 2019, mainly due to the increase in staff costs, and equity settled share-based transactions.

Other operating expenses of approximately HK$5.9 million is mainly due to impairment loss on trade and loan receivables during the period.

BUSINESS REVIEW AND OUTLOOK

Household products business

The revenue from household products business for the six months ended 30 June 2019 was approximately HK$86,390,000 (2018: approximately HK$127,169,000), representing a decrease of 32.1%. The segment loss for the reporting period was approximately HK$146,000 (2018: segment profit approximately HK$3,556,000).

As the trade dispute between China and the US continues, the largest customer has reduced its inventory level and thus leading to a decrease in our revenue.

In addition, the raising requirement for employee benefits and environmental protection initiatives has increased the difficulties of maintaining the profitability of operations.

The Group will monitor the customer's procurement strategy in both the short term and the medium term and would reposition our operations accordingly.

Property investment business

The Group's revenue from property investment business during the reporting period was approximately HK$768,000 (2018: approximately HK$471,000). The segment profit was approximately HK$1,804,000 (2018: approximately HK$1,191,000), mainly due to fair value gain on investment property which is non-cash in nature.

The Group has disposed an investment properties in Hong Kong during the period and incurred a gain of approximately HK$514,000.

Money lending business

The Group's revenue from money lending business during the period was approximately HK$3,335,000 (2018: HK$3,666,000). The segment loss of approximately HK$1,972,000 (segment profit of 2018: HK$2,821,000), mainly due to impairment loss on loan receivables and interest receivables for approximately HK$4,544,000.

Mobile game business

While the household products business has suffered from uncertainties arising from the trade dispute between China and USA, the mobile game industry continues to enjoy steady growth during the reporting period. According to NewZoo, the size of the game industry in Asia Pacific is expected to grow by 7.6% in 2019 as compared to 2018. This is slightly lower than previously expected due primarily to the licensing freeze in China. Hence, the projected growth in markets where our companies operated remain promising.

The revenue from mobile game business for the six months ended 30 June 2019 was approximately HK$30,897,000 (2018: Nil). The segment loss for the reporting period was approximately HK$32,575,000 (2018: approximately HK$11,215,000). Since December 2018, the Group has launched three game titles with mixed results. On the one hand, one of the games achieved highest ranking of number 3 on the Google mobile games chart in Taiwan. On the other hand, the high marketing costs render the financial contribution of the game to the Group below expectation. In this regard, management has reviewed the marketing strategy and would place more focus on online marketing for future products. Furthermore, the effectiveness of the upfront marketing expenses had been negatively affected by the delay and attractiveness of game content updates which were critical to the sustainable performance of the game. The Group will continue to enhance its selection criteria for new mobile games as well as exploring the feasibility of collaborative with emerging game studios.

During the reporting period, the Group has continued to invest in identifying and testing of new game titles as well as expanding its presence across the region. Whilst such investment has contributed to the increase in segmental loss, this paved the foundation for our plan to become a prominent regional game distributor.

Future prospects

In order to increase our market share in the mobile games industry, we plan to expand our business through both organic growth and strategic acquisitions and partnerships. We intend to selectively invest in or enter into strategic partnerships with complementary game developers, development teams, other game operators and distributors in order to broaden the scope of our mobile games.

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 2019, the Group had cash and bank balances of approximately HK$47.0 million (as at 31 December 2018: approximately HK$47.3 million) and short-term bank borrowings of approximately HK$33.9 million (as at 31 December 2018: approximately HK$45.0 million) respectively.

As at 30 June 2019, the Group had current assets of approximately HK$140.7 million (31 December 2018: HK$156.0 million) and current liabilities of approximately HK$112.6 million (31 December 2018: HK$148.3 million).

GEARING RATIO

As at 30 June 2019, the Group's gearing ratio, which was derived from the total borrowings to total assets, decreased to 14.7% from that of 18.2% as at 31 December 2018.

CAPITAL STRUCTURE

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

MATERIAL ACQUISITION AND DISPOSAL

There were no material acquisition and disposal during the period 30 June 2019.

DIVIDENDS

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2019 (2018: Nil).

FOREIGN EXCHANGE EXPOSURE

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

CONTINGENT LIABILITIES

As at 30 June 2019, the Group had no material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2019, the Group employed 555 staff in the PRC and Hong Kong. The Group's remuneration to employees, including Directors' emoluments, amounted to approximately HK$28,030,000 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 2019, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (the "Associated Corporations") as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO or as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Name of Director	Personal interests	Corporate interests	Total	Percentage of aggregate interests to total number of Shares in issue *(Note 4)*
Mr. Cheng Ting Kong	—	179,407,488 (L) *(Note 2)*	179,407,488 (L) *(Note 1)*	62.46%
Mr. Luk Wai Keung	1,000,000 *(Note 3)*	—	1,000,000 *(Note 3)*	0.35%

Notes:

1. The letter "L" represents the Director's interests in the Shares and underlying Shares or, as the case may be, the equity interest of the Company or its associated corporations.

2. This represents interests held by Mr. Cheng Ting Kong through Power Ocean Holdings Limited ("Power Ocean"), which holds 179,407,488 Shares. As Mr. Cheng Ting Kong has 50% interest in Power Ocean, he is deemed to be interested in 179,407,488 Shares.

3. The 1,000,000 share options of the Company were granted to Mr. Luk Wai Keung on 23 May 2018, which represent the outstanding options granted to, and yet to be exercised by Mr. Luk Wai Keung under the Company's share option scheme approved and adopted by the Shareholders on 26 November 2008.

4. The percentage has been adjusted based on the total number of Shares in issue as at 30 June 2019 (i.e. 287,206,000 Shares).

Save as disclosed above, as at 30 June 2019, none of the Directors had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its Associated Corporations as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO or which had been entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2019, 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 *(Note 1&2)*	179,407,488	Beneficial owner	62.46%
Mr. Chau Cheok Wa *(Note 1)*	179,407,488	Interest through a controlled corporation	62.46%
Mr. 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, 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, 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 2019 (i.e. 287,206,000 shares).

SHARE OPTION

On 26 November 2008, the Company adopted the existing share option scheme (the "Existing Option Scheme"), which was valid and effective for a period of ten years from its date of adoption. The Existing Share Option Scheme was expired on 25 November 2018.

As at 30 June 2019, there are 6,980,000 share options were granted under the Existing Option Scheme which remain outstanding. Such outstanding options will confirm to be valid and exercisable upon the termination of the Existing Share Option Scheme.

On 29 June 2018, a resolution was passed in the 2018 annual general meeting of the Company to adopt a new share option scheme (the "New Share Option Scheme").

The Listing Committee of the Stock Exchange has granted the listing of, and permission to deal in the shares of the Company which may fall to be issued pursuant to the exercise of the options which was granted and/or may be granted under the New Share Option Scheme subsequently.

The following is a summary of the principal terms of the New Share Option Scheme.

New Share Option Scheme

Purpose

To provide an incentive or a reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

Participants

Eligible participants include:

Any directors or employees, consultants and/or advisers, the eligible participants also include any business or joint venture partners, contractors, agents or representatives, suppliers, producers or licensors, licensees (including sub-licensee) or distributors, of the Group or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group.

Exercise price

Determined by the Board and shall not be less than the higher of:

(a) the closing price of (1) one share as stated in the Stock Exchange's daily quotation sheets at the offer date, which must be a business day;

(b) the average closing price of (1) one share as stated in the Stock Exchange's daily quotation sheets for the (5) five business days immediately preceding the offer date; and

(c) the nominal value of the share on the offer date, provided that in case of fractional prices, the exercise price per share shall be rounded upwards to the nearest whole cents.

Total number of shares available for issue and the percentage of the issued share capital that it represents as at the date of this interim report

28,720,600 shares, being approximately 10% of the issued shares of the Company.

Maximum entitlement of each participant

Not exceed 1% of the shares in issue in any 12-month period.

Period within which the securities must be taken up under the option

Subject to the discretion by the Board and, in the absence of which, from the date of acceptance to the earlier of the date on which such option lapses and 10 years from the date of offer.

Minimum period for which an option must be held before it can be exercised

Subject to the discretion by the Board.

Amount payable on acceptance

HK$1.00 payable upon acceptance of the offer.

Remaining life of the scheme

The scheme will be valid and effective until 28 June 2028, after which no further options will be granted but the provisions of the scheme shall remain in full force and effect in all other respects. Options complying with the provisions of the Listing Rules which are granted during the duration of the scheme and remain unexercised immediately prior to 28 June 2028 shall continue to be exercisable in accordance with their terms of grant, notwithstanding the expiry of the scheme.

Employees and other eligible participants

The following table discloses movements of the Company's share options during the periods ended 30 June 2019:

				Number of share options				
Name	**Date of grant**	**Exercise price**	**Exercisable period**	**Outstanding at 1 January 2019**	**Granted during the period**	**Exercised during the period**	**Lapsed/ cancelled during the period**	**Outstanding at 30 June 2019**
		HK$						
Executive director								
Luk Wai Keung	23 May 2018	5.14	23 May 2018-22 May 2022	1,000,000	—	—	—	1,000,000
Consultants								
(in aggregate)	23 May 2018	5.14	23 May 2018-22 May 2022	2,000,000	—	—	—	2,000,000
(in aggregate)	23 May 2018	5.14	23 November 2018-22 May 2022	2,000,000	—	—	—	2,000,000
(in aggregate)	23 May 2018	5.14	23 May 2019-22 May 2022	1,980,000	—	—	—	1,980,000
				6,980,000	—	—	—	6,980,000

The estimated fair value of the share options granted under the Scheme on 26 November 2008 was approximately HK$14,939,000, calculated using the Binomial Model (the "Model"). The inputs into the Model were as follows:

	Share options with an exercisable period from 23 May 2018 to 22 May 2022
Share price at date of grant	HK$4.91
Exercise price	HK$5.14
Expected volatility (per annum)	65.50%
Expected life of share options	4 years
Expected dividend yield	0%
Risk-free rate	2.14%
Fair value of share option	HK$2.14

Fair values of the share options were with reference to the valuation carried out by an independent firm of professional valuers.

Expected volatility was determined by using the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The risk free interest rate was estimated based on the yield of 5-year exchange fund note issued by the Hong Kong Monetary Authority as of the grant date.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognises the total expense of approximately HK$1,570,000 for the period ended 30 June 2019 (2018: approximately HK$2,609,000) in relation to share options granted by the Company.

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 2019.

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 2019.

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. 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 consolidated financial information for the six months ended 30 June 2019.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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 2019.

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, 29 August 2019

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 non-executive Directors are Mr. Fung Tze Wa, Mr. Ting Wong Kacee and Mr. Tse Ting Kwan.