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## Imperium Technology Group Limited

帝國科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0776)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Imperium Technology Group 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 2024 (the “**Period**”), together with the unaudited comparative figures for the corresponding period in 2023 as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Note	Unaudited	
		Six months ended 30 June	
		2024	2023
		HK\$'000	HK\$'000
<b>REVENUE</b>		<b>28,283</b>	41,012
Cost of sales		<u>(21,374)</u>	<u>(40,263)</u>
<b>Gross profit</b>		<b>6,909</b>	749
Other income	4	<b>6,749</b>	3,818
Gain on disposal of subsidiaries	5	—	21,107
Distribution costs		<b>(1,071)</b>	(1,864)
Administrative expenses		<b>(29,257)</b>	(45,844)
Other operating expenses		<u>—</u>	<u>(10,027)</u>
<b>LOSS FROM OPERATIONS</b>		<b>(16,670)</b>	(32,061)

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Finance costs		<u>(8,761)</u>	<u>(7,223)</u>
<b>LOSS BEFORE TAX</b>		<b>(25,431)</b>	<b>(39,284)</b>
Income tax expense	6	<u>—</u>	<u>—</u>
<b>LOSS FOR THE PERIOD</b>		<b><u>(25,431)</u></b>	<b><u>(39,284)</u></b>
Loss for the period attributable to:			
Owners of the Company		<b>(26,039)</b>	<b>(38,958)</b>
Non-controlling interests		<b><u>608</u></b>	<b><u>(326)</u></b>
		<b><u>(25,431)</u></b>	<b><u>(39,284)</u></b>
<b>LOSS PER SHARE</b>			
Basic	8	<b><u>(0.08)</u></b>	<b><u>(0.13)</u></b>
Diluted		<b><u>(0.08)</u></b>	<b><u>(0.13)</u></b>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>LOSS FOR THE PERIOD</b>	<b>(25,431)</b>	<b>(39,284)</b>
<b>Other comprehensive loss:</b>		
Item that may be reclassified to profit or loss:		
Exchange differences arising on translating foreign operations	<u>(1,109)</u>	<u>(4,095)</u>
<b>Other comprehensive loss for the period, net of tax</b>	<u>(1,109)</u>	<u>(4,095)</u>
<b>Total comprehensive loss for the period</b>	<u><b>(26,540)</b></u>	<u><b>(43,379)</b></u>
Total comprehensive loss for the period attributable to:		
Owners of the Company	<u>(27,148)</u>	<u>(43,053)</u>
Non-controlling interests	<u>608</u>	<u>(326)</u>
	<u><b>(26,540)</b></u>	<u><b>(43,379)</b></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		Unaudited At 30 June 2024 HK\$'000	Audited At 31 December 2023 HK\$'000
	<i>Note</i>		
<b>Non-current assets</b>			
Property, plant and equipment	9	7,422	16,120
Investment properties		20,342	19,169
Intangible assets		4,563	7,114
Deposits, other receivable and prepayments		7,787	7,795
		<u>40,114</u>	<u>50,198</u>
<b>Current assets</b>			
Inventories		223	202
Contract costs		—	2
Trade receivables	10	13,361	18,165
Current tax assets		23	23
Deposits, other receivables and prepayments		8,622	5,549
Cryptocurrencies		2,371	8,825
Cryptocurrency deposits and receivables		2,565	7,776
Cash and bank balances		9,488	10,189
		<u>36,653</u>	<u>50,731</u>
<b>Current liabilities</b>			
Trade payables	11	4,655	4,859
Cryptocurrency payables		3	4
Lease liabilities		2,758	3,449
Loans from related parties	12	229,864	208,563
Other payables and accruals		38,372	41,397
Contract liabilities		106	439
Current tax liabilities		49	44
		<u>275,807</u>	<u>258,755</u>

		<b>Unaudited</b>	Audited
		At	At
		<b>30 June</b>	31 December
		<b>2024</b>	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>NET CURRENT LIABILITIES</b>		<u>(239,154)</u>	<u>(208,024)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(199,040)</u>	<u>(157,826)</u>
<b>Non-current liabilities</b>			
Lease liabilities		407	1,686
Loans from related parties	12	78,784	92,204
Other payables		234	342
Deferred tax liabilities		<u>742</u>	<u>757</u>
		<u>80,167</u>	<u>94,989</u>
<b>NET LIABILITIES</b>		<u><u>(279,207)</u></u>	<u><u>(252,815)</u></u>
<b>CAPITAL AND RESERVES</b>			
Equity attributable to owners to the Company			
Share capital	13	3,110	3,110
Reserves		<u>(282,687)</u>	<u>(255,687)</u>
		<u>(279,577)</u>	<u>(252,577)</u>
<b>Non-controlling interests</b>		<u>370</u>	<u>(238)</u>
<b>CAPITAL DEFICIENCY</b>		<u><u>(279,207)</u></u>	<u><u>(252,815)</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	(unaudited) HK\$'000	(unaudited) HK\$'000
Total equity of the Group at 1 January	(252,815)	(128,312)
Changes in equity during the period:		
— Exchange differences arising on translating on foreign operations	(1,109)	(4,095)
— Loss for the period	<u>(25,431)</u>	<u>(39,284)</u>
Total comprehensive loss for the period	(26,540)	(43,379)
Equity settled share-based transactions	—	6,276
Capital contribution	148	1,679
Release of foreign currency translation reserve due to disposal of subsidiaries	<u>—</u>	<u>(16,677)</u>
Total equity of the Group at 30 June	<u><u>(279,207)</u></u>	<u><u>(180,413)</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Net cash used in operating activities	(4,113)	(17,261)
Net cash generated from/(used in) investing activities	498	(6,720)
Net cash generated from financing activities	<u>4,000</u>	<u>4,238</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>385</b>	<b>(19,743)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>10,189</b>	<b>42,764</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<u><b>(1,086)</b></u>	<u><b>(883)</b></u>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<u><u><b>9,488</b></u></u>	<u><u><b>22,138</b></u></u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<u><u><b>9,488</b></u></u>	<u><u><b>22,138</b></u></u>

# 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 02, 26/F., One Harbour Square, No. 181 Hoi Bun Road, Kwun Tong, Kowloon, 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 statements 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, Diamond State Holdings Limited, a company incorporated in the British Virgin Islands, is the immediate parent and Mr. Cheng Ting Kong ("**Mr. Cheng**") is the ultimate controlling party of the Company.

The condensed consolidated financial statements 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**").

The Group incurred a net loss and operating cash outflow of approximately HK\$25,431,000 (2023: HK\$39,284,000) and HK\$4,113,000 (2023: HK\$17,261,000) respectively during the six months period ended 30 June 2024 and, as of that date, the Group had net current liabilities and net liabilities of approximately HK\$239,154,000 (2023: HK\$208,024,000) and HK\$279,207,000 (2023: HK\$252,815,000) respectively.

Further, as at 30 June 2024, the Group had loans from related parties with a total principal amount of approximately HK\$312,040,000 due to Mr. Cheng and related companies, which are beneficially owned and controlled by Mr. Cheng, of which HK\$210,000,000 will mature in 2024 while the Group recorded cash and bank balances of approximately HK\$9,488,000 as at 30 June 2024.



The conditions described above cast significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to finance its future working capital and fulfill its financial obligations and continue as a going concern. Certain plans and measures are being or will be taken to manage its liquidity needs and to improve its financial position, which include, but are not limited to, the following:

- (i) The Group will continuously adopt a monitoring process on the repayment status of trade receivables in order to seek to achieve timely collection and improve its operating cash flows and financial position;
- (ii) The Group will continuously take measures to tighten cost control over various costs in order to seek to achieve profit and operating cash inflows and seek to implement various strategies to enhance the Group's revenue; and
- (iii) The Group will continue negotiations with its creditors for extension of its debts when they fall due and seek alternative debt and/or equity financing to meet cash flow requirements.

The Directors had reviewed the Group's cash flow forecast for a period of not less than twelve months from the date of the approval and authorisation to issue of the condensed consolidated financial statements and are of the opinion that the Group will have sufficient cash resources to finance its working capital requirements and financial obligations during the forecast period, taking into account and assuming the above-mentioned plans and measures will enable the Group's operations to attain profitable and positive cash flows from operations and result in successful negotiation with the Group's creditors to extend the repayment date or obtain sufficient new financing. Accordingly, the Directors are of the opinion that it is appropriate to prepare the condensed consolidated financial statements for the six months period ended 30 June 2024 on a going concern basis.

However, the eventual outcome of these matters cannot be estimated with reasonable certainty, hence there exists material uncertainty related to the conditions described above which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the Group's condensed consolidated financial statements as the condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements 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 statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group's annual financial information for the year ended 31 December 2023.

The Group has adopted the following new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA for the first time for these Financial Statements.

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKFRS 16 (Amendments)	Lease Liability in Sale and Leaseback
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and position for the current and prior period and/or on the disclosures set out in these condensed consolidated financial statements.

### 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 six (2023: six) reportable segments, online game, esports, cloud computing and data storage, household products, property investment and money lending.

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

#### 2024

	Online game HK\$'000	Cloud computing and data storage HK\$'000	Esports HK\$'000	Household products HK\$'000	Property investment HK\$'000	Money lending HK\$'000	Total HK\$'000
<b>Six months ended 30 June 2024</b>							
<b>(unaudited)</b>							
Revenue from external customers	12,404	2,152	12,002	803	622	300	28,283
Segment (loss)/profit	(6,446)	(7,649)	(408)	(438)	2,534	288	(12,119)
Interest revenue	1	—	2	2	—	—	5
Interest expense	(15)	(959)	(983)	—	—	—	(1,957)
Depreciation and amortisation	(1,001)	(3,420)	(4,180)	—	—	—	(8,601)
<b>Other material non-cash item:</b>							
— Impairment of assets, net							
Write-down of cryptocurrencies	—	(4,355)	—	—	—	—	(4,355)
Net fair value gain on investment properties	—	—	—	—	1,912	—	1,912
Addition to segment non-current assets	17	—	164	—	—	—	181
<b>As at 30 June 2024</b>							
Segment assets	<u>12,659</u>	<u>5,537</u>	<u>26,960</u>	<u>4,836</u>	<u>20,342</u>	<u>500</u>	<u>70,834</u>

## 2023

	Online game HK\$'000	Cloud computing and data storage HK\$'000	Esports HK\$'000	Household products HK\$'000	Property investment HK\$'000	Money lending HK\$'000	Total HK\$'000
<b>Six months ended 30 June 2023</b>							
<b>(unaudited)</b>							
Revenue from external customers	7,697	3,804	11,221	17,621	659	10	41,012
Segment (loss)/profit	(28,857)	(4,162)	(7,382)	(1,329)	659	(2,069)	(43,140)
Interest revenue	2	2	6	9	—	—	19
Interest expense	(267)	(851)	(871)	—	—	—	(1,989)
Depreciation and amortisation	(4,502)	(6,941)	(3,925)	(30)	—	—	(15,398)
<b>Other material non-cash item:</b>							
— Impairment of assets, net							
Impairment of receivables, net	—	—	—	—	—	(2,071)	(2,071)
Impairment on intangible assets	(9,033)	—	—	—	—	—	(9,033)
Impairment of goodwill	(994)	—	—	—	—	—	(994)
Reversal of write-down of cryptocurrencies	—	240	—	—	—	—	240
Addition to segment non-current assets	1,405	110	510	—	—	—	2,025
<b>As at 30 June 2023</b>							
Segment assets	<u>61,752</u>	<u>23,270</u>	<u>33,618</u>	<u>19,467</u>	<u>19,454</u>	<u>2,268</u>	<u>159,829</u>

Reconciliations of segment assets:

	At <b>30 June</b> <b>2024</b> <b>(unaudited)</b> <i>HK\$'000</i>	At 31 December 2023 (audited) <i>HK\$'000</i>
Assets		
Total assets of reportable segment	<b>70,834</b>	95,218
Unallocated deposits, other receivables and prepayments	<b>884</b>	947
Unallocated cash and bank balances	<b>3,522</b>	2,575
Unallocated other corporate assets	<b>1,527</b>	2,189
	<hr/>	<hr/>
Consolidated total assets	<b><u>76,767</u></b>	<b><u>100,929</u></b>

Reconciliation of reportable segment revenue and results:

	<b>Six months ended 30 June</b>	
	<b>2024</b> <b>(unaudited)</b> <i>HK\$'000</i>	2023 (unaudited) <i>HK\$'000</i>
<b>Profit or loss</b>		
Total loss of reportable segments	<b>(12,119)</b>	(43,140)
Unallocated finance costs	<b>(8,665)</b>	(5,512)
Unallocated corporate income	—	21,109
Unallocated corporate expenses	<b>(4,647)</b>	(11,741)
	<hr/>	<hr/>
Consolidated loss for the period	<b><u>(25,431)</u></b>	<b><u>(39,284)</u></b>

#### 4. OTHER INCOME

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Government grants	40	82
Bank interest income	5	19
Reversal of write-down on cryptocurrencies	—	240
Net exchange gain	—	1,643
Net fair value gain on investment properties	1,912	—
Gain on disposal of cryptocurrencies	121	648
Gain on disposal of property, plant and equipment	2,866	—
Others	1,805	1,186
	<u>6,749</u>	<u>3,818</u>

#### 5. GAIN ON DISPOSAL OF SUBSIDIARIES

On 30 June 2023, the Group disposed 100% of the issued share capital of JF Household Furnishings (Asia) Limited and its subsidiaries for a total consideration of HK\$1. For details of calculation, please refer to note 14.

#### 6. INCOME TAX EXPENSE

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5% (2023: 16.5%).

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the Enterprise Income Tax tax rate of the PRC subsidiaries has been provided at a rate of 25% (2023: 25%) on the estimated accessible profits for the Period.

Malaysia Corporate Tax has been provided at a rate of 24% (2023: 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.

#### 7. DIVIDEND

No dividend has been paid, declared or proposed during the Period. The Directors have determined that no dividend will be paid in respect of the interim period (2023: Nil).

## 8. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the loss attributable to owners of the Company and weighted-average number of ordinary shares, as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Loss</b>		
Loss attributable to owners of the Company, for the purpose of calculating basic and diluted loss per share	<b><u>(26,039)</u></b>	<b><u>(38,958)</u></b>
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<b><u>311,036,000</u></b>	<b><u>311,036,000</u></b>

As the Company's share options during the six months ended 30 June 2024 and 30 June 2023, do not give rise to any dilutive effect to the loss per share, diluted loss per share was the same as the basic loss per share for the six months ended 30 June 2024 and 2023 respectively.

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group had additions to property, plant and equipment in the amount of approximately HK\$181,000 (2023: HK\$2,178,000). The Group has gain on disposal of property, plant and equipment under the category of mining equipment in amount of approximately HK\$2,866,000 for the Period.

## 10. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 90 days. Overdue balances are reviewed regularly by Directors. The aging analysis of the Group's trade receivables, based on the invoice date, and net of loss allowance, is as follows:

	At <b>30 June</b> <b>2024</b> <b>(unaudited)</b> <i>HK\$'000</i>	At 31 December 2023 (audited) <i>HK\$'000</i>
0–30 days	1,992	5,657
31–60 days	2,963	2,146
61–90 days	2,483	1,338
Over 90 days	5,923	9,024
	<hr/>	<hr/>
Total	<b>13,361</b>	<b>18,165</b>

## 11. TRADE PAYABLES

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

	At <b>30 June</b> <b>2024</b> <b>(unaudited)</b> <i>HK\$'000</i>	At 31 December 2023 (audited) <i>HK\$'000</i>
0–30 days	714	552
31–60 days	266	314
61–90 days	665	379
Over 90 days	3,010	3,614
	<hr/>	<hr/>
Total	<b>4,655</b>	<b>4,859</b>



## 12. LOANS FROM RELATED PARTIES

As at 30 June 2024, the Group received loans from Mr. Cheng and related companies, which are companies beneficially owned and controlled by Mr. Cheng with aggregate principal amount of HK\$312,040,000 (2023: HK\$310,000,000). These loans were unsecured, interest bearing from 0% to 2% (2023: from 0% to 2%) per annum and repayable within one to two years. The fair value of these loans were estimated at the prevailing market interest rates for equivalent loans which ranged from 3.98% to 8.75% (2023: from 3.98% to 8.75%) per annum on initial recognition.

The carrying amounts of the loans from related parties are repayable:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within one year	229,864	208,563
Within a period of more than one year but not exceeding two years	<u>78,784</u>	<u>92,204</u>
	308,648	300,767
Less: Amounts due within one year shown under current liabilities	<u>(229,864)</u>	<u>(208,563)</u>
Amount shown under non-current liabilities	<u><u>78,784</u></u>	<u><u>92,204</u></u>

## 13. SHARE CAPITAL

	Ordinary shares of HK\$0.01 each Number of shares	Par value <i>HK\$'000</i>
Authorised: Ordinary shares,  At 1 January 2023 (audited), 31 December 2023 (audited) and 30 June 2024 (unaudited)	<u><u>500,000,000</u></u>	<u><u>50,000</u></u>
Issued and fully paid: Ordinary shares,  At 1 January 2023 (audited), 31 December 2023 (audited) and 30 June 2024 (unaudited)	<u><u>311,036,000</u></u>	<u><u>3,110</u></u>

#### 14. DISPOSAL OF SUBSIDIARIES

On 30 June 2023, the Group disposed 100% of the issued share capital of JF Household Furnishings (Asia) Limited and its subsidiaries (the “**JF Asia Group**”) for a total consideration of HK\$1.

Net liabilities at the date of disposal were as follows:

	<i>HK\$'000</i>
Property, plant and equipment	80
Other receivables	5,713
Bank and cash balances	5,112
Current tax assets	19
Other payables	(13,638)
Deferred tax liabilities	<u>(1,716)</u>
Net liabilities disposed of	(4,430)
Release of foreign currency translation reserve	<u>(16,677)</u>
Gain on disposal	<u><u>21,107</u></u>
Net cash outflow arising on disposal:	
Cash consideration received	—*
Cash and cash equivalents disposed of	<u>(5,112)</u>
	<u><u>(5,112)</u></u>

\* amount less than HK\$1,000

## 15. OPERATING LEASE ARRANGEMENTS

### The Group as lessor

Operating leases relate to investment property and plant and machinery owned by the Group with lease terms of 1 to 3 years, with no extension. The lessee does not have an option to purchase the property at the expiry of the lease period.

Minimum lease payments receivable on leases are as follows:

	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
Within one year	1,104	416
In the second year	<u>877</u>	<u>11</u>
Total	<u><u>1,981</u></u>	<u><u>427</u></u>

The following table presents the amounts reported in profit or loss:

Rental income on operating profits	<u><u>622</u></u>	<u><u>1,643</u></u>
------------------------------------	-------------------	---------------------

## 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 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 2024*

Description	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	At
	(unaudited)	(unaudited)	(unaudited)	30 June
	HK\$'000	HK\$'000	HK\$'000	2024
				(unaudited)
				HK\$'000

**Recurring fair value measurements:**

**Investment properties**

Office units — Malaysia

—	—	20,342	20,342
<u>—</u>	<u>—</u>	<u>20,342</u>	<u>20,342</u>

*At 31 December 2023*

Description	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	At
	(audited)	(audited)	(audited)	31 December
	HK\$'000	HK\$'000	HK\$'000	2023
				(audited)
				HK\$'000

**Recurring fair value measurements:**

**Investment properties**

Office units — Malaysia

—	—	19,169	19,169
<u>—</u>	<u>—</u>	<u>19,169</u>	<u>19,169</u>

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

<b>Description</b>	<b>Investment properties (unaudited) HK\$'000</b>
At 1 January 2023	20,496
Net fair value loss recognised in profit or loss	(515)
Exchange difference	(812)
	<hr/>
At 31 December 2023 and 1 January 2024	19,169
Net fair value gain recognised in profit or loss	1,912
Exchange difference	(739)
	<hr/>
At 30 June 2024	<u>20,342</u>

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 in the condensed consolidated statement of profit or loss for the six months ended 30 June 2024.

**(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:**

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.

Details of valuation techniques used and key inputs to valuation on investment properties which are categorised as Level 3 fair value measurement at the end of the reporting period are as follows:

***Level 3 fair value measurements***

	Fair value		Valuation technique	Significant unobservable input	Range
	30 June	31 December			
	2024	2023			
	HK\$'000	HK\$'000			
Investment properties					
— Commercial building located in Malaysia	20,342	19,169	Income approach	(1) Reversionary yield  (2) Monthly market rent per sq. ft.	6.5% (2023: 6.5%)  RM3.2 (2023: RM3.0)

Reversionary yield is the rate taking into account the capitalisation of potential rental income, nature of the property and prevailing market conditions. Monthly market rent per square foot is the market rent taking into account the direct comparable market transactions to the related properties.

The fair value measurements are negatively correlated to the reversionary yield, while positively correlated to the market rent per square foot.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

There was no transfer into or out of Level 3 fair value measurement during the Period and year ended 31 December 2023 respectively.

## 17. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions and balances with its 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:

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Directors' remuneration	(i)	<b><u>1,488</u></b>	<b><u>6,728</u></b>

*Note:*

- (i) includes share based-payment of approximately HK\$Nil (2023: HK\$5,540,000).

**(b) Transactions with related parties**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest expense paid to		
— Imperium Credit Limited	<b>1,624</b>	1,200
— Sun International Group Limited	<b>3,736</b>	3,069
— Imperium Group (Holdings) Limited	<b>1,626</b>	1,207
— Mr. Cheng	<b>1,553</b>	776
— Mr. Yeung Tong Seng Terry	<b>—</b>	490
Rental income from		
— Mr. Cheng	<b>134</b>	293
License fee charged by		
— Imperium Interactive Entertainment Limited	<b>1</b>	8
Publishing online game income from		
— Imperium Interactive Entertainment Limited	<b>3,067</b>	<b>—</b>



(c) **Balance with related parties**

At 30 June 2024 and 31 December 2023, the Group had the following balances with related parties:

	At <b>30 June 2024</b> (unaudited) <i>HK\$'000</i>	At 31 December 2023 (audited) <i>HK\$'000</i>
Loans from related parties and related interest payable		
— Imperium Credit Limited	(54,367)	(52,742)
— Sun International Group Limited	(130,376)	(126,640)
— Imperium Group (Holdings) Limited	(71,646)	(68,129)
— Mr. Cheng	(58,259)	(57,156)
— Mr. Yeung Tong Seng Terry	(600)	(600)
Amount due from related parties		
— Imperium interactive Entertainment Limited	<u>3,639</u>	<u>570</u>

## **BUSINESS REVIEW AND OUTLOOK**

### **Industry Review**

In 2024, geopolitics and inflation continue to bring uncertainties to the global economy. Elevated central bank rates to fight inflation and a withdrawal of fiscal support amid high debt weigh on economic activity. In the World Economic Outlook Report published by the International Monetary Fund, global growth is projected to stay at 3.1 percent in 2024 and rise to 3.2 percent in 2025. However, the global epidemic has brought huge home economy opportunities to the gaming industry. According to the marketing report issued by NewZoo, the total revenue in the global game market is expected to reach US\$189.3 billion in 2024, and the number of global gamers is expected to reach 3.38 billion. It is also anticipated that the game market will continue to grow in the next few years, and is expected to reach US\$205.7 billion in 2026, with a CAGR of 4.7% from 2021 to 2026.

The Group considers that the long-term development prospect of the game market is positive and spurs the particularly strong development momentum of games embedded with emerging technologies. The Group will continue to seize corresponding market opportunities and aggressively explore the online game business.

### **Business Review**

Since 2018, the Group has transformed itself into a leading player in the realms of online game publishing, cloud related services and esports which form the three pillars of the Group. At the heart of the Group's success is its unwavering commitment to innovation. By leveraging cutting-edge technologies and a deep understanding of consumer behavior, the Group targets to create a portfolio of groundbreaking products and services that are captivating audiences around the world. The Group's ongoing efforts to develop the Metasens, especially the Holosens project is a testimonial to our vision.

For the six months ended 30 June 2024 (the "**Period**"), the Group's total revenue decreased year-on-year by approximately 31.0% to approximately HK\$28,283,000 (for the six months ended 30 June 2023: HK\$41,012,000), mainly due to decrease in sales from the household products segment. The revenue from the online game segment and the esports segment have increased as compared to the six months ended 30 June 2023. Loss attributable to shareholders of the Company for the Period was approximately HK\$25,431,000 (for the six months ended 30 June 2023: HK\$39,284,000), is mainly due to expenses incurred in the development of the Holosens project and amortisation of intangible assets. The decreases in loss are mainly attributed to the reduction in non-cash expense items incurred.

## *Online Game business*

The Group continues publishing licensed online games including “Jiuyin Zhenjing” 《九陰真經》 in South East Asia region and “Champion Horse Racing” over the world. During the Period, the Group participated in the launch of “Myth Of Empires” and gained valuable experience in publishing games globally. This enhanced our readiness in promoting the Holosens project.

Holosens is a social-focused metaverse platform that aims to provide a variety of social features, including dating, entertainment, and immersive experiences. The platform uses virtual reality technology and advanced 3D graphics engines to create a highly interactive and immersive digital world for users, enabling users to engage in colorful social activities in a virtual environment. With the rapid development of AI technology, we are actively exploring the application of generative AI technology to Holosens to develop game characters with text or voice. This innovation enables players to create their avatars more accurately and quickly, enhancing the overall gaming experience. Specifically, players can generate virtual characters with unique appearances, personalities, and behavioral traits through text descriptions or voice commands. Not only can these characters interact with other players in the virtual world of Holosens, but they can also participate in a variety of social activities and entertainment.

We believe that this innovation will significantly increase user engagement and satisfaction, as well as bring more user and market opportunities to Holosens and Metasens. The project has made significant progress this Period and we will conduct market testing in the second half of the year to provide a more solid foundation for the next stage of development.

The revenue from the online game business of the Group increased year on year by approximately 61.2% to 12,404,000 (for the six months ended 30 June 2023: HK\$7,697,000); the segment loss was approximately HK6,446,000 (for the six months ended 30 June 2023: HK\$28,857,000) representing primarily the cost incurred in the development of the Holosens. As there are uncertainties in securing funding for the project, such development costs were not capitalized.

The segment loss was significantly reduced compared to the results for the six months ended 30 June 2023 as there was no impairment loss related to game intellectual properties and licenses during the Period (year ended 31 December 2023: approximately of HK\$33,443,000). It was because all of the intangible assets relating to the online game business have been fully impaired in 2023 due to change in the market environment and player habits arising from the sharp fluctuations in the NFT market as well as the uncertainties in securing funding for development and publishing of the intangible assets.

### ***Cloud computing and data storage business***

The revenue from cloud computing and data storage business of the Group for the Period was approximately HK\$2,152,000 (for the six months ended 30 June 2023: HK\$3,804,000), representing a year-on-year decrease of approximately 43.4%. The segment loss was approximately HK\$7,649,000 (for the six months ended 30 June 2023: HK\$4,162,000).

During the Period, the Group has ceased to operate the Chia mining machines and disposed the Chia tokens and the machines. Furthermore, the Group has sold part of its Filecoin portfolio to improve its liquidity position. Going forward, the Group will explore the possibility of provision of IT consulting services to diversify its revenue sources.

### ***Esports business***

The revenue from esports business of the Group for the six months ended 30 June 2024 was approximately HK\$12,002,000 (for the six months ended 30 June 2023: HK\$11,221,000), representing an year-on-year increase of approximately 7.0%, mainly due to increase in revenue generated from esports teams other than the Peacekeeper Elite team; the segment loss of approximately HK\$408,000 (for the six months ended 30 June 2023: HK\$7,382,000).

Apart from NOVA Esports (Peacekeeper Elite) and NOVA Esports (League of Legends: Wildrift) teams, the Group's "Valorant" has achieved remarkable result during the Period.

### ***Other businesses***

The revenue from household products business of the Group for the six months ended 30 June 2024 was approximately HK\$803,000 (for the six months ended 30 June 2023: HK\$17,621,000), mainly attributable to the intense competition of household market and continuous tension between China and the U.S. The segment loss was approximately HK\$438,000 (for the six months ended 30 June 2023: HK\$1,329,000). Amid challenging outlook of the business, the Group will take initiatives to increase revenue and reduce costs while strengthening its customer base. This includes broadening its product range to furnishing products and accessories using raw materials other than stainless steel and adopting a more flexible cost structure by significantly increase the portion of products out-sourced to sub-contractors.

For the six months ended 30 June 2024, the Group's revenue from property investment business was approximately HK\$622,000 (2023: HK\$659,000), mainly due to decrease in rental income. The segment profit was approximately HK\$2,534,000 (for the six months ended 30 June 2023: HK\$659,000) due to net fair value gain on investment properties of approximately HK\$1,912,000.

The Group's revenue from money lending business for the Period was approximately HK\$300,000 (for the six months ended 30 June 2023: HK\$10,000). The segment recorded gain of approximately HK\$288,000 (for the six months ended 30 June 2023: segment loss of approximately HK\$2,069,000) as the outstanding loan was fully impaired in 2023. As the Group has not extended any new loan since 2020, the interest income earned represented the payments received from unsecured loan to an individual granted in early 2019. Whilst the captioned loan has been fully impaired in 2023, the Group has been actively negotiating with the borrower and may consider to take further legal action to recover the loan and interest receivables.

### **Future Prospects**

Looking ahead, the Group will continue to invest resources to further explore the blockchain game by using future Web3.0 internet technology incorporating blockchain technology, the Internet of Things, artificial intelligence, and 3D images. As the market environment and player habits in these areas may change rapidly, the Group will continue to exercise caution when developing these projects.

In addition, the Group will regularly evaluate the allocation of resources among business segments to promote business diversification and drive sustainable growth of the Group. Furthermore, we will continue to review the business model of the segments and adopt suitable cost saving measures to enhance the financial position of the Group as well as maximize returns to our shareholders.

### **FINANCIAL REVIEW**

The Group's revenue for the six months ended 30 June 2024 amounted to approximately HK\$28.3 million, representing a decrease of approximately 31.0% over the corresponding period of 2023. Such decrease is mainly due to the decrease of sales of household products business.

Gross profit margin of the Group increased from 1.8% to approximately 24.4% for the Period was mainly due to increase gross profit margin of online game business and esports business.

Other income increased from approximately HK\$3.8 million for the six months ended 30 June 2023 to approximately HK\$6.7 million for the Period, mainly due to gain on disposal of mining equipment and net fair value gain on investment properties.

Distribution costs decreased from approximately HK\$1.9 million for the six months ended 30 June 2023 to approximately HK\$1.1 million for the Period, as there was decrease in sales of household products business during the Period.

Administrative expenses decreased from approximately HK\$45.8 million for the six months ended 30 June 2023 to approximately HK\$29.3 million for the Period, mainly due to the decrease in share-based payment, write-down on cryptocurrencies, impairment loss on cryptocurrency deposits and receivables.

No other operating expenses for the Period is due to no impairment loss on game intellectual properties and licenses and goodwill.

The loss for period attributable to owners of the Company decreased from approximately HK\$39.0 million for the six months ended 30 June 2023 to approximately HK\$26.0 million for the Period, mainly due to decrease in share-based payment, decrease in write down on cryptocurrencies and impairment loss on game intellectual properties and license as well as goodwill.

The total assets decreased from approximately HK\$100.9 million as at 31 December 2023 to approximately HK\$76.8 million as at 30 June 2024, mainly due to decrease in property, plant and equipment, cryptocurrencies (including deposits and receivables) and trade receivables.

## **LIQUIDITY, FINANCIAL RESOURCES, FUNDING AND TREASURY POLICY**

As at 30 June 2024, the Group had cash and bank balances of approximately HK\$9.5 million (as at 31 December 2023: HK\$10.2 million).

As at 30 June 2024, the Group had current assets of approximately HK\$36.7 million (31 December 2023: HK\$50.7 million) and current liabilities of approximately HK\$275.8 million (31 December 2023: HK\$258.8 million).

As at 30 June 2024, the Group had loan from related parties of approximately HK\$308.6 million (31 December 2023: HK\$300.8 million). The loan from related parties carried interest at fixed rate and repayable within one to two years.

As at 30 June 2024, the ultimate controlling party of the Company committed to provide unutilized loan facilities to approximately HK\$2,906,000.

Nevertheless, the Group will seek for other financial resources as alternative means to meet working capital requirements.

## **BANK BORROWINGS**

No bank borrowings as at 30 June 2024 and 31 December 2023.

## **GEARING RATIO**

As at 30 June 2024, the Group's gearing ratio, which was derived from loan from related companies to total assets, increased to 402.1% from that of 298.0% as at 31 December 2023.

## **CAPITAL STRUCTURE**

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

## **MATERIAL ACQUISITION AND DISPOSAL**

No material acquisition and disposal during the Period.

## **DIVIDENDS**

The Board has resolved not to declare an interim dividend for the Period (2023: 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 2024, the Group had no material contingent liabilities.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group employed 148 staff. The Group's remuneration to employees, including Directors' emoluments, amounted to approximately HK\$19,268,000 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 2024, the interests and short positions of the Directors and chief executives 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	Family interests	Corporate interests	Total	Percentage of aggregate interests to total number of Shares in issue (Note 5)
Mr. Cheng	—	—	214,428,488 (L) (Note 2)	214,428,488 (L) (Note 1)	68.94%
Ms. Yeung So Mui	—	—	214,428,488 (L) (Note 3)	214,428,488 (L)	68.94%
Mr. Yeung Tong Seng Terry	—	—	1,900,000 (L) (Note 4)	1,900,000 (L)	0.61%



*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 through Diamond State Holdings Limited (“**Diamond State**”), which holds 214,428,488 Shares. As Mr. Cheng has 100% interest in Diamond State, he is deemed to be interested in 214,428,488 Shares.
3. Ms. Yeung So Mui is the spouse of Mr. Cheng. Ms. Yeung So Mui is deemed to be interested in all shares held by Diamond State under part XV of the SFO.
4. This represents interest held by Mr. Yeung Tong Seng Terry through Bluemount investment Fund SPC (“**Bluemount Investment**”), which holds 1,900,000 Shares of the Company. As Mr. Yeung Tong Seng Terry has 100% interest in Bluemount Investment, he is deemed to be interested in 1,900,000 Shares.
5. The percentage has been adjusted based on the total number of Shares in issue as at 30 June 2024 (i.e. 311,036,000 Shares).

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executives of the Company had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

Save as disclosed above, as at 30 June 2024, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

## SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, 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:

<b>Name of Substantial Shareholders</b>	<b>Number of shares interested in</b>	<b>Capacity</b>	<b>Approximate percentage of the total issue capital of the Company</b> <i>(Note 2)</i>
Diamond State <i>(Note 1)</i>	214,428,488	Beneficial owner	68.94%
Mr. Cheng <i>(Note 1)</i>	214,428,488	Interest through a controlled corporation	68.94%

*Notes:*

1. According to the record in the register kept under section 336 of the SFO, Diamond State, which 100% of issued share capital is owned by Mr. Cheng and he is therefore deemed to be interested in 214,428,488 shares of the Company.
2. The percentage has been adjusted based on the total number of shares of the Company in issue as at 30 June 2024 (i.e. 311,036,000 shares).

## SHARE OPTION

On 29 June 2018, a resolution was passed in the 2018 annual general meeting of the Company to adopt a share option scheme (the “**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 Share Option Scheme subsequently.

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

## **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 share options available for grant***

As at 30 June 2024, the total number of share options available for grant under the Share Option Scheme was 31,103,600. The number of shares that may be issued in respect of options granted under all share option schemes during the Period divided by the weighted average number of ordinary shares in issue for the year is 0.1.

***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***

35,836,032 shares, being approximately 11.52% 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.

***Acceptance of the option***

Acceptance of the option must be made within 30 days after the date of offer and HK\$1.00 must be paid as a consideration for the grant of option.

***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 2024:

Name	Date of grant	Exercise price HK\$	Exercisable period	Number of share options				Outstanding at 30.6.2024	Closing price of the Shares immediately before the date on which the Share Options were granted
				Outstanding at 1.1.2024	Granted during the period	Exercised during the period	Lapsed/ cancelled during the period		
<b>Executive director</b>									
Lin Junwei	28.9.2021	11.04	155,518 options (28.9.2022 to 27.9.2031) 155,518 options (28.3.2023 to 27.9.2031)	311,036	—	—	—	311,036	11.04
Yeung Tong Seng Terry	18.1.2022	17.14	1,555,180 options (28.9.2022 to 27.9.2031) 1,555,180 options (28.3.2023 to 27.9.2031)	3,110,360	—	—	—	3,110,360	17.02
<b>Senior management</b>									
Li Ting Ting	28.9.2021	11.04	500,000 options (28.9.2022 to 27.9.2031) 500,000 options (28.3.2023 to 27.9.2031)	1,000,000	—	—	—	1,000,000	11.04
Luk Wai Keung	28.9.2021	11.04	155,518 options (28.9.2022 to 27.9.2031) 155,518 options (28.3.2023 to 27.9.2031)	311,036	—	—	—	311,036	11.04
				<u>4,732,432</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,732,432</u>	

The fair value of the share options were calculated using the Binomial Model (the “**Model**”). The inputs into the Model were as follows:

	<b>Share options with an exercisable period from 28.9.2022 to 17.1.2032</b>	<b>Share options with an exercisable period from 28.9.2022 to 27.9.2031</b>
Share price at date of grant	HK\$17.02	HK\$11.04
Exercise price	HK\$17.14	HK\$11.04
Expected volatility (per annum)	81.16%	78.61%
Expected life of share options	10 years	10 years
Expected dividend yield	0.00%	0.00%
Risk-free rate	1.61%	1.43%
Fair value of share option	HK\$35,360,821	HK\$34,456,254

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.

## **DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE**

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 Period.

## **CORPORATE GOVERNANCE**

The Group is committed to ensuring high standards of corporate governance and business practices. The Company's corporate governance practices are based on the principles and the code provisions (the "**Code Provisions**") as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**"), amended from time to time, contained in Appendix C1 of the Listing Rules. As far as the CG Code is concerned, during the Period, the Company complies with all aspect of the Code Provisions except disclosed below:

Under the Code Provision C.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.

## **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 statements for the Period.

## **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. 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 Period.

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 Technology Group Limited**  
**Cheng Ting Kong**  
*Chairman*

Hong Kong, 30 August 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Cheng Ting Kong, Ms. Yeung So Mui, Mr. Lin Junwei and Mr. Yeung Tong Seng Terry; and the independent non-executive directors of the Company are Mr. Fung Tze Wa, Mr. Ting Wong Kacee, Mr. Tse Ting Kwan and Mr. Hui Ka Lung.*