



Imperium Financial Group Limited

帝國金融集團有限公司

(formerly known as “Sun International Group Limited” 前稱“太陽國際集團有限公司”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8029)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

UNAUDITED FINANCIAL RESULTS

The Board of Directors (the “Board”) of Imperium Financial Group Limited (the “Company”) hereby announces the unaudited consolidated financial results of the Company and its subsidiaries (collectively refer to as the “Group”) for the year ended 31 March 2022 together with the comparative figures for the previous year as follows.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Revenue	3	53,691	63,724
Direct costs		<u>(15,896)</u>	<u>(6,392)</u>
Gross profit		37,795	57,332
Other operating income	5	1,771	3,605
(Provision for)/reversal of allowance for expected credit loss, net	6	(12,808)	25,130
Other gains and losses	7	(34,233)	(28,616)
Administrative expenses		(72,741)	(72,052)
Finance costs	8	(18,192)	(20,527)
Fair value change of biological assets, net		<u>(1,991)</u>	<u>(22,324)</u>
Loss before taxation	9	(100,399)	(57,452)
Income tax expense	10	<u>(742)</u>	<u>(4,476)</u>
Loss for the year		<u>(101,141)</u>	<u>(61,928)</u>
Other comprehensive (loss)/income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value adjustment upon transfer of previously self-occupied properties to investment properties		–	9,973
Tax effect relating to fair value adjustment upon transfer of previously self-occupied properties to investment properties		–	(5,561)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u>(263)</u>	8,931
Other comprehensive (loss)/income for the year		<u>(263)</u>	<u>13,343</u>
Total comprehensive loss for the year attributable to owners of the Company		<u>(101,404)</u>	<u>(48,585)</u>
Loss per share (HK cents)	12		
Basic and diluted		<u>(4.45)</u>	<u>(2.85)</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	<i>Notes</i>	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Intangible assets		500	928
Property, plant and equipment		59,813	6,096
Right-of-use assets		1,063	3,018
Investment properties		45,464	43,240
Other assets		275	230
Biological assets		2,388	4,454
Loan receivables		1,537	7,563
		111,040	65,529
CURRENT ASSETS			
Cryptocurrency		20,542	–
Loan receivables		6,537	21,221
Trade receivables	<i>13</i>	2,831	19,470
Advances to customers in margin financing		60,768	55,024
Prepayments, deposits and other receivables		6,966	3,182
Tax recoverable		578	209
Cash and cash equivalents		85,535	106,926
Cash held on behalf of customers		53,633	119,326
		237,390	325,358
CURRENT LIABILITIES			
Trade payables	<i>14</i>	58,887	127,053
Accruals and other payables		39,941	29,516
Amounts due to related companies		994	1,065
Lease liabilities		1,117	2,137
		100,939	159,771
NET CURRENT ASSETS		136,451	165,587
TOTAL ASSETS LESS CURRENT LIABILITIES		247,491	231,116

	<i>Notes</i>	2022 HK\$'000 (Unaudited)	2021 <i>HK\$'000</i> (Audited)
NON-CURRENT LIABILITIES			
Promissory notes		177,658	162,320
Deferred tax liabilities		6,281	5,561
Lease liabilities		139	1,256
		<u>184,078</u>	<u>169,137</u>
NET ASSETS		<u>63,413</u>	<u>61,979</u>
EQUITY			
Share capital		91,370	86,869
Reserves		(27,957)	(24,890)
TOTAL EQUITY		<u>63,413</u>	<u>61,979</u>

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. GENERAL

The Company is incorporated in the Cayman Islands on 11 July 2000 as an exempted company with limited liability under the Companies Law (Revised) of Cayman Islands. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). As at the reporting date, the ultimate and immediate holding company of the Company is Fresh Success Investments Limited (“Fresh Success”), a company incorporated in the British Virgin Islands, and is beneficially owned by Mr. Cheng Ting Kong (“Mr. Cheng”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) which is same as the functional currency of the Company and all amounts are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

During the year ended 31 March 2022, the Group was principally engaged in money lending, securities and futures brokerage, assets management services, properties investment, investment in stallions and cryptocurrency mining.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2021 for the preparation of the unaudited consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these unaudited consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ¹

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective for annual periods beginning on or after 1 January 2023.

³ Effective for annual periods beginning on or after a date to be determined.

3. REVENUE

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Revenue within the scope of HKFRS 15 (Note (i)):		
<i>Revenue from financial services</i>		
Fees and commission income:		
– Securities	12,748	16,825
– Futures	293	2,676
– Fund and bond	76	116
– Asset management fee income	60	60
	<u>13,177</u>	<u>19,677</u>
 <i>Revenue from equine services</i>		
Biological assets handling services income	–	7,610
Stallions service income	8,580	14,389
	<u>8,580</u>	<u>21,999</u>
 <i>Revenue from cryptocurrency business</i>		
Sales of cryptocurrency	12,854	–
	<u>34,611</u>	<u>41,676</u>
 Revenue outside the scope of HKFRS 15:		
Interest income from cash and margin clients	10,558	13,200
Interest income from loan receivables	6,796	8,848
Rental income	1,726	–
	<u>19,080</u>	<u>22,048</u>
	<u><u>53,691</u></u>	<u><u>63,724</u></u>

3. REVENUE (CONTINUED)

Note:

(i) Revenue within the scope of HKFRS 15:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Recognised at a point in time	34,551	34,006
Recognised over time	<u>60</u>	<u>7,670</u>
	<u>34,611</u>	<u>41,676</u>

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the directors of the Company, being the chief operating decision maker (the “CODM”), for the purpose of monitoring segment performance and allocating resources between segments and that are used to make strategic decisions.

The Group has four operating and reportable segments – Cryptocurrency business, financial service operations, equine service operations and properties investment operations. The segmentations are based on the information about the operations of the Group that management uses to make decisions.

The Group’s operating and reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies.

Particulars of the Group’s operating and reportable segments are summarised as follows:

Cryptocurrency business	–	Mining and sales of cryptocurrency
Financial services	–	provision of securities and futures brokerage; provision of margin financing, asset management services and custodian services to customers and engaging in money lending business
Equine services	–	provision of stallion services and investment in stallions
Properties investment	–	rental income from investment properties in Australia

Segment revenue reported as follow represents revenue generated from external customers. There was no inter-segment revenue for both years.

Segment results represent (loss incurred)/profit earned by each segment without allocation of central administrative expenses including directors’ emoluments, certain other operating income, certain other gains and losses, certain administrative expenses and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

4. SEGMENT INFORMATION (CONTINUED)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain right-of-use assets, certain property, plant and equipment, certain prepayments, deposits and other receivables, certain cash and cash equivalents and tax recoverable that are not attributable to individual segments. Assets used jointly by individual segments are allocated on the basis of the revenues earned by individual segments; and
- all liabilities are allocated to operating segments other than medium-term bonds, promissory notes, certain accruals and other payables, certain lease liabilities that are not attributable to individual segments. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

For the year ended 31 March 2022

	Cryptocurrency business <i>HK\$'000</i> (Unaudited)	Equine services <i>HK\$'000</i> (Unaudited)	Financial services <i>HK\$'000</i> (Unaudited)	Properties investment <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Segment revenue	<u>12,854</u>	<u>8,580</u>	<u>30,531</u>	<u>1,726</u>	<u>53,691</u>
Segment results	<u>(46,776)</u>	<u>617</u>	<u>(23,508)</u>	<u>3,575</u>	(66,092)
Unallocated corporate income					325
Unallocated finance costs					(18,133)
Unallocated corporate expenses					<u>(16,499)</u>
Loss before taxation					<u>100,399</u>

4. SEGMENT INFORMATION (CONTINUED)

For the year ended 31 March 2022

Amounts included in the measurement of segment profit or loss or segment assets are as follows:

	Cryptocurrency business HK\$'000 (Unaudited)	Equine services HK\$'000 (Unaudited)	Financial services HK\$'000 (Unaudited)	Properties investment HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Impairment losses recognised in respect of						
– Cryptocurrency	(6,850)	-	-	-	-	(6,850)
– Property, plant and equipment	(33,470)	-	-	-	-	(33,470)
– Intangible assets	-	(312)	-	-	-	(312)
Provision of allowance for expected credit loss, net						
– advances to customers in margin financing	-	-	(7,417)	-	-	(7,417)
– trade receivables	-	(285)	-	-	-	(285)
– loan receivables	-	-	(5,106)	-	-	(5,106)
Depreciation of						
– property, plant and equipment	-	(199)	(764)	-	(981)	(1,944)
– right-of-use assets	-	-	(225)	-	(1,731)	(1,956)
Amortisation of intangible assets	-	(104)	-	-	-	(104)
Net foreign exchange gain	42	(6)	66	-	(10)	92
Finance cost	-	-	(59)	-	(18,133)	(18,192)
Fair value change of biological assets	-	(1,991)	-	-	-	(1,991)
Fair value change of investment property	-	-	-	2,473	-	2,473
Addition to property, plant and equipment	<u>124,011</u>	<u>-</u>	<u>61</u>	<u>-</u>	<u>-</u>	<u>124,072</u>

4. SEGMENT INFORMATION (CONTINUED)

As at 31 March 2022

	Cryptocurrency business HK\$'000 (Unaudited)	Equine services HK\$'000 (Unaudited)	Financial services HK\$'000 (Unaudited)	Properties investment HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment assets	<u>83,003</u>	<u>19,299</u>	<u>192,003</u>	<u>46,103</u>	<u>8,022</u>	<u>348,430</u>
Segment liabilities	<u>665</u>	<u>20,923</u>	<u>77,064</u>	<u>6,709</u>	<u>179,656</u>	<u>285,017</u>

For the year ended 31 March 2021

	Equine services HK\$'000	Financial services HK\$'000	Properties investment HK\$'000	Total HK\$'000
Segment revenue	<u>21,999</u>	<u>41,725</u>	<u>–</u>	<u>63,724</u>
Segment results	<u>(27,821)</u>	<u>7,699</u>	<u>–</u>	<u>(20,122)</u>
Unallocated corporate income				742
Unallocated finance costs				(20,476)
Unallocated corporate expenses				<u>(17,596)</u>
Loss before taxation				<u>(57,452)</u>

Segment revenue reported above represents revenue generated from external customers. There was no inter-segment revenue in the year.

4. SEGMENT INFORMATION (CONTINUED)

For the year ended 31 March 2021

Amounts included in the measurement of segment profit or loss or segment assets are as follows:

	Equine services <i>HK\$'000</i> (Audited)	Financial services <i>HK\$'000</i> (Audited)	Properties investment <i>HK\$'000</i> (Audited)	Unallocated <i>HK\$'000</i> (Audited)	Total <i>HK\$'000</i> (Audited)
Impairment losses recognised in respect of					
– goodwill	–	(18,429)	–	–	(18,429)
– intangible assets	(264)	–	–	–	(264)
Reversal/(provision) of allowance for expected credit loss, net					
– advances to customers in margin financing	–	(685)	–	–	(685)
– trade receivables	2,251	–	–	–	2,251
– loan receivables	–	23,564	–	–	23,564
Depreciation of					
– property, plant and equipment	(2,170)	(916)	–	(931)	(4,017)
– right-of-use assets	–	(744)	–	(1,731)	(2,475)
Amortisation of intangible assets	(188)	–	–	–	(188)
Loss on written off of property, plant and equipment	(2,723)	(377)	–	–	(3,100)
Net foreign exchange gain	23	5	–	230	258
Finance cost	(12)	(39)	–	(20,476)	(20,527)
Fair value change of biological assets	(22,324)	–	–	–	(22,324)
Addition to property, plant and equipment	88	933	–	3,776	4,797
Addition to right-of-use assets	–	673	–	–	673

As at 31 March 2021

	Equine services <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Properties investment <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>21,739</u>	<u>314,893</u>	<u>43,240</u>	<u>11,015</u>	<u>390,887</u>
Segment liabilities	<u>25,167</u>	<u>132,264</u>	<u>5,561</u>	<u>165,916</u>	<u>328,908</u>

4. SEGMENT INFORMATION (CONTINUED)

Information about major customers

No revenues from transactions with external customers accounting for 10% or more of the Group's total revenue for the years ended 31 March 2022 and 2021.

Geographical analysis

The Group's operations are principally located in Hong Kong, Australia, Kazakhstan, PRC and Brunei. The following table provides an analysis of the Group's revenue by geographical location of the operations:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Hong Kong	32,257	41,725
Australia	8,580	21,999
Other region	12,854	–
	<u>53,691</u>	<u>63,724</u>

The following table provides an analysis of the Group's non-current assets other than financial instruments by reference to the geographical area in which they are located:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Hong Kong	5,506	9,145
Australia	48,115	48,591
Kazakhstan	44,587	–
PRC	11,020	–
	<u>109,228</u>	<u>57,736</u>

5. OTHER OPERATING INCOME

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Bank interest	2	87
Interest income from pledged securities	1,238	–
Prize money from race horses	–	139
Sundry income	401	598
Imputed interest income on rental deposit	66	58
Government grant (<i>Note</i>)	–	2,691
Bad debt recovered	64	32
	<u>1,771</u>	<u>3,605</u>

Note: During the year ended 31 March 2021, the Group recognised government grants of approximately HK\$2,691,000 in respect of COVID-19 related subsidies provided by Hong Kong government. There were no unfulfilled conditions or contingencies relating to these government grants.

6. (PROVISION FOR)/REVERSAL OF ALLOWANCE FOR EXPECTED CREDIT LOSS

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
(Provision for)/reversal of allowance for expected credit loss, net:		
– Advances to customers in margin financing	(7,417)	(685)
– Trade receivables	(285)	2,251
– Loan receivables	(5,106)	23,564
	<u>(12,808)</u>	<u>25,130</u>

7. OTHER GAINS AND LOSSES

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Impairment loss recognised in respect of:		
– Goodwill	–	18,429
– Cryptocurrency	6,850	264
– Property, plant and equipment	33,470	–
– Intangible assets	312	–
Loss on early redemption for promissory notes	–	10,181
Net foreign exchange gain	(92)	(258)
Gain in respect of reversal of provision	(906)	–
Realised gain on derecognition of cryptocurrency	(2,928)	–
Fair value change of investment property	(2,473)	–
	<u>34,233</u>	<u>28,616</u>

8. FINANCE COSTS

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Effective interest expense on medium-term bonds	–	1,227
Effective interest expense on promissory notes	17,915	18,806
Interest on lease liabilities	277	494
	<u>18,192</u>	<u>20,527</u>

9. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Direct costs:		
– Cost of stud farm	534	1,903
– Fee and charges of securities brokerage	3,248	4,489
– Cost of cryptocurrency	12,114	–
	<u>15,896</u>	<u>6,392</u>
Sub-total	<u>15,896</u>	<u>6,392</u>
Employee benefit expenses (including directors' remuneration):		
– Directors' emoluments	5,493	4,522
– Salaries and other benefits	14,075	23,580
– Retirement benefit scheme contributions	603	1,447
	<u>20,171</u>	<u>29,549</u>
Sub-total	<u>20,171</u>	<u>29,549</u>
Auditors' remuneration for:		
– Audit services	950	1,100
– Non-audit services	320	100
	<u>1,270</u>	<u>1,200</u>
Sub-total	<u>1,270</u>	<u>1,200</u>
Amortisation of intangible asset	104	188
Depreciation of property, plant and equipment	36,875	4,017
Less: Depreciation expense capitalised in cryptocurrency	(34,931)	–
	<u>1,944</u>	<u>4,017</u>
Depreciation of right-of-use assets	1,956	2,475
Loss on written off of property, plant and equipment	–	3,100
	<u>1,726</u>	<u>3,100</u>
Gross rental income from investment properties	1,726	–
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the year	(352)	–
Direct operating expenses incurred for investment properties that did not generate rental income during the year	(267)	–
	<u>1,107</u>	<u>–</u>

10. INCOME TAX EXPENSE

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Current tax:		
– Hong Kong Profits Tax	–	1,985
Under-provision in prior years:		
– Hong Kong Profits Tax	–	2,491
Deferred tax	<u>742</u>	<u>–</u>
Income tax expense	<u><u>742</u></u>	<u><u>4,476</u></u>

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Taxation arising in other jurisdictions in which the Group operates is calculated on the estimated assessable profits for the year at the rates prevailing in the relevant jurisdictions.

11. DIVIDEND

No dividend was paid or proposed by the board of directors of the Company for the year ended 31 March 2022 (2021: HK\$Nil).

12. LOSS PER SHARE

The calculations of the basic and diluted loss per share attributable to owners of the Company are based on the following data:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	<u><u>(101,141)</u></u>	<u><u>(61,928)</u></u>
	2022 '000	2021 '000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u><u>2,275,007</u></u>	<u><u>2,171,732</u></u>

In calculating diluted loss per share, no adjustment was made in respect of the share options outstanding for both years as these share options were anti-dilutive for both years.

13. TRADE RECEIVABLES

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Trade receivables	4,195	4,327
Less: allowance for expected credit losses	<u>(4,085)</u>	<u>(3,821)</u>
	110	506
Accounts receivables from brokers, dealers and clearing house	<u>2,721</u>	<u>18,964</u>
	<u><u>2,831</u></u>	<u><u>19,470</u></u>

Accounts receivables from brokers, dealers and clearing house are due and settled on two business days after the trade date and denominated in HK\$. Therefore, no aging analysis is disclosed.

The following is an aging analysis of trade receivables (excluding accounts receivables from brokers, dealers and clearing house) net of allowance for expected credit losses, presented based on invoice date, at the end of the reporting period:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Within 30 days	110	385
31–60 days	<u>–</u>	<u>121</u>
	<u><u>110</u></u>	<u><u>506</u></u>

14. TRADE PAYABLES

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Trade payables	1,072	432
Accounts payables to clients and clearing house	<u>57,815</u>	<u>126,621</u>
	<u><u>58,887</u></u>	<u><u>127,053</u></u>

No aging analysis for accounts payables to clients and clearing house is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of the business.

The Group has a practice to satisfy all the requests for payments immediately within the credit period.

Except for the accounts payables to clients which bear interest at 0.001% per annum as at 31 March 2022 (2021: 0.001%), all the trade payables are non-interest bearing.

The following is an aging analysis of trade payables (excluding accounts payables to clients and clearing house), presented based on invoice date, at the end of reporting period:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Within 30 days	741	225
31–90 days	311	154
91–120 days	<u>20</u>	<u>53</u>
	<u><u>1,072</u></u>	<u><u>432</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Financial Performance

The Group recorded revenue of approximately HK\$53,691,000 for the year ended 31 March 2022 which was decreased 15.7% compared to revenue of approximately HK\$63,724,000 in the last financial year. The revenue was mainly generated from the subsidiaries engaging in money lending, securities, asset management services, investment in stallions and cryptocurrency business.

The direct costs were increased to approximately HK\$15,896,000 from approximately HK\$6,392,000 recorded during last year. Administrative expenses made an increase of 1.0% to approximately HK\$72,741,000 compared to HK\$72,052,000 in 2021.

The net loss of the Group for the year ended 31 March 2022 was approximately HK\$101,141,000 as compared with the net loss of approximately HK\$61,928,000 of the last financial year. The main reason for such loss is the impairment of cryptocurrency machines.

Gearing Ratio

The gearing ratio, is calculated as borrowings divided by total equity, was approximately 282% (2021: 267%).

Capital Structure

As at 31 March 2022, the total number of issued ordinary shares of the Company was 2,284,254,768 shares (2021: 2,171,732,000 shares).

Employee Information

The total number of employees was 43 as at 31 March 2022 (2021: 41), and the total remuneration for the year ended 31 March 2022 was approximately HK\$20,171,000 (2021: HK\$29,549,000). The Group's remuneration policy for senior executives is basically performance-linked. Staff benefits, including medical coverage and mandatory provident fund, are also provided to employees where appropriate. Discretionary bonus is linked to performance of the individual on case by case basis. The Group may offer share options to reward employees who make significant contributions, in order to retain key and crucial staff. The remuneration policy of the Group is reviewed and approved by the Remuneration Committee as well as by the Board.

Foreign Exchange Exposure

The income and expenditure of the Group are denominated in Hong Kong Dollars, US Dollars, Renminbi, Kazakhstan Tenge and Australian Dollars. The Company has not entered into any foreign exchange hedging arrangement. The management is required to monitor the Group's foreign exchange exposure by closely monitoring the movement of foreign currency rates. The Group may use financial tools such as foreign exchange forward contracts, dual currency options etc. to manage the foreign exchange risks.

Revenue

Revenue represents the net amounts in respect of services provided, equine services income, securities and future brokerage commission, asset management fee income, loan interest income and disposal of cryptocurrency assets sales recognised by the Group during the year.

Dividend

No final dividend was proposed by the Directors for the year ended 31 March 2022 (2021: HK\$Nil).

Business Review

The Group has been operating in the equine business for years and the result is disappointing. As a result, the Board disposed one of the subsidiaries in the equine segment (completed in July 2019).

On 31 March 2021 there was further restructure of the Group's equine segment.

On 30 April 2021, the Group completed the purchase of the equipment for cryptocurrency mining and started its cryptocurrency business.

Equine services

Following the disposal of Sun Kingdom Pty Ltd in July 2019, there was further restructure of the equine business. On 31 March 2021, the Group leased out certain land and farm in Australia, which was previously self-occupied and operated in the equine segment, to an independent third party. In addition, the independent third party will manage the Stallions held by the Group under certain profit share scheme. The Board believes after such restructure, both the performance and cash flow of the equine segment would be improved.

Financial services

Following the US-China trade dispute, rising of protectionism, worldwide political uncertainties, outbreak and continuous of COVID-19, and fluctuation of capital and stock market. The board was prudent on the financial services segment, especially the money lending business, to avoid any potential risks to the Group. As a result, the revenue and profit from the financial services decreased as compared from the corresponding period in the previous fiscal year. The management of the Group would review and adjust business strategies on a regular basis with a prudent and balanced risk management approach so as to cope with the current unpredictable economic situation.

Cryptocurrency mining

On 30 April 2021, Extra Blossom Holdings Limited (“Extra Blossom”), an indirect wholly owned subsidiary of the Group, has completed acquiring certain amount of cryptocurrency mining machines. The consideration for the acquisition was satisfied by allotting and issuing 112,522,768 Consideration shares under General Mandate granted at the annual general meeting of the Group on 25 September 2020. By entering into the cryptocurrency/blockchain business, the Board believes it can provide a long term and stable income to the Group. In light of the statement made by the State Council’s Financial Stability and Development Committee of the People’s Republic of China (the “PRC”) on 21 May 2021 on Bitcoin mining and trading activities. In order to support and follow the direction of the PRC Government, on 24 May 2021 the Group instructed the relevant service provider to suspend the cryptocurrency miner operating service. The operation of the cryptocurrency mining has relocated in Kazakhstan since July 2021. Given the electricity supply and political status in Kazakhstan is not stable since such relocation, the performance of cryptocurrency mining was affected on certain level. The management of the Group would pay attention to the operation and seek for opportunity to maximize the performance of cryptocurrency business segment.

Financial Review

Liquidity, Financial Resources and Capital Structure

As at 31 March 2022, the Group had current assets of approximately HK\$237,390,000 (2021: HK\$325,358,000). The Group’s current ratio, calculated on the basis of current assets over current liabilities of approximately HK\$100,939,000 (2021: HK\$159,771,000) was at level of approximately 2.35:1 (2021: 2.04:1). The bank balances as at 31 March 2022 was approximately HK\$85,535,000 as compared to the balance of approximately HK\$106,926,000 as at 31 March 2021.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

Results Analysis

During the financial year ended 31 March 2022, we continued our business on different categories such as development of financial services businesses including securities, assets management and money lending services, stallion breeding service and cryptocurrency business.

Operation

Stable revenue will be expected from equine services and financial services businesses for the coming year as the Group will continue to take every effort on expanding potential market shares for the existing businesses.

The finance costs

The Group recorded finance costs of approximately HK\$18,192,000 (2021: HK\$20,527,000) for the year ended 31 March 2022, representing a decrease of 11.4% compared to that in the last financial year. The finance costs was mainly for effective interest expense on promissory notes.

Loss attributable to owners of the Company

For the current financial year, the Group recorded a loss attributable to owners of the Company of approximately HK\$101,141,000 (2021: HK\$61,928,000).

Prospects

Following the US-China trade dispute and the outbreak of COVID-19, the global economy and consumer confidence have been adversely affected. These two incidents have occurred more than 2 years and have a impact on our 2022 financial results and our development plan. The management foresees that there is full of challenging in 2022. On the other hand, this presents both opportunities and challenges for the financial services segment. The continuous liberalization of the PRC financial market and its integration with the Hong Kong financial market would provide opportunities for the Group to offer more professional services to investors and small and medium sized enterprises in China. However, the results of the Group's financial services segment would be heavily influenced by the performance of the stock markets in China and Hong Kong.

The Group would continue to use its best endeavor to improve the efficiency and effectiveness of the operation. Moreover, the Board would seek opportunities to establish strategic alliance to accelerate the growth of its businesses, to rebalance its business portfolio and to strengthen its financial position so as to create value for shareholders.

Risk Factors

Uncertainty on Market Trend of Sales

The market for sales of thoroughbred horses in Australia is mainly through regular seasonal auctions. Its selling price is uncertain and is highly affected by both the trend of global market as well as the reputation of the horses with different sire/dam and/or champion records.

Continuous expansion requires long term capital financing

The development of equine related services requires additional capital to finance these activities. These projects are often mid to long term nature, probably over 1 year. Therefore, stable source of long term financing with low cost of borrowing is critical to our future capital investment in the equine services business.

There is no assurance that we can obtain the stable source of long term capital with low cost.

Country Risk

The equine services business is mainly operated in Australia. Being one of the emerging markets, Australia's equine services definitely provide many potential opportunities to investors dedicating to equine industry. In the meantime, the uncertainties of their political, social and economic policies are considered to be relatively small. There is no assurance that the current favorable policies remain unchanged in the near future. The future changes at the country level probably may have adverse effect to our business.

The cryptocurrency business is currently operated in Kazakhstan. Given the cryptocurrency and energy market is changing rapidly, the board will closely monitor the cryptocurrency operation in Kazakhstan.

Uncertainty on Volatility of Stock Market

Global stock market is still faced with various uncertainties of different political and economic circumstances. The expected return on the services of the securities trading and assets management will be greatly influenced by the volatility of the stock market which tends to be highly unpredictable.

Uncertainty on Volatility of crypto asset value

The group has entered the cryptocurrency business in this financial year. However, the volatility of cryptocurrency asset value is huge and dominant by the market.

OUTLOOK AND DEVELOPMENT

The Board has always tried its best to improve the efficiency and effectiveness of the operation so as to enhance the Group's value.

Business Development

Following the acquisition of Imperium International Securities Limited (formerly known as “**Sun International Securities Limited**”) and Imperium International Asset Management Limited (formerly known as “**Sun International Asset Management Limited**”) in February 2016, the Group had successfully diversify the business segments into the financial services including provision of type 1 (dealing in securities), type 2 (dealing in future contracts), type 4 (advising on securities), type 5 (advising on future contracts) and type 9 (asset management) regulated activities under the SFO in Hong Kong. The Group has successfully secured several mandates for placement, services of several seasoned investment manager and other corporate finance activities. Furthermore, in November 2015, the Group had acquired a money lending business with principal activities in equity financing, equity mortgage and corporate finance.

In light of the above acquisitions, the Group is able to diversify its business segments by entering into the financial services segment so as to further enhance its revenue sources as well as to bring positive return to the Group.

On 31 January 2018, the Company had completed the acquisition of Imperium Financial Limited (formerly known as “**Sun Finance Company Limited**”) which was a licensed money lender. The Board considered the proposed acquisition represents a good opportunity for the Group to strengthen the development of money lending business.

On 18 February 2021, the Group has published a memorandum of understanding announcement regarding the purchase of cryptocurrency machines (which was revised later, together with another purchase of cryptocurrency machines transaction completed on 30 April 2021). The Board believes that the entering into the cryptocurrency business can diversify the development of the group by investing in a new business.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2022.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings (“Code of Conduct”) set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

BOARD PRACTICES AND PROCEDURES

The Company has complied with Rules 5.34 to 5.45 of the GEM Listing Rules concerning board practices and procedures throughout the year ended 31 March 2022.

PRE-EMPTIVE RIGHTS

There is no provisions for pre-emptive rights under the Company’s Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to promoting high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding the shareholders’ interests and the Group’s assets.

The Company’s corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code and Report”) in Appendix 15 of the GEM Listing Rules. Throughout the year ended 31 March 2022 and up to the date of this report to the best knowledge of the Board, the Company has complied with the code provisions set out in Appendix 15 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company established an audit committee (“Audit Committee”) on 29 November 2000 with written terms of reference in compliance with the GEM Listing Rules. During the year under review, the audit committee comprises three members, Mr. Tou Kin Chuen, Mr. Chan Tin Lup, Trevor and Mr. Jim Ka Shun. All of them are independent non-executive Directors of the Company and Mr. Tou Kin Chuen was appointed as the Chairman of the Audit Committee.

The primary duties of the audit committee are to review and supervise the financial reporting process, risk management system and internal control systems of the Group so as to provide advice and comments thereon to the Board of Directors. 6 audit committee meetings were held during the year.

The Group's annual results for the year ended 31 March 2022 have been reviewed by the audit committee, which is of the opinion that the preparation of such consolidated financial statements complies with applicable accounting standards, the GEM Listing Rules, and that adequate disclosures have been made.

REMUNERATION COMMITTEE

The Company established a remuneration committee ("Remuneration Committee") on 18 March 2005. During the year under review, the Remuneration Committee comprised three members, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Jim Ka Shun. All of them are independent non-executive Directors and Mr. Chan Tin Lup, Trevor was appointed as the Chairman of the Remuneration Committee.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Group's policy and structure in relation to the remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The auditing process for the annual results for the year ended 31 March 2022 has not been completed due to travel restrictions in force in parts of the PRC and quarantine measures imposed by the relevant authorities to combat the latest wave of COVID-19 coronavirus outbreak. The unaudited annual results contained herein have not been agreed with the Company's auditors. An announcement relating to the audited results will be made when the auditing process has been completed in accordance with the Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has reviewed the unaudited annual results contained herein.

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited results for the year ended 31 March 2022 as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein. Based on the information currently available to the Company, the Company estimates that the audited annual results of the Group for the year ended 31 March 2022 will be published on or before 29 July 2022. In addition, the Company will issue further announcement(s) as and when necessary if there is other material development in the completion of the auditing process.

PUBLICATION OF ANNUAL REPORT

This unaudited annual results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.8029.hk. The annual report of the Company for the year ended 31 March 2022 containing all the information required by the Listing Rules is to be despatched to the Company's Shareholders and made available for review on the same websites in due course.

By Order of the Board
Imperium Financial Group Limited
Cheng Mei Ching
Executive Director

Hong Kong, 30 June 2022

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Cheng Ting Kong, Ms. Cheng Mei Ching, Mr. Lui Man Wah and Mr. Chim Tak Lai and three independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Jim Ka Shun.