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Imperium Financial Group Limited

帝國金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8029)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF INVESTMENT PROPERTIES

THE DISPOSAL

On 30 July 2024, the Vendor (being an indirect wholly-owned subsidiary of the Company), the Asset Vendor (being an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement in relation to the Disposal. Pursuant to the Sale and Purchase Agreement, the Vendor and the Asset Vendor agreed to sell, and the Purchaser agreed to purchase, the Investment Properties subject to the Lease at the aggregate Consideration of AUD7 million (equivalent to approximately HK\$35.84 million) plus any applicable goods and services tax subject to the terms of the Sale and Purchase Agreement.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal under Rule 19.07 of the GEM Listing Rules exceeds 25% but all of the applicable percentage ratios are below 75%, the Disposal constitutes a major transaction on the part of the Company under the GEM Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

Under Rule 19.44 of the GEM Listing Rules, Shareholders' approval may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (a) no shareholder is required to abstain from voting if the issuer were to convene a general meeting to obtain such shareholders' approval; and (b) written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any material interest in the Disposal and the transactions contemplated thereunder and no Shareholder is required to abstain from voting in respect of the approval of the Sale and Purchase Agreement, the Disposal and the transactions contemplated respectively thereunder if the Company were to convene a general meeting. Pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, the Company has received a written approval from Fresh Success Investments Limited. As at the date of this announcement, Fresh Success Investments Limited owns 1,437,914,040 Shares (representing approximately 61.61% of the total issued share capital of the Company) carrying rights to vote at a general meeting. Accordingly, no general meeting will be held by the Company for approving the Sale and Purchase Agreement, the Disposal and the transactions contemplated respectively thereunder. Fresh Success Investments Limited is owned as to 90% by Mr. Cheng Ting Kong, the chairman and an executive Director of the Company.

A circular containing, among other things, (i) details of the Sale and Purchase Agreement, the Disposal and the transactions contemplated respectively thereunder; (ii) the Valuation; and (iii) other information as required under the GEM Listing Rules is expected to be despatched to the Shareholders on or before Tuesday, 20 August 2024 for their information only.

Reference is made to the announcement (the "**Announcement**") of the Company dated 16 May 2024 in relation to the indicative offer for the Disposal. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

INTRODUCTION

On 30 July 2024, the Vendor (being an indirect wholly-owned subsidiary of the Company), the Asset Vendor (being an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement in relation to the Disposal. Pursuant to the Sale and Purchase Agreement, the Vendor and the Asset Vendor agreed to sell, and the Purchaser agreed to purchase, the Investment Properties subject to the Lease at the aggregate Consideration of AUD7 million (equivalent to approximately HK\$35.84 million) plus any applicable goods and services tax subject to the terms of the Sale and Purchase Agreement.

THE DISPOSAL

The principal terms of the Sale and Purchase Agreement are set out below:

- Date : 30 July 2024
- Parties : (1) The Vendor;
- (2) The Asset Vendor; and
- (3) The Purchaser

Assets to be disposed

Pursuant to the Sale and Purchase Agreement, the Vendor and the Asset Vendor agreed to sell, and the Purchaser agreed to purchase, the Investment Properties subject to the Lease.

Consideration

The aggregate Consideration for the Disposal is AUD7 million (equivalent to approximately HK\$35.84 million) plus any applicable goods and services tax which shall be payable in cash by the Purchaser to the Vendor and the Asset Vendor in the following manner:

- (i) as to AUD700,000 (equivalent to approximately HK\$3.58 million) shall be payable by the Purchaser to the Purchaser's legal practitioner's trust account, representing 10% of the aggregate Consideration, on the date of the Sale and Purchase Agreement as a deposit for the Investment Properties subject to the Lease, which shall be transferred to the Vendor and the Asset Vendor in their respective apportionments at Completion; and
- (ii) the remaining balance as to AUD6.3 million (equivalent to approximately HK\$32.26 million) shall be payable by the Purchaser to the Vendor and the Asset Vendor in their respective apportionments at Completion.

The Consideration was determined based on arm's length negotiations between the Vendor, the Asset Vendor and the Purchaser having considered, among others, (i) the preliminary valuation (the "**Valuation**") of the land of the Investment Properties as at 30 June 2024 of approximately AUD5.3 million (equivalent to approximately HK\$27.14 million) conducted by Ravia Global Appraisal Advisory Limited (the "**Independent Valuer**"), an independent professional valuer using a market approach; (ii) the unaudited book value of the facilities and structures on the land of the Investment Properties of AUD1.615 million (equivalent to approximately HK\$8.27 million) as at 30 June 2024; and (iii) the unaudited book value of the assets including farm and veterinary equipment, certain year 2014 vehicles, tractors, machinery, office equipment, furniture, tools and sundries located at the land of the Investment Properties of nil as at 30 June 2024.

Completion

Completion shall take place on the date being the later of (i) 37 days from the date of the Sale and Purchase Agreement; or (ii) 7 days after the date in which the Vendor obtains from Land Use Victoria the physical replacement certificates of title for the titles comprising the land of the Investment Properties (or otherwise obtains electronic control of those replacement certificates of titles) (the “**Completion Date**”).

Upon Completion, the Group will cease to hold any interest in the Investment Properties and the landlord’s rights, remedies and covenants of the Vendor in respect of the Lease shall be assigned to the Purchaser.

INFORMATION OF THE PURCHASER

The Purchaser is principally engaged in thoroughbred racing and the breeding industry in Australia, and is owned entirely by Mr. Antony Thompson and Mrs. Katie Thompson. The Purchaser is an associate company of the lessee under the Lease.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners, being Mr. Antony Thompson and Mrs. Katie Thompson, are Independent Third Parties.

INFORMATION OF THE VENDOR AND THE ASSET VENDOR

The Vendor, being an indirect wholly-owned subsidiary of the Company, is principally engaged in property investment holding. The Asset Vendor, being an indirect wholly-owned subsidiary of the Company, is principally engaged in holding stallions under certain profit share scheme(s) and holding the equipment and vehicles located at the land under the Investment Properties.

INFORMATION ON THE INVESTMENT PROPERTIES

The Investment Properties comprise the land located at 56 and 146 Mt Eliza Road, Kerrie Vic 3434, Australia with the site area of 172 hectares (425 acres) including farm and veterinary facilities and structures owned by the Vendor and the assets on the land owned by the Asset Vendor including farm and veterinary equipment, certain year 2014 vehicles, tractors, machinery, office equipment, furniture, tools and sundries located at such land. The Investment Properties are currently leased to Widden Stud Victoria Pty Limited under the Lease for a rent of AUD315,187.50 (equivalent to approximately HK\$1.61 million) per annum (plus goods and services tax) and used as a stud farm for selective thoroughbred breeding, agistment of livestock and thoroughbred training and pre-training purposes.

The net rental incomes (before and after tax) of the Group attributable to the Investment Properties for the two financial years ended 31 March 2024 are as follows:

	For the year ended 31 March 2023 (audited)	For the year ended 31 March 2024 (audited)
Net rental income before tax	AUD307,500 (equivalent to approximately HK\$1.57 million)	AUD315,180.30 (equivalent to approximately HK\$1.61 million)
Net rental income after tax	AUD307,500 (equivalent to approximately HK\$1.57 million)	AUD315,180.30 (equivalent to approximately HK\$1.61 million)

Based on the unaudited management accounts of the Vendor and the Asset Vendor, as at 30 June 2024, the aggregate unaudited book value of the Investment Properties was AUD6.915 million (equivalent to approximately HK\$35.40 million).

VALUATION

The Valuation of the land of the Investment Properties as at 30 June 2024 (the “**Valuation Date**”) of AUD5.3 million (equivalent to approximately HK\$27.14 million) was prepared by the Independent Valuer. The Independent Valuer adopted the market approach as at the Valuation Date for the Valuation.

The Valuation adopted the market approach in which the value of the land of the Investment Properties was determined by the direct comparison approach assuming sales of the property in its existing state with the benefit of vacant possession and making reference to comparable property of similar type and characteristics to the subject property in the relevant market. Appropriate adjustments were made on various aspects to reflect the difference between the subject property and the comparable property in arm’s length transactions. The market approach was adopted as there are sufficient comparable properties that could be identified in the market to facilitate a meaningful comparison and to form a reliable opinion of value.

The Valuation has been made on the assumption that the owner sells the land of the Investment Properties in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures or any similar arrangements which would serve to affect its value. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the land of the Investment Properties and no allowance has been made for the land of the Investment Properties to be sold in one batch or to a single purchaser.

With respect to the Independent Valuer, Dr. Lee Wai Kin Alan is a director of the Independent Valuer and in charge of the preparation of the Valuation. He is a Registered Professional Surveyor (General Practice), a Member of Hong Kong Institute of Surveyors, and an Associate of Australian Property Institute. He has over 18 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region, and various European and American countries.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in money lending, securities and futures brokerage, asset management services, properties investment, investment in stallions, production and sales of portable electronic appliances and home appliances and cryptocurrency mining.

The Disposal represents an opportunity for the Group to realise its investment in the Investment Properties and focus its resources in developing the other business segments of the Group. The Directors are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

The aggregate unaudited book value of the Investment Properties as at 30 June 2024 was approximately AUD6.915 million (approximately HK\$35.40 million). The Group is expected to record a gain on the Disposal of approximately AUD85,000 (approximately HK\$435,000), which is calculated based on the Consideration to be received by the Group for the Disposal less the aggregate unaudited book value of the Investment Properties as at 30 June 2024 before any related expenses.

INTENDED USE OF PROCEEDS

The Company intends to apply the net proceeds from the Disposal, of approximately AUD6.9 million (equivalent to approximately HK\$35.33 million) for the general working capital of the Group.

GEM LISTING RULES IMPLICATIONS

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To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any material interest in the Disposal and the transactions contemplated thereunder and no Shareholder is required to abstain from voting in respect of the approval of the Sale and Purchase Agreement, the Disposal and the transactions contemplated respectively thereunder if the Company were to convene a general meeting. Pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, the Company has received a written approval from Fresh Success Investments Limited. As at the date of this announcement, Fresh Success Investments Limited owns 1,437,914,040 Shares (representing approximately 61.61% of the total issued share capital of the Company) carrying rights to vote at a general meeting. Accordingly, no general meeting will be held by the Company for approving the Sale and Purchase Agreement, the Disposal and the transactions contemplated respectively thereunder. Fresh Success Investments Limited is owned as to 90% by Mr. Cheng Ting Kong, the chairman and an executive Director of the Company.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Asset Vendor”	Imperium Stud Pty Ltd, a company incorporated in Australia with limited liability and an indirect wholly-owned subsidiary of the Company
“Board”	the board of the Company
“Company”	Imperium Financial Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM of the Stock Exchange (stock code: 8029)
“Consideration”	the consideration for the Disposal

“Completion”	completion of the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Investment Properties
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	individual(s) or company(ies) which is/are independent of and not connected with the Company and its connected persons (as defined under the GEM Listing Rules)
“Investment Properties”	the land located at 56 and 146 Mt Eliza Road, Kerrie Vic 3434, Australia including farm and veterinary facilities and structures owned by the Vendor, and the assets on the land owned by the Asset Vendor including farm and veterinary equipment, certain year 2014 vehicles, tractors, machinery, office equipment, furniture, tools and sundries located at such land
“Lease”	the lease of the Investment Properties between the Vendor, the Asset Vendor and Widden Stud Victoria Pty Limited for a term of 5 years commencing from 31 March 2021 to 30 March 2026 with an option to renew for a further 5 years
“Purchaser”	Widden Property Pty Limited, a company incorporated in Australia with limited liability
“Sale and Purchase Agreement”	the contract of sale dated 30 July 2024 and entered into among the Vendor, the Asset Vendor and the Purchaser in respect of the Disposal
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Imperium Farm Pty Ltd, a company incorporated in Australia with limited liability and an indirect wholly-owned subsidiary of the Company
“AUD”	Australian dollar, the lawful currency of Australia
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

For ease of reference and unless otherwise specified in this announcement, sums in AUD in this announcement have been translated, for the purpose of illustration only, into HK\$ on the basis of AUD1.00 = HK\$5.12. This does not mean that AUD could be converted into HK\$, or vice versa, based on such exchange rate.

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

Hong Kong, 30 July 2024

As at the date of this announcement, the Board comprises of three executive Directors, namely, Mr. Cheng Ting Kong (Chairman), Ms. Cheng Mei Ching and Mr. Chim Tak Lai and three independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Hong Haiji.

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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the Stock Exchange website at <http://www.hkexnews.hk> “Latest Listed Company Information” for at least 7 days from the date of posting and on the designated website of the Company at www.8029.hk.