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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

華通證券國際

— Waton Securities International Limited —

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 10 October 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 466,800,000 Placing Shares at the Placing Price of HK\$0.060 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum of 466,800,000 Placing Shares represent (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.060 per Placing Share represents: (i) a discount of approximately 6.25% to the closing price of HK\$0.064 per Share as quoted on the Stock Exchange on 10 October 2024, being the date of the Placing Agreement; and (ii) a discount of approximately 19.35% to the average closing price of approximately HK\$0.0744 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$28 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$500,000, are estimated to be approximately HK\$27.5 million. The Company intends to apply the net proceeds from the Placing for the repayment of part of the Promissory Note when it falls due on 31 January 2025.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 10 October 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 466,800,000 Placing Shares at the Placing Price of HK\$0.060 per Placing Share. Details of the Placing Agreement are set out below:

The Placing Agreement

Date: 10 October 2024 (after trading hours of the Stock Exchange)

Parties:

- (i) the Company, as issuer; and
- (ii) Waton Securities International Limited, as placing agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 1% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission in respect of the

Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares.

The Directors consider that the placing commission in respect of the Placing are fair and reasonable based on the current market conditions.

Placees

The Placing Shares will be placed to currently expected to be not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after completion of the Placing, further announcement will be made by the Company.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum of 466,800,000 Placing Shares represent (i) approximately 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The aggregate nominal value of the maximum of 466,800,000 Placing Shares is HK\$18,672,000.00.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.060 per Placing Share represents: (i) a discount of approximately 6.25% to the closing price of HK\$0.064 per Share as quoted on the Stock Exchange on 10 October 2024, being the date of the Placing Agreement; and (ii) a discount of approximately 19.35% to the average closing price of approximately HK\$0.0744 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

The Placing is conditional upon the fulfilment of the following conditions:

- (i) the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares; and
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

In the event that any of the above conditions is not fulfilled on or before 31 October 2024 (or such other date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing shall take place on a date falling within four Business Days after the day on which all the conditions set out in the Placing Agreement have been fulfilled (or such other date as may be agreed between the parties to the Placing Agreement in writing).

Application for listing

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 466,803,243 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval.

Termination

The Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 8:00 a.m. on the date of completion of the Placing upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing

Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to the above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

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

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$28 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$500,000, are estimated to be approximately HK\$27.5 million, representing a net issue price of approximately HK\$0.0589 per Placing Share. The Company intends to apply the net proceeds from the Placing for the repayment of part of the Promissory Note when it falls due on 31 January 2025.

As set out in the announcement of the Company dated 2 October 2024, in order to resolve the disclaimer of opinion issued by HLB Hodgson Impey Cheng Limited, the auditors of the Company, in the annual report of the Company for the financial year ended 31 March 2024, for the financial year ending 31 March 2025, the Directors will, among others, continue their negotiations with Mr. Cheng, an executive Director and a Controlling Shareholder, in relation to the extension/settlement of the Promissory Note and depending on the results of such negotiations, the Directors will consider alternative debt and/or equity financing methods. Although the negotiations with Mr. Cheng are still in progress, the Directors consider that repayment of part of the Promissory Note when it falls due on 31 January 2025 is conducive to resolving the disclaimer of opinion and the negotiations with Mr. Cheng.

Moreover, the Directors consider that the Placing represents an opportunity to strengthen the Group's financial position, reduce its gearing ratio and enlarge the shareholders' base of the Company, which may in turn enhance the liquidity of the Shares.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company as a result of the Placing (assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after completion of the Placing) are as follows:

	As at the date of this announcement		Immediately after completion of the Placing (assuming all the Placing Shares are fully placed)	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Fresh Success Investment Limited (Note)	1,437,914,040	61.61%	1,437,914,040	51.34%
The Placees	–	–	466,800,000	16.67%
Public Shareholders	<u>896,102,178</u>	<u>38.39%</u>	<u>896,102,178</u>	<u>31.99%</u>
Total	<u><u>2,334,016,218</u></u>	<u><u>100.00%</u></u>	<u><u>2,800,816,218</u></u>	<u><u>100.00%</u></u>

Note:

Fresh Success Investments Limited is beneficially owned as to 90% by Mr. Cheng. Accordingly, Mr. Cheng is deemed under the SFO to be interested in the 1,437,914,040 Shares beneficial owned by Fresh Success Investments Limited.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities in the past 12 months immediately prior to the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds during the year ended 31 March 2024
8 December 2023	Rights issue on the basis of one right share for every two existing Shares	Approximately HK\$1.4 million	working capital of the Group including but not limited to directors' fees, salary and the head office rental	Used as intended

Note:

As explained in the announcement dated 4 September 2024 of the Company, the Company intended to utilise the net proceeds from the rights issue for early repayment of the Promissory Note to (i) minimise financial costs by reducing the interest accrual; (ii) reduce the interest expenses as part of the current outstanding interest will be waived because of the early repayment of the Promissory Note; and (iii) improve the cash flow position of the Group in order to contribute to the new business to be entered into by the Group or further business opportunities and working capital of the Group.

However, upon completion of the rights issue on 31 January 2024, the net proceeds actually raised from the rights issue was HK\$1.4 million, which was significantly less than the estimated HK\$44.1 million and represented approximately 3.17% of the estimated net proceeds to be raised. As the Company did not have sufficient funds raised from the rights issue, the Company had not used the proceeds as previously intended in the prospectus for the rights issue to develop the new business of production and sales of portable electronic appliances and home appliances nor the repayment of the Promissory Note. Hence, as announced in the announcement of the Company dated 31 January 2024, the Company intended that the net proceeds be utilised as working capital of the Group.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associates”	has the meaning as ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Imperium Financial Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM operated by the Stock Exchange (stock code: 8029)
“connected person(s)”	has the meaning as ascribed to it in the GEM Listing Rules
“Controlling Shareholder”	has the meaning as ascribed to it in the GEM Listing Rules

“Director(s)”	director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM operated by the Stock Exchange
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 30 September 2024 to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of such resolution, pursuant to which a maximum of 466,803,243 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who are third parties independent of the Company and its connected persons
“Mr. Cheng”	Mr. Cheng Ting Kong, an executive Director and a Controlling Shareholder
“Placee(s)”	any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 466,800,000 Placing Shares on and subject to the terms and condition set out in the Placing Agreement
“Placing Agent”	Watson Securities International Limited, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on future contracts) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the exclusive agent of the Company to the Placing

“Placing Agreement”	the conditional placing agreement dated 10 October 2024 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.060 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
“Placing Share(s)”	a total of up to 466,800,000 new Shares to be placed pursuant to the Placing Agreement and to be issued under the General Mandate, each a “Placing Share”
“Promissory Note”	a 3% coupon promissory note with the outstanding principal amount of HK\$107,767,000 due 31 January 2025 owned by Peak Stand Holdings Limited, the entire issued share capital of which is wholly-owned by Mr. Cheng
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 10 October 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 two independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor and Mr. Tou Kin Chuen.

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.