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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)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Imperium Financial Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries for the six months ended 30 September 2023. This announcement, containing the full text of the 2023 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of interim results.

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

Hong Kong, 13 November 2023

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Cheng Ting Kong, 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 issuer. 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 document 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 designed website of this Company at www.8029.hk.

CHARACTERISTICS OF 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 other than 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 report, 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 report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This report will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of posting and on the designated website of this Company at <http://www.8029.hk/>.

FINANCIAL SUMMARY (UNAUDITED)

- Revenue of the Group was approximately HK\$11,508,000 for the six months ended 30 September 2023, representing an increase of approximately 5.05% from the corresponding period in the previous fiscal year.
- For the six months ended 30 September 2023, gross profit of the Group was approximately HK\$6,135,000 as compared to the gross profit of approximately HK\$10,160,000 from the corresponding period in the previous fiscal year.
- Loss attributable to owners of the Company for the six months ended 30 September 2023 amounted to approximately HK\$3,613,000 as compared to loss of approximately HK\$38,867,000 from the corresponding period in the previous fiscal year.
- The directors of the Company (the “Directors”) do not recommend the payment of an interim dividend for the six months ended 30 September 2023 (2022: Nil).

CONSOLIDATED INTERIM RESULTS FOR 2023 (UNAUDITED)

The board of Directors (the "Board") of the Company hereby announces the unaudited condensed consolidated results of the Group for the three months and six months ended 30 September 2023, together with the comparative unaudited figures for the corresponding period in 2022 were as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2023

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue	4	8,845	4,861	11,508	10,955
Direct costs		(5,252)	(331)	(5,373)	(795)
Gross profit		3,593	4,530	6,135	10,160
Other operating income		77	1,208	10,623	1,639
Reversal of impairment loss under expected credit loss model		5,274	1,963	5,274	2,284
Other gains and losses	5	(2,633)	(10,088)	(2,715)	(27,477)
Administrative expenses		(8,660)	(8,246)	(13,912)	(17,024)
Finance costs		(4,448)	(4,250)	(9,018)	(8,449)
Loss before taxation	6	(6,797)	(14,883)	(3,613)	(38,867)
Income tax expense	7	-	-	-	-
Loss for the period attributable to owners of the company		(6,797)	(14,883)	(3,613)	(38,867)

CONSOLIDATED INTERIM RESULTS FOR 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Other comprehensive loss					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange difference arising on translation of financial statements of foreign operations		(2,372)	(3,053)	(2,839)	(6,818)
Other comprehensive loss for the period		(2,372)	(3,053)	(2,839)	(6,818)
Total comprehensive loss for the period attributable to owners of the Company		(9,169)	(17,936)	(6,452)	(45,685)
Dividend	8	-	-	-	-
Loss per share (HK cents)	9	(0.40)	(0.65)	(0.21)	(1.70)
Basic and diluted					

CONSOLIDATED INTERIM RESULTS FOR 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	<i>Notes</i>	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Intangible assets		500	500
Property, plant and equipment	10	2,102	1,927
Investment properties		39,579	41,351
Other assets		275	275
Deposit	12	404	390
Biological assets		559	584
		43,419	45,027
CURRENT ASSETS			
Loan receivables		169	305
Cryptocurrency		4,431	5,193
Trade receivables	11	4,520	5,424
Advances to customers in margin financing		23,646	10,154
Prepayments, deposits and other receivables	12	4,124	2,100
Cash and cash equivalents		57,423	66,249
Cash held on behalf of customers		45,210	50,952
		139,523	140,377
CURRENT LIABILITIES			
Trade payables	13	50,605	57,468
Accruals and other payables		45,640	33,970
Amounts due to related companies		593	589
Lease liabilities		1,785	1,802
Income tax payable		159	159
		98,782	93,988

CONSOLIDATED INTERIM RESULTS FOR 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	<i>Notes</i>	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
NET CURRENT ASSETS		40,741	46,389
TOTAL ASSET LESS CURRENT LIABILITIES		84,160	91,416
NON-CURRENT LIABILITIES			
Promissory notes		115,887	115,523
Deferred tax liabilities		5,578	5,827
Lease liabilities		1,852	2,771
		123,317	124,121
NET LIABILITIES		(39,157)	(32,705)
Equity			
Share capital	14	91,370	91,370
Reserves		(130,527)	(124,075)
TOTAL CAPITAL DEFICIENCY		(39,157)	(32,705)

CONSOLIDATED INTERIM RESULTS FOR 2023 (UNAUDITED)

CONDENSED CONSOLIDATION STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to owners of the Company								Total HK\$'000
	Share Capital HK\$'000	Share Premium HK\$'000	Capital Contribution Reserve HK\$'000	Capital Redemption Reserve HK\$'000	Property Revaluation Reserve HK\$'000	Merger Reserve HK\$'000	Translation Reserve HK\$'000	Accumulated Losses HK\$'000	
At 1 April 2022	91,370	1,108,421	110,912	255	4,412	370	36,200	(1,283,273)	68,667
Loss for the period ended 30 September 2022	-	-	-	-	-	-	-	(38,867)	(38,867)
Other comprehensive loss:									
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-	(6,818)	-	(6,818)
Total comprehensive loss for the period ended 30 September 2022	-	-	-	-	-	-	(6,818)	(38,867)	(45,685)
At 30 September 2022 (Unaudited)	91,370	1,108,421	110,912	255	4,412	370	29,382	(1,322,140)	22,982
At 1 April 2023	91,370	1,108,421	130,380	255	4,412	370	32,982	(1,400,895)	(32,705)
Loss for the period ended 30 September 2023	-	-	-	-	-	-	-	(3,613)	(3,613)
Other comprehensive loss:									
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-	(2,839)	-	(2,839)
Total comprehensive loss for the period ended 30 September 2023	-	-	-	-	-	-	(2,839)	(3,613)	(6,452)
At 30 September 2023 (Unaudited)	91,370	1,108,421	130,380	255	4,412	370	30,143	(1,404,508)	(39,157)

CONSOLIDATED INTERIM RESULTS FOR 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	For the six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Net cash generated from operating activities	2,948	22,244
Net cash (used in)/generated from investing activities	(737)	2
Cash flows from financing activities		
Repayment of promissory notes	(10,000)	(30,000)
Repayment of lease liabilities	(1,102)	(1,157)
Net cash used in financing activities	(11,102)	(31,157)
Net decrease in cash and cash equivalents	(8,891)	(8,911)
Cash and cash equivalent at the beginning of the period	66,249	85,535
Effect of changes in exchange rate, net	65	(1,333)
Cash and cash equivalents at the ended of the period	57,423	75,291

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

1. GENERAL INFORMATION

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 unaudited condensed 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 period ended 30 September 2023, the Group was principally engaged in money lending, securities and futures brokerage, assets management services, properties investment, investment in stallions and cryptocurrency business.

2. GOING CONCERN

The Group incurred a net loss of approximately HK\$3,613,000 for the six months ended 30 September 2023 (six months ended 30 September 2022: HK\$38,867,000), and as of that date, the Group recorded net liabilities of approximately HK\$39,157,000 (as at 31 March 2023: HK\$32,705,000).

Further, as at 30 September 2023, the Group had a promissory note with the principal amount of approximately HK\$133,767,000 (as at 31 March 2023: HK\$143,767,000) due to a related company, which is beneficially owned and controlled by Mr. Cheng, which matured on 31 January 2023 and was further extended to 31 January 2025, while the Group recorded cash and cash equivalents of approximately HK\$57,423,000 as at 30 September 2023 (as at 31 March 2023: HK\$66,249,000).

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 of the Company 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 fulfil 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 strict monitoring process on the repayment status of loan receivables, trade receivables and advances to customers in margin financing in order to ensure timely collection and improve its operating cash flows and financial position;

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

2. GOING CONCERN (CONTINUED)

- ii. The Group will continuously take measures to tighten cost control over various costs to attain profit and operating cash inflows and 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 fall due and seek alternative debt and/or equity financing to meet cash flow requirements.

The directors of the Company 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 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 of the Company are of the opinion that it is appropriate to prepare the condensed consolidated financial statements for the six months ended 30 September 2023 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 consolidated financial statements as the consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

3. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2023 have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

The unaudited consolidated results have been prepared under the historical cost convention except for certain properties and certain financial instruments, which are measured at fair values. The accounting policies used in preparing the unaudited condensed consolidated financial statements are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2023, except for the adoption of the new and amended HKFRSs that are first effective for the current reporting period.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2023 are unaudited but have been reviewed by the Company’s Audit Committee.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

4. REVENUE

Segment information is presented by way in two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

	For the three months ended 30 September		For the six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue within the scope of HKFRS15				
Revenue from Contracts with Customers:				
Revenue from financial services	337	1,319	1,028	3,933
Revenue from equine services	2,115	1,432	2,184	1,690
Revenue from cryptocurrency business	4,545	–	4,545	–
	6,997	2,751	7,757	5,623
Revenue outside the scope of HKFRS 15:				
Interest income from financial services	1,445	1,695	2,924	4,486
Rental income	403	415	827	846
	1,848	2,110	3,751	5,332
	8,845	4,861	11,508	10,955

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

4. REVENUE (CONTINUED)

Business segments

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 the directors of the Company 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.

Segment Information

For the period ended 30 September 2023 (Unaudited)

	Cryptocurrency business HK\$'000	Equine services HK\$'000	Financial services HK\$'000	Properties investment HK\$'000	Total HK\$'000
Segment revenue	4,545	2,184	3,952	827	11,508
Segment results	(1,716)	11,986	985	656	11,911
Unallocated corporate income					-
Unallocated finance costs					(9,011)
Unallocated corporate expenses					(6,513)
Loss before taxation					(3,613)

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

4. REVENUE (CONTINUED)

For the period ended 30 September 2022 (Unaudited)

	Cryptocurrency business HK\$'000	Equine services HK\$'000	Financial services HK\$'000	Properties investment HK\$'000	Total HK\$'000
Segment revenue	–	1,690	8,419	846	10,955
Segment results	(23,726)	1,861	557	591	(20,717)
Unallocated corporate income					179
Unallocated finance costs					(8,429)
Unallocated corporate expenses					(9,900)
Loss before taxation					(38,867)

Geographical segments

The geographical location of revenue is based on the location of the operations:

	For the six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Australia	3,011	2,536
Hong Kong	8,497	8,419
	11,508	10,955

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

4. REVENUE (CONTINUED)

The geographical location of non-current assets other than financial assets is based on the physical location of assets.

	Non-current assets	
	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Hong Kong	500	500
Australia	40,137	41,988
Brunei	920	–
Kazakhstan	1,183	810
The PRC	–	1,064
	42,740	44,362

5. OTHER GAINS AND LOSSES

	For the three months ended 30 September		For the six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Impairment loss recognised in respect of – Cryptocurrency	(953)	(6,299)	(953)	(23,688)
Loss on early redemption of promissory notes	(1,512)	(3,789)	(1,512)	(3,789)
Exchange difference	(168)	–	(250)	–
	(2,633)	(10,088)	(2,715)	(27,477)

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

6. LOSS BEFORE TAXATION

(a) Direct costs:

	For the three months ended 30 September		For the six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
– Fee and charges of securities brokerage	(319)	(331)	(440)	(795)
– Cost of cryptocurrency sold	(4,933)	–	(4,933)	–
Sub-total	(5,252)	(331)	(5,373)	(795)

(b) Other operating income:

	For the three months ended 30 September		For the six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Insurance claims	–	–	10,473	–
Others	77	1,208	150	1,639
Sub-total	77	1,208	10,623	1,639

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

6. LOSS BEFORE TAXATION (CONTINUED)

(c) Loss before taxation is arrived at after (crediting)/charging:

	For the three months ended 30 September		For the six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Employee benefit expenses (including directors' remuneration):				
– Directors' emoluments	1,331	1,328	2,662	2,651
– Other staff's salaries and other benefits	3,129	3,150	6,258	6,300
– Other staff's retirement benefit scheme contribution	108	128	216	257
Sub-total	4,568	4,606	9,136	9,208
Depreciation for property, plant and equipment	443	6,703	798	13,406
Less: Depreciation expense capitalised in cryptocurrency	(400)	(6,338)	(745)	(12,676)
	43	365	53	730
Insurance claims	–	–	(10,473)	–

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

7. INCOME TAX EXPENSE

	For the three months ended 30 September		For the six months ended 30 September	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Current tax				
– Hong Kong Profits Tax	–	–	–	–
	–	–	–	–

8. DIVIDEND

No interim dividend was paid, declared or proposed by the board of directors of the Company for the six months ended 30 September 2023 (2022: HK\$Nil).

9. 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:

	For the three months ended 30 September		For the six months ended 30 September	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(8,027)	(14,883)	(4,843)	(38,867)

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

9. LOSS PER SHARE (CONTINUED)

	Three months ended 30 September		Six months ended 30 September	
	2023 '000 (Unaudited)	2022 '000 (Unaudited)	2023 '000 (Unaudited)	2022 '000 (Unaudited)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	2,284,255	2,284,255	2,284,255	2,284,255

In calculating diluted loss per share, no adjustment was made in respect of the share options outstanding during the six months ended 30 September 2022 as these share options were anti-dilutive during the period.

No diluted earnings per share for the six months ended 30 September 2023 were presented as there were no potential ordinary shares in issue.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group write-off property, plant and equipment with an aggregate carrying amount of approximately HK\$Nil (six months ended 30 September 2022: HK\$29,000).

During the six months ended 30 September 2023, the Group acquired property, plant and equipment at a cost of approximately HK\$974,000 (six months ended 30 September 2022: HK\$22,000).

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

11. TRADE RECEIVABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Trade receivables	4,003	1,905
Less: allowance for expected credit losses	(1,735)	(1,735)
	2,268	170
Accounts receivables from brokers, dealers and clearing house	2,252	5,254
	4,520	5,424

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:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Within 30 days	2,106	–
Over 90 days	162	170
	2,268	170

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2023 <i>HK\$'000</i> (Unaudited)	31 March 2023 <i>HK\$'000</i> (Audited)
Prepayments	1,688	1,383
Deposits	2,650	917
Other receivables	190	190
	4,528	2,490

Analysed for reporting purpose as:

	2023 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current	404	390
Current	4,124	2,100
	4,528	2,490

13. TRADE PAYABLES

	30 September 2023 <i>HK\$'000</i> (Unaudited)	31 March 2023 <i>HK\$'000</i> (Audited)
Trade payables	4,362	3,126
Accounts payables to clients and clearing house	46,243	54,342
	50,605	57,468

Majority of the accounts payables to clients are repayable on demand except where certain accounts payables to clients represent deposits received from clients for their securities trading activities under normal course of business. Only the excess amounts over the required margin deposits are repayable on demand.

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

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

13. TRADE PAYABLES (CONTINUED)

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:

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Within 30 days	2,851	1,548
31–90 days	1,511	1,513
91–120 days	–	65
	4,362	3,126

14. SHARE CAPITAL

	Number of ordinary shares '000	Amount HK\$'000
Ordinary shares of		
Authorised:		
At 31 March 2023/30 September 2023	40,000,000	1,600,000
Issued and fully paid:		
At 31 March 2023/30 September 2023	2,284,255	91,370

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

15. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	For the three months ended 30 September		For the six months ended 30 September	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Salaries and other benefits	1,311	1,308	2,622	2,615
Retirement benefit scheme contributions	20	20	40	36
	1,331	1,328	2,662	2,651

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE

Revenue

The Group recorded revenue of approximately HK\$11,508,000 for the six months ended 30 September 2023, an increase of 5.05% when compared to the corresponding period in the last fiscal year. Revenue generated from financial services has decreased by approximately HK\$4.5 million while revenue generated from cryptocurrency business has increased by approximately HK\$4.5 million for the six months ended 30 September 2023. While the performance of equine services and properties investment are stable.

Direct Costs and Gross Profit

Our direct costs mainly comprise of direct operation fee and charges of securities brokerage and cost of cryptocurrency sold. The direct costs increased by approximately HK\$4.6 million to approximately HK\$5.4 million for the six months ended 30 September 2023. The increase is mainly due to the cost of cryptocurrency sold during the period.

Other operating income

Other operating income increased from approximately HK\$1.6 million for the six months ended 30 September 2022 to approximately HK\$10.6 million for the six months ended 30 September 2023. It mainly due to an insurance claim for a stallion of the Group.

Other gains and losses

Other losses decreased from approximately HK\$27.5 million for the six months ended 30 September 2022 to approximately HK\$2.7 million for the six months ended 30 September 2023. Such decrease mainly due to the decrease of impairment loss in respect of cryptocurrency.

Administrative Expenses

Administrative expenses made a decrease of approximately HK\$3.1 million to approximately HK\$13.9 million for the six months ended 30 September 2023, compared to approximately HK\$17.0 million for the six months ended 30 September 2022. The decrease was mainly due to the improvement of internal control and the decrease of depreciation expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the Period

The Group recorded a loss of approximately HK\$3.6 million for the six months ended 30 September 2023, representing a decrease of approximately HK\$35.3 million as compared with the loss of approximately HK\$38.9 million for the six months ended 30 September 2022, which is mainly due to (i) the insurance claim under other operating income and (ii) the dramatic drop of impairment loss in respect of cryptocurrency during the period.

BUSINESS REVIEW

The Group has four operating and reportable segments – cryptocurrency business, financial service operations, equine service operations and properties investment operations.

Following fluctuation of capital, interest rate and stock market, the lack of fund-raising activities and low transaction on stock market in Hong Kong, 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 to cope with the current unpredictable economic situation.

Since Bitcoin was launched in January 2009, it was the very first cryptocurrency created by blockchain technology and is now the most valuable and well known. Bitcoin runs on a decentralized computer network or distributed ledger that tracks transactions in the cryptocurrency. When computers on the network verify and process transactions, new bitcoins are created, or mined. These networked computers, or miners, process the transaction in exchange for a payment in Bitcoin. Validating transaction information and maintaining the integrity of the blockchain is mining's purpose, while the bitcoin reward is the incentive to mine. Bitcoin mining is necessary to maintain the ledger of transactions upon which Bitcoin is based.

MANAGEMENT DISCUSSION AND ANALYSIS

The market price per Bitcoin has increased from approximately US\$0.001 in 2009 to the peak of approximately US\$68,700 in 2021. Over US\$8 trillion worth of transactions was made on Bitcoin blockchain in 2022. The total market capitalization of Bitcoin is over US\$700 billion, more than 50% of total cryptocurrencies market capitalization among approximately 10,000 different cryptocurrencies in November 2023.

The Group started its Bitcoin mining business in April 2021. Although there was a downturn in the cryptocurrency market in 2022, the market price of Bitcoin dropped to approximately US\$16,400 in November 2022, following the prediction of spot Bitcoin ETF approval in the market, there is a strong rebound of the performance of Bitcoin price recently. The Group is confident with the future development of Bitcoin mining and will seek further development by adopting flexible approach.

Following the aging of stallions of the group, it is estimated that the revenue from this segment will decline in the coming financial years. The group does not any intention to further invest in this segment.

Although properties investment provided the group with positive and stable cashflow. The group does not any intention to further invest in this segment.

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 September 2023, the Group's net liabilities is approximately HK\$39,406,000, compared with the net liabilities of approximately HK\$32,705,000 as at 31 March 2023. The cash and bank balances as at 30 September 2023 was approximately HK\$57,423,000, representing a decrease of approximately 13.32% when compared with the balance as at 31 March 2023. During the six months ended 30 September 2023, the Group's operation was mainly financed by the internal fund.

CHARGES ON GROUP ASSETS

As at 30 September 2023, no plant and equipment of the Group was held under finance lease (2022: HK\$Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

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.

EMPLOYEE INFORMATION

The total number of employees was 26 as at 30 September 2023 (2022: 35), and the total remuneration for the six months ended 30 September 2023 was approximately HK\$9,136,000 (2022: HK\$9,209,000). 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 specific to each case. The Group may offer options to reward employees who make significant contributions and to retain key staff pursuant to the share option scheme of the Group. The remuneration policy of the Group is reviewed and approved by the Remuneration Committee as well as by the Board.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARE CAPITAL

As of 30 September 2023, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as required, pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(1) LONG POSITIONS IN THE SHARES OF THE COMPANY

Ordinary share of HK\$0.04 each of the Company

Name of Director	Nature of interests	Number of ordinary shares held	Capacity	Percentage of issued shares
Mr. Cheng Ting Kong	Corporate <i>(Note)</i>	1,437,914,040	Interest of a controlled corporation	62.95%

Note: These ordinary shares are held by Fresh Success Investment Limited. Fresh Success Investment Limited is beneficially owned as to 90% by Mr. Cheng Ting Kong.

Save as disclosed above, as at 30 September 2023, so far as is known to any of the Directors or the chief executive of the Company, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of part XV of the SFO (including interest and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

No share option has been granted or exercised under the Scheme during the three months ended 30 September 2023. No share option was outstanding as at 30 September 2023.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Shares for the six months ended 30 September 2023.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARE CAPITAL

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company, its holding companies or any of its subsidiaries was a party and in which a director of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as is known to any Directors or Chief Executives of the Company, as at 30 September 2023, the following person or corporations had equity interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company:

Long positions in the shares of the Company

Ordinary share of HK\$0.04 each of the Company

Name of Shareholders	Nature of interests	Number of ordinary shares held	Capacity	Percentage of issued shares
Fresh Success Investment Limited (<i>Note 1</i>)	Corporate	1,437,914,040	Beneficial owner	62.95%
Cheng Ting Kong (<i>Note 1</i>)	Corporate	1,437,914,040	Interest of a controlled corporation	62.95%
Raywell Holdings Limited (<i>Note 2</i>)	Corporate	135,430,000	Beneficial owner	5.93%
Yeung Hak Kan (<i>Note 2</i>)	Corporate	135,430,000	Interest of a controlled corporation	5.93%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARE CAPITAL

Notes:

1. Fresh Success Investment Limited is beneficially owned by as to 90% Mr. Cheng Ting Kong. Accordingly, Mr. Cheng Ting Kong is deemed under the SFO to be interested in the 1,437,914,000 shares beneficially owned by Fresh Success Investment Limited.
2. Raywell Holdings Limited is wholly and beneficially owned by Mr. Yeung Hak Kan. Accordingly, Mr. Yeung Hak Kan is deemed under the SFO to be interested in the 135,430,000 shares beneficially owned by Raywell Holdings Limited.

Save as disclosed above, as at 30 September 2023, the Company was not notified of any other relevant interests or short positions in the shares or underlying shares in the Company as recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO.

PRE-EMPTIVE RIGHTS

There are 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.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Mr. Cheng Tin Kong is the executive director of the Group and also is the shareholder of Imperium Credit Limited ("ICC"), a private company incorporated in Hong Kong and is a licensed money lender engaged in money lending business. ICC competes or may compete, either directly or indirectly, with the business of the Group.

The Board considers that, having considered the facts that:

- (i) the Group is capable of, and does carry on its business independently of, and on an arm's length basis with the competing business of the ICC;
- (ii) the Company has established corporate governance procedures to ensure business opportunities and performance are independently assessed and reviewed from time to time;
- (iii) Mr. Cheng Tin Kong is fully aware of their fiduciary duty to the Group, and will abstain from voting on any matter where there is or may be a conflict of interest; and
- (iv) The group have the first right of refusal in accepting or rejecting to provide services to the client, and Mr. Cheng Tin Kong only refer new clients to ICC after the group decide not to proceed with such client.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARE CAPITAL

Since (i) all the major and important corporate actions of the Company are and will be fully deliberated and determined by the Board; and (ii) any director(s) who is/are or deemed to be interested in any proposed transaction(s) will have his/their interest fully disclosed and will abstain from voting at the relevant resolution(s) in accordance with the applicable requirements of the New Bye-laws of the Company, the Board is of the view that each of the Relevant Directors does not, by himself/herself or in an individual capacity, competes with the Company and/or the business of the Group. The Group's interest is adequately safeguarded.

COMPETITION AND CONFLICT OF INTERESTS

Except of the above, as at 30 September 2023, none of the directors, the management shareholders (as defined in the GEM Listing Rules) or the substantial shareholders of the Company, or any of their respective associates, has engaged in any business that competes or may compete with the businesses of the Group or has any other conflict of interests with the Group.

AUDIT COMMITTEE

The Company set up an audit committee ("Audit Committee") on 29 November 2000 with written terms of reference in compliance with the GEM Listing Rules for the purpose of reviewing and providing supervision over the financial reporting process and internal controls of the Group. During the period under review, the Audit Committee comprised three members, Mr. Tou Kin Chuen, Mr. Chan Tin Lup, Trevor and Mr. Hong Haiji, all of them are Independent Non-executive Directors and Mr. Tou Kin Chuen was appointed as the chairman of the Audit Committee. The results for the six months ended 30 September 2023 were reviewed by the Audit Committee.

REMUNERATION COMMITTEE

According to the Code on Corporate Governance Practices, the Company established its remuneration committee ("Remuneration Committee") on 18 March 2005. During the period under review, the Remuneration Committee comprised three members, Mr. Tou Kin Chuen, Mr. Chan Tin Lup, Trevor and Mr. Hong Haiji, 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.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARE CAPITAL

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the period under review, the Company continued to adopt a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors.

CORPORATE GOVERNANCE PRACTICE

During the six months ended 30 September 2023, the Company has applied the principles and complied with all the code provisions as set out in the Corporate Governance Code in Appendix 15 to the GEM Listing Rules (the "CG Code"), save for the deviations discussed below:

Pursuant to E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company. Mr. Cheng Ting Kong (chairman of the Board) was unable to attend the 2022 AGM due to unexpected engagement. Mr. Lui Man Wah (Executive Director and chief executive officer of the Company) was appointed as the chairman of the 2022 AGM in replying to questions raised by shareholders at the 2022 AGM.

The Group will keep on reviewing its corporate governance standards on a timely basis and the Board endeavours to take all necessary actions to ensure the compliance with the Code Provisions set out in the CG Code.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period under review.

BOARD OF DIRECTORS

As at the date of this report, the Board comprises three executive Directors, namely, Mr. Cheng Ting Kong, 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.

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

Hong Kong, 13 November 2023