Imperium Technology Group Limited
帝 國 科 技 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0776)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "**Board**") of directors (the "**Directors**") of Imperium Technology Group Limited (the "**Company**") is pleased to announce the unaudited results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025 (the "**Period**"), together with the unaudited comparative figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Unaudited	
		Six months ended 30 June	
		2025	2024
	Note	***HK$'000***	*HK$'000*
REVENUE		**27,461**	28,283
Cost of sales		**(14,912)**	(21,374)
Gross profit		**12,549**	6,909
Other income	*4*	**2,331**	6,749
Distribution costs		**(341)**	(1,071)
Administrative expenses		**(26,542)**	(29,257)
LOSS FROM OPERATIONS		**(12,003)**	(16,670)

	Note	Unaudited Six months ended 30 June **2025** ***HK$'000***	 2024 *HK$'000*
Finance costs		**(8,259)**	(8,761)
LOSS BEFORE TAX		**(20,262)**	(25,431)
Income tax expense	*5*	**(52)**	—
LOSS FOR THE PERIOD		**(20,314)**	(25,431)
Loss for the period attributable to:			
Owners of the Company		**(20,046)**	(26,039)
Non-controlling interests		**(268)**	608
		(20,314)	(25,431)
LOSS PER SHARE			
Basic	*7*	**(0.06)**	(0.08)
Diluted		**(0.06)**	(0.08)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
LOSS FOR THE PERIOD	**(20,314)**	(25,431)
Other comprehensive income/(expenses):		
Item that may be reclassified to profit or loss:		
Exchange differences arising on translating foreign operations	**34**	(1,109)
Other comprehensive income/(expenses) for the period, net of tax	**34**	(1,109)
Total comprehensive expenses for the period	**(20,280)**	(26,540)
Attributable to:		
Owners of the Company	**(20,012)**	(27,148)
Non-controlling interests	**(268)**	608
	(20,280)	(26,540)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Note	**Unaudited At 30 June 2025 HK$'000**	Audited At 31 December 2024 HK$'000
Non-current assets			
Property, plant and equipment	*8*	**7,216**	8,840
Investment properties		**21,681**	19,699
Goodwill		**—**	—
Intangible assets		**6,997**	5,220
Prepayments for acquisition of property, plant and equipment		**—**	2,591
Deposits, other receivable and prepayments		**1,096**	7,068
		36,990	43,418
Current assets			
Inventories		**471**	221
Loan receivables and interest receivables		**—**	—
Trade receivables	*9*	**10,401**	19,455
Current tax assets		**25**	24
Deposits, other receivables and prepayments		**9,547**	9,487
Cryptocurrencies		**1,800**	2,179
Cryptocurrency deposits and receivables		**1,881**	3,884
Cash and bank balances		**29,719**	8,491
		53,844	43,741
Current liabilities			
Trade payables	*10*	**2,066**	3,786
Other borrowings		**25,000**	—
Lease liabilities		**1,281**	2,333
Loans from related parties	*11*	**190,683**	212,721
Other payables and accruals		**41,055**	41,646
Contract liabilities		**24**	55
		260,109	260,541

	Note	Unaudited At 30 June 2025 HK$'000	Audited At 31 December 2024 HK$'000
NET CURRENT LIABILITIES		**(206,265)**	(216,800)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(169,275)**	(173,382)
Non-current liabilities			
Lease liabilities		**2,428**	2,834
Loans from related parties	*11*	**—**	1,963
Other payables		**325**	276
Deferred tax liabilities		**894**	795
		3,647	5,868
NET LIABILITIES		**(172,922)**	(179,250)
CAPITAL AND RESERVES			
Share capital	*12*	**3,732**	3,732
Reserves		**(179,008)**	(185,604)
Deficits attributable to owners of the Company		**(175,276)**	(181,872)
Non-controlling interests		**2,354**	2,622
CAPITAL DEFICIENCY		**(172,922)**	(179,250)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Total equity of the Group at 1 January	**(179,250)**	(252,815)
Changes in equity during the period:		
— Exchange differences arising on translating on foreign operations	**34**	(1,109)
— Loss for the period	**(20,314)**	(25,431)
Total comprehensive loss for the period	**(20,280)**	(26,540)
Capital contribution	**26,608**	148
Total equity of the Group at 30 June	**(172,922)**	(279,207)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Net cash generated from (used in) operating activities	**455**	(4,113)
Net cash generated from investing activities	**4,437**	498
Net cash generated from financing activities	**18,526**	4,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	**23,418**	385
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**8,491**	10,189
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(2,190)**	(1,086)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**29,719**	9,488
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**29,719**	9,488

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Room 02, 26/F., One Harbour Square, No. 181 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. The condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated, which is the Company's functional and presentation currency.

In the opinion of the Directors, Diamond State Holdings Limited, a company incorporated in the British Virgin Islands, is the immediate parent and Mr. Cheng Ting Kong ("**Mr. Cheng**") is the ultimate controlling party of the Company.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure provision of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Group incurred a net loss and operating cash inflow of approximately HK$20,314,000 (2024: HK$25,431,000) and HK$455,000 (2024: cash outflow of HK$4,113,000) respectively during the six months period ended 30 June 2025 and, as of that date, the Group had net current liabilities and net liabilities of approximately HK$206,265,000 (2024: HK$216,800,000) and HK$172,922,000 (2024: HK$179,250,000) respectively.

Further, as at 30 June 2025, the Group had loans from related parties with a total principal amount of approximately HK$212,040,000 due to Mr. Cheng and related companies, which are beneficially owned and controlled by Mr. Cheng, of which HK$212,040,000 will mature in 2026 while the Group recorded cash and bank balances of approximately HK$29,719,000 as at 30 June 2025. Considering the above conditions, the Company remains cautious about its liquidity in the near term. The condition indicates the existence of a material uncertainty which may cost significant doubt on the Group's ability to continue as a going concern.

Notwithstanding this fact, the Directors consider it is appropriate to prepare condensed consolidated financial statements on a going concern basis as the Group is expected to have sufficient financial resources to meet its obligations as they fall due for at least the next twelve months based on its projected cash flow forecasts. In preparing the condensed consolidated financial statements of the Group, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to finance its future working capital and fulfill its financial obligations and continue as a going concern. Certain plans and measures are being or will be taken to manage its liquidity needs and to improve its financial position, which include, but are not limited to, the following:

(i) The Group will continuously adopt a monitoring process on the repayment status of trade receivables in order to seek to achieve timely collection and improve its operating cash flows and financial position;

(ii) The Group will continuously take measures to tighten cost control over various costs in order to seek to achieve profit and operating cash inflows and seek to implement various strategies to enhance the Group's revenue;

(iii) The Group will continue negotiations with its creditors for extension of its debts when they fall due and seek alternative debt and/or equity financing to meet cash flow requirements; and

(iv) Pursuant to the extension letter dated 18 March 2025, the ultimate controlling party of the Company agreed to extend the repayment date for all loans and interest payable amounting to approximately HK$212,040,000 and HK$13,198,000 respectively up to 30 June 2026.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the Group's condensed consolidated financial statements as the condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at fair value, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial information for the year ended 31 December 2024.

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

Amendments to HKAS 21	Lack of Exchange ability

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

3. SEGMENT INFORMATION

Information reported to the executive Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. For management purposes, the Group has six (2024: six) reportable segments, online game, esports, cloud computing and data storage, property investment and others represent household products and money lending.

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

2025

	Online game *HK$'000*	Cloud computing and data storage *HK$'000*	Esports *HK$'000*	Property investment *HK$'000*	Others *HK$'000*	Total *HK$'000*
Six months ended 30 June 2025 (unaudited)						
Revenue from external customers	9,584	1,473	15,511	693	200	27,461
Segment (loss)/profit	(4,540)	(6,178)	1,048	1,241	186	(8,243)
Interest revenue	—	—	—	—	—	—
Interest expense	(54)	(1,605)	(1,199)	—	—	(2,858)
Depreciation and amortisation	(637)	(885)	(3,486)	—	—	(5,008)
Other material non-cash item:						
— Impairment of assets, net						
Impairment loss of receivables	(3,067)	—	—	—	—	(3,067)
Write-down of cryptocurrencies	—	(3,118)	—	—	—	(3,118)
Net fair value gain on investment properties	—	—	—	523	—	523
Addition to segment non-current assets	—	77	21	—	—	98
As at 30 June 2025						
Segment assets	10,291	5,209	31,106	21,681	4,788	73,075

2024

	Online game HK$'000	Cloud computing and data storage HK$'000	Esports HK$'000	Property investment HK$'000	Others HK$'000	Total HK$'000
Six months ended 30 June 2024 (unaudited)						
Revenue from external customers	12,404	2,152	12,002	622	1,103	28,283
Segment (loss)/profit	(6,446)	(7,649)	(408)	2,534	(150)	(12,119)
Interest revenue	1	—	2	—	2	5
Interest expense	(15)	(959)	(983)	—	—	(1,957)
Depreciation and amortisation	(1,001)	(3,420)	(4,180)	—	—	(8,601)
Other material non-cash item:						
— Impairment of assets, net						
Write-down of cryptocurrencies	—	(4,355)	—	—	—	(4,355)
Net fair value gain on investment properties	—	—	—	1,912	—	1,912
Addition to segment non-current assets	17	—	164	—	—	181
As at 30 June 2024						
Segment assets	12,659	5,537	26,960	20,342	5,336	70,834

Reconciliations of segment assets:

	At 30 June 2025 (unaudited) *HK$'000*	At 31 December 2024 (audited) *HK$'000*
Assets		
Total assets of reportable segment	**73,075**	82,965
Unallocated deposits, other receivables and prepayments	**734**	884
Unallocated cash and bank balances	**16,802**	2,428
Unallocated other corporate assets	**223**	882
Consolidated total assets	**90,834**	87,159

Reconciliation of reportable segment revenue and results:

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Profit or loss		
Total loss of reportable segments	**(8,243)**	(12,119)
Unallocated finance costs	**(5,389)**	(8,665)
Unallocated corporate income	**—**	—
Unallocated corporate expenses	**(6,682)**	(4,647)
Consolidated loss for the period	**(20,314)**	(25,431)

4. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Government grants	**24**	40
Bank interest income	**—**	5
Net fair value gain on investment properties	**523**	1,912
Gain on disposal of cryptocurrencies	**—**	121
Gain on disposal of property, plant and equipment	**1,702**	2,866
Others	**82**	1,805
	2,331	6,749

5. INCOME TAX EXPENSE

Under the two-tiered Profits Tax regime, the first HK$2 million of profits of qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5% (2024: 16.5%).

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the Enterprise Income Tax tax rate of the PRC subsidiaries has been provided at a rate of 25% (2024: 25%) on the estimated assessable profits for the Period.

Malaysia Corporate Tax has been provided at a rate of 24% (2024: 24%) on the estimated assessable profit for the Period.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

6. DIVIDEND

No dividend has been paid, declared or proposed during the Period. The Directors have determined that no dividend will be paid in respect of the interim period (2024: Nil).

7. LOSS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company, for the purpose of calculating basic and diluted loss per share	**(20,046)**	(26,039)

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**353,473,000**	311,036,000

Potential ordinary shares from the assumed exercise of share options have not been included in the calculation of diluted losses per share because they are anti-dilutive for the six months ended 30 June 2025 and 30 June 2024. Therefore, diluted loss per share was the same as the basic loss per share for the six months ended 30 June 2025 and 2024 respectively.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group had additions to property, plant and equipment in the amount of approximately HK$98,000 (2024: HK$181,000). The Group has gain on disposal of property, plant and equipment under the category of mining equipment in amount of approximately HK$1,702,000 (2024: HK$2,866,000) for the Period.

9. TRADE RECEIVABLES

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

	At 30 June 2025 (unaudited) *HK$'000*	At 31 December 2024 (audited) *HK$'000*
0–30 days	**7,393**	5,888
31–60 days	**308**	827
61–90 days	**712**	2,772
Over 90 days	**1,988**	9,968
Total	**10,401**	19,455

10. TRADE PAYABLES

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

	At 30 June 2025 (unaudited) *HK$'000*	At 31 December 2024 (audited) *HK$'000*
0–30 days	**1,061**	560
31–60 days	**297**	556
61–90 days	**257**	737
Over 90 days	**451**	1,933
Total	**2,066**	3,786

11. LOANS FROM RELATED PARTIES

As at 30 June 2025, the Group received loans from Mr. Cheng and related companies, which are companies beneficially owned and controlled by Mr. Cheng with aggregate principal amount of HK$212,040,000 (2024: HK$219,000,000). These loans were unsecured, interest bearing from 0% to 2% (2024: from 0% to 2%) per annum and repayable within one year. The fair value of these loans were estimated at the prevailing market interest rates for equivalent loans which ranged from 11.41% to 15.28% (2024: from 4.64% to 7.26%) per annum on initial recognition.

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

	2025	2024
	HK$'000	*HK$'000*
Within one year	**190,683**	212,721
Within a period of more than one year but not exceeding two years	**—**	1,963
	190,683	214,684
Less: Amounts due within one year shown under current liabilities	**(190,683)**	(212,721)
Amount shown under non-current liabilities	**—**	1,963

12. SHARE CAPITAL

	Ordinary shares of HK$0.01 each	
	Number of shares	**Par value**
		HK$'000
Authorised:		
Ordinary shares,		
At 1 January 2024 (audited), 31 December 2024 (audited), 1 January 2025 (unaudited) and 30 June 2025 (unaudited)	500,000,000	50,000
Issued and fully paid:		
Ordinary shares,		
At 1 January 2024	311,036,000	3,110
Placing and subscription of shares	62,207,200	622
At 31 December 2024, 1 January 2025, and 30 June 2025	373,243,200	3,732

13. OPERATING LEASE ARRANGEMENTS

The Group as lessor

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

Minimum lease payments receivable on leases are as follows:

	At 30 June 2025 (unaudited) ***HK$'000***	At 31 December 2024 (audited) *HK$'000*
Within one year	**1,277**	585
In the second year	**531**	429
Total	**1,808**	1,014

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

	At 30 June 2025 (unaudited) ***HK$'000***	At 31 December 2024 (audited) *HK$'000*
Rental income on operating leases related to:		
— Investment property	**693**	1,257
— Plant and machinery	**440**	965
	1,133	2,222

14. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosure of level in fair value hierarchy:

At 30 June 2025

Description	**Fair value measurements using:**			**Total**
	Level 1 (unaudited) *HK$'000*	**Level 2 (unaudited)** *HK$'000*	**Level 3 (unaudited)** *HK$'000*	**At 30 June 2025 (unaudited)** *HK$'000*
Recurring fair value measurements:				
Investment properties				
Office units — Malaysia	**—**	**—**	**21,681**	**21,681**

At 31 December 2024

Description	Fair value measurements using:			Total
	Level 1 (audited) *HK$'000*	Level 2 (audited) *HK$'000*	Level 3 (audited) *HK$'000*	At 31 December 2024 (audited) *HK$'000*
Recurring fair value measurements:				
Investment properties				
Office units — Malaysia	—	—	19,699	19,699

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

Description	Investment properties (unaudited) *HK$'000*
At 1 January 2024	**19,169**
Net fair value gain recognised in profit or loss	**104**
Exchange difference	**426**
At 31 December 2024 and 1 January 2025	**19,699**
Net fair value gain recognised in profit or loss	**523**
Exchange difference	**1,459**
At 30 June 2025	**21,681**

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

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board at least twice a year.

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

Level 3 fair value measurements

	Fair value				
	30 June 2025	31 December 2024	**Valuation technique**	**Significant unobservable input**	**Range**
	HK$'000	*HK$'000*			
Investment properties — Office units located in Malaysia	**21,681**	19,699	Income approach	(1) Reversionary yield	6.5% (2024: 6.5%)
				(2) Monthly market rent per sq. ft.	RM3.2 (2024: RM3.0)

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

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

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

There was no transfer into or out of Level 3 fair value measurement during the Period and year ended 31 December 2024 respectively.

15. RELATED PARTY TRANSACTIONS

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

(a) Key management personnel compensation

The key management personnel of the Group comprise all Directors. Details of their emoluments were disclosed as follows:

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Directors' remuneration	**1,623**	1,488

(b) Transactions with related parties

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Interest expense paid to		
— Imperium Credit Limited	**—**	(1,624)
— Sun International Group Limited	**(3,352)**	(3,736)
— Imperium Group (Holdings) Limited	**(2,030)**	(1,626)
— Mr. Cheng	**(2,423)**	(1,553)
Rental income from		
— Mr. Cheng	**2**	134
License fee charged by		
— Imperium Interactive Entertainment Limited	**—**	1
Game published serve revenue from		
— Imperium Interactive Entertainment Limited	**—**	3,067

(c) Balance with related parties

At 30 June 2025 and 31 December 2024, the Group had the following balances with related parties:

	At 30 June 2025 (unaudited) ***HK$'000***	At 31 December 2024 (audited) *HK$'000*
Loans from related parties and related interest payable		
— Imperium Credit Limited	**(5,100)**	(5,100)
— Sun International Group Limited	**(102,244)**	(113,750)
— Imperium Group (Holdings) Limited	**(45,033)**	(53,150)
— Mr. Cheng	**(50,904)**	(53,634)
— Mr. Yeung Tong Seng Terry	**(600)**	(600)
Amount due from/(to) related parties		
— Imperium interactive Entertainment Limited	**(320)**	2,748

BUSINESS REVIEW AND OUTLOOK

Industry Review

The global economy is predicted to grow at 3.2% in 2024 and 3.5% in 2025 amid geopolitical and macroeconomic uncertainties. According to the marketing report issued by NewZoo, the total revenue in the global game market is also expected to grow with a compounded annual growth rate ("**CAGR**") of 3.1% from 2022 to 2027. The pace of development of the gaming industry has fallen from its peak and becomes more in line with the overall economy. During the Period, the digital economy continued to grow strongly with artificial intelligence ("**AI**"), software and cybersecurity as significant drivers.

Business Review

Since 2018, the Group has transformed itself into a leading player in the realms of online game publishing, cloud computing related services and esports which form the three pillars of the Group. At the heart of the Group's success is its unwavering commitment to innovation. By leveraging cutting-edge technologies and a deep understanding of consumer behavior, the Group targets to create a portfolio of groundbreaking products and services that are captivating audiences around the world. The Group's ongoing efforts to develop the Metasens, especially the Holosens project is a testimonial to our vision. To date, we have accumulated valuable experience and business network in this fast-growing arena which will remain one of the major drivers of economic growth in the near future.

In the Period, the Group's total revenue decreased by approximately 2.9% to approximately HK$27,461,000 (2024: HK$28,283,000), mainly due to decrease in sales from the household products segment and the lack of contribution from the Metasens projects. The revenue from the esports segment has increased compared to six months ended 30 June 2024. Loss attributable to shareholders of the Company for the Period was approximately HK$20,046,000 (2024: HK$26,039,000). The decreases in loss as compared to that for six months ended 30 June 2024 are mainly attributed to reduction in research and development costs for Holosens.

Online Game business

The Group continues publishing licensed online games including "Jiuyin Zhenjing" 《九陰真經》 in Southeast Asia region and "Champion Horse Racing" over the world. The Group has scaled down its development of Holosens amid rapidly changing AI environment and related customer needs.

The revenue from the online game business of the Group decreased by approximately 22.7% to HK$9,584,000 for the Period (2024: HK$12,404,000). The revenue generated from the two online games increased moderately during the Period while the participation in "Myth of Empires" contributed approximately HK$3,067,000 in revenue to the segment in 2024. The segment loss was approximately HK$4,540,000 (2024: HK$6,446,000) representing primarily the cost incurred in the development of the Holosens project and impairment loss of trade receivables.

Cloud computing and data storage business

The revenue from cloud computing and data storage business of the Group for the Period was approximately HK$1,473,000 (2024: HK$2,152,000), representing decrease of approximately 31.6%. The decrease was driven mainly by reduction in unit output of Filecoin as the size of the system expanded over time. The segment loss was approximately HK$6,178,000 (2024: HK$7,649,000) due to decrease in market price of the cryptocurrencies and cessation of the Bitcoin operation.

Going forward, the Group will explore opportunities in the development of Web3 and the possibility of provision of IT consulting services to leverage its knowhow in blockchain technology to assist clients in transforming its business operations and exploration of new business models.

Esports business

The revenue from esports business of the Group for the Period was approximately HK$15,511,000 (2024: HK$12,002,000), representing an increase of approximately 29.2%, and resulted in the segment profit of approximately HK$1,048,000 (2024: segment loss of HK$408,000). The League of Legends: Wildrift teams and the Valorant team have achieved remarkable results during the Period and contributed to the growth of the segment.

Other businesses

For the Period, the Group's revenue from property investment business was approximately HK$693,000 (2024: HK$622,000), mainly due to increase in rental income. The segment profit was approximately HK$1,241,000 (2024: HK$2,534,000) as the fair value of investment properties increased during the Period.

The revenue from the remaining business, namely household products business and money lending business for the Period was approximately HK$200,000 (2024: HK$1,103,000), while the combined gain was approximately HK$186,000 (2024: loss of HK$150,000). The Group will take initiatives to increase revenue by strengthening its customer base.

Future Prospects

Looking ahead, the Group will continue to invest resources to further explore business opportunities relating to blockchain technology, AI and Web3. This may also be extended beyond the existing segments to other businesses sectors. Given the market environment in these areas would change rapidly, the Group will continue to exercise caution when developing these projects.

FINANCIAL REVIEW

The Group's revenue for the six months ended 30 June 2025 amounted to approximately HK$27.5 million, representing a decrease of approximately 2.9% over the corresponding period of 2024. Such decrease is mainly due to the decrease of sales of household products business and online game business.

Gross profit margin of the Group increased from 24.4% to approximately 45.7% for the Period was mainly due to increase gross profit margin of online game business and esports business.

Other income decreased from approximately HK$6.7 million for the six months ended 30 June 2024 to approximately HK$2.3 million for the Period, mainly due to gain on disposal of mining equipment and net fair value gain on investment properties.

Distribution costs decreased from approximately HK$1.1 million for the six months ended 30 June 2024 to approximately HK$0.3 million for the Period, as there was decrease in marketing expenses for online game business during the Period.

Administrative expenses decreased from approximately HK$29.3 million for the six months ended 30 June 2024 to approximately HK$26.5 million for the Period, mainly due to the decrease in staff costs and reduction in research and development costs.

The loss for period attributable to owners of the Company decreased from approximately HK$26.0 million for the six months ended 30 June 2024 to approximately HK$20.0 million for the Period, mainly due to staff costs and reduction in research and development costs.

The total assets increased from approximately HK$87.2 million as at 31 December 2024 to approximately HK$90.8 million as at 30 June 2025, mainly due to increase in investment properties and cash and bank balances.

LIQUIDITY, FINANCIAL RESOURCES, FUNDING AND TREASURY POLICY

As at 30 June 2025, the Group had cash and bank balances of approximately HK$29.7 million (as at 31 December 2024: HK$8.5 million).

As at 30 June 2025, the Group had current assets of approximately HK$53.8 million (31 December 2024: HK$43.7 million) and current liabilities of approximately HK$260.1 million (31 December 2024: HK$260.5 million).

As at 30 June 2025, the Group had loan from related parties of approximately HK$190.7 million (31 December 2024: HK$214.7 million). The loan from related parties carried interest at fixed rate and repayable within one year.

On 14 March 2025, the Company entered into a revolving loan facilitate with an independent third party for an amount up to HK$25,000,000. The rate of interest applicable to the loan facilities shall be 12% per annum from the date of drawdown. All loan facilities have been fully utilised during the Period.

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

BANK BORROWINGS

No bank borrowings as at 30 June 2025 and 31 December 2024.

GEARING RATIO

As at 30 June 2025, the Group's gearing ratio, which was derived from loan from related companies and other borrowings to total assets, decreased to 237.4% from that of 246.3% as at 31 December 2024.

COMMITMENTS

As at 30 June 2025 and 31 December 2024, the Group had no capital commitments.

CAPITAL STRUCTURE

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

MATERIAL ACQUISITION AND DISPOSAL

No material acquisition and disposal during the Period.

DIVIDENDS

The Board has resolved not to declare an interim dividend for the Period (2024: Nil).

FOREIGN EXCHANGE EXPOSURE

Most of the trading transactions, assets and liabilities of the Group were denominated in Renminbi, United States dollars, Hong Kong dollars, Malaysia Ringgit and Thai Baht.

CONTINGENT LIABILITIES

As at 30 June 2025 and 31 December 2024, the Group had no material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group employed 131 staff. The Group's remuneration to employees, including Directors' emoluments, amounted to approximately HK$13,059,000 for the Period. The Group reviews employee remuneration annually and rewards its employee with reference to the length of services and performance. The Group also grants share options and bonuses to employees of the Group at the discretion of the Directors and based on the financial performance of the Group.

USE OF PROCEEDS FROM THE PLACING OF SHARES

The following set forth a summary of utilization of the Net Proceeds as at 30 June 2025:

Business Strategy	**Net Proceeds from Placing Shares** *(HK$ million)*	**Amount utilized as at 30 June 2025** *(HK$ million)*	**Amount unutilized as at 30 June 2025** *(HK$ million)*
Repayment of loans	99.7	99.7	—
General working capital	10.0	10.0	—
Total	109.7	109.7	—

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (the "**Associated Corporations**") as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") were as follows:

Name of Director	Personal interests	Family interests	Corporate interests	Total	Percentage of aggregate interests to total number of Shares in issue *(Note 4)*
Mr. Cheng	—	—	72,888,480 (L) *(Note 2)*	72,888,480 (L) *(Note 1)*	19.53%
Mr. Yeung Tong Seng Terry	—	—	1,900,000 (L) *(Note 4)*	1,900,000 (L)	0.51%

Notes:

1. The letter "L" represents the Director's interests in the Shares and underlying Shares or, as the case may be, the equity interest of the Company or its associated corporations.

2. This represents interests held by Mr. Cheng through Diamond State Holdings Limited ("**Diamond State**"), which holds 72,888,480 Shares. As Mr. Cheng has 100% interest in Diamond State, he is deemed to be interested in 72,888,480 Shares.

3. This represents interest held by Mr. Yeung Tong Seng Terry through Bluemount investment Fund SPC ("**Bluemount Investment**"), which holds 1,900,000 Shares of the Company. As Mr. Yeung Tong Seng Terry has 100% interest in Bluemount Investment, he is deemed to be interested in 1,900,000 Shares.

4. The percentage has been adjusted based on the total number of Shares in issue as at 30 June 2025 (i.e. 373,243,200 Shares).

5. Mr. Cheng has resigned as an executive Director of the Company and the chairman of the Board with effect from 3 July 2025

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executives of the Company had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, the following substantial shareholders had interests or short positions in the shares or the underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO. Other than the interests disclosed below, the Directors were not aware of any other persons who had interests or short positions in the shares or the underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Substantial Shareholders	Number of shares interested in	Capacity	Approximate percentage of the total issue capital of the Company *(Note 2)*
Diamond State *(Note 1)*	72,888,480	Beneficial owner	19.53%
Mr. Cheng *(Note 1)*	72,888,480	Interest through a controlled corporation	19.53%

Notes:

1. According to the record in the register kept under section 336 of the SFO, Diamond State, which 100% of issued share capital is owned by Mr. Cheng and he is therefore deemed to be interested in 72,888,480 shares of the Company.

2. The percentage has been adjusted based on the total number of shares of the Company in issue as at 30 June 2025 (i.e. 373,243,200 shares).

SHARE OPTION

On 27 June 2025, a resolution was passed in the 2025 annual general meeting of the Company to adopt a share option scheme (the "**Share Option Scheme**").

The Listing Committee of the Stock Exchange has granted the listing of, and permission to deal in the shares of the Company which may fall to be issued pursuant to the exercise of the options which was granted and/or may be granted under the Share Option Scheme subsequently.

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

Share Option Scheme

Purpose

The purpose of the Share Option Scheme is to provide Eligible Participants to recognize and acknowledge the contributions which the Eligible Participants have made to the Group and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

Participants

Eligible Participants of the Share Option Scheme comprise Employee Participants and Service Providers.

In respect of the eligibility of Employee Participants, the Board will consider, including but not limited to (i) skills, knowledge, experience, expertise and other relevant personal qualities; (ii) performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) contribution made or expected to be made to the growth of the Group and the positive impacts which he/she may bring to the Group's business and development; (iv) educational and professional qualifications, and knowledge in the industry; and (v) whether granting Options to him/her is an appropriate incentive to motivate him/her to continue to contribute towards the betterment of the Group.

In the case of Service Providers, which can be generally categorized by their services as set out in Rule 17.03(2), including: (a) services related to the design, development and operation of online game that would substantially increase the financial performance of the Group; (b) technical consulting services for the planning, construction, development, and management and/or operation of cloud computing and data storage and related services that would significantly enhance the competitiveness of the Group; and (c) advisory services and consultancy services for the development and supervision projects on areas related to the online game and cloud computing and data storage business that are necessary from a commercial perspective to help maintain or enhance the competitiveness of the Group. Notwithstanding the above, this does not include placing agents or financial advisers providing services for fundraising, mergers or acquisitions.

Exercise price

The exercise price in relation to each Option shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; and (ii) the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five (5) business days immediately preceding the date of grant.

Total number of share options available for grant

As at 30 June 2025, the total number of share options available for grant under the Share Option Scheme was 37,324,320. The number of shares that may be issued in respect of options granted under all share option schemes during the Period divided by the weighted average number of ordinary shares in issue for the year is 0.1.

Total number of shares available for issue and the percentage of the issued share capital that it represents as at the date of this interim report 42,056,752 shares, being approximately 11.27% of the issued shares of the Company.

Maximum numbers of shares available for subscription

The total number of new Shares which may be issued pursuant to the exercise of Options granted under the Share Option Scheme must not exceed 10% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Adoption Date, subject to the Scheme Mandate Limit.

Within the Scheme Limit, the total number of new Shares which may be issued pursuant to the exercise of Options granted to Service Providers shall be no more than 2.5% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Adoption Date.

Maximum entitlement of each participant

Not exceed 1% of the shares in issue in any 12-month period

Period within which the securities must be taken up under the option

Subject to the discretion by the Board and, in the absence of which, from the date of acceptance to the earlier of the date on which such option lapses and 10 years from the date of offer.

Minimum period for which an option must be held before it can be exercised

The vesting period of the Options granted under the Share Option Scheme shall be determined by the Board subject to a minimum period of no less than 12 months. However, where the Eligible Participant is an Employee, the Remuneration Committee (in the case where such Employee is a Director or a senior manager identified by the Company) or the Directors (in the case where such Employee is neither a Director nor a senior manager identified by the Company) shall have the authority to determine a shorter vesting period.

Acceptance of the option

An Option shall be deemed to have been granted and accepted by the grantee and to have taken effect upon the date of grant unless the grantee rejects the grant in writing within 14 days after the date of grant. Any Option so rejected shall be deemed null and void and never to have been granted. Any rejected option will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. No consideration is payable by the grantee on the acceptance of an Option.

Amount payable on acceptance

No purchase price is payable by Eligible Participants upon acceptance of Options to be granted under the Share Option Scheme

Remaining life of the scheme

The Share Option Scheme shall be valid and effective for the period of 10 years commencing on 27 June 2025. On and after the 10th anniversary of the Adoption Date, no further Options shall be granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect. Options which are granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of issue.

Employees and other eligible participants

The following table discloses movements of the Company's share options during the periods ended 30 June 2025:

Name	Date of grant	Exercise price HK$	Exercisable period	Number of share options: Outstanding at 1.1.2025	Granted during the period	Exercised during the period	Lapsed/ cancelled during the period	Outstanding at 30.6.2025	Closing price of the Shares immediately before the date on which the Share Options were granted
Executive director									
Lin Junwei	28.9.2021	11.04	155,518 options (28.9.2022 to 27.9.2031) 155,518 options (28.3.2023 to 27.9.2031)	311,036	–	–	–	311,036	11.04
Yeung Tong Seng Terry	18.1.2022	17.14	1,555,180 options (28.9.2022 to 27.9.2031) 1,555,180 options (28.3.2023 to 27.9.2031)	3,110,360	–	–	–	3,110,360	17.02
Li Ting Ting	28.9.2021	11.04	500,000 options (28.9.2022 to 27.9.2031) 500,000 options (28.3.2023 to 27.9.2031)	1,000,000	–	–	–	1,000,000	11.04
Senior management									
Luk Wai Keung	28.9.2021	11.04	155,518 options (28.9.2022 to 27.9.2031) 155,518 options (28.3.2023 to 27.9.2031)	311,036	–	–	–	311,036	11.04
				4,732,432	–	–	–	4,732,432	

The fair value of the share options were calculated using the Binomial Model (the "**Model**") at grant date. The inputs into the Model were as follows:

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

Fair values of the share options were with reference to the valuation carried out by an independent firm of professional valuers.

Expected volatility was determined by using the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The risk free interest rate was estimated based on the yield of 5-year exchange fund note issued by the Hong Kong Monetary Authority as of the grant date.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company or any of its subsidiaries or its holding company, was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Period under review or any time during the Period under review save and except for the transactions disclosed as connected and/or related party transactions in accordance with the requirements of the Listing Rules and accounting principles generally accepted in Hong Kong.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares for the Period.

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in accordance with the Listing Rules. The primary duties of the Audit Committee are to review the Company's interim and annual reports and accounts and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing internal control procedures of the Group. The Audit Committee comprises of three independent non-executive Directors, namely Mr. Fung Tze Wa (Chairman), Ms. Han Pingping and Mr. Hui Ka Lung.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the Period.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code, set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions of the Directors. On specific enquiries made, all directors have confirmed that they have complied with the required standard as set out in the Model Code during the Period.

Employees who are likely to be in possession of unpublished price sensitive information of the Company are also subject to compliance with guidelines on no less exacting terms than the Model Code.

By order of the Board
Imperium Technology Group Limited
Lin Junwei
Executive Director

Hong Kong, 30 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. Lin Junwei, Mr. Yeung Tong Seng Terry, Mr. Xiao Junjia and Ms. Li Tingting; and the independent non-executive directors of the Company are Mr. Fung Tze Wa, Ms. Han Pingping and Mr. Hui Ka Lung.