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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Reference is made to the annual report of Imperium Technology Group Limited (“**Company**” and together with its subsidiaries, “**Group**”) for the year ended 31 December 2021 (“**2021 Annual Report**”). Unless otherwise defined herein, capitalised terms herein shall have the same meanings as those defined in the 2021 Annual Report.

USE OF PROCEEDS

In addition to the information disclosed in the section headed “MANAGEMENT DISCUSSION AND ANALYSIS” in the 2021 Annual Report, the Company would like to add sub-heading of “USE OF PROCEEDS FROM THE PLACING OF SHARES” in relation to the amount and expected timeline for utilizing Net Proceeds pursuant to paragraph 11(8) of Appendix 16 of the Listing Rules. Reference is made the announcement of the Company dated 11 April 2021, 12 April 2021 and 3 May 2021 in relation to the Placing. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the announcements.

The following set forth a summary of utilization of the Net Proceeds as at 31 December 2021:

Business Strategy	Net Proceeds from Placing Shares <i>(HK\$ million)</i>	Amount utilized as at 31 December 2021 <i>(HK\$ million)</i>	Amount unutilized as at 31 December 2021 <i>(HK\$ million)</i>	Expected timeline for utilizing the unutilized Net Proceeds <i>(HK\$ million)</i>
Online game	38.2	10.4	27.8	Expected to be fully utilized on or before 31 December 2022
Esports	30.3	11.3	19.0	Expected to be fully utilized on or before 31 December 2022
Cloud computing and data storage service	<u>47.7</u>	<u>47.7</u>	<u>—</u>	N/A
Total	<u>116.2</u>	<u>69.4</u>	<u>46.8</u>	

The Board currently no intention to change the planned use of Net Proceeds as stated in announcement dated 11 April 2021 and the 2021 Annual Report. The expected timeline for using the unutilized Net Proceeds is based on the best estimation by the Board.

SHARE OPTION SCHEME

In addition to the information disclosed in the section headed “Report of Directors” in the 2021 Annual Report, the Company would like to add the following information in relation to the Scheme:

- (i) The closing price of securities of the Company immediately before the date on which the Options were granted on 28 September 2021 was HK\$11.04.
- (ii) The estimated fair value of the share options granted under the Scheme on 28 September 2021 to executive directors and senior management was approximately HK\$25,243,000 and HK\$9,213,000 respectively.

- (iii) Acceptance of the option must be made within 30 days after the date of offer and HK\$1.00 must be paid as a consideration for the grant of option.

MONEY LENDING BUSINESS

In addition to the information disclosed in the section headed “MANAGEMENT DISCUSSION AND ANALYSIS” in the 2021 Annual Report, the Company would like to add additional information under sub-heading “Money lending business”.

The Group’s money lending business was conducted through its wholly-owned subsidiary, Best Gold Corporation Limited, to grant loans including secured and unsecured to individuals and enterprises. It has no specific target customer group. The source of customers mainly past customers or referrals by third parties. Loan are mainly large amounts of loan which is over HKD1,000,000. The source of funds for the money lending business is funded by the internal resources of the Group. The Group strived to adhere to a set of comprehensive policy and procedural manual in respect of loan approval, loan renewal, loan recovery, loan compliance, monitoring and anti-money laundering.

The Group manages credit risk through review and credit approval and post-transaction monitoring processes which are performed by management. Before the loans were granted, an independent assessment has been performed. The independent assessment included but was not limited to background checking, such as the identity documents (identity card, address proof, business registration certificate, latest annual return), income or asset proof of the borrower and guarantor, such as share certificates, bank statements and security statements, the evaluation of the value of collateral and verification of the authenticity of the information provided, to ensure the recovery ability of the loan. Furthermore, the Group will perform public search towards the borrower to ensure compliance with anti-money laundering and counter-terrorist financing ordinance. After the loan is granted, the Group will still conduct the checks on the repayment history and results of public search towards the borrower periodically to assess the recoverability of loan, compliance with anti-money laundering and counter-terrorist financing ordinance and possibility of loan renewal.

As at 31 December 2021, the Group had loans receivable with outstanding principal amount of approximately HK\$6.4 million (2020: HK\$9.9 million). The Group recorded interest income from loans receivable of approximately HK\$1.9 million for the year ended 31 December 2021 (2020: HK\$2.9 million).

During the year ended 31 December 2021, there was one unsecured loan to an individual who is an owner of security company in Hong Kong. To the best of the knowledge, information and belief, he is an independent third party. The loan was granted on 18 January 2019 with gross principal amount of HKD15,000,000. For credit assessment, the Group performed background checking, reviewed audited financial statements, conducted site visit and discussion with management on the outlook of his company. The interest rate is 24% per annum and to be repaid by 18 January 2023 and with no collaterals. Since 2020, the Group has not granted any new loan nor renew any loan contract due to challenging and competitive environment. The COVID-19 epidemic has further aggravated the operating situation. As a result, there was only one customer as disclosed above in this business segment for the year ended 31 December 2021.

As at 31 December 2021, the management had engaged an independent qualified valuer to determine the expected credit losses of the Group's loans receivable (the "**loans receivable ECL**"). In assessing the loans receivable ECL of the Group, a credit rating analysis of the underlying debtors was adopted by reviewing the historical accounting information to estimate the default risk. In determining the default risk, factors including but not limited to, the ageing analysis of the receivables, historical and forecast occurrence of event of default, existence and valuation of the collaterals, the relevant regulatory framework and government policies in Hong Kong and global economic outlook in general and the specific economic condition of Hong Kong would be considered. The rate of loans receivable ECL is 0.02% depending on the nature, probability of default and loss given default of the loans receivable. According to above ECL assessment, no impairment is incurred during the year ended 31 December 2021.

The above information does not affect the information disclosed in the 2021 Annual Report and save as disclosed in this announcement, all other information in the 2021 Annual Report remains unchanged.

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

Hong Kong, 23 September 2022

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Ting Kong, Ms. Yeung So Mui, Mr. Lin Junwei, Mr. Yau Chak Fung and Mr. Yeung Tong Seng Terry; and the independent non-executive directors of the Company are Mr. Fung Tze Wa, Mr. Ting Wong Kacee and Mr. Tse Ting Kwan.