Our Ref: 5I03490909

22 April 2024

PRIVATE & CONFIDENTIAL

The Board of Directors
Imperium Financial Group Limited
Rm 2603, 26/F, One Harbour Square
181 Hoi Bun Road
Kwun Tong
HONG KONG

Dear Sirs,

Accountants' Report on Historical Information to the Directors of Imperium Financial Group Limited

Introduction

We report on the historical financial information of Infinity Technology International Limited (the "Target Company") set out on pages II-4 to II-36, which comprises the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Target Company for the years ended 30 June 2021, 2022 and 2023, and the six months ended 31 December 2023 (the "Relevant Periods"), and the statements of financial position of the Target Company as at 30 June 2021, 2022 and 2023 and 31 December 2023, and the material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages II-4 to II-36 forms an integral part of this report which has been prepared for inclusion in the circular of Imperium Financial Group Limited (the "Company") dated 22 April 2024 (the "Circular") in connection with the proposed subscription of 10,400 new subscription shares, representing approximately 51% of the enlarged issued share capital of the Target Company.

Cont'd...P.2

Directors' Responsibility for the Historical Financial Information

The directors of the Target Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 3 to the Historical Financial Information, and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 3 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Target Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Target Company as at 30 June 2021, 2022 and 2023 and 31 December 2023, and of the financial performance and cash flows of the Target Company for the Relevant Periods in accordance with the basis of preparation and presentation set out in note 3 to the Historical Financial Information.

Cont'd...P.3

Review of Stub Period Comparative Financial Information

We have reviewed the stub period comparative financial information of the Target Company which comprises the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 31 December 2022 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Target Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in note 3 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in note 3 to the Historical Financial Information.

Report on Matters under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page II-4 have been made.

Cont'd...P.4

HODGSON IMPEY CHENG LIMITED

To: The Board of Directors
Imperium Financial Group Limited

Date: 22 April 2024

Report on Matters under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (continued)

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Target Company in respect of the Relevant Periods.

Yours faithfully

Certified Public Accountants

Yu Chi Fat
Practising Certificate Number: P05467

Hong Kong

I HISTORICAL FINANCIAL INFORMATION OF THE TARGET COMPANY

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Target Company for the Relevant Periods, on which the Historical Financial Information is based, were audited by HLB Hodgson Impey Cheng Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in HK dollars ("HK$") and all values are rounded to the nearest thousand (HK$'000), except when otherwise indicated.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

			Year ended 30 June		**Six months ended 31 December**	
	Notes	**2021**	**2022**	**2023**	**2022**	**2023**
		HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
REVENUE	6	18,231	21,776	25,932	13,879	11,545
Cost of sales		(11,414)	(13,596)	(15,874)	(8,786)	(7,791)
Gross profit		6,817	8,180	10,058	5,093	3,754
Other income	7	209	232	257	109	985
Administrative expenses		(6,078)	(8,152)	(8,189)	(3,467)	(4,567)
Finance costs	8	(273)	(381)	(414)	(193)	(268)
Profit/(loss) before tax	9	675	(121)	1,712	1,542	(96)
Income tax expense	10	(26)	(100)	(67)	(148)	–
Profit/(loss) and total comprehensive income/(loss) for the year/period attributable to the owners of the Target Company		649	(221)	1,645	1,394	(96)

STATEMENTS OF FINANCIAL POSITION

	Notes	As at 30 June 2021 HK$'000	As at 30 June 2022 HK$'000	As at 30 June 2023 HK$'000	As at 31 December 2023 HK$'000
Non-current assets					
Property, plant and equipment	14	–	14	23	42
Right-of-use assets	15	1,817	2,292	1,435	980
		1,817	2,306	1,458	1.022
Current assets					
Inventories	16	645	1,262	1,813	522
Trade receivables	17	1,504	1,749	1,827	2,399
Deposits and other receivables		132	233	178	295
Prepayments		95	–	79	964
Amounts due from directors	18	5,226	7,116	7,404	9,399
Tax recoverable	19	227	59	–	–
Cash at banks		1,088	946	1,185	937
		8,917	11,365	12,486	14,516
Current liabilities					
Trade payables	20	736	893	139	1,588
Accruals and other payables		412	337	135	51
Tax payables		–	–	60	60
Lease liabilities	21	919	674	456	658
Borrowings	22	3,110	6,535	6,653	7,076
		5,177	8,439	7,443	9,433
Net current assets		3,740	2,926	5,043	5,083
Total assets less current liabilities		5,557	5,232	6,501	6,105
Non-current liabilities					
Lease liabilities	21	1,141	1,037	661	361
Net assets		4,416	4,195	5,840	5,744
Capital and reserves					
Share Capital	23	10	10	10	10
Reserves		4,406	4,185	5,830	5,734
Total equity		4,416	4,195	5,840	5,744

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total
	HK$'000	*HK$'000*	*HK$'000*
As at 1 July 2020	10	3,757	3,767
Profit and total comprehensive income for the year	–	649	649
As at 30 June 2021 and 1 July 2021	10	4,406	4,416
Loss and total comprehensive loss for the year	–	(221)	(221)
As at 30 June 2022 and 1 July 2022	10	4,185	4,195
Profit and total comprehensive income for the year	–	1,645	1,645
As at 30 June 2023	10	5,830	5,840
Loss and total comprehensive loss for the period	–	(96)	(96)
As at 31 December 2023	10	5,734	5,744
As at 1 July 2022	10	4,185	4,195
Profit and total comprehensive income for the period	–	1,394	1,394
As at 31 December 2023	10	5,579	5,589

STATEMENTS OF CASH FLOWS

	Year ended 30 June			Six months ended 31 December	
	2021	**2022**	**2023**	**2022**	**2023**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cash flows from operating activities					
Profit/(loss) before tax	675	(121)	1,712	1,542	(96)
Adjustments for:					
Depreciation for the year	879	1,301	1,000	416	655
Finance costs	273	381	414	193	268
Bank interest income	–	–	(5)	(1)	(9)
Impairment loss on financial assets under expected credit loss model	6	7	9	6	13
Early terminate of borrowings	–	(19)	–	–	–
Gain on disposal of property, plant and equipment	–	(31)	–	–	(962)
Operating cash flows before movement in working capital	1,833	1,518	3,130	2,156	(131)
(Increase)/decrease in inventories	(183)	(617)	(551)	(388)	1,291
Increase in trade receivables	(875)	(246)	(85)	(1,134)	(580)
(Increase)/decrease in deposits, prepayments and other receivables	(98)	(6)	(24)	70	(1,002)
Increase in amounts due from directors	(1,066)	(1,896)	(290)	(100)	(70)
Increase/(decrease) in trade payables	467	157	(754)	(174)	1,449
Increase/(decrease) in accruals and other payables	50	(75)	(202)	(188)	(84)
Cash generated from operations	128	(1,165)	1,224	242	873
Tax (paid)/refund	(54)	68	52	–	–
Net cash generated from/(used in) operating activities	74	(1,097)	1,276	242	873

	Year ended 30 June			Six months ended 31 December	
	2021	2022	2023	2022	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cash flows from investing activities					
Bank interest income	–	–	5	1	9
Purchase of property, plant and equipment	–	(1,099)	(52)	–	(23)
Proceeds from disposal of property, plant and equipment	–	840	–	–	–
Net cash (used in)/generated from investing activities	–	(259)	(47)	1	(14)
Cash flows from financing activities					
Repayment of lease liabilities	(895)	(1,926)	(772)	(481)	(1,352)
Borrowing raised	2,366	5,160	2,309	2,309	1,500
Repayment of borrowings	(1,397)	(2,020)	(2,527)	(1,293)	(1,255)
Net cash generated from/(used in) financing activities	74	1,214	(990)	535	(1,107)
Net increase/(decrease) in cash and cash equivalents	148	(142)	239	778	(248)
Cash and cash equivalents at the beginning of the reporting period/year	940	1,088	946	946	1,185
Cash and cash equivalents at the beginning of the reporting period/year	1,088	946	1,185	1,724	937

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Infinity Technology International Limited (the "Target Company") was incorporated in Hong Kong under Hong Kong Companies Ordinance with limited liability. The registered address of the Target Company is Unit 3303, 33/F., Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, Hong Kong. Its ultimate shareholders are Mr. Chan Man Fai and Mr. Wong Ka Wa, who are also the directors of the Target Company.

The Target Company is principally engaged in the production and sales of portable electronic appliances and home appliances.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) New and amendments to HKFRSs that are mandatorily effective for the current period

All effective standards, amendments to standards and interpretations of HKFRS, which are mandatory for the financial year beginning on 1 July 2023, are consistently applied to the Target Company for the Relevant Periods.

(b) Amendments to HKFRSs in issue but not yet effective

The Target Company has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-Current Liabilities with Convenant[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025

The directors of the Target Company anticipates that the application of all new and amendments to HKFRSs will have no material impact on the financial statements in the foreseeable future.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the PRC Company Target Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Historical Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKFRS 16 Leases and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Material accounting policy information

Property, plant and equipment

Property, plant and equipment are tangible assets that held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The principal annual rates of depreciation are as follows:

Furniture, fixtures and office equipment	25%
Motor vehicles	25%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement is recognised in the statement of profit or loss in the year which the asset is derecognised and such amount is determined as the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised in profit or loss.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Target Company assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentive received;
- any initial direct costs incurred by the Target Company; and
- an estimate of costs to be incurred by the Target Company in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Target Company is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Target Company presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Target Company recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Target Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees; and
- payments of penalties for terminating a lease, if the lease term reflects the Target Company exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Target Company remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment; or
- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Target Company presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Target Company accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Target Company remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Target Company accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains one or more additional lease components, the Target Company allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a Target Company entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Impairment of financial assets

The Target Company performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, deposits and other receivables, cash and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Target Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Target Company always recognises lifetime ECL for trade receivables.

For all other instruments, the Target Company measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Target Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Target Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Target Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Target Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Target Company has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Target Company assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Target Company considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Target Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Target Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Company, in full (without taking into account any collaterals held by the Target Company).

Irrespective of the above, the Target Company considers that default has occurred when a financial asset is more than 90 days past due unless the Target Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Target Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Target Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Target Company uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Target Company in accordance with the contract and the cash flows that the Target Company expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by the directors of the Target Company to ensure the constituents of each Target Company continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Target Company recognised an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Target Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade payables, accruals and other payables, borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Target Company derecognises financial liabilities when, and only when, the Target Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the statement of financial position include:

(b) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Revenue from contracts with customers

The Target Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Target Company's performance as the Target Company performs;

- the Target Company's performance creates or enhances an asset that the customer controls as the Target Company performs; or

- the Target Company's performance does not create an asset with an alternative use to the Target Company and the Target Company has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Target Company's right to consideration in exchange for goods or services that the Target Company has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 Financial Instruments. In contrast, a receivable represents the Target Company's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Target Company's obligation to transfer goods or services to a customer for which the Target Company has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Sales of goods

The Target Company mainly sold portable electronic appliances and home appliances to the wholesale and retail market.

Revenue is recognised when control of the goods has been transferred, being when the goods have been shipped to the wholesaler's and retail shops' specific location (delivery). Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Following the delivery, the wholesaler and retail shops have full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 60 days upon delivery.

Government grants

Government grants are not recognised until there is reasonable assurance that the Target Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Target Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Target Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Target Company with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "Other income".

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Employee benefits

(i) Retirement benefit scheme

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme") in Hong Kong are recognised as an expense when employees have rendered services entitling them to the contributions.

(ii) Short-term employee benefit obligations

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents current income tax expense

The tax currently payable is based on taxable profits for the year and is recognised in profit or loss.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Target Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Related parties

(a) A person, or a closed member of that person's family, is related to the Target Company if that person:

(i) has control or joint control of the Target Company;

(ii) has significant influence over the Target Company; or

(iii) is a member of the key management personnel of the Target Company or of a parent of the Target Company.

(b) An entity is related to the Target Company if any of the following conditions applies:

(i) the entity and Target Company are members of the same Target Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Target Company of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Company. If the Target Company is itself such a plan, the sponsoring employers are also related to the Target Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a Target Company of which it is apart, provides key management personnel services to the Target Company or to the parent of the Target Company.

A related party transaction is a transfer of resources, services or obligations between the Target Company and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Target Company's accounting policies, which are described in Note 3 to the Historical Financial Information, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision of ECL for trade receivables

The Target Company makes loss allowances on trade receivables based on various factors including the past due status of the receivables, past default experience, qualitative creditworthiness, collateral values and forward-looking macroeconomic scenarios and economic inputs. The assessment of ECL on receivables involves high degree of estimation uncertainty and is sensitive to changes in estimates. Where the expectations are different from the original estimates, such differences will impact the carrying amounts of receivables and the allowance for credit losses on receivables recognised in the years in which such estimates have been changed.

In addition, the Target Company uses practical expedient in estimating ECL on certain trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Target Company's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

Further information is disclosed in note 5(b) to the notes to the Historical Financial Information.

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 30 June			As at 31
	2021	2022	2023	December 2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
At amortised cost	7,950	10,044	10,594	13,030
Financial liabilities				
At amortised cost	6,318	9,476	8,044	9,734

(b) Financial risk management objectives and policies

The Target Company's major financial instruments include trade receivables, deposits and other receivables, amount due from directors, cash and bank balances, trade payables, accruals and other payables, borrowing and lease liabilities. Details of these financial instruments are disclosed in respective notes to the consolidated financial statements. The risks associated with these financial instruments include market risk, credit risk, interest risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Target Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the Target Company's risk exposure relating to financial instruments and the manner in which it manages and measures the risks.

Market risk

Interest rate risk

The Target Company is exposed to fair value interest rate risk in relation to fixed-rate borrowings and lease liabilities. The Target Company is also exposed to cash flow interest rate risk in relation to variable-rate cash and bank balances.

In the case that the interest rates increase/decrease by 1%, with all other variables held constant, loss for the year ended 31 December 2023 would have been increase/decrease by approximately HK$72,000, profit for the year ended 30 June 2023 would have been decrease/increase by approximately HK$66,000, loss for the year ended 30 June 2022 would have been increase/decrease by approximately HK$73,000 and profit for the year ended 30 June 2021 would have been decrease/increase by approximately HK$41,000

Credit risk and impairment assessment

The credit risk of the Target Company mainly arises from trade receivables, deposits and other receivables, amounts due from directors and cash at banks. The carrying amounts of these balances represent the Target Company's maximum exposure to credit risk in relation to financial assets.

Cash at banks

The bank balances are deposited with several reputable and creditworthy banks with no recent history of default. The expected credit loss is close to zero.

Trade receivables

Before accepting any new customer, the Target Company assessed the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that the Group's credit risk is significantly reduced.

The Target Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Target Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forwarding-looking information.

The Target Company applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit loss, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Target Company also considers available, reasonable and supportive forward-looking information. All trade receivables have no history of default and management do not expect significant credit losses after considering forward looking information. The average loss rates ranged from 0.2% to 5.8%, 0.0% to 5.9% and 0.4% to 3.0% for the years ended 30 June 2021, 2022 and 2023 and 0.4% to 4.2% and 0.3% to 3.1% for the six months ended 31 December 2022 and 2023.

Impairment loss recognised under expected credit loss model was approximately of HK$3,000, HK$1,000 and HK$7,000 for the years ended 30 June 2021, 2022 and 2023 and HK$4,000 and HK$8,000 for the six months ended 31 December 2022 and 2023.

Deposits and receivables and amount due from directors

For deposits and other receivables and amount due from director, management makes periodic collective assessments as well as individual assessment on the recoverability based on historical settlement records and past experience. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. Impairment loss under expected credit loss model of approximately of HK$3,000, HK$6,000 and HK$2,000 was recognised for the years ended 30 June 2021, 2022 and 2023, HK$2,000 and HK$5,000 was recognised for the six months ended 31 December 2022 and 2023.

Liquidity risk

In the management of the liquidity risk, the Target Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Target Company's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensure compliance with loan covenants.

The following table details the Target Company's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Target Company can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

Maturity analysis – bank and other borrowings with repayment on demand clause based on scheduled repayments

	At 30 June 2021			
	Within 1 year	**Within 2 to 5 years**	**Total undiscounted cash flows**	**Total carrying amount**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-derivative financial liabilities				
Trade payables	736	–	736	736
Accruals and other payables	412	–	412	412
Borrowings	1,374	2,121	3,495	3,110
Lease liabilities	996	1,200	2,196	2,060
	3,518	3,321	6,839	6,318

	At 30 June 2022			
	Within 1 year	**Within 2 to 5 years**	**Total undiscounted cash flows**	**Total carrying amount**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-derivative financial liabilities				
Trade payables	893	–	893	893
Accruals and other payables	337	–	337	337
Borrowings	2,087	4,988	7,075	6,535
Lease liabilities	747	1,104	1,851	1,711
	4,064	6,092	10,156	9,476

	At 30 June 2023			
	Within 1 year	**Within 2 to 5 years**	**Total undiscounted cash flows**	**Total carrying amount**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-derivative financial liabilities				
Trade payables	139	–	139	139
Accruals and other payables	135	–	135	135
Borrowings	2,475	4,723	7,198	6,653
Lease liabilities	506	686	1,192	1,117
	3,255	5,409	8,664	8,044

	At 31 December 2023			
	Within 1 year	**Within 2 to 5 years**	**Total undiscounted cash flows**	**Total carrying amount**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-derivative financial liabilities				
Trade payables	1,588	–	1,588	1,588
Accruals and other payables	51	–	51	51
Borrowings	2,673	4,979	7,652	7,076
Lease liabilities	713	369	1,082	1,019
	5,025	5,348	10,373	9,734

(c) Capital risk management

The Target Company's primary objectives when managing capital are to safeguard the abilities of the entities in the Target Company to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The directors of the Company actively and regularly review and manage the Target Company's capital structure to maximise the returns to shareholders through the optimisation of the debt afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. The Target Company's overall strategy remains unchanged from prior years

During the Relevant Periods, the capital structure of the Group mainly consists of debts, which include borrowings and lease liabilities and equity attributable to owners of the Company, comprising issued capital and reserves. The directors of the Company consider the cost of capital and the risks associated with each class of capital to monitor its capital structure on the basis of a gearing ratio. The ratio is calculated as borrowings divided by total equity

				As at
		As at 30 June		31 December
	2021	2022	2023	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Debts	5,170	8,246	7,770	8,095
Equity	4,446	4,195	5,840	5,744
Gearing ratio	117.1%	196.6%	133.0%	140.9%

(d) Fair value measurements of financial instruments

The directors of the Target Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately their fair values.

6. REVENUE

The Target Company is principally engaged in engaged in the production and sales of portable electronic appliances and home appliances.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the year is as follows:

	Year ended 30 June			Six months ended 31 December	
	2021	2022	2023	2022	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Disaggregation of revenue from contracts with customers					
Sales of goods	18,231	21,776	25,932	13,879	11,545

7. OTHER INCOME

	Year ended 30 June			Six months ended 31 December	
	2021	2022	2023	2022	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Bank interest income	–	–	5	1	9
Government subsidies (note)	209	144	252	108	–
Gain on disposal of property, plant and equipment	–	31	–	–	962
Gain on lease modification	–	19	–	–	–
Others	–	38	–	–	14
	209	232	257	109	985

note:

In 2022, the Target Company successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong SAR Government. The purpose of the funding is to provide time-limited financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grants, the Target Company is required not to make redundancies during the subsidy period and to spend all the subsidy on paying wages to the employees.

The Target Company also received Dedicated Fund on Branding, Upgrading and Domestic Sales and SME Export Marketing Fund from the Hong Kong SAR Government during the year.

There were no unfulfilled condition or contingencies relating to these subsidies.

8. FINANCE COSTS

	Year ended 30 June			Six months ended 31 December	
	2021	2022	2023	2022	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Interest on borrowings	194	285	336	151	178
Interest on lease liabilities	79	96	78	42	90
	273	381	414	193	268

9. PROFIT/(LOSS) BEFORE TAX

The Target Company's profit/(loss) before tax are stated after charging:

	Year ended 30 June			Six months ended 31 December	
	2021	2022	2023	2022	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost of inventories sold	11,414	13,596	15,874	8,786	7,791
Depreciation					
– Property, plant and equipment	15	5	9	100	4
– Right-of-use assets	864	1,296	991	316	651
Impairment loss recognised under expected credit loss model in respect of:					
– trade receivables	3	1	7	4	8
– amount due from directors	3	6	2	2	5
Staff costs (including directors' remuneration)					
– Salaries and bonus	5,319	6,472	5,891	2,268	2,077
– Retirement benefit costs	175	184	186	72	67
	5,494	6,656	6,077	2,340	2,144

10. INCOME TAX EXPENSE

	Year ended 30 June			Six months ended 31 December	
	2021	2022	2023	2022	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong Profits Tax					
Current year	26	–	67	148	–
Under-provision	–	100	–	–	–
	26	100	67	148	–

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of the qualifying Target Company entity are taxed at 8.25%, and profits above HK$2,000,000 are taxed at 16.5%. The profits of Target Company entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

Income tax expense for the years can be reconciled to the profit/(loss) before taxation per the consolidated statement of profit or loss as follows:

	Year ended 30 June			Six months ended 31 December	
	2021	**2022**	**2023**	**2022**	**2023**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Profit/(loss) before taxation	675	(121)	1,712	1,542	(1,058)
Tax effect at Hong Kong Profits Tax rate	111	(20)	282	254	(175)
Tax effect of expenses not deductible for tax purpose	69	242	126	61	120
Tax effect of income not taxable for tax purposes	(110)	(346)	(150)	(18)	–
Tax loss not recognised	–	124	–	–	55
Utilisation of tax loss not recognised	–	–	(124)	(124)	–
Income tax at concession rate	(34)	–	(67)	(25)	–
Tax concession	(10)	–	–	–	–
Under-provision in prior years	–	100	–	–	–
	26	100	67	148	–

11. DIVIDEND

No dividend was paid, declared or proposed by the board of directors of the Target Company during the Relevant Period.

12. LOSS PER SHARE

No earnings per share information is presented for the purpose of this report as its inclusion is not considered meaningful by the directors of Imperium Financial Group Limited having regard to the purpose of preparing the Historical Financial Information.

13. DIRECTORS' REMUNERATION AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

For the year ended 30 June 2021

	Fees	**Salaries and other allowances**	**Retirement benefit costs**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Chan Man Fai	–	420	18	438
Wong Ka Wa	–	420	18	438
	–	840	36	876

For the year ended 30 June 2022

	Fees	**Salaries and other allowances**	**Retirement benefit costs**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Chan Man Fai	–	600	18	618
Wong Ka Wa	–	600	18	618
	–	1,200	36	1,236

For the year ended 30 June 2023

	Fees	**Salaries and other allowances**	**Retirement benefit costs**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Chan Man Fai	–	600	18	618
Wong Ka Wa	–	600	18	618
	–	1,200	36	1,236

For the six months ended 31 December 2022

	Fees	Salaries and other allowances	Retirement benefit costs	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Chan Man Fai	–	300	9	309
Wong Ka Wa	–	300	9	309
	–	600	18	618

For the six months ended 31 December 2023

	Fees	Salaries and other allowances	Retirement benefit costs	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Chan Man Fai	–	300	9	309
Wong Ka Wa	–	300	9	309
	–	600	18	618

For the years ended 30 June 2021,2022 and 2023 and the six months ended 31 December 2022 and 2023, of the five individuals with the highest emoluments, two, two, two, two and two are directors whose emoluments are disclosed as above, respectively. The aggregate of the emoluments in respect of the other three, three, three, three and three individuals for the years ended 30 June 2021,2022 and 2023 and the six months ended 31 December 2022 and 2023, respectively, are as follows:

	Year ended 30 June			Six months ended 31 December	
	2021	**2022**	**2023**	**2022**	**2023**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Salaries and other allowance	1,703	2,649	2,261	1,071	783
Retirement benefit costs	54	54	54	27	26
	1,757	2,703	2,315	1,098	809

14. PROPERTY, PLANT AND EQUIPMENT

	Office equipment HK$'000	Motor vehicle HK$'000	Total HK$'000
Cost			
At 1 July 2020	171	–	171
Addition	–	–	–
At 30 June 2021 and 1 July 2021	171	–	171
Addition	19	–	19
Transfer from right-of-use assets	–	809	809
Disposal	–	(809)	(809)
At 30 June 2022 and 1 July 2022	190	–	190
Addition	18	–	18
At 30 June 2023	208	–	208
Transfer from right-of-use assets	–	968	968
Addition	23	–	23
Disposal	–	(968)	(968)
At 31 December 2023	231	–	231
Accumulated depreciation			
At 1 July 2020	156	–	156
Charge for the year	15	–	15
At 30 June 2021 and 1 July 2021	171	–	171
Charge for the year	5	–	5
Disposal	–	–	–
At 30 June 2022 and 1 July 2022	176	–	176
Charge for the year	9	–	9
At 30 June 2023	185	–	185
Charge for the year	4	–	4
At 31 December 2023	189	–	189
Net book value			
At 31 December 2023	42	–	42
At 30 June 2023	23	–	23
At 30 June 2022	14	–	14
At 30 June 2021	–	–	–

15. RIGHT-OF-USE ASSETS

	Leased Properties HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1 July 2020	447	553	1,000
Addition	914	767	1,681
Depreciation charge for the year	(488)	(376)	(864)
At 30 June 2021 and 1 July 2021	873	944	1,817
Addition	–	2,580	2,580
Transfer to property, plant and equipment	–	(809)	(809)
Depreciation charge for the year	(606)	(690)	(1,296)
At 30 June 2022 and 1 July 2022	267	2,025	2,292
Addition	–	134	134
Depreciation charge for the year	(267)	(724)	(991)
At 30 June 2023 and 1 July 2023	–	1,435	1,435
Addition	1,164	–	1,164
Transfer to property, plant and equipment	–	(968)	(968)
Depreciation charge for the year	(291)	(360)	(651)
At 31 December 2023	873	107	980

All leases are under operating leases. The leases typically run for an initial period 2 years, with an option to renew the lease after that date at which time all terms are renegotiated.

16. INVENTORIES

	As at 30 June			As at 31 December
	2021	**2022**	**2023**	**2023**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Finished goods	645	1,262	1,813	522

17. TRADE RECEIVABLES

	As at 30 June			As at 31 December
	2021	**2022**	**2023**	**2023**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Gross trade receivables	1,507	1,753	1,838	2,418
Less: Allowance for credit losses	(3)	(4)	(11)	(19)
	1,504	1,749	1,827	2,399

Details of the loss allowance for the trade receivables is set out in Note 5(b).

The Target Company'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 Target Company's trade receivables, based on the invoice date, and net of loss allowance, is as follows:

	As at 30 June			As at 31 December
	2021	**2022**	**2023**	**2023**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
0-30 days	1,491	1,683	1,456	1,360
31-60 days	7	31	221	662
61-90 days	3	16	136	277
Over 90 days	3	19	14	100
	1,504	1,749	1,827	2,399

Details of impairment assessment are set out in Note 5(b).

18. AMOUNTS DUE FROM DIRECTORS

	Maximum indebtedness							
	As at 30 June			As at 31 December	As at 30 June			As at 31 December
	2021	**2022**	**2023**	**2023**	**2021**	**2022**	**2023**	**2023**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Chan Man Fai	2,613	3,481	3,677	3,707	2,613	3,481	3,677	3,707
Wong Ka Wa	2,613	3,635	3,727	3,762	2,613	3,635	3,727	3,762
					5,226	7,116	7,404	7,469

The amounts due from directors are unsecured, interest free and repayable on demand.

19. CASH AT BANKS

Bank balances carry interest at market rates which range from 0.01% to 0.1%, 0.01% to 0.1%, 0.01% to 0.1% and 0.01% to 0.1% per annum as at 30 June 2021, 2022 and 2023 and 31 December 2023 respectively.

20. TRADE PAYABLES

	As at 30 June			As at 31 December
	2021	2022	2023	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade payables	736	893	139	1,588

The Target Company normally obtains credit terms ranging from 30 to 90 days from its suppliers.

At the end of reporting period, the aging analysis of trade payables, based on the invoice date is as follows:

	As at 30 June			As at 31 December
	2021	2022	2023	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0-30 days	736	663	102	767
31-60 days	–	127	–	121
61-90 days	–	103	–	210
Over 90 days	–	–	37	490
	736	893	139	1,588

21. LEASE LIABILITIES

	Minimum lease payments				Present value of minimum lease payments			
	30 June			31 December	30 June			31 December
	2021	2022	2023	2023	2021	2022	2023	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Within 1 year	996	747	506	713	919	674	456	658
more than 1 year but less than 2 years	640	467	500	369	602	422	476	361
more than 2 years but less than 5 years	560	637	186	–	539	615	185	–
	2,196	1,851	1,192	1,082	2,060	1,711	1,117	1,019
Less: Future finance costs	(136)	(140)	(75)	(63)				
Present value of lease liabilities	2,060	1,711	1,117	1,019				
Less: current portion					(919)	(674)	(456)	(658)
					1,141	1,037	661	361

The incremental borrowing rates applied to lease liabilities range from 7.9% to 10.6%.

22. BORROWINGS

	As at 30 June			As at 31 December
	2021	**2022**	**2023**	**2023**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Carrying amount repayable (based on the scheduled repayment dates as set out in the loan agreements)				
– Within one year	1,168	1,849	2,185	2,402
– More than one year but within two years	864	1,642	2,074	2,155
– More than two years but within five years	1,078	3,044	2,394	2,519
	3,110	6,535	6,653	7,076

	As at 30 June			As at 31 December
	2021	**2022**	**2023**	**2023**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Analysis for reporting purposes as:				
Current	3,110	6,535	6,653	7,076
Non-Current	–	–	–	–
	3,110	6,535	6,653	7,076

At 30 June 2021, 2022, 2023 and 31 December 2023, borrowings were unsecured, carried interests at fixed rate ranging from 2.8% to 7.0% and were guaranteed by directors of the Target Company.

23. SHARE CAPITAL

	Issued and fully paid
	HK$'000
Ordinary shares of HK$1 each	
At 1 July 2020, 30 June 2021, 30 June 2022, 30 June 2023 and 31 December 2023	10

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Target Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified as cash flows from financing activities in the Target Company's consolidated statement of cash flows.

	Borrowings	Lease liabilities	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 July 2020	1,947	1,195	3,142
Financing cash flows	969	(895)	74
Addition	–	1,681	1,681
Interest	194	79	273
At 30 June 2021 and 1 July 2021	3,110	2,060	5,170
Financing cash flows	3,140	(1,926)	1,214
Acquisition of property, plant and equipment	–	1,500	1,500
Modification	–	(19)	(19)
Interest	285	96	381
At 30 June 2022 and 1 July 2022	6,535	1,711	8,246
Financing cash flows	(218)	(772)	(990)
Acquisition of property, plant and equipment	–	100	100
Interest	336	78	414
At 30 June 2023 and 1 July 2023	6,653	1,117	7,770
Financing cash flows	245	(1,352)	(1,107)
Addition	–	1,164	1,164
Interest	178	90	268
At 31 December 2023	7,076	1,019	8,095

25. RELATED PARTY TRANSACTIONS

Apart from details of the balances with related parties disclosed in the notes to the Historical Financial Information, the Target Company did not enter into other transactions with related parties during the Relevant Period.

26. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Target Company have been prepared in respect of any period subsequent to the end of the Relevant Period.

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

Our Ref: 5I03490909

22 April 2024

PRIVATE & CONFIDENTIAL

The Board of Directors
Imperium Financial Group Limited
Rm 2603, 26/F, One Harbour Square
181 Hoi Bun Road
Kwun Tong
HONG KONG

Dear Sirs,

Independent Reporting Accountants' Assurance Report on The Compliance of Unaudited Pro Forma Financial Information

To The Directors of Imperium Financial Group Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Imperium Financial Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") prepared by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statements of assets and liabilities as at 30 September 2023 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages IV-1 to IV-4 of the Company's circular dated 22 April 2024 (the "Circular") in connection with the subscription of 51% equity interest of Infinity Technology International Limited (the "Subscription"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages IV-1 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Subscription on the Group's financial position as at 30 September 2023 as if the Subscription had taken place as at 30 September 2023. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's interim consolidated financial statements for the six months ended 30 September 2023.

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Directors' Responsibilities for The Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management ("'HKSQM") 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statement, and Other Assurance and Related Services Engagement issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

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Reporting Accountants' Responsibilities (continued)

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the Listing Rules.

Yours faithfully

Certified Public Accountants

Yu Chi Fat
Practising Certificate Number: P05467

Hong Kong

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

CPA

Our Ref: 5I03490909

22 April 2024

PRIVATE & CONFIDENTIAL

The Board of Directors
Imperium Financial Group Limited
Rm 2603, 26/F, One Harbour Square
181 Hoi Bun Road
Kwun Tong
HONG KONG

Dear Sirs

Imperium Financial Group Limited (the "Company")
Consent letter

We refer to the circular dated 22 April 2024 in connection with the proposed transactions announced by the Company on 22 December 2023 (the "**Circular**").

We confirm that as at 19 April 2024, (i) we had no shareholding, directly or indirectly, in the Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company; and (ii) we had no interest, direct or indirect, in the promotion of, or in any assets which since 31 March 2023, the date to which the latest published audited financial statements of the Company were made up, have been acquired or disposed of by or leased to, the Company, or are proposed to be acquired or disposed of by or leased to the Company.

We hereby give and have not withdrawn our written consent to the issue of the Circular with the inclusion of the references to our name and/or our opinion or report in the form and context in which they are included in the Circular.

Yours faithfully

Certified Public Accountants

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DATE: 22 DECEMBER 2023

INFINITY TECHNOLOGY INTERNATIONAL LIMITED
無制限科技國際有限公司
(as Company)

and

FUXI HOLDINGS LIMITED
富晞控股有限公司
(as Subscriber)

SUBSCRIPTION AGREEMENT FOR NEW SHARES IN INFINITY TECHNOLOGY INTERNATIONAL LIMITED

Michael Li & Co.
19/F, Prosperity Tower
No. 39 Queen's Road Central, Hong Kong
Tel: 2110 2990
Fax: 2110 9180
Ref: (CCL/AC/KUNG/BH/2317912)

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THIS AGREEMENT is made on 22 December 2023

BETWEEN:

(1) **INFINITY TECHNOLOGY INTERNATIONAL LIMITED 無制限科技國際有限公司,** a company incorporated in Hong Kong with limited liability and whose registered office is situate at Room 03, 33/F, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, N.T., Hong Kong (the "**Company**"); and

(2) **FUXI HOLDINGS LIMITED 富晞控股有限公司,** a company incorporated in the British Virgin Islands with limited liability and whose registered office is situate at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the "**Subscriber**").

WHEREAS:

(A) The Company is a company incorporated in Hong Kong with limited liability. As at the date of this Agreement, the Company has 10,000 issued shares (the "**Shares**") which are fully paid up or credited as fully paid. Further details of the Company are set out in Schedule 1.

(B) The Purchaser is a wholly-owned subsidiary of Imperium Financial Group Limited (stock code: 8029) ("**Imperium**"), the shares of which are listed on GEM of The Stock Exchange of Hong Kong Limited.

(C) The Company has agreed to allot and issue, and the Subscriber has agreed to subscribe, for 10,400 new Shares (the "**Subscription Shares**") representing approximately 51% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, for the sum of HK$10,400 subject to and upon the terms and conditions set out in this Agreement.

1. INTERPRETATION

1.1 In this Agreement, including the Recitals and the Schedules, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"Agreement"	this subscription agreement, as may be amended from time to time
"Business Day"	a day (other than a Saturday, Sunday, public or statutory holiday and days on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours

"Completion"	completion of the subscription of the Subscription Shares in accordance with the provisions of Clause 5
"Completion Date"	the date of Completion
"Conditions Precedent"	the conditions precedent set out in Clause 2.1
"Disclosed"	disclosed in the true, complete, fair and accurate manner (i) elsewhere in this Agreement (including the Schedules); or (ii) in the Management Accounts
"Encumbrance(s)"	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-buy back or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same and "**Encumber**" shall be construed accordingly
"Facility Agreement"	the revolving loan facility agreement for a loan facility of up to HK$5,000,000 in the agreed form to be executed by the Company as borrower and the Subscriber as lender, a draft of which is set out in Schedule 5
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Long Stop Date"	29 March 2023 or such other date as may be agreed by the Company and the Subscriber
"Management Accounts"	the unaudited management balance sheet of the Company as at the Management Accounts Date and the unaudited profit and loss accounts of the Company prepared in accordance with generally accepted accounting principles of Hong Kong for the period commencing from 1 July 2023 and up to the Management Accounts Date, copies of which have been attached to this Agreement as Exhibit "A"
"Management Accounts Date"	30 November 2023

"Material Adverse Change (or Effect)"	any change (or effect) which has a material and adverse effect on the financial position, business or property, and/or results of operations of the Company
"SFC"	The Securities and Futures Commission of Hong Kong
"Share(s)"	has the meaning ascribed to it in the Recital (A)
"Shareholder(s)"	the holders of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of the Subscription Shares subject to and upon the terms and conditions of this Agreement
"Subscription Monies"	has the meaning ascribed to it in Clause 4.1
"Subscription Price"	a price of HK$10,400 for all the Subscription Shares
"Subscription Shares"	has the meaning ascribed to it in the Recital (B)
"Taxation"	all forms of taxation, including taxation in Hong Kong or elsewhere and all forms of profits tax (income tax), interest tax, value added tax, stamp duty and all levies, imposts, duties, charges, fees, deductions and withholdings whatsoever charged or imposed by any statutory, governmental, state, federal, provincial, local or municipal authority whatsoever whether on or in respect of profits, income, revenue, sales, trading, the use, ownership or licensing to or from any person of tangible or intangible assets and the carrying on of other activities, including any fines, interests or other payments relating to taxes, the loss of relief and exemption from and the loss of right of repayment or credit of any tax already paid, and the expression "**Tax**" shall be construed accordingly
"Undertakings"	the undertakings in the agreed form to be made by each of Mr. Chan Man Fai and Mr. Wong Ka Wa to the Company and the Subscriber in relation to the settlement of the amounts owed by each of Mr. Chan Man Fai and Mr. Wong Ka Wa to the Company, a draft of which is set out in Schedule 4

"Warranties"	the representations, warranties and undertakings on the part of the Company given pursuant to Clause 6 and contained in Schedule 3
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

1.2 References in this Agreement to the singular shall, where the context so requires, be deemed to include references to the plural and vice versa and references to one gender shall include all genders. The clause headings in this Agreement are inserted for convenience only and shall not affect the construction of this Agreement.

2. CONDITIONS

2.1 The Subscriber shall and shall procure that its agents shall forthwith upon the signing of this Agreement conduct such financial, legal or other due diligence review of the assets, liabilities, operations and affairs of the Company as it may reasonably consider appropriate and the Company shall provide and procure its agents to provide such assistance as the Subscriber or its agents and advisers may reasonably require in connection with such review.

2.2 The obligations of the parties hereto to effect Completion shall be conditional upon:

(i) the Subscriber being satisfied with the results of the due diligence review to be conducted under Clause 2.1;

(ii) the written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders of Imperium who together hold more than 50% of issued share capital of Imperium in compliance with the requirements of the GEM Listing Rules to approve this Agreement, the Facility Agreement and the transactions contemplated respectively thereunder;

(iii) all necessary consents and approvals required to be obtained on the part of the Company in respect of this Agreement and the transactions contemplated hereunder having been obtained;

(iv) all necessary consents and approvals required to be obtained on the part of the Subscriber in respect of this Agreement and the transactions contemplated hereunder having been obtained;

(v) none of the warranties given by the Company hereunder having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect; and

(vi) none of the warranties given by the Subscriber hereunder having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect.

2.2 The Company shall use its best endeavours to procure the fulfilment of the Conditions Precedent set out in Clauses 2.1(i), (iii) and (v) as soon as practicable and in any event on or before the Long Stop Date. The Subscriber shall use its best endeavours to procure the fulfilment of the Conditions Precedent set out in Clauses 2.1(ii), (iv) and (vi) above as soon as practicable and in any event on or before the Long Stop Date. The Conditions Precedent set out in Clauses 2.1(ii), (iii) and (iv) are incapable of being waived. The Company hereby undertakes to the Subscriber that it shall procure that all information and documents required pursuant to the GEM Listing Rules, and other applicable rules, codes and regulations whether in connection with the preparation of all circulars, reports, documents, independent advice or otherwise are duly given promptly to the other of them, the Stock Exchange and other relevant regulatory authorities.

2.3 The Subscriber may at any time by notice in writing to the Company waive the condition set out in Clause 2.1(v). The Company may at any time by notice in writing to the Subscriber to waive the condition set out in Clause 2.1(vi). If the Conditions Precedent are not fulfilled (or waived) on or before the Long Stop Date, this Agreement (save and except Clauses 7, 8, 10, 11, 12 and 13) shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with this Agreement save in respect of any antecedent breach of any obligation hereof.

3. AGREEMENT TO SUBSCRIBE

The Subscriber shall subscribe for the Subscription Shares and the Company shall allot and issue the Subscription Shares subject to its articles of association.

4. CONSIDERATION

4.1 The consideration for the Subscription Shares shall be in the aggregate sum of HK$10,400 (the "**Subscription Monies**") and shall be payable on application and satisfied by the Subscriber to the Company. The Subscription Monies shall be payable and satisfied by the Subscriber by either (i) the delivery at Completion of one or more cheque(s) or cashier's order(s) drawn against a licensed bank in Hong Kong in favour of the Company for the relevant amount; or (ii) by telegraphic transfer to the designated bank account(s) of the Company at Completion.

4.2 The Subscription Shares shall be allotted and issued as fully paid or credited as fully paid and free from Encumbrance. The Subscription Shares shall rank *pari passu* in all respects among themselves and with the Shares in issue on the date of such allotment and issue.

5. COMPLETION

5.1 The Company and the Subscriber hereby agree that before Completion, (i) the Company may sell the motor vehicle with the registration mark 7T7 (the "**Vehicle**") owned by the Company to its existing director and shareholder at a price not less than the book value of the Vehicle; and (ii) the Company may declare dividends of an amount of not more than its distributable profits as shown in the Management Accounts and such dividends shall be set off against the consideration payable for the Vehicle sold to its existing director and shareholder and the amounts due from the Company's existing directors and shareholders on a dollar for dollar basis.

5.2 Completion shall take place at 4:00 p.m. within ten (10) Business Days (or later day as may be agreed by the Company and the Subscriber) after the satisfaction of the conditions set out in Clause 2.1 at the registered office of the Company (or such other place as may be agreed between the parties hereto) when all (but not part only and except those part(s) agreed to be waived, by all parties hereto) of the following businesses shall be transacted:

(a) the Subscriber shall deliver to the Company the following:

(i) either (1) one or more cheque(s) or cashier's order(s) issued by a licensed bank in Hong Kong in the aggregate amount of HK$10,400 and made payable to the Company for the payment of the Subscription Monies; or (2) the original bank-in slip or other documentary evidence proving telegraphic transfer of HK$10,400, being the Subscription Monies, to the designated account of the Company has been made;

(ii) a letter applying for Subscription Shares at the Subscription Price signed by the Subscriber substantially in the form set out in Schedule 2;

(iii) the Facility Agreement duly executed by the Subscriber; and

(iv) a certified copy of the board resolutions of the Subscriber approving this Agreement, the Facility Agreement and the transactions contemplated respectively thereunder and authorising the execution, delivery and performance of this Agreement and the Facility Agreement respectively.

(b) the Company shall:

(i) allot and issue fully paid to the Subscriber the Subscription Shares and shall procure that the Subscriber be registered in the register of members of the Company;

(ii) deliver to the Subscriber the share certificate(s) each denominated in respect of the Subscription Shares issued to the Subscriber and a certified true copy of the register of members of the Subscription Shares;

(iii) deliver to the Subscriber a certified copy of the board resolutions of the Company referred to in Clause 5.2;

(iv) deliver to the Subscriber a certified copy of the resolutions of the shareholders of the Company approving this Agreement and the transactions contemplated hereunder, including but not limited to the issue of the Subscription Shares, and the entry of the name of the Subscriber in the register of members of the Company as holder of the Subscription Shares;

(v) procure the execution and delivery of the Undertakings to the Company and the Subscriber;

(vi) deliver the Facility Agreement duly executed by the Company to the Subscriber; and

(vii) deliver to the Subscriber the following:

(1) certificate of incorporation, seal, chop, minutes book, register of directors, register of members and transfer and share certificate book and memorandum and articles of association of the Company; and

(2) all books, accounts, records and documents of and relating to the Company, including without limitation, contracts and policies of insurance, cheque books and the current bank statements up to the date immediately preceding Completion of all relevant bank accounts (if any).

5.3 The Company shall pass the following resolutions approving (inter alia):

(a) this Agreement and the transactions contemplated hereunder, including but not limited to the issue of the Subscription Shares, and the entry of the name of the Subscriber in the register of members of the Company as holder of the Subscription Shares;

(b) the Facility Agreement and the transactions contemplated thereunder and the authorisation of the execution, delivery and performance of the same;

(c) at the request of the Subscriber, the appointment of such persons nominated by the Subscriber as the director(s) comprising the majority of the board of directors of the Company, company secretary, representatives and/or such officers of the Company with effect from Completion; and

(d) amend all existing mandates for the operation of all the bank accounts maintained by the Company (if any) in such manner as the Subscriber may require.

5.4 No party shall be obliged to complete the Subscription or perform any obligation hereunder unless all the parties hereto comply fully with their obligations under Clause 5.1 and Clause 5.2.

6. <u>WARRANTIES AND UNDERTAKINGS</u>

6.1 The Company hereby represents, warrants and undertakes to the Subscriber that each of the Warranties is, and will at all times between the date of this Agreement and Completion be true, accurate and complete in all respects and not misleading in any respect.

6.2 The Subscriber hereby represents, warrants and undertakes to the Company that:

(a) save for the written shareholder's approval of Imperium, it has obtained all necessary approvals, authorisations and consents to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated hereby;

(b) save for the written shareholder's approval of Imperium, it has taken all necessary actions to authorise the entering into and performance of this Agreement and to carry out the transactions contemplated hereby;

(c) this Agreement constitutes valid, binding and enforceable obligations of the Subscriber; and

(d) it has sufficient financial resources necessary for the Subscription.

6.3 The Company hereby agrees and acknowledges that the Subscriber is entering into this Agreement in reliance on the Warranties notwithstanding any enquiries or investigations which the Subscriber may have conducted and notwithstanding anything of which the Subscriber may or ought to have knowledge or notice, and the Subscriber is entitled to treat such representations and warranties as conditions of the Agreement.

6.4 The Company undertakes to notify the Subscriber as soon as reasonably practicable on any matter or event coming to its attention prior to Completion which shows or could reasonably be expected to cause any of the Warranties to be or to have been untrue or misleading in any respect or which may have any adverse effect on the assets or liabilities of the Company.

6.5 Each of the Warranties is without prejudice to any other Warranty and, except where expressly or otherwise stated, no provision in any Warranty shall govern or limit the extent or application of any other provision in any Warranty.

6.6 The Warranties shall survive Completion and the rights and remedies of the Subscriber in respect of any breach of the Warranties shall not be affected by Completion or by the Subscriber rescinding, or failing to rescind this Agreement, or failing to exercise or delaying the exercise of any right or remedy, or by any other event or matter whatsoever, except a specific and duly authorised written waiver or release and no single or partial exercise of any right or remedy shall preclude any further or other exercise.

6.7 The Company undertakes in relation to any Warranty which refers to the knowledge, information or belief of the Company that it has made full enquiry into the subject matter of that Warranty and that it does not have the knowledge, information or belief that the subject matter of that Warranty may not be true, accurate and complete.

7. COSTS AND EXPENSES

Each party shall bear its own costs and expenses (including legal expenses) in respect of the transactions contemplated by this Agreement and all other expenses for the implementation of such transactions.

8. CONFIDENTIALITY

8.1 Each of the parties undertakes to the other that it will not, at any time after the date of this Agreement, divulge or communicate to any person other than to its professional advisers, or when required by law or any rule of any relevant stock exchange body, or to its respective officers or employees whose province it is to know any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of any of the others which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

8.2 The Company acknowledges that Imperium may cause an announcement to be published on the websites of the Stock Exchange and Imperium as soon as practicable after the execution of this Agreement. Save as aforesaid or as may be required by law, the GEM Listing Rules, the Stock Exchange, the SFC or other relevant regulatory authorities, no press or other announcement shall be made in connection with the subject matter of this Agreement by any party without the prior approval of the other.

9. CONTINUING OBLIGATIONS AND TIME

9.1 All provisions of this Agreement shall continue in full force and effect notwithstanding Completion except in respect of those matters then already performed.

9.2 Each of the Company and the Subscriber hereby undertakes to the other that it will do all such acts and things and execute all such deeds and documents as may be necessary or desirable to carry into effect or to give legal effect to the provisions of this Agreement and the transactions contemplated hereby.

9.3 Time shall be of the essence of this Agreement as regards any time or period specified herein or which may be varied with the agreements of both parties.

10. SUCCESSORS AND ASSIGNS

This Agreement shall be binding on and shall enure for the benefit of each party's successors and assigns and personal representatives (as the case may be), but no assignment may be made of any of the rights or obligations hereunder of any party without the prior written consent of the other party.

11. COUNTERPARTS

This Agreement may be signed in any number of counterparts, each of which shall be binding upon the party executing it and which together shall constitute one agreement.

12. NOTICES AND PROCESS AGENTS

12.1 Any notice, claim, demand, court process, document or other communication to be given under this Agreement (collectively "**communication**" in this Clause 12) shall be in writing in the English language and may be served by leaving the same at or sending the same by post in a postage prepaid envelope or by facsimile transmission or by email to the correspondence address stated after the relevant party's name at the beginning of this Agreement or to the registered office for the time being of the party to be served or to such other address (which must be in Hong Kong) or facsimile number or email address as may have been notified in writing by such party to the party serving the communication specifically referring to this Agreement.

12.2 A communication served in accordance with Clause 12.1 shall be deemed to have been received by its addressee one Business Day after the same was left at or sent to its registered office or other address for service (if sent by local mail) or five Business Days after the same was sent to its registered office or other address for service (if sent by airmail) or on despatch (if sent by facsimile transmission).

To the Company:

Address:	Room 03, 33/F, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, N.T., Hong Kong
Fax Number:	(852) 3483 9595
Attention:	Chan Man Fai

To the Subscriber:

Address:	Room 03, 26/F, One Harbour Square, 181 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong
Fax Number:	(852) 2167 8029
Attention:	Chim Tak Lai

13. <u>GOVERNING LAW</u>

13.1 This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong.

13.2 The parties hereby submit to the non-exclusive jurisdiction of the courts of Hong Kong in connection herewith but the terms of this Agreement may be enforced in any court of competent jurisdiction.

13.3 Unless expressly provided to the contrary in this Agreement, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623, Laws of Hong Kong) to enforce any of the terms of this Agreement, and whether so provided in this Agreement or not, no consent of third party is required for the amendment to (including the waiver or compromise of any obligation), rescission of or termination of this Agreement.

SCHEDULE 1

Details of the Company

Name	:	INFINITY TECHNOLOGY INTERNATIONAL LIMITED 無制限科技國際有限公司
Place of incorporation	:	Hong Kong
Date of incorporation	:	3 September 2014
CR No.	:	2057595
Issued and paid-up capital	:	HK$10,000 of 10,000 Shares
Registered office	:	Room 03, 33/F, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, N.T., Hong Kong

Shareholders	:	Shareholder(s)	No. of Shares (%)
		Chan Man Fai (陳文輝)	5,000 (50%)
		Wong Ka Wa (黃家華)	5,000 (50%)

Director(s)	:	Chan Man Fai (陳文輝)
		Wong Ka Wa (黃家華)

SCHEDULE 2

APPLICATION FOR SHARES

Date:

To: INFINITY TECHNOLOGY INTERNATIONAL LIMITED
(the "**Company**")
Room 03, 33/F
Cable TV Tower
9 Hoi Shing Road
Tsuen Wan, N.T.
Hong Kong

Attn: The Board of Directors

Dear Sirs,

Application for shares

We refer to the agreement dated 22 December 2023 (the "**Agreement**") and entered into between the undersigned as the subscriber and the Company as issuer in relation to, among others, the subscription for 10,400 new shares (the "**Shares**") of the Company at a total subscription price of HK$10,400.

We hereby apply for and request the Company to allot and issue 10,400 new Shares credited as fully paid to us pursuant to the terms and conditions of the Agreement. We enclose herewith (i) one or more cheque(s)/cashier's order(s) payable to the Company; or (ii) a bank-in slip or other documentary evidence proving telegraphic transfer to the designated account of the Company for the full amount of the subscription monies due on application.

We agree to take the said shares subject to the articles of association of the Company and we hereby authorise the Company to enter our name in the register of members of the Company as holder of the 10,400 new Shares and deliver the share certificate(s) for the Shares applied for to us. For the purpose of the record of the Company, please note our full name, description and address set out below:

Name: FUXI HOLDINGS LIMITED

Description: Corporation

Address: Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands

Yours faithfully,
For and on behalf of
FUXI HOLDINGS LIMITED

Name: Cheng Mei Ching
Title: Director

SCHEDULE 3

WARRANTIES

1. **General Information**

1.1 There are no material facts or circumstances, in relation to the assets, business, prospects or financial conditions of Company, which have not been disclosed to the Subscriber and which, if fully disclosed, might have affected the willingness of the Subscriber to enter into this Agreement.

1.2 The Company and its agents have not given any information to the Subscriber or his agents or advisers which is untrue or misleading.

1.3 The execution and delivery of this Agreement and the issue of the Subscription Shares, and the consummation of the transactions herein contemplated and compliance with the terms hereof by the Company do not, and will not, at the time of execution and delivery or issue (as the case may be), (i) contravene the memorandum and articles of association of the Company in any way; or (ii) conflict with or result in breach of any of the terms or provisions of, or constitute a default under any indenture, trust deed, mortgage or other agreement of instrument to which the Company is a party or by which it or any of its respective properties are bound; or (iii) infringe any existing applicable law, rule, regulation, judgment, order or decree of any government, governmental body or court, domestic or foreign, having jurisdiction over the Company or any of its properties.

1.4 The obligations of the Company under this Agreement shall at all times constitute direct, unconditional, unsecured, unsubordinated and general obligations of, and shall rank at least *pari passu* with, all other present and future outstanding unsecured obligations, issued, created or assumed by the Company.

1.5 All consents, approvals, authorisations, orders, registrations and qualifications of or with any court or governmental agency or body and any other action or thing required to be obtained, taken, fulfilled or done in Hong Kong by the Company for or in connection with the allotment and issue of the Subscription Shares, and the consummation of the other transactions contemplated by this Agreement have been obtained, taken, fulfilled or done and are in full force and effect.

1.6 All statements in the Recitals are true, accurate and complete in all respects.

2. **The Company**

2.1. The Company has full power and is authorised to enter into and perform this Agreement and this Agreement will, when executed, constitute legal, valid and binding obligations on the Company in accordance with its terms.

2.2. There is no option, right to acquire, mortgage, charge, pledge, lien or other form of security, Encumbrance or third party rights on, over or affecting any part of the share capital of the Company and there is no agreement or commitment to give or create any of the foregoing and no claim has been made by any person to be entitled to any of the foregoing which has not been waived in its entirety or satisfied in full.

2.3. The Company has not granted any right to call for the issue of or agreed to issue at any time after Completion any share or loan capital.

2.4. The Company is not under any contract, options, warrants or any other obligations regarding any part of its capital, issued or unissued, or for the issue of any shares, debentures, warrants, options, or other similar securities.

2.5. The register of members and all other statutory books of the Company are up to date and contain true and accurate records of all matters required to be dealt with therein.

2.6. The Company does not have any subsidiary or associated company and does not have any investment, or any agreement to invest, in any other company.

3. **Subscription Shares**

3.1 The allotment, issue and delivery of the Subscription Shares will be duly authorised by all requisite corporate actions and will not violate any law, any order of any court or other agency of government, the articles of association of the Company or any provision of any indenture, agreement or other instrument to which the Company or any of its properties or assets is bound.

3.2 The Subscription Shares will be duly authorised and, when allotted and issued in accordance with this Agreement, will:

(a) be validly issued and fully paid shares of the Company and represent approximately 51% of the issued share capital of the Company immediately after Completion;

(b) be free and clear of all liens, charges, restrictions, claims and Encumbrances; and

(c) rank *pari passu* with all issued shares of the Company as at the date of such allotment and issue and have the rights, privileges and limitations specified in the articles of association of the Company.

4. **Corporate status**

4.1 The contents of Schedule 1 are true and accurate in all respects.

4.2 The Company has been duly incorporated and constituted, and is legally subsisting under the law of its place of incorporation, and has the requisite corporate power and all permits, authorities, licences and consents (whether granted by public or private authority) necessary to carry on its business in the matter and in the places in which its business is now carried on and there are no circumstances which might lead to the suspension or cancellation of any such permits, authorities, licences or consents.

4.3 There has been no resolution, petition or order for the winding-up of the Company and no receiver has been appointed in respect thereof or any part of the assets thereof, nor are any such resolutions, orders and appointments imminent or likely.

5. **Management Accounts**

5.1 The Management Accounts:

(A) are complete and accurate in all respects and give a true and fair view of the state of affairs and financial position of the Company at the dates to which it relates;

(B) comply with all the requirements of the relevant statutes and prepared in accordance with all the applicable generally accepted accounting principles of Hong Kong;

(C) are not affected by any extraordinary, exceptional or non-recurring item;

(D) fully disclose all the assets as at its dates; and

(E) make full provision or reserve or note in accordance with the relevant reporting standards for all liabilities and capital commitments outstanding at the date to which it relates, including contingent, unqualified, deferred or disputed liabilities present.

5.2 Since the Management Accounts Date:

(A) the Company has not entered into any material contracts or commitments which is/are outside the ordinary course of its business and there has not been any acquisition or disposal by the Company of any material fixed or capital assets for a value exceeding HK$100,000 or any agreement to effect the same;

(B) there has not been any creation of liabilities by the Company of a material nature (other than on normal commercial terms in the ordinary and proper course of its business);

(C) so far as the Company is aware, no event has occurred as regards the Company which would entitle any third party to terminate any material contract with the Company or terminate any material benefit enjoyed by the Company or call upon the Company to pay any material amount of money before the normal due date therefor or to repay prematurely any indebtedness;

(D) the Company has not created any mortgage or charge on the whole or any part of its assets (other than mortgages and charges on the Company's assets created in its ordinary and usual course of business);

(E) the Company does not have any borrowing or indebtedness save for such borrowings or indebtedness in the nature of borrowing or any other credit facility (including but not limited to any bank overdrafts and acceptance of credits) incurred in the ordinary and usual course of its business;

(F) the business of the Company has been carried on in the ordinary and usual course and in the same manner (including nature and scope) as in the past, no fixed asset or stock has been written up nor any debt written off, and no unusual or abnormal contract has been entered into by the Company; and

(G) there has been no material deterioration in the financial position of the Company.

5.3 There is no material change to the trading and/or financial position to the Company since the Management Accounts Date.

5.4 Since the Management Accounts Date, no dividend or other distributions has been declared or paid by the Company.

5.5 There has been no Material Adverse Change (or Effect) of the Company as a whole since the Management Accounts Date.

5.6 The Company has no present intention to discontinue or write down investments in any other businesses nor is any such write down, in the reasonable opinion of the directors of the Company, is required.

5.7 No dividends nor any other distributions declared to shareholders of the Company remains (if any) unpaid as at the date hereof.]

6. Company records

6.1 The Company has kept and duly made up all requisite books of account (reflecting in accordance with all applicable legal requirement, minute books, registers, records and these and all other deeds and documents (properly stamped where necessary) belonging to or which ought to be in the possession of the Company and its seal are in the possession of the Company.

6.2 All accounts, books, ledgers, and other financial records of the Company:

(A) have been properly maintained, are in the possession of the Company and contain proper records of all matters required by law to be entered therein;

(B) do not contain or reflect any material inaccuracies or discrepancies; and

(C) give and reflect a true and fair view of the matters which ought to appear therein and no notice or allegation that any of the same is incorrect has been received, or if the Company has received such notice or allegation, the incorrectness or errors have been rectified.

6.3 Save for late filing and other technical non-compliance that will not have a material adverse effect on the Company, documents required to be filed or registered with the Registrar of Companies in Hong Kong any other relevant authority (whether in Hong Kong or otherwise) by the Company have been properly made up, filed or registered (as the case may be).

6.4 The register of members of the Company is correct, there has been no notice of any proceedings to rectify such register, and there are no circumstances, which might lead to any application for its rectification.

7. **Litigation**

The Company is not engaged whether as plaintiff or defendant or otherwise in any civil, criminal or arbitration proceedings or any proceedings before any tribunal (save for debt collection by the Company in the ordinary course of its business) and there are no proceedings threatened or pending against the Company or any such person including proceedings in respect whereof the Company is liable to indemnify any party concerned therein and there are no facts which are likely to give rise to any litigation or proceedings. There are no unfulfilled or unsatisfied judgments or orders against the Company or any of its assets.

8. **Insolvency**

There has been no order made or resolution passed for winding up of the Company and there is not any outstanding petition or order for winding up of the Company; receivership of the whole or any part of the undertaking or assets of the Company; petition or order for administration of the Company; or voluntary arrangement between the Company and any of its creditors.

9. **Title to Assets and Property**

The Company has in its possession good title to its assets and properties as disclosed in the Management Accounts.

10. **Miscellaneous**

The Company has not committed any breach of any statutory provision, order or regulation binding upon it, or entered into any transactions which is or may be unenforceable by reason of the transaction being voidable at the instance of any other party or ultra vires, void or illegal.

SCHEDULE 4

FORM OF UNDERTAKINGS

Date:

INFINITY TECHNOLOGY INTERNATIONAL LIMITED (the "Company")
Room 03, 33/F, Cable TV Tower
9 Hoi Shing Road, Tsuen Wan
N.T., Hong Kong

FUXI HOLDINGS LIMITED (the "Subscriber")
Vistra Corporate Services Centre
Wickhams Cay II, Road Town
Tortola, VG1110, British Virgin Islands

Dear Sirs,

Undertaking

Reference is made to the subscription agreement dated 22 December 2023 (the "**Subscription Agreement**") and entered into between the Company and the Subscriber in relation to the subscription of new shares in the Company by the Subscriber. I, being a director and a shareholder of the Company, am required to deliver this undertaking in accordance with the terms of the Subscription Agreement.

I confirm that as at the date hereof, I owe the Company an amount of HK$[*] (the "**Amount**"). I hereby undertake that:

(i) I shall repay the outstanding Amount in full within three (3) years from the date of completion of the Subscription Agreement, being the date of this undertaking;

(ii) I shall pay interest accrued on the outstanding Amount at the prime rate as announced by The Hongkong and Shanghai Banking Corporation Limited which shall be payable by me to the Company at the time of repayment of the relevant outstanding Amount. Interest shall be calculated on the actual number of days elapsed and on the basis of a 365-day year; and

(iii) so long as any Amount is outstanding, any dividends declared and payable by the Company to me shall be set off against the outstanding Amount and the accrued but unpaid interest in relation to the outstanding Amount to be set off on a dollar for dollar basis.

This undertaking is governed by and shall be construed in accordance with the laws of Hong Kong.

SIGNED, SEALED AND DELIVERED)
AS A DEED by)
in the presence of:)

SCHEDULE 5

FACILITY AGREEMENT

DATE: [*] 2024

INFINITY TECHNOLOGY INTERNATIONAL LIMITED
無制限科技國際有限公司
(as the Borrower)

AND

FUXI HOLDINGS LIMITED
富晞控股有限公司
(as the Lender)

REVOLVING LOAN FACILITY AGREEMENT
for
a loan facility of up to HK$5,000,000

Index

THIS AGREEMENT is dated [*] 2024

BETWEEN:

(1) **INFINITY TECHNOLOGY INTERNATIONAL LIMITED 無制限科技國際有限公司**, a company incorporated in Hong Kong with limited liability and whose registered office is situate at Room 03, 33/F, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, N.T., Hong Kong (the "**Borrower**"); and

(2) **FUXI HOLDINGS LIMITED** 富晞控股有限公司, a company incorporated in the British Virgin Islands with limited liability and whose registered office is situate at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the "**Lender**").

WHEREAS:

(A) The Lender is a wholly-owned subsidiary of Imperium Financial Group Limited (stock code: 8029) ("**Imperium**"), the shares of which are listed on GEM of The Stock Exchange of Hong Kong Limited.

(B) The Borrower has applied to the Lender and the Lender has agreed to make available to the Borrower a revolving loan facility (the "**Facilities**") for HK$5,000,000 (HONG KONG DOLLARS FIVE MILLION ONLY) for the purpose of financing the business operations of the Borrower including but not limited to settlement of suppliers' invoices subject to and upon the terms and conditions of this Agreement. The purpose of this Agreement is to record the terms condition of the provision of the Loan.

1. <u>INTERPRETATION</u>

1.1 In this Agreement (including the Schedules), the following expressions shall, except where the context otherwise requires, have the meanings attributed to them respectively below:

"Advance"	each of the principal amount advanced to the Borrower on such occasion of Drawing
"associate"	has the meaning ascribed to it under the GEM Listing Rules
"Availability Period"	the period commencing from the date of this Agreement and ending on (i) the day immediately before the third anniversary of the date of this Agreement; or (ii) the day the Lender ceased to hold more than 50% of the issued share capital of the Borrower, whichever is the earlier.
"**Business Day**"	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"**Charge**"	the floating charge over the cash and inventory of the Borrower in the form and substance satisfactory to the Lender

"**Drawdown Date**"	the date on which the Borrower makes the Drawing
"**Drawing**"	the drawdown of the Loan to be made by the Borrower on the Drawdown Date
"**Encumbrance**"	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority of security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
"**Events of Default**"	any one or more of the events specified in Clause 10.1 or any act or event which with the giving of notice and/or the lapse of time and/or the fulfilment of any other condition would become one or more of such events
"**Facilities**"	has the meaning ascribed thereto in recital (B)
"**Finance Documents**"	this Agreement and any security documents for the Loan including but not limited to the Charge
"**GEM Listing Rules**"	The Rules Governing the Listing of Securities on the GEM of the Stock Exchange from time to time
"**Hong Kong**"	the Hong Kong Special Administrative Region of the People's Republic of China
"**Loan**"	the aggregate principal amount of up to HK$5,000,000 to be advanced by the Lender to the Borrower subject to and upon the terms and conditions of this Agreement or any part thereof and for the time being outstanding
"**Notice of Drawing**"	the notice of drawing of the Loan in the form set out in Schedule 2
"**Repayment Date**"	(i) the third anniversary from the date of this Agreement or (ii) the day the Lender ceased to hold more than 50% of the issued share capital of the Borrower, whichever is the earlier.
"**SFC**"	the Securities and Futures Commission of Hong Kong
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited
"**HK$**"	Hong Kong dollars, the lawful currency of Hong Kong

1.2 Except to the extent that the context requires otherwise, any reference in this Agreement to:

(1) any document shall include that document as in force for the time being and as amended in accordance with the terms thereof or with the agreement of the parties thereto and with the consent of the Lender, if required hereunder;

(2) any enactment shall include the same as from time to time re-enacted, amended, extended, consolidated or replaced;

(3) "**laws and regulations**" shall include all constitutional provisions, treaties, conventions, statutes, acts, laws, decrees, ordinances, subsidiary and subordinate legislation, orders, rules and regulations having the force of law, rules of civil and common law and equity, directives, instructions, notifications, circulars, policy statements and guidelines (whether or not having the force of laws) and other similar authorities;

(4) a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, unit or trust (in each case, whether or not having separate legal personality);

(5) "**subsidiary**" and "**holding company**" shall have the meaning attributed thereto by the Companies Ordinance of Hong Kong;

(6) "**years**" and "**months**" mean calendar years and months respectively, under the Gregorian Calendar. For the avoidance of doubt and for the purpose of determining the interest payment date, a calendar month means a period beginning on one day of a calendar month and ending on the day numerically corresponding to such day in the following calendar month, provided that if the period begins on the last day of a calendar month or there is no such numerically corresponding day in the following month, the period shall end on the last day in such following calendar month.

1.3 The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement. Unless the context otherwise requires, references in this Agreement to the singular shall be deemed to include references to the plural and *vice versa* and references to one gender shall include all genders.

1.4 References in this Agreement to clauses and schedules are references to clauses and schedules to this Agreement and references to sub-clauses and paragraphs are, unless otherwise stated, reference to sub-clauses and paragraphs of the clause, sub-clause or, as appropriate, the schedule to which the reference appears.

2. THE FACILITIES

2.1 Subject to the terms and conditions of this Agreement, the Lender hereby agrees to make available to the Borrower the Facilities up to a principal amount of up to HK$5,000,000.

2.2 Notwithstanding Clause 2.1 above, the Lender is not bound to monitor or verify the actual application of any amount borrowed pursuant to this Agreement.

2.3 The purpose of the Loan is for financing the business operations of the

Borrower including but not limited to settlement of suppliers' or service providers' invoices. The Borrower hereby undertakes and confirms that the Loan will only be used for such purpose.

3. DRAWING

3.1 Subject to Clause 3.2 and other terms and conditions of this Agreement, the Lender shall advance the Loan in one or more tranches to the Borrower in the amount stated in each Notice of Drawing (the "**Drawdown Sum**").

3.2 The making of each Drawing by the Borrower is also subject to the conditions that:

(1) the Lender shall have before the date on which the Drawing is to be made a Float Charge duly executed by the Borrower and a certified copy of the board resolutions of the Borrower approving the execution, delivery and performance of the Float Charge.

(2) the Lender shall have received not later than 12:00 noon (Hong Kong time) on the date falling two (2) Business Days immediately before the date on which the Drawing is to be made a duly completed and signed original Notice of Drawing;

(3) the Borrower shall present to the Lender the relevant invoice(s) in which the Advance shall be used to settle such sums in the course of the business operations of the Borrower;

(4) no Events of Default or potential Events of Default shall have occurred (or would be likely to occur as a result of the Drawing being made) and all representations and warranties made by the Borrower in or in connection with this Agreement shall be true and correct as at the date the Drawing is to be made with reference to the facts and circumstances then subsisting; and

(5) the outstanding principal amount of the Loan after the drawdown of such Advance shall not exceed HONG KONG DOLLARS FIVE MILLION (HK$5,000,000).

3.3 A Notice of Drawing once given under Clause 3.1 shall be irrevocable and shall oblige the Borrower to make the Drawing stated in the Notice of Drawing.

4. INTEREST

The Loan shall not carry any interest.

5. REPAYMENT

5.1 Without prejudice to Clauses 5.2 and 10.2, if as at the end of any quarter, cash and cash equivalents of the Borrower exceed the current liabilities of the Borrower by more than HK$2 million, the Borrower shall repay such amount in excess of HK$2 million to the Lender within one (1) month from the end of such quarter until the Loan is fully repaid.

5.2 Subject to Clauses 5.1 and 10.2, any outstanding balance of the Loan under this Agreement shall be repaid in full on the Repayment Date provided that the Borrower may prepay any outstanding balance of the Loan before the Repayment Date.

6. PAYMENTS

6.1 All payments to be made by the Borrower to the Lender pursuant to this Agreement shall be made in Hong Kong dollars in immediately available funds and, unless expressly provided in this Agreement to the contrary, shall be made to the Lender not later than 4:00 p.m. (Hong Kong time) on the due day to such account as the Lender may from time to time stipulate in writing.

6.2 Whenever payment hereunder shall become due on a day which is not a Business Day at the place appointed for payment, the due date thereof shall either be extended to the next succeeding Business Day or, if such next succeeding Business Day falls in the following calendar month, be fixed on the preceding Business Day.

7. TAXES

7.1 All amounts payable by the Borrower hereunder shall be made without set-off, counterclaim or other deductions and free and clear of and without deduction for or on account of any taxes (other than tax on the overall net income of the Lender) now or hereafter imposed, levied, collected, withheld or assessed by any country, state or any political sub-division or taxing authority thereof or therein or any federation or organisation of which any such country, state or any political sub-division thereof may at the time of payment be a member.

7.2 If the Borrower is prohibited by law from making payments without deduction or withholding as provided in Clause 7.1 then:

(1) the Borrower shall ensure that such deduction and/or withholding does not exceed the minimum legal requirement;

(2) the Borrower shall pay to the Lender such additional amounts as necessary in order that the net amounts received by the Lender, after such deduction or withholding shall equal the amount which it would have received had no such deduction or withholding been required to be made;

(3) the Borrower shall immediately and in any event no later than the date after which penalties would attach cause to be paid over to the relevant authority the full amount of the deduction or withholding which it is required to deduct or withhold including the whole amount of any deduction or withholding from any additional amount paid pursuant to paragraph (2) above; and

(4) the Borrower shall deliver to the Lender within thirty (30) days of payment or the due date or on demand satisfactory evidence of payment of such deduction or withholding to the relevant authority.

8. REPRESENTATIONS AND WARRANTIES

8.1 The Borrower hereby represents and warrants to the Lender as follows:

(1) the Borrower is duly incorporated and existing under the laws of its place of incorporation, has full power and authority to (a) own its assets, (b) carry on its business as it is now being conducted; (c) make borrowings hereunder upon the terms and conditions of this Agreement; and (d) enter into and perform its obligations under this Agreement to which it is a party;

(2) all necessary actions and authorisations whether under its constituent documents or otherwise, for the Borrower to enter into this Agreement and to perform its obligations hereunder have been taken and obtained;

(3) the execution, delivery and performance by the Borrower of this Agreement will not exceed any power granted to it, or violate in any material respect any provision of (a) any law or regulation or any order or decree of any governmental agency or court to which it is subject; (b) if applicable, its constituent documents; or (c) any mortgage, charge, deed, contract or other undertaking or instrument to which it is a party or which is binding upon it or its assets, and will not result in the creation or imposition of, or any obligation to create or impose, any Encumbrance on any of its assets;

(4) this Agreement constitutes or will, when executed, constitute the legal, valid and binding obligations of the Borrower, enforceable in accordance with its terms;

(5) all governmental or other authorisations, approvals and consents required for or in connection with the execution, delivery, performance, legality, validity, enforceability and admissibility in evidence of this Agreement have been obtained and all such authorisations, approvals and consents are in full force and effect;

(6) no action, suit or proceeding is pending or threatened against the Borrower, or any of its subsidiaries or associated companies (if any) before any court, board of arbitration or administrative agency or tribunal which the Lender may at their absolute discretion consider to be material on the business, assets or condition (financial or otherwise) of the Borrower, or any of its subsidiaries or associated companies (if any) on the ability of the Borrower, or any of its subsidiaries or associated companies to perform any of its obligations under this Agreement or other documents to which it is a party;

(7) the Borrower or any of its subsidiaries or associated companies (if any) has not taken any action for bankruptcy, winding-up, liquidation or dissolution and no steps have been taken or proceedings started or is threatened for the bankruptcy, winding-up, liquidation or dissolution of the Borrower or any of its subsidiaries or associated companies (if any) or for the appointment of a receiver, trustee or similar officer of the Borrower or any of its subsidiaries or associated companies (if any);

(8) the Borrower or any of its subsidiaries or associated companies (if any) is not in default or has committed any breach of or under any agreement to which it is a party or by which it may be bound and as at the date of this Agreement, no condition, event or act exists or has occurred, which, with the lapse of time or the giving of notice or both or the fulfillment of any other condition would constitute such a default or breach;

(9) the obligations of the Borrower under this Agreement rank and will continue to rank at least *pari passu* with its existing and future unsecured and unsubordinated obligations;

(10) the Borrower is not required to make any deduction or withholding from amounts payable under this Agreement for or on account of any taxes now or hereafter imposed by any taxing authority; and

(11) no Events of Default has occurred or will occur as a result of the entry into this Agreement by the Borrower.

8.2 The Borrower hereby further represents, warrants and agrees that each of the representations and warranties contained in Clause 8.1 shall be correct and complied with in all respects for so long as any part of the Loan or any other amounts payable hereunder or any of them remain outstanding and shall without prejudice to the foregoing be deemed to be repeated on the date on which the Drawing is made.

8.3 The Borrower hereby acknowledges that the Lender have agreed to make the Facilities available to the Borrower in reliance upon the representations and warranties contained in Clause 8.1.

9. COVENANTS

9.1 The Borrower hereby covenants and agrees with the Lender that so long as any part of the Loan or any other amounts payable hereunder remain outstanding, it shall and shall procure its subsidiaries and associated companies (if any) (where applicable):

(l) maintain its corporate existence and carry on and conduct its business in a proper and efficient manner;

(2) promptly advise the Lender in writing of details of any litigation, arbitration or administrative proceeding which would have rendered the undertakings, representations and warranties contained in Clause 8 incorrect had the same been current or threatened as at the date hereof immediately upon occurrence of the same;

(3) keep proper records and books of account and prepare all financial statements in accordance to its usual practice;

(4) deliver to the Lender within the period specified in any notice from the Lender, all such other information relating to the condition (financial or otherwise) of the Borrower or any of its subsidiaries or associated companies (if any) as the Lender may request;

(5) in all respects observe and comply with the covenants and obligations under the Finance Documents or other documents to which it is a party;

(6) procure or provide access to all the books and records of the Borrower or any of its subsidiaries or associated companies at all reasonable times to the Lender and any persons nominated by the Lender who may take extract therefrom or take copies thereof for the purposes of evaluating the financial position of the Borrower, or any of its subsidiaries or associated companies (if any);

(7) obtain and promptly renew from time to time and comply with the terms of all consents, licences, approvals or authorisations of all governmental agencies of any country or state or political subdivision thereof required for in connection with the execution, delivery, performance, validity, enforceability and admissibility in evidence of the Finance Documents and deliver or cause to be delivered to the Lender evidence of renewal of and compliance with the terms of all such consents, licences, approvals or authorisations;

(8) take out, or procure that there is taken out, maintain and comply with, or procure the maintenance and compliance with the terms of insurance in respect of the assets used by or in connection with the business of the Borrower or any of its subsidiaries or associated companies (if any) of an insurable nature and such other insurance as a prudent company may in the ordinary course of business require, which insurance shall:

    (a) be with such insurance company as approved by the Lender in writing; and

    (b) commence no later than the date on which a Notice of Drawing is given under this Agreement;

(9) pay or cause to be paid the premium and all other moneys payable in connection with effecting or maintaining insurance taken out as aforesaid and within fourteen days of the date of commencement and renewal of any policy of insurance and the payment of any premium and/or on demand at any other time, deliver or cause to be delivered to the Lender the policy of insurance, renewal slip and/or receipt for payment of premium (as the case may be); and

(10) it will promptly advise the Lender upon becoming aware of (a) any Events of Default; (b) any potential Events of Default; or (c) any material adverse factor which may inhibit the Borrower in the performance of its obligations under the Finance Documents.

10. <u>EVENTS OF DEFAULT</u>

10.1 There shall be an Event of Default if any one of the following events shall have occurred or is continuing:

(1) the Borrower fails to pay in accordance with the terms of the Finance

Documents any sums hereunder when due;

(2) the Borrower fails to duly perform or observe any of its obligations under the Finance Documents;

(3) any of the representations or warranties by the Borrower or its subsidiaries and associated companies (if any) contained in the Finance Documents or made pursuant hereto proves to have been untrue or incorrect when made or deemed to have been made;

(4) the Borrower or any of its subsidiaries or associated companies (if any) becomes bound to repay prematurely any other loan or other obligation for borrowed money by reason of a default by it or if it fails to make any payment in respect thereof on a due date for such payment or becomes bound to make payment under any guarantee given by it by reason of a default by the principal debtor or if it fails to make any payment in respect thereof on the due date for such payment or any present or future security on or over any asset of the Borrower or any of its subsidiaries or associated companies (if any) becomes enforceable;

(5) any decree or order is made by any competent court adjudging the Borrower, or any of its subsidiaries or associated companies insolvent or bankrupt under the insolvency or bankruptcy laws of any jurisdiction to which it may be subject or any order or application is made for the appointment of any liquidator, receiver, trustee, curator or sequestrator or other similar official of the Borrower or any of its subsidiaries or associated companies in respect of all or a substantial part of its assets (save for the purposes of an amalgamation, merger or reconstruction not involving insolvency the terms of which shall have received the prior written approval of the Lender);

(6) the Borrower or any of their its subsidiaries or associated companies becomes insolvent, is unable to, or shall admit inability to pay its debts as they fall due; stops payment to creditors generally or ceases or threatens to cease to carry on its business or any substantial part thereof; disposes or threatens to dispose of all or a substantial part of its assets; proposes or takes any action for readjustment, rescheduling, deferral or a moratorium of all or part of its debts; proposes or enters into any composition, arrangements with or any assignment for the benefit of its creditors generally;

(7) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the assets of the Borrower or any of their respective subsidiaries or associated companies and is not discharged or stayed within seven (7) days or a judgment of any court is not discharged within thirty (30) days unless an appeal therefrom has been duly lodged during the said thirty (30) day period and execution is stayed pending appeal;

(8) any consent, licence, approval or authorisation of any governmental agency of any country or state or political subdivision thereof required for or in connection with the execution, delivery, performance, legality, validity, enforceability or admissibility in evidence of the Finance Documents is

revoked or withheld or materially modified or otherwise ceases to be in full force and effect;

(9) any Finance Document ceases to be in full force and effect or the validity or enforceability thereof or any indebtedness or any other obligation of the Borrower hereunder is disaffirmed by or on behalf of the Borrower or such obligor;

(10) the Borrower repudiates any of the Finance Documents or does or causes to be done any act or thing evidencing an intention to repudiate any of the Finance Documents or any action or proceeding of or before any court or authority shall be commenced (and not withdrawn or dismissed within a period of fourteen (14) days after its commencement) to enjoin or restrain the performance of and compliance with any obligations expressed to be assumed by the Borrower in the Finance Documents to which any of it is party or in any event to question the right and power of the Borrower to enter into, exercise its rights under and perform and comply with any obligations expressed to be assumed by any of it in the Finance Documents or the legality, validity and enforceability of the Finance Documents;

(11) it is or will become unlawful for the Borrower to perform or comply with any one or more of their respective obligations under the Finance Documents;

(12) there should occur in the opinion of the Lender a material adverse change in the condition (financial or otherwise) of the Borrower or any of its subsidiaries or associated companies;

(13) anything is done or omitted by the Borrower or any of its subsidiaries or associated companies which in the opinion of the Lender, materially affects the ability of the Borrower or any of its subsidiaries or associated companies to perform their respective obligations under the Finance Documents to which any of them is a party;

(14) any event occurs or proceeding is taken with respect to the Borrower or any of their respective subsidiaries or associated companies in any jurisdiction to which it is subject which has an effect which is equivalent or similar to any of the events mentioned in sub-clauses (6) and (7);

(15) the Borrower or any of its subsidiaries or associated companies defaults or receives notice of default under any agreement or obligation whether relating to borrowing or other matters or any indebtedness of the Borrower or any of its subsidiaries or associated companies becomes payable, or capable of being, or is declared payable before its stated maturity or is not paid when due or any security interest, guarantee or other security now or hereafter created by the Borrower or any of its subsidiaries or associated companies becomes enforceable;

(16) any other event or circumstance arises which, in the absolute opinion of the Lender, is likely and adversely to affect the ability of the Borrower to perform all or any of its obligations under or otherwise to comply with the terms of the

Finance Documents;

(17) the Borrower or any of its subsidiaries or associated companies fails to comply in all material respects with, or does not diligently perform in all material respects any of its duties and obligations under, all applicable laws, rules, codes, regulations, consents, licences, approvals and authorisations;

(18) any lawful step is taken by any person for the purpose of a reconstruction, amalgamation, reorganisation or take-over involving the Borrower or any of its subsidiaries or associated companies except one reasonably considered by the Lender as not having an adverse effect on the interest or position of the Lender under the Finance Documents; or

(19) any of the Finance Documents shall be or is likely to be invalid, void or unenforceable unless the Borrower can provide to the Lender within 7 days of notice from the Lender to the Borrower requiring the same an opinion of a leading counsel to the effect that:

(a) any of the Finance Documents is not invalid, void or unenforceable; or

(b) the Borrower is nevertheless able to procure the entry into of valid and enforceable substitute documents which do not prejudice the Lender's position from that under the Finance Documents and the Borrower does so procure the entry into of such substitute documents within a period of 5 days of the date of such counsel's opinion.

10.2 Upon the occurrence of an Event of Default and at any time thereafter, the Lender may by notice in writing to the Borrower declare the Loan, and all other monies payable under this Agreement to be forthwith due and payable whereupon the same shall be forthwith due and payable.

11. <u>INDEMNITIES</u>

Without prejudice to any other right or remedy of the Lender, upon:

(1) the occurrence of an Event of Default; and/or

(2) the declaration of the Loan to be immediately due and payable pursuant to Clause 10.2 or otherwise in accordance with the terms of this Agreement; and/or

(3) any sums payable by the Borrower under this Agreement not being paid when due, and at any time thereafter,

the Borrower shall pay to the Lender on demand such amount or amounts as shall fully indemnify the Lender against all losses, expenses and liabilities which the Lender may sustain or incur by reason of the occurrence of any of the foregoing including but not limited to any loss, expense, premium or penalties suffered or incurred by the Lender in liquidating or re-employing deposits from third parties acquired to effect or maintain the Loan or any part thereof. A certificate of the

Lender setting forth the amount of such losses, expenses and liabilities and specifying the basis therefor shall, in the absence of manifest error, be conclusive and binding on the Borrower.

12. FEES AND EXPENSES

12.1 Each party shall bear its own costs and expenses (including legal fees) incurred in connection with the preparation, negotiation, execution and performance of this Agreement.

13. CONFIDENTIALITY

13.1 The Borrower acknowledges that Imperium may cause an announcement to be published on the websites of the Stock Exchange and Imperium as soon as practicable after the execution of this Agreement. Save as aforesaid or as may be required by law, the GEM Listing Rules, the Stock Exchange, the SFC or other relevant regulatory authorities, no press or other announcement shall be made in connection with the subject matter of this Agreement by any party without the prior approval of the other.

13.2 Each of the parties undertakes to the other of them that it will not, at any time after the date of this Agreement, divulge or communicate to any person other than to its professional advisers, or when required by law including but not limited the GEM Listing Rules, or to its respective officers or employees whose province it is to know the same any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of the other party which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

14. NOTICES

All notices or communications required to be served or given pursuant to this Agreement:

(1) shall be in writing and may be sent by prepaid postage, mail (by airmail if to another country) or facsimile (but, if by facsimile from the Borrower, shall promptly be confirmed by mail) or personal delivery;

(2) shall be sent to the parties at the facsimile number or address from time to time designated in writing by that party to the other; the initial facsimile number and address so designated by each party being set out in Schedule 1;

(3) if sent to the Borrower shall be deemed to have been given and received by the Borrower (a) within three (3) days after the date of posting, if sent by mail; (b) when delivered, if delivered by hand; and (c) on despatch, if sent by facsimile; and

(4) shall be in the English language.

15. MISCELLANEOUS

15.1 A certificate issued by the Lender as to any sum payable by the Borrower under this Agreement and any other certificate, determination, notification or opinion of the Lender provided for in this Agreement shall, in the absence of manifest error, be conclusive evidence against the Borrower.

15.2 If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

15.3 Save as may be expressly otherwise provided herein, time is of the essence of this Agreement but no failure or delay on the part of the Lender to exercise any power, right or remedy hereunder shall operate as a waiver thereof nor shall a waiver by the Lender of any particular default by the Borrower affect or prejudice the right, power or remedy of the Lender in respect of any other default or any subsequent default of the same or a different kind nor shall any single or partial exercise by the Lender of any power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any power, right or remedy.

15.4 No waiver of any Event of Default shall be effective unless in writing signed by the Lender.

15.5 This Agreement may not be amended save in writing duly signed by all parties hereto and thereto.

15.6 The Lender may grant waivers, consents or indulgence in respect of any one or more obligations of or conditions or requirements imposed on or applied to the Borrower under or in connection with this Agreement including without limitation any condition or requirement applicable to the making of a drawing under the Facilities, or prepayment of the Loan and any such waiver, consents or indulgence may be given subject to such terms and conditions as may be imposed by the Lender.

16. ASSIGNMENT

16.1 This Agreement shall enure to the benefit of the parties hereto and their respective successors, assignees and transferees.

16.2 The parties may not assign any of its rights or obligations under this Agreement without the written consent of the other party.

17. LAW AND JURISDICTION

17.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.

17.2 The parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

17.3 Notwithstanding any other provisions of this Agreement who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any provisions of this Agreement.

Schedule 1

Address and Facsimile Number for Notification

Party	Address	Facsimile number
The Borrower	Room 03, 33/F, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, N.T., Hong Kong	(852) 3483 9595
The Lender	Room 03, 26/F, One Harbour Square, 181 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong	(852) 2167 8029

Schedule 2

Notice of Drawing

To: FUXI HOLDINGS LIMITED
Room 03, 26/F, One Harbour Square
181 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Date: [*]

We refer to the loan agreement dated 22 December 2023 (the "**Loan Agreement**") pursuant to which you have agreed to advance a loan in the aggregate principal amount of up to HK$5,000,000 to us.

We hereby:

(1) give you notice that we intend to make a drawing of HK$[*] on [*];

(2) confirm that the Drawdown Sum will be used for financing the business operations of the Borrower and enclose herewith the relevant invoice(s) in which the Drawdown Sum will be used to settle;

(3) certify that no Event of Default or condition, act or event which, with the giving of notice or lapse of time or both or the fulfilment of any other condition would constitute an Event of Default has occurred, is continuing or would result from the drawing requested hereunder; and

(4) represent and warrant that all representations and warranties set out in Clause 8 of the Loan Agreement are true and correct on the date hereof with reference to the facts and circumstances now existing.

We hereby irrevocably authorise and direct you to credit all the proceeds of the drawing under the Loan in the amount of HK$[*] to account no. [*] maintained by [*] with [*]. Acknowledge receipt by the recipient shall be deemed as our recipient of the drawdown sum.

Expressions capitalised and not defined in this Notice of Drawing shall have the meanings attributed thereto in the Loan Agreement.

For and on behalf of
INFINITY TECHNOLOGY INTERNATIONAL LIMITED

____
Name:
Position:

IN WITNESS hereof the parties hereto have duly executed this Agreement as a deed the day and year first above written.

<u>THE BORROWER</u>

SIGNED by	)
	)
for and on behalf of	)
	)
INFINITY TECHNOLOGY	)
INTERNATIONAL LIMITED	)
無制限科技國際有限公司	)
	)
in the presence of:	)

<u>THE LENDER</u>

SIGNED by	)
	)
for and on behalf of	)
	)
FUXI HOLDINGS LIMITED	)
富晞控股有限公司	)
	)
in the presence of:	)

<u>EXHIBIT A</u>

MANAGEMENT ACCOUNTS

Infinity【2023-07-01 to 2023-11-30】
Income Statement
For the Five Months Ending 30 November 2023

	Current Month This Year	Current Month Last Year
Revenues		
Sales- 批發	$ 7,681,314.01	$ 0.00
Sales- 門市	43,677.70	0.00
Sales- 網上	304,556.30	0.00
Sales- OEM	468,095.00	0.00
Sales- SP Sundries	207,260.58	0.00
Sales- Exhibition 展覽會	569,773.20	0.00
Sales Discounts	(26,093.21)	0.00
Sales Returns	(19,442.40)	0.00
Other Income	21,745.11	0.00
Bank Interest Income	10.00	0.00
Total Revenues	9,250,896.29	0.00
Cost of Sales		
CGS = Products	4,220,542.00	0.00
CGS = Package	254,468.00	0.00
CGS = Consumable	979.10	0.00
CGS = 上架費, 推廣費, 設計費	117,685.11	0.00
CGS = 樣辦費 (Samples)	25,778.00	0.00
CGS = Transportation	96,869.00	0.00
CGS = BKC (TT 匯費)	835.00	0.00
Total Cost of Sales	4,717,156.21	0.00
Gross Profit	4,533,740.08	0.00
Expenses		
Accommodations-Rent	240,000.00	0.00
Advertising	979.00	0.00
BKC- Bank Chg	13,340.00	0.00
BKC- mPAY / BBMSL Chg	13,673.99	0.00
Cleaning Chg	17,460.80	0.00
Computer Expenses	33,075.82	0.00
Courier Chg	44,958.40	0.00
Consumable Expenses	240.00	0.00
Commission-Property	24,282.00	0.00
Depreciation	308,000.00	0.00
Directors' Remuneration-Hyde	250,000.00	0.00
Directors' Remuneration-Samuel	250,000.00	0.00
Electricity Chg	13,129.00	0.00
Entertainment	5,320.60	0.00
Exhibition 展覽會	136,111.50	0.00
Insurance- Office	23,063.76	0.00
Insurance- Motor	22,130.00	0.00
Licence & Testing Fee	72,300.00	0.00
Loan Int【8810761】HSBC	2,091.43	0.00
Loan Int【8984042】HSBC	18,944.08	0.00
Loan Int【90008329】CCB	2,636.70	0.00
Loan Int【3444788000593577】DB	43,793.09	0.00

	Current Month This Year	Current Month Last Year
Loan Int【841704455034】HSBC	13,800.00	0.00
Loan Int【52887693】SCB	29,550.11	0.00
Loan Int【53208269】SCB	51,251.51	0.00
Management Fee	36,470.00	0.00
Medical Expenses	1,050.00	0.00
Motor Vehicle- Fuel	995.60	0.00
Motor Vehicle- Tunnel	8,442.00	0.00
Motor Vehicle- Car Parking	83,098.00	0.00
Motor Vehicle- Penalty	12,160.00	0.00
Motor Vehicle- Repair & Maint	166,616.00	0.00
Motor Vehicle- Licence Fee	17,427.00	0.00
Motor Vehicle- Expenses	385.00	0.00
Member and Subscriptions Exp	3,980.00	0.00
Printing & Stationery	26,829.05	0.00
Rent- Office	130,000.00	0.00
Repair & Maintenance	6,660.50	0.00
Recuritment【招聘】	2,392.00	0.00
Salary	1,420,000.00	0.00
Salary-PT	17,850.00	0.00
Staff Welfare	6,002.40	0.00
Meals and Allowance Exp	11,230.50	0.00
Stamp Duty	1,602.00	0.00
Sundry Expenses	16,803.10	0.00
Tel, IDD, Fax, Internet	4,188.00	0.00
Travelling- Local	357.20	0.00
Travelling- Oversea	2,173.00	0.00
Transportation	270.00	0.00
Taxation	(6,632.00)	0.00
Water & Sewage Chg	272.28	0.00
Total Expenses	3,600,753.42	0.00
Net Income	$ 932,986.66	$ 0.00

Infinity【2023-07-01 to 2025-06-30】
Balance Sheet
30 November 2023

ASSETS

Current Assets			
Petty Cash = [Mary]	$	17,488.80	
Petty Cash = [亞男]		14,474.00	
Petty Cash = [SANA]		10,000.00	
HSBC c/a# 004-023-321037-001		1,063,530.06	
HSBC s/a# 004-023-321037-838		1,061,289.39	
HSBC s/a = AUD 澳元儲蓄		4.17	
DBS c/a# 001186529		105,388.91	
DBS S/a# 000958159		0.94	
SCB c/a# 407-0-090729-7		131,210.85	
AR = Accounts Receivable		1,906,697.65	
Inventory		2,013,614.00	
Prepaid-Expenses		950.00	
Prepaid-Autotoll# 0000640981		821.50	
Prepaid-Loan A/C		18,032.09	
C/A- Chan Man Fai (Samuel)		3,677,107.49	
C/A- Wong Ka Wa (Hyde)		3,726,810.07	
Total Current Assets			13,747,419.92
Property and Equipment			
FX- Furniture and Fixtures		17,052.00	
FX- Equipment		162,839.00	
FX- Motor Vehicles		3,511,373.00	
FX- Computer		27,705.00	
Acc Dep- Furniture & Fixture		(12,561.00)	
Acc Dep- Equipment		(160,589.75)	
Acc Dep- Motor Vehicles		(2,383,873.00)	
Acc Dep- Computer		(11,636.25)	
Total Property and Equipment			1,150,309.00
Other Assets			
Deposit-Rental / CarPark		163,550.00	
Deposit- Electricity		630.00	
Prepaid-Octopus		187.50	
Total Other Assets			164,367.50
Total Assets			$ 15,062,096.42

LIABILITIES AND CAPITAL

Current Liabilities			
AP = Accounts Payable	$	28,000.00	
Income Arrears【AR】		20,460.00	
Accrued- Audit Fee		120,000.00	
Accrued- MPF [Staff]		12,000.00	
Profit Taxes Payables		60,122.00	

HSBC CreditCard【Hyde-3243-194	(208,699.52)	
HSBC CreditCard【Samu-3766-834	(41,951.44)	
Suspense Account	67,399.40	
Total Current Liabilities		57,330.44
Long-Term Liabilities		
Loan# 8810761【HSBC-BENZ貨車】	72,877.95	
Loan# 8984042【HSBC-林寶堅尼】	790,414.04	
Loan# 90008329【CCB-TOYOTA】	66,921.09	
Loan# 3444788000593577【DBS 政	1,788,986.80	
Loan# 841704455034【HSBC-SFGS	1,500,000.00	
Loan# 52887693【SCB】	820,619.29	
Loan# 53208269【SCB】	3,191,810.63	
Total Long-Term Liabilities		8,231,629.80
Total Liabilities		8,288,960.24
Capital		
Paid-In Capital	10,000.00	
Beginning Balance Equity	4,192,089.58	
Retained (Profit) / Loss	1,638,059.94	
Net Income	932,986.66	
Total Capital		6,773,136.18
Total Liabilities & Capital		$ 15,062,096.42

-

In witness whereof this Agreement has been duly executed by the parties hereto the day and year first above written.

THE COMPANY

SIGNED by	)	
for and on behalf of	)	For and on behalf of Infinity Technology International Limited 無制限科技國際有限公司
INFINITY TECHNOLOGY INTERNATIONAL LIMITED **無制限科技國際有限公司**	)	Authorized Signature(s)
in the presence of:	)	

THE SUBSCRIBER

SIGNED by	)	
for and on behalf of	)	
FUXI HOLDINGS LIMITED **富晞控股有限公司**	)	Danielle
in the presence of:	)	

DATE: 8 December 2023

IMPERIUM FINANCIAL GROUP LIMITED
(as Company)

AND

SILVERBRICKS SECURITIES COMPANY LIMITED
(as Placing Agent)

PLACING AGREEMENT
relating to the placing of up to
1,142,127,384 Unsubscribed Rights Shares in the share capital of
IMPERIUM FINANCIAL GROUP LIMITED
to be issued under the Rights Issue on the basis of
one (1) Rights Share for every two (2) Shares held on the Record Date

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THIS AGREEMENT is made on 8 December 2023

BETWEEN:

(1) **IMPERIUM FINANCIAL GROUP LIMITED,** a company incorporated in Cayman Islands with limited liability, the principal office of which is at Room 03, 26/F, One Harbour Square, No. 181 Hoi bun Road, Kwun Tong, Kowloon, Hong Kong with its Shares listed on the GEM of the Stock Exchange (the "**Company**"); and

(2) **SILVERBRICKS SECURITIES COMPANY LIMITED**, a company incorporated in Hong Kong with limited liability and having its registered office situated at Rooms 1004-1006, 10/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong and a corporation licensed to carry out business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance ("**SFO**") (Chapter 571 of laws of Hong Kong) (the "**Placing Agent**").

WHEREAS:

(A) The Company was incorporated in Cayman Islands with limited liability and at the date of this Agreement has an authorised share capital of HK$1,600,000,000 divided into 40,000,000,000 Shares (as defined below), of which 2,284,254,768 Shares have been issued and are fully paid or credited as fully paid and are listed on GEM of the Stock Exchange (as defined below) (Stock Code: 08029).

(B) The Company has proposed, by way of a rights issue ("**Rights Issue**"), to offer the rights shares ("**Rights Share(s)**") to the qualified shareholders ("**Qualified Shareholders**") on the basis of one (1) Rights Share for every two (2) Shares held by the Qualified Shareholders (as defined below) registered as such on the record date.

(C) Pursuant to Rule 10.31(1) of the GEM Listing Rules (as defined below), the Company in the Rights Issue must make compensatory arrangement to dispose of the Rights Shares not validly applied for by the Shareholders for the benefit of those Shareholders (as defined below).

(D) The Company therefore hereby appoints the Placing Agent upon the terms and conditions herein and the Placing Agent agrees to accept the appointment in accordance with the terms hereof.

IT IS HEREBY AGREED:

1. INTERPRETATION

1.1 In this Agreement, including the Recitals and Schedule hereto, unless the context otherwise requires, the following expressions have the following meanings:

"acting in concert"	has the same meaning ascribed thereto under the Takeovers Code
"Agreement"	this placing agreement as amended or varied from time to time by an agreement in writing duly executed and delivered by the parties hereto
"Announcement"	the announcement proposed to be issued by the Company, in substantially such form as annexed hereto marked "A", immediately following execution of this Agreement
"Business Day"	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
"CCASS"	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
"Companies Ordinance"	the Companies Ordinance, Cap 622 of the Laws of Hong Kong;
"Completion"	completion of the Placing in accordance with the terms and condition set out in this Agreement
"Completion Date"	Thursday, 1 February 2024 or such later date as may be agreed by the Company and the Placing Agent in writing;
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Group"	the Company and its subsidiaries and the expression "member(s) of the Group" shall be construed accordingly
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"Independent Third Party(ies)"	person(s) who is/are independent of and not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
"Latest Time for Acceptance"	4:00 p.m. on Monday, 22 January 2024 or other time or date as may be determined by the Company, being the latest time for acceptance of, and payment for the Rights Shares
"Non-Qualifying Shareholder(s)"	those Overseas Shareholders to whom the Company considers it necessary or expedient not to offer the Rights Shares
"Placee(s)"	any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Unsubscribed Share
"Placing"	the placing of the Unsubscribed Shares on and subject to the terms and condition set out in this Agreement
"Placing End Date"	6:00 p.m. on Monday, 29 January 2024, or such other date and/or time as may be agreed between the Company and the Placing Agent as the latest date for acceptance of, and payment for, the Unsubscribed Shares under this Agreement
"Placing Period"	the period from Friday, 26 January 2024 up to 6:00 p.m. on Monday, 29 January 2024 (both days inclusive), or such other date(s) and/or time as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements
"Placing Price"	the placing price of the Unsubscribed Shares shall be at least equal to the Subscription Price (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable) and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Shares during the placement process
"Prospectus"	the prospectus to be issued by the Company for the Rights Issue
"Prospectus Documents"	the Prospectus and provisional allotment letter
"Public Float	the public float requirement under Rule 11.23(7) of

Requirement"	the GEM Listing Rules which requires, inter alia, at least 25% of the issuer's total number of issued shares must at all times be held by the public
"Qualifying Shareholders"	Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date and are not the Non-Qualifying Shareholders
"Record Date"	Friday, 05 January 2024 or such other date as may be determined by the Company for the determination of the entitlements under the Rights Issue
"Rights Issue"	the proposed offer for subscription by the Qualifying Shareholders for the Rights Shares at the Subscription Price on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents
"Rights Share(s)"	up to 1,142,127,384 Rights Shares (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date)
"SFC"	the Securities and Futures Commission of Hong Kong
"Shares"	ordinary share(s) of HK$0.04 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$0.04 per Rights Share, being the subscription price under the Rights Issue
"subsidiary(ies)"	has the meaning ascribed thereto it in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Unsubscribed Arrangements"	arrangements under this Agreement to place the Unsubscribed Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise independent third parties pursuant to Rule 10.31(1)(b) of the GEM Listing Rules
"Unsubscribed	up to a total of 1,142,127,384 Rights Shares to be

Shares"	placed pursuant to this Agreement in relation to Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Non-Qualifying Shareholders (as the case may be)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

1.2 In this Agreement, references herein to "Recitals", "Clauses" and the "Schedule" are to the recitals and clauses of and the schedule to this Agreement.

1.3 In this Agreement, the singular includes the plural and vice versa, words importing gender or the neuter include both genders and the neuter and references to persons include bodies corporate or unincorporate.

1.4 Headings inserted are for convenience only and shall not affect the interpretation of this Agreement.

1.5 References in this Agreement to time are to Hong Kong time.

2. PLACING

2.1 Upon and subject to the terms and conditions set out in this Agreement, the Placing Agent agrees, as agent of the Company, during the Placing Period to procure on a best effort basis Placees to subscribe for the Unsubscribed Shares at the Placing Price (but for the avoidance of doubt, shall exclude such brokerage, SFC transaction levy, and Stock Exchange trading fee as may be payable by such Placees in relation to each such Unsubscribed Share). The Placing Price shall be not less than the Subscription Price and the final price determination shall be determined by the Placing Agent at its sole discretion taking into account the demand for and the market conditions of the Unsubscribed Shares during the placement process. The Placing Agent shall inform the Company of the final price determination. The Placing Agent may carry out the Placing itself and/or, at its own expenses, through such other agents as the Placing Agent may agree with the Company. The Placing Agent shall procure that such other agents shall comply with all relevant obligations to which the Placing Agent is subject under the terms of this Agreement.

2.2 The Company hereby appoints the Placing Agent as its agent to, during the Placing Period, procure on a best effort basis Placees to subscribe for the Unsubscribed Shares on and subject to the terms and condition set out in this Agreement. Any transaction properly carried out by the Placing Agent pursuant to this Agreement shall constitute a transaction carried out by the Placing Agent at the request of the Company and as its agent and not on account of or for the Placing Agent. The Placing Agent shall not be responsible for any loss or damage (except for any loss or damage which is caused, directly or indirectly, by fraud, wilful default or negligence on the part of the Placing Agent, or any sub-agent appointed by the Placing Agent pursuant to Clause 2.1) to the Company arising directly or indirectly from any such transaction (other than as a result of non-compliance by the Placing Agent with its obligations under this Agreement).

2.3 The Company hereby confirms that the foregoing appointment confers on the Placing Agent all powers, authorities and discretion on its behalf which are necessary for, or incidental to, the Placing and hereby agrees to ratify and confirm any act which the Placing Agent shall or may lawfully and reasonably do or have done pursuant to or in anticipation of the terms and condition of this Agreement subject to the provisions contained herein.

2.4 The Company shall allot and issue the Unsubscribed Shares in accordance with the memorandum of association and articles of association of the Company, all applicable laws of Hong Kong and the rules and regulations of the Stock Exchange, and the Unsubscribed Shares shall rank *pari passu* in all respects among themselves and with the existing Shares in issue and be free from all liens, charges, encumbrances and third-party rights together with all rights attaching thereto as at the Completion Date, including but not limited to the rights to receive all future dividends and other distributions thereafter declared, made or paid.

Prior to the Completion and by no later than 5:00 p.m. on the next Business Day after the Placing Agent has procured the Placees to subscribe for the Unsubscribed Shares (or such later date as may be agreed between the parties hereto in writing), the Placing Agent shall deliver to the Company and the Stock Exchange the names, addresses and denominations (in board lots or otherwise) in which the Unsubscribed Shares are to be registered and, where relevant, the CCASS accounts to which the Unsubscribed Shares are to be credited. The choice of the Placees shall be determined by the Placing Agent at its sole discretion subject to the requirements of the GEM Listing Rules and/or any objection the Stock Exchange may have to any particular person or company being a Placee PROVIDED that the Placing Agent undertakes to use its best endeavours to procure that (i) the Unsubscribed Shares shall only be placed to institutional, corporate or individual investor(s) who and whose respective ultimate beneficial owners (if applicable) (a) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates; and (b) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue, in order to ensure that the public float requirements under Rule 11.23(7) of the GEM Listing Rules be fulfilled by the Company and none of the placees shall be obliged to make a mandatory general offer to the other Shareholders under the Takeovers Code.

3. CONDITIONS

3.1 The Placing is conditional upon:

(a) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares;

(b) the representations and warranties of the Company in this Agreement remaining true and accurate in all material respects and none of the undertakings of the Company in this Agreement having been breached in any material respects;

(c) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of this Agreement and the transactions contemplated thereunder having been obtained; and

(d) this Agreement not having been terminated in accordance with its terms.

3.2 The Company shall use its reasonable endeavours to procure the fulfillment of the condition referred to in Clauses 3.1. Save for the conditions set out in Clause 3.1(b) which can be waived by the Placing Agent, the conditions set out above are incapable of being waived by either the Company or the Placing Agent. In the event the condition referred to in Clause 3.1 is not fulfilled or waived on or before the Placing End Date (or such later date as may be agreed between the parties hereto in writing), all rights, obligations and liabilities of the parties hereto shall cease and terminate and neither of the parties shall have any claim against the other, save for any antecedent breach under this Agreement prior to such termination.

4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

4.1 The Company hereby represents, warrants and undertakes to the Placing Agent that:

(a) the Unsubscribed Shares shall be allotted and issued in accordance with the memorandum of association and articles of association of the Company, all applicable laws of Hong Kong and the rules and regulations of the Stock Exchange, and the Unsubscribed Shares shall rank *pari passu* in all respects among themselves and with the existing Shares in issue and be free from all liens, charges, encumbrances and third-party rights together with all rights attaching thereto as at the Completion Date, including but not limited to the rights to receive all future dividends and other distributions thereafter declared, made or paid;

(b) subject to the fulfillment of the conditions referred to in Clause 3.1, the Company has full power and authority to issue the Unsubscribed Shares and has obtained all the relevant approval(s), consent(s) and license(s) required (if any) for the allotment and issue of the Unsubscribed Shares;

(c) the Company has the power to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes legal, valid and binding obligations of the Company which shall be enforceable against the Company in accordance with its terms and condition;

(d) the Company undertakes to indemnify the Placing Agent, its delegates, affiliates and the sub-placing agents and their respective directors, employees, officers and shareholders (collectively referred to as the "**Indemnified Persons**") and to hold each of the Indemnified Persons fully and effectively indemnified on a continuing basis against all losses, liabilities, damages, costs, charges and reasonable expenses (including but without limitation, legal fees, liabilities, costs and expenses), claims, actions, investigations, demands, proceedings, regulatory enquiries or judgment which may be brought, incurred or suffered or alleged or threatened to be brought against or incurred or suffered by any or all of the Indemnified Persons as a result of, or arising out of, or in relation to, any misrepresentation or alleged misrepresentation or any breach or alleged breach of any of the aforesaid representations, warranties or agreements of the Company in Clause 4.1(a) to (c); and

(e) no claim shall be made against any or all of the Indemnified Persons by the Company to recover any damages, losses, claims, costs, charges or reasonable expenses which the Company may suffer or incur by reason of or arising from the carrying out by or on behalf of the Placing Agent of the work to be done by it pursuant hereto or the performance of its obligations hereunder or otherwise in connection with the Placing except for any loss or damage directly resulting from any fraud, wilful default or gross-negligence as finally adjudged on the part of the relevant Indemnified Persons by a competent court in Hong Kong or as a result, directly or indirectly, from non-compliance by the Placing Agent or any sub-placing agent with its obligations under this Agreement.

4.2 The Placing Agent hereby represents, warrants and undertakes to the Company that:

(a) it has power to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes legal, valid and binding obligations of the Placing Agent which shall be enforceable against the Placing Agent in accordance with its terms and condition;

(b) in each jurisdiction in which the Placing Agent solicits subscription for the Unsubscribed Shares, the Placing Agent will do so in accordance with all applicable laws, rules and regulations in force in such jurisdiction. The Unsubscribed Shares shall not be offered to or placed in circumstances which would constitute an offer to the public in Hong Kong within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or in any other place or in any manner in which the securities laws, rules or regulations of any place may be infringed or not complied with;

(c) no action has been or will be taken directly or indirectly in any jurisdiction that would result in a public offering of the Unsubscribed Shares and neither it nor persons acting on its behalf will offer or sell any Unsubscribed Shares otherwise than in compliance with applicable laws and regulations in each jurisdiction in which any such offer or sale takes place, and without prejudice to the generality of the foregoing, as the Unsubscribed Shares have not been and will not be registered under the Securities Act of the United States (the "**Securities Act**"), they may not be offered, sold, transferred and delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and accordingly the Unsubscribed Shares have not been and will not be offered or sold to a buyer in the United States, except to those persons it reasonably believes to be qualified institutional buyers (as defined in Rule 144A under the Securities Act). Neither it nor any person acting on its behalf has engaged or will engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) or any form of general solicitation or general advertising (each as used in Rule 5.02(c) of Regulation D under the Securities Act) with respect to the Unsubscribed Shares;

(d) the Placing Agent will use its best endeavours and make all reasonable enquiries to ensure that the Placees and their respective ultimate beneficial owners (if applicable) will be third parties independent of, and not connected with or acting in concert with, the Company, its connected persons (as defined under the GEM Listing Rules) and their respective associates (as defined under the GEM Listing Rules);

(e) the Placing Agent will use its best endeavours and make all reasonable enquiries to ensure that none of the Placees will, immediately upon the Completion, become a substantial shareholder (as defined under the GEM Listing Rules) of the Company;

(f) the Placing Agent will make available and promptly supply, or use its best endeavours to procure the relevant Placees to make available and promptly supply, to the Stock Exchange and the SFC or any other relevant authority all information in relation to the Placees which may be required by the Stock Exchange, the SFC and/or such other authority;

(g) the Placing Agent will ensure the fulfillment and compliance of all applicable rules and regulations of the Stock Exchange and if applicable, the rules and codes of the SFC in relation to its role as placing agent for the Placing, and will issue appropriate written confirmation of such fulfillment and compliance upon request by the Company and/or the relevant authority;

(h) the Placing Agent and its ultimate beneficial owners are Independent Third Parties; and

(i) before Placing Agent engages sub-placing agent(s) to place the Unsubscribed Shares, it will confirm with the Company and such sub-placing agent(s) that these sub-placing agent(s) and their ultimate beneficial owners are Independent Third Parties.

4.3 Each party to this Agreement undertakes that, save for the Announcement and any other disclosure as may be required to be made in compliance with the GEM Listing Rules or any other applicable laws, rules and regulations and/or as may be required by the relevant authority, no announcements, press releases or other general public disclosure in relation to the Placing shall be made by any of them without the prior written consent of the other party (such consent shall not be unreasonably withheld or delayed).

4.4 The representations, warranties and undertakings contained in this Clause are deemed to be given as at the date of this Agreement and shall be deemed to be repeated on the Completion Date as if given on such date with reference in each case to the facts and circumstances then subsisting and shall remain in full force and effect notwithstanding Completion. Each party hereto hereby undertakes to notify the other party to this Agreement of any matter or event coming to its attention which may render any of the representations, warranties or undertakings untrue or inaccurate or misleading in any material respect at any time prior to the Completion Date.

5. COMPLETION

Completion of this Agreement shall take place at 4:00 p.m. on the Completion Date at the principal place of business in Hong Kong of the Company (or such other venue as the Company and the Placing Agent may agree in advance) when all (but, not part only) of the following businesses shall be transacted:

(a) the Placing Agent shall effect payment to the Company by way of cashier's order, cheque or telegraphic transfer in Hong Kong dollars for value to the Company of an amount equal to the Placing Price multiplied by the number of the Unsubscribed Shares actually placed by the Placing Agent less the amounts deducted by the Placing Agent under Clause 6;

(b) the Company shall allot and issue to the Placees such number of the Unsubscribed Shares subscribed by them and shall procure that the Placees or their nominees be registered on the register of members of the Company in Hong Kong in respect thereof, and shall arrange to deliver to the Placing Agent the definitive share certificates in the form of a jumbo certificate or in such denomination as the Placing Agent may instruct pursuant to Clause 2.5 issued in the names of the Placees or their nominees in respect of such number of Unsubscribed Shares to be subscribed by each of them respectively and in accordance with such instructions referred to above or arrange for the Unsubscribed

Shares to be deposited into CCASS in accordance with such instructions and the Prospectus.

6. COMMISSIONS AND EXPENSES

6.1 Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission, in Hong Kong dollars, of 2% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Shares that have been successfully placed by the Placing Agent during the Placing Period in accordance with this Agreement, and the Placing Agent is hereby authorised to deduct from the payment to be made by it to the Company at Completion pursuant to Clause 5(a).

6.2 Subject to Clause 6.3, the Company shall pay all out-of-pocket expenses properly and reasonably incurred by the Placing Agent in connection with the Placing.

6.3 Each of the parties hereto shall be respectively liable for its own legal and other professional fees and expenses in connection with the preparation of this Agreement.

7. TERMINATION

7.1 Notwithstanding anything contained in this Agreement, the Placing Agent may terminate this Agreement without any liability to the Company save for antecedent breach under this Agreement prior to such termination, by notice in writing given to the Company at any time prior to 12:00 noon on the day immediately preceding the Placing End Date upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in this Agreement if there develops, occurs or comes into force:

(a) the Company fails to comply with its obligations under this Agreement;

(b) any of the warranties of the Company under this Agreement is not, or has ceased to be, true, accurate and not misleading in any respect by reference to the facts subsisting at the time;

(c) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or is materially adverse in the context of the Placing; or

(d) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or materially and adversely prejudice the success of the Placing or otherwise makes it inexpedient or inadvisable to proceed with the Placing; or

(e) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Placing Agent is likely to materially or adversely affect the success of the Placing or otherwise makes it inexpedient or inadvisable to proceed with the Placing; or

(f) there is any change in the circumstances of the Company which in the reasonable opinion of the Placing Agent will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or the destruction of any material asset of the Company; or

(g) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

(h) any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not ejusdem generis with any of the foregoing; or

(i) any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus and the provisional allotment letter, would have constituted, in the reasonable opinion of the Placing Agent, a material omission in the context of the Rights Issue; or

(j) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus and the provisional allotment letter or other announcements in connection with the Rights Issue.

7.2 If notice is given pursuant to Clause 7.1, this Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of this Agreement save for any antecedent breach under this Agreement prior to such termination.

8. MISCELLANEOUS

8.1 All provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding Completion except in respect of those matters which have already been performed.

8.2 This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of parties hereto may execute this Agreement by signing any such counterparts.

8.3 This Agreement shall be binding on and endure for the benefit of the successors of the parties hereto but assignment may only be made after prior written consent of the other party has been given.

9. NOTICE

9.1 Any notice required to be given hereunder will be deemed to be duly served if left at or sent by hand, by telex or facsimile transmission or pre-paid post to the registered office or to the following addresses and facsimile numbers and marked for the attention of the following persons:

Party	Address	Facsimile number
The Company	Room 03, 26/F, One Harbour Square, No. 181 Hoi bun Road, Kwun Tong, Kowloon, Hong Kong Attn: Mr. Cheng Ting Kong	(852) 2167 8970
The Placing Agent	Rooms 1004-1006, 10/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong Attn: Mr. Barry Yip	(852) 3618 4832

9.2 Any such notice will be deemed to be served if sent by facsimile on receipt of answerback, if sent by hand at the time when the same is handed to or left at the address of the party to be served, and if sent by post on the day (excluding Sundays or Hong Kong public holidays) after the day of posting.

9.3 The Company shall issue a written notice to the Placing Agent if there is any change in the timetable in respect of the Rights Issue.

10. <u>TIME OF ESSENCE</u>

Time shall be of the essence in this Agreement.

11. <u>GOVERNING LAW AND JURISDICTION</u>

11.1 This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong.

11.2 The parties hereto irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

11.3 Notwithstanding any other provisions of this Agreement, a person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any provisions of this Agreement.

IN WITNESS whereof the Parties have executed this Agreement the day and year first above written.

EXECUTION PAGE

THE COMPANY

SIGNED by Chim Tak Lai)
for and on behalf of **Imperium Financial**)
Group Limited)
in the presence of:-)
YEUNG BIT YING)

THE PLACING AGENT

SIGNED by Barry YIP)
)
for and on behalf of **Silverbricks Securities**)
Company Limited)
in the presence of:- YEUNG BIT YING.)

Schedule

Announcement