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DIAMOND STATE HOLDINGS LIMITED

(incorporated in the British Virgin Islands with limited liability)

Imperium Group Global Holdings Limited

帝國集團環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0776)

JOINT ANNOUNCEMENT

**(1) THE SALE AND PURCHASE AGREEMENT;
(2) MANDATORY UNCONDITIONAL CASH OFFERS BY
SUN INTERNATIONAL SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES
(OTHER THAN THOSE ALREADY OWNED AND
AGREED TO BE ACQUIRED BY
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
IMPERIUM GROUP GLOBAL HOLDINGS LIMITED; AND
(3) RESUMPTION OF TRADING**

Financial adviser to the Offeror



紅日資本有限公司

RED SUN CAPITAL LIMITED

INTRODUCTION

The Company was informed by the Offeror that on 18 January 2020, the Offeror as the Purchaser, Power Ocean as the Vendor, entered into the Sale and Purchase Agreement, pursuant to which the Offeror has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares, representing approximately 62.46% of the total issued share capital of the Company. Details of the Sale and Purchase Agreement are set out in the section headed “The Sale and Purchase Agreement” below in this joint announcement.

Completion of the Sale and Purchase Agreement took place immediately upon the signing of the Sale and Purchase Agreement, resulting in the Offeror being interested in 179,407,488 Shares, representing approximately 62.46% of the total issued share capital of the Company as at the date of this joint announcement, and incurring an obligation for the Offeror to make the Offers under the Takeovers Code. The Offeror and parties acting in concert with it are in aggregate interested in a total of 179,407,488 Shares, representing approximately 62.46% of the total issued share capital of the Company as at the date of this joint announcement. Details of the Offers are set out under the section headed “Principal terms of the Offers” below in this joint announcement.

THE SALE AND PURCHASE AGREEMENT

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares, representing approximately 62.46% of the total issued share capital of the Company.

MANDATORY UNCONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Company has 287,206,000 Shares in issue and 6,980,000 outstanding Share Options which entitle the holders thereof to subscribe for 6,980,000 new Shares.

As at the date of this joint announcement, the Company does not have any derivatives, warrants or securities which are convertible or exchangeable into Shares (other than the outstanding Share Options) or which confer rights to require the issue of Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares. The Company also has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Shares and Share Options as at the date of this joint announcement.

Before Completion, Power Ocean was interested in 179,407,488 Shares, representing approximately 62.46% of the total issued share capital of the Company as at the date of this joint announcement. Power Ocean is owned as to 50% by Mr. Chau and 50% by Mr. Cheng. As Mr. Chau and Mr. Cheng are concert parties, they are deemed to be interested in 179,407,488 Shares through Power Ocean.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offers (i) for all the issued Shares (other than those already owned and agreed to be acquired by the Offeror and parties acting in concert with it); and (ii) in compliance with Rule 13 of the Takeovers Code, to cancel all the Share Options.

PRINCIPAL TERMS OF THE OFFERS

The Share Offer

Sun International Securities will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make the Offers to acquire all the Offer Shares and to cancel all the Share Options on terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code.

For each Offer Share HK\$1.04 in cash

The Offer Price of HK\$1.04 per Offer Share under the Share Offer is the same as the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Share Offer will be unconditional in all respects when made.

The Share Option Offer

Sun International Securities will make the Share Option Offer, on behalf of the Offeror, in compliance with Rule 13 of the Takeovers Code to cancel all the outstanding Share Options in exchange for cash on the following basis:

For cancellation of each Share Option HK\$0.0001 in cash

Irrevocable Undertakings in relation to the Share Options

As at the date of this joint announcement, all the Optionholders held altogether 6,980,000 Share Options and have given irrevocable undertakings in favour of the Offeror, pursuant to which they have undertaken that they will not, whether directly or indirectly, from the date of the Sale and Purchase Agreement until the close of the Offers (both dates inclusive), (i) exercise their Share Options; or (ii) dispose of, charge, pledge, grant any option over or otherwise dispose of or create any encumbrances in respect of the Share Options.

Value of the Offers

Based on the Offer Price of HK\$1.04 per Offer Share and 287,206,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$298,694,240.0.

As at the date of this joint announcement, excluding the total Shares of 179,407,488 Shares held by the Offeror and the parties acting in concert with it, the value of the Share Offer is HK\$112,110,452.48.

The total amount required to satisfy the cancellation of all Share Options is approximately HK\$698.00.

In the event the Offers are accepted in full and taking into account of the Irrevocable Undertakings, the maximum amount payable by the Offeror under the Offers will be HK\$112,111,150.48, assuming there is no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offers.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offers, namely Mr. Fung Tze Wa, Mr. Ting Wong Kacee and Mr. Tse Ting Kwan, has been established in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders and the Optionholders as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

An independent financial adviser will be appointed by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offers. Further announcement will be made by the Company in respect of appointment of the independent financial adviser as and when appropriate.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the Company's board circular in the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Offers; (ii) the recommendation from the Independent Board Committee; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offers; and (iv) the relevant form(s) of acceptance, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may consent to. However, as the Company will publish its annual results for the year ended 31 December 2019 by the end of March 2020 (the "**Annual Results**"), according to Rule A3(a)(i) of Appendix 10 of the Listing rules, a director must not deal in any securities of the Company on any day on which its financial results are published and during the period of 60 days immediately preceding the publication date of the Annual Results (the "**Black-out Period**"). Further, according to Rule A1 of Appendix 10 of the Listing Rules and No. 1(a) of the Frequently Asked Questions Series 14 of the Listing Rules, an issuer's director must not deal in the issuer's securities when he is in possession of inside information relating to those securities and during the Black-out Period. Given the Offeror is wholly and beneficially owned by Mr. Cheng, an executive Director and the chairman of the Board and the despatch of the offer document is regarded as dealing, the Offeror is prohibited from despatching the offer document during the Black-out Period. An application has been made by the Company to seek the Executive's consent under Rule 8.2 of the Takeovers Code and the Executive has indicated that it is minded to grant an extension of the latest time for the despatch of the Composite Document to on or before 1 April 2020.

Further announcement(s) will be made by the Company and the Offeror as and when appropriate in compliance with the Takeovers Code when the Composite Document is despatched.

The Independent Shareholders and the Optionholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders in respect of the Offers, before deciding whether or not to accept the Offers.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 20 January 2020 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 29 January 2020.

WARNING

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

INTRODUCTION

The Company was informed by the Offeror that on 18 January 2020, the Offeror as the Purchaser, Power Ocean as the Vendor, entered into the Sale and Purchase Agreement, pursuant to which the Offeror has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares, representing approximately 62.46% of the total issued share capital of the Company.

Completion of the Sale and Purchase Agreement took place immediately upon the signing of the Sale and Purchase Agreement, resulting in the Offeror being interested in 179,407,488 Shares, representing approximately 62.46% of the total issued share capital of the Company as at the date of this joint announcement, and incurring an obligation for the Offeror to make the Offers under the Takeovers Code. The Offeror and parties acting in concert with it are in aggregate interested in a total of 179,407,488 Shares, representing approximately 62.46% of the total issued share capital of the Company as at the date of this joint announcement. Details of the Offers are set out under the section headed “Principal terms of the Offers” below in this joint announcement.

THE SALE AND PURCHASE AGREEMENT

Date: 18 January 2020

Parties: (i) the Offeror as the Purchaser; and
(ii) Power Ocean as the Vendor.

For further details of the Offeror, please refer to the section headed “Information on the Offeror” in this joint announcement.

Subject of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares, representing approximately 62.46% of the total issued share capital of the Company.

The Consideration for the Sale Shares

The aggregate consideration paid by the Purchaser to the Vendor in respect of the Sale Shares shall be HK\$186,583,787.52, equivalent to HK\$1.04 per Sale Share, which was agreed between the Purchaser and the Vendor after arm's length negotiations, taking into account (i) the 5-day average closing price of HK\$1.30; (ii) the Group's unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.20 as at 30 June 2019; (iii) the Group's audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.32 as at 31 December 2018; (iv) the audited net loss recorded by the Group for the years ended 31 December 2017 and 2018 and for the six months ended 30 June 2019; and (v) the daily trading volume of the Shares.

The Consideration shall be paid by the Purchaser to the Vendor within five Business Days of the date of the Completion. As at the date of this joint announcement, the Consideration had already been paid by the Purchaser to the Vendor.

Conditions precedent to the Sale and Purchase Agreement

The Sale and Purchase Agreement is unconditional.

Completion of the Sale and Purchase Agreement

Completion of the Sale and Purchase Agreement took place immediately upon the signing of the Sale and Purchase Agreement on 18 January 2020.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to the Completion; and (ii) immediately following the Completion and as at the date of this joint announcement:

Shareholders	Immediately prior to the Completion		Immediately following the Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>Approximate % of the issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of the issued Shares</i>
Power Ocean (<i>Note 1</i>)	179,407,488	62.46	—	—
Offeror (<i>Note 2</i>)	—	—	179,407,488	62.46
Public Shareholders	107,798,512	37.54	107,798,512	37.54
Total	<u>287,206,000</u>	<u>100.00</u>	<u>287,206,000</u>	<u>100.00</u>

Notes:

1. Power Ocean is a company incorporated in the British Virgin Islands with limited liability and is owned as to 50% by Mr. Chau and 50% by Mr. Cheng. Power Ocean is a concert party of the Offeror.
2. Offeror is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Cheng.

MANDATORY UNCONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Company has 287,206,000 Shares in issue and 6,980,000 outstanding Share Options which entitle the holders thereof to subscribe for 6,980,000 new Shares.

As at the date of this joint announcement, the Company does not have any derivatives, warrants or securities which are convertible or exchangeable into Shares (other than the outstanding Share Options) or which confer rights to require the issue of Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares. The Company also has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Shares and Share Options as at the date of this joint announcement.

Before Completion, Power Ocean was interested in 179,407,488 Shares, representing approximately 62.46% of the total issued share capital of the Company as at the date of this joint announcement. Power Ocean is owned as to 50% by Mr. Chau and 50% by Mr. Cheng. As Mr. Chau and Mr. Cheng are concert parties, they are deemed to be interested in 179,407,488 Shares through Power Ocean.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offers (i) for all the issued Shares (other than those already owned and agreed to be acquired by the Offeror and parties acting in concert with it); and (ii) in compliance with Rule 13 of the Takeovers Code, to cancel all the Share Options.

Principal terms of the Offers

Sun International Securities will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make the Offers to acquire all the Offer Shares and to cancel all the Share Options on terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code.

The Offeror confirms that the Offer Price and cancellation price of the Share Options are final and will not be increased.

The Share Offer

For each Offer Share HK\$1.04 in cash

The Offer Price of HK\$1.04 per Offer Share under the Share Offer is the same as the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Share Offer will be unconditional in all respects when made.

Comparison of value

The Offer Price of HK\$1.04 per Offer Share represents:

- (i) a discount of 20.0% to the closing price of HK\$1.30 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of 20.0% to the average closing price of approximately HK\$1.30 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of 20.0% to the average closing price of approximately HK\$1.30 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 21.6% to the average closing price of approximately HK\$1.33 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 420.0% over the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.20 per Share (based on the total number of issued Shares as at the date of this joint announcement) as at 30 June 2019, as set out in the interim result report of the Company for the six months ended 30 June 2019; and
- (vi) a premium of approximately 225.0% over the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.32 per Share (based on the total number of issued Shares as at the date of this joint announcement) as at 31 December 2018 as set out in the annual report of the Company for the year ended 31 December 2018.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six months period immediately preceding the Last Trading Day and up to and including the Last Trading Day were HK\$2.52 per Share (on 18 July 2019) and HK\$1.25 per Share (on 2 January 2020), respectively.

The Share Option Offer

Sun International Securities will make the Share Option Offer, on behalf of the Offeror, in compliance with Rule 13 of the Takeovers Code to cancel all the outstanding Share Options in exchange for cash on the following basis:

For cancellation of each Share Option. HK\$0.0001 in cash

As the exercise price of all Share Options is HK\$5.14 per Share, which is above the Offer Price, the Share Options are out-of-money and the offer price for each Share Option is set at a nominal price of HK\$0.0001. Details of the outstanding and exercisable Share Options, were as below:

	Exercise period	Outstanding Share Options	Exercise price per Share HK\$
Directors			
Mr. Luk Wai Keung	23.5.2018-22.5.2022	1,000,000	5.14
Continuous contract employees			
Consultant	23.5.2018-22.5.2022	2,000,000	5.14
Consultant	23.11.2018-22.5.2022	2,000,000	5.14
Consultant	23.5.2019-22.5.2022	1,980,000	5.14
		<u>6,980,000</u>	

The Share Option Offer will be unconditional in all respects when made. Further information on the Share Option Offer will be set out in the Composite Document.

Following acceptance of the Share Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

Irrevocable Undertakings in relation to the Share Options

As at the date of this joint announcement, all the Optionholders held altogether 6,980,000 Share Options and have given irrevocable undertakings in favour of the Offeror, pursuant to which they have undertaken that they will not, whether directly or indirectly, from the date of the Sale and Purchase Agreement until the close of the Offers (both dates inclusive), (i) exercise their Share Options; or (ii) dispose of, charge, pledge, grant any option over or otherwise dispose of or create any encumbrances in respect of the Share Options.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offers and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

Value of the Offers

Based on the Offer Price of HK\$1.04 per Offer Share and 287,206,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$298,694,240.00.

As at the date of this joint announcement, excluding the total Shares of 179,407,488 Shares held by the Offeror and the parties acting in concert with it, the value of the Share Offer is HK\$112,110,452.48.

The total amount required to satisfy the cancellation of all Share Options is approximately HK\$698.00.

In the event the Offers are accepted in full and taking into account of the Irrevocable Undertakings, the maximum amount payable by the Offeror under the Offers will be HK\$112,111,150.48, assuming there is no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offers.

Confirmation of financial resources available for the Offers

The Offeror intends to finance the entire consideration payable under the Offers through the shareholder's loans provided by Mr. Cheng, which in turn, is financed by Mr. Cheng's own resources.

Red Sun Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptance of the Offers.

Effect of accepting the Offers

By accepting the Share Offer, the Shareholders will sell their Shares to the Offeror free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the Composite Document.

By accepting the Option Offer, the Optionholders will agree to the cancellation of their tendered Share Options and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of the Composite Document. In accordance with the Share Option Scheme, if a general offer is made to all the Shareholders and such offer becomes or is declared unconditional prior to the expiry of the Share Options, the Optionholders shall be entitled to exercise the Share Options in full at any time within 14 days after date on which the offer becomes or is declared unconditional, and the outstanding Share Options will lapse automatically (to the extent not exercised) upon the expiry of such 14-day period. Accordingly, the outstanding Share Options will lapse after the expiry of such 14-day period from the date of despatch of the Composite Document. In accordance with the Takeovers Code, the Option Offer must be open for acceptance for at least 21 days following the date on which the Composite Document is posted. Optionholders should accept the Option Offer or their Share Options will lapse. No exercise of the Share Options may be made in relation to any Share Options that has lapsed.

Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code.

Hong Kong stamp duty

Seller's Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable to Independent Shareholders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the Option Offer.

Overseas Shareholders

The availability of the Offers to any Overseas Shareholders or Optionholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders and Optionholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders and Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders and Optionholders in respect of such jurisdiction).

Acceptance of the Offers by any Overseas Shareholder or Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholder or Optionholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders and Optionholders should consult their professional advisers if in doubt.

Taxation Advice

Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, the Company, Sun International Securities, Red Sun Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

Save for the Sale Shares under the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them (including Mr. Chau and the Vendor) has dealt in nor owned any other Share or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six months period prior to the commencement of the offer period (as defined under the Takeovers Code) (i.e. the date of publication of this joint announcement).

As at the date of this joint announcement,

- (i) save for the Sale Shares held by the Offeror, none of the Offeror and parties acting in concert with it holds, owns or has control or direction over any voting rights or rights over any Shares, convertible securities, warranties or options of the Company or any derivatives in respect of such securities;

- (ii) there is no outstanding derivative in respect of securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iii) save for the purchase of the Sale Shares pursuant to the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owner, nor any person acting in concert with any of them has dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior and up to the date of this joint announcement;
- (iv) none of the Offeror, its ultimate beneficial owner and parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (v) save for the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares which might be material to the Offers;
- (vi) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner or parties acting in concert with any of them is a party which relates to circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (vii) other than the Irrevocable Undertakings, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them has received any irrevocable commitment(s) to accept or reject the Offers;
- (viii) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror, nor any person acting in concert with it;
- (ix) there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons;
- (x) there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, its ultimate beneficial owner or any person acting in concert with any of them and any of the Directors, recent directors, Shareholders or recent shareholders of the Company having any connection with or dependence upon the Offers;
- (xi) there is no agreement or arrangement which constitutes a special deal under Rule 25 of the Takeovers Code between the Offeror, its ultimate beneficial owner and parties acting in concert with any of them and the Vendor and parties acting in concert with it or any other Shareholders on the other hand;

- (xii) save for the total consideration for the Sale Shares, no other consideration, compensation or benefit in whatever form is paid or to be paid by the Offeror, its ultimate beneficial owner or any parties acting in concert with any of them to the Vendor or any parties acting in concert with it in connection with the sale and purchase of the Sale Shares; and
- (xiii) save as disclosed, there is not any understanding, arrangement or agreement or special deal between any Shareholder and the Offeror, its ultimate beneficial owner and parties acting in concert with any of them.

INFORMATION ON THE OFFEROR

Information on the Offeror

The Offeror was incorporated in the British Virgin Islands with limited liability as an investment holding company. As at the date of this joint announcement, the Offeror is wholly and beneficially owned by Mr. Cheng. Mr. Cheng is a director of the Offeror.

Information on Mr. Cheng

Mr. Cheng is the chairman of the Board and an executive Director. Mr. Cheng is also the chairman and an executive director of Sun International Group Limited (Stock code: 8029), a company principally engaged in money lending, securities, trading of bloodstocks, provision of equine related services and investment in stallions and the issued shares of which are listed on GEM of the Stock Exchange.

OFFEROR'S INTENTION ON THE COMPANY

Upon Completion, the Offeror has become the controlling Shareholder (as defined under the Listing Rules). The Offeror has no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business. The Offeror also intends to continue the existing principal business of the Group immediately following Completion. The Offeror will, following the close of the Offers, conduct a detailed review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any restructuring and/or integration of the existing businesses of the Group will be appropriate in order to enhance long-term growth potential of the Company.

INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued shares have been listed on main board of the Stock Exchange (stock code: 0776). The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in the manufacturing and sale of furnishings, home products and accessories primarily used in kitchen and bathrooms, property investment, money lending business and mobile game business.

Financial information of the Group

The following table is a summary of certain audited consolidated financial information of the Group for the three financial years ended 31 December 2018 as extracted from the annual reports of the Company for the years ended 31 December 2017 and 31 December 2018 and certain unaudited consolidated financial information of the Group for the six months ended 30 June 2018 and 2019 as extracted from the interim reports of the Company for the six months ended 30 June 2018 and 30 June 2019:

	For the six months ended/ As at 30 June		For the year ended/ As at 31 December		
	2019 <i>HK\$'000</i> (unaudited)	2018 <i>HK\$'000</i> (unaudited)	2018 <i>HK\$'000</i> (audited)	2017 <i>HK\$'000</i> (audited)	2016 <i>HK\$'000</i> (audited)
Revenue	121,390	131,306	252,363	219,517	163,496
— Revenue from stainless steel furnishings	86,390	127,169	238,848	209,877	159,031
— Revenue from property investment	768	471	1,329	895	390
— Revenue from money lending	3,335	3,666	7,105	8,745	4,075
— Revenue from mobile game	30,897	—	5,081	—	—
Loss before tax	(36,907)	(11,829)	(33,203)	(7,085)	(15,499)
Loss for the year/period	(37,879)	(13,275)	(35,170)	(9,113)	(16,602)
Loss for the year/period attributable to owners of the Company	(37,398)	(13,275)	(34,901)	(9,113)	(16,602)
Equity attributable to owners of the Company	57,153	114,462	91,054	126,512	132,689

The Group's revenue decreased from approximately HK\$131,306,000 for the six months ended 30 June 2018 to approximately HK\$121,390,000 for the six months ended 30 June 2019, representing a decrease of approximately 7.6%. The decrease in revenue was mainly due to decrease of revenue from household products business in PRC.

The Group's revenue increased from approximately HK\$219,517,000 for the year ended 31 December 2017 to approximately HK\$252,363,000 for the year ended 31 December 2018, representing an increase of approximately 15.0%. The increase in revenue was mainly due to increase of revenue from household products business in PRC and mobile game business.

The Group's revenue increased from approximately HK\$163,496,000 for the year ended 31 December 2016 to approximately HK\$219,517,000 for the year ended 31 December 2017, representing an increase of approximately 34.3%. The increase in revenue was mainly due to increase of revenue from household products business in PRC and money lending business.

The Group recorded a loss before tax of approximately HK\$36,907,000 for the six months ended 30 June 2019 due to the decrease in revenue and increase of administrative expenses from approximately HK\$21,850,000 in 2018 to approximately HK\$27,951,000 in 2019, mainly due to increase in staff costs and equity settled share-based transactions.

The Group recorded a loss before tax of approximately HK\$33,203,000 for the year ended 31 December 2018 due to the increase of administrative expenses from approximately HK\$27,663,000 in 2017 to approximately HK\$52,057,000 in 2018, mainly due to increase in staff costs for new gaming business, legal and professional fee incurred for acquisition and equity settled share-based transactions.

The Group recorded a loss of approximately HK\$9,113,000 for the year ended 31 December 2017 due to the increase of administrative expenses from approximately HK\$20,455,000 in 2016 to approximately HK\$27,663,000 in 2017, mainly due to increase in salaries, legal and professional expenses and exchange losses.

The Group's recorded a loss of approximately HK\$16,602,000 for the year ended 31 December 2016 due to the decrease in revenue and increase in other operating expenses during the year. The other operating expenses of approximately HK\$10,437,000 mainly included net fair value losses on investment properties of approximately HK\$9,890,000.

The Company did not declare any dividend for the financial year ended 31 December 2018 and the six months ended 30 June 2019. The Company has no intention to make, declare or pay any future dividend/distribution until the close of the Offers.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offers. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the Closing Date. The Offeror and the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, such as disposal of Shares held by the Offeror or parties acting in concert with it and/or issue of additional Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offers, namely Mr. Fung Tze Wa, Mr. Ting Wong Kacee and Mr. Tse Ting Kwan, has been established in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders and the Optionholders as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

An independent financial adviser will be appointed by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offers. Further announcement will be made by the Company in respect of appointment of the independent financial adviser as and when appropriate.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the Company's board circular in the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Offers; (ii) the recommendation from the Independent Board Committee; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offers; and (iv) the relevant form(s) of acceptance, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may consent to. However, as the Company will publish its annual results for the year ended 31 December 2019 by the end of March 2020 (the "**Annual Results**"), according to Rule A3(a)(i) of Appendix 10 of the Listing rules, a director must not deal in any securities of the Company on any day on which its financial results are published and during the period of 60 days immediately preceding the publication date of the Annual Results (the "**Black-out Period**"). Further, according to Rule A1 of Appendix 10 of the Listing Rules and No. 1(a) of the Frequently Asked Questions Series 14 of the Listing Rules, an issuer's director must not deal in the issuer's securities when he is in possession of inside information relating to those securities and during the Black-out Period. Given the Offeror is wholly and beneficially owned by Mr. Cheng, an executive Director and the chairman of the Board and the despatch of the offer document is regarded as dealing, the Offeror is prohibited from despatching the offer document during the Black-out Period. An application has been/will be made by the Company to seek the Executive's consent under Rule 8.2 of the Takeovers Code and the Executive has indicated that it is minded to grant an extension of the latest time for the despatch of the Composite Document on or before 1 April 2020.

Further announcement(s) will be made by the Company and the Offeror as and when appropriate in compliance with the Takeovers Code when the Composite Document is despatched.

The Independent Shareholders and the Optionholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders in respect of the Offers, before deciding whether or not to accept the Offers.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 20 January 2020 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 29 January 2020.

DEALING DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, respective associates of the Company (as defined in the Takeovers Code, including among others, Shareholders of the Company having interests of 5% or more in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) and of the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings including identities of clients, as part of that co-operation.”

WARNING

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	means a day on which licensed banks in Hong Kong are open for business throughout their normal business hours, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Closing Date”	the date to be stated in the Composite Document as the closing date of the Offers or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Company”	Imperium Group Global Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 776)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement dated 18 January 2020

“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offers in compliance with the Takeovers Code containing, among other things, details of the Offers (accompanied by the forms of acceptance and transfer) and the respective letters of advice from the Independent Board Committee and the independent financial adviser
“Consideration”	the consideration paid by the Offeror to the Vendor for the acquisition of the Sale Shares
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the Peoples Republic of China
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Irrevocable Undertakings”	the irrevocable undertakings given by the Optionholders in favour of the Offeror that they will not, inter alia, exercise their Share Options until the close of the Offers
“Last Trading Day”	17 January 2020, being the last trading day of the Shares before the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Chau”	Mr. Chau Cheok Wa, beneficially interested in 50% of Power Ocean as at the date of this joint announcement and a party acting in concert with Mr. Cheng
“Mr. Cheng”	Mr. Cheng Ting Kong, beneficially interested in 50% of Power Ocean as at the date of this joint announcement and a party acting in concert with Mr. Chau
“Offers”	the Share Offer and the Share Option Offer
“Offeror” or “Purchaser”	Diamond State Holdings Limited, which is wholly and beneficially owned by Mr. Cheng
“Offer Price”	HK\$1.04 per Offer Share
“Offer Share(s)”	the issued Share(s) other than those already owned and agreed to be acquired by the Offeror and parties acting in concert with it
“Option Offer”	the proposal made by the Offeror in compliance with Rule 13 of the Takeovers Code to cancel all the outstanding Share Options (other than those held by the Offeror and its concert parties) in accordance with the terms and conditions set out in this joint announcement
“Optionholders”	the holders of the Share Options
“Overseas Shareholders”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Power Ocean” or “Vendor”	Power Ocean Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and owned as to 50% by Mr. Chau and 50% by Mr. Cheng

“Red Sun Capital”	Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in relation to the Offers
“Sale and Purchase Agreement”	the sale and purchase agreement dated 18 January 2020 entered into between the Seller and the Purchaser in relation to the sale and purchase of the Sale Shares
“Sale Shares”	179,407,488 Shares, legally and beneficially owned by the Vendor before Completion
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Offer”	the mandatory unconditional cash offer to be made by Sun International Securities, on behalf of the Offeror, to acquire all the issued Shares (other than those already owned and agreed to be acquired by the Offeror and parties acting in concert with it) in accordance with the Takeovers Code
“Share Options”	the share options granted by the Company pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 26 November 2008
“Share Option Offer”	the proposal made by the Offeror in compliance with Rule 13 of the Takeovers Code to cancel all the outstanding Share Options (other than those held by the Offeror and its concert parties) in accordance with the terms and conditions set out in this joint announcement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun International Securities”	Sun International Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in future contracts) and Type 4 (advising on securities) regulated activities under the SFO
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent.

By order of the board of
DIAMOND STATE HOLDINGS LIMITED
Cheng Ting Kong
Director

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

Hong Kong, 24 January 2020

As at the date of this joint announcement, the executive Directors are Mr. Cheng Ting Kong, Ms. Yeung So Mui, Mr. Luk Wai Keung and Mr. Leung Kwok Yin; and the independent non-executive Directors are Mr. Fung Tze Wa, Mr. Ting Wong Kacee and Mr. Tse Ting Kwan.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror, its associates and parties acting in concert with it), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Mr. Cheng and Ms. Cheng Mei Ching. The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, its associates and parties acting in concert with it), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

The English text of this joint announcement shall prevail over its Chinese text.