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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)

(1) CONTINUING CONNECTED TRANSACTIONS MOE LICENSE AGREEMENT IN RELATION TO ONLINE GAME BUSINESS; AND (2) REVISION OF ANNUAL CAPS FOR TRANSACTIONS UNDER MOE LICENSE AGREEMENT AND IC LICENSE AGREEMENT

MOE LICENSE AGREEMENT AND MOE SUPPLEMENTAL AGREEMENT

On 3 July 2020, Seven Senses, an indirect wholly-owned subsidiary of the Company, entered into the MOE License Agreement with Imperium Entertainment pursuant to which Seven Senses is authorised to act as an exclusive agent in the Designated Places for the operation and marketing of the Myth of Empires Game for the period from 3 July 2020 to 31 December 2022.

As the Myth of Empires Game was originally expected to be commercially released in 2022, the annual cap for the transactions under the MOE License Agreement for the First Year and the Second Year was zero whereas the annual cap for the Third Year was HK\$450,000.

On 23 June 2021, Seven Senses entered into the MOE Supplemental Agreement with Imperium Entertainment pursuant to which Seven Senses and Imperium Entertainment agreed to amend the terms of the MOE License Agreement to the effect that the aggregate annual cap for the transactions under the MOE License Agreement and the IC License Agreement for each of the two years ending 31 December 2022 shall be revised to HK\$9,950,000.

IC SUPPLEMENTAL AGREEMENT

On 23 June 2021, Seven Senses entered into the IC Supplemental Agreement with Imperium Entertainment pursuant to which Seven Senses and Imperium Entertainment agreed to amend the terms of the IC License Agreement to the effect that the aggregate annual cap for the transactions under the IC License Agreement and the MOE License Agreement for each of the two years ending 31 December 2022 shall be revised to HK\$9,950,000.

LISTING RULES IMPLICATIONS

As Imperium Entertainment is wholly-owned by Mr. Cheng, an executive Director, Imperium Entertainment is a connected person of the Company. Accordingly, the MOE License Agreement, the MOE Supplemental Agreement and the IC Supplemental Agreement constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the MOE License Agreement, the MOE Supplemental Agreement, the IC License Agreement and the IC Supplemental Agreement exceeds 5% but is less than 25% and the revised aggregate annual cap is less than HK\$10,000,000, the transactions contemplated under the MOE License Agreement, the MOE Supplemental Agreement, the IC License Agreement and the IC Supplemental Agreement are subject to the reporting and announcement requirements and is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

On 3 July 2020, Seven Senses, an indirect wholly-owned subsidiary of the Company, entered into the MOE License Agreement with Imperium Entertainment pursuant to which Seven Senses is authorised to act as an exclusive agent in the Designated Places for the operation and marketing of the Myth of Empires Game for the period from 3 July 2020 to 31 December 2022.

As the Myth of Empires Game was originally expected to be commercially released in 2022, the annual cap for the transactions under the MOE License Agreement for each of the period from 3 July 2020 to 31 December 2020 and the Second Year was zero whereas the annual cap for the Third Year was HK\$450,000.

On 23 June 2021, Seven Senses entered into the MOE Supplemental Agreement with Imperium Entertainment pursuant to which Seven Senses and Imperium Entertainment agreed to amend the terms of the MOE License Agreement to the effect that the aggregate annual cap for the transactions under the MOE License Agreement and the IC License Agreement for each of the two years ending 31 December 2022 shall be revised to HK\$9,950,000. Details of the MOE License Agreement (as amended by the MOE Supplemental Agreement) are set out below:

MOE LICENSE AGREEMENT

Date: 3 July 2020

Parties: (1) Imperium Entertainment Interactive Limited, as licensor; and
(2) Seven Senses Game Company Limited, as licensee

MOE SUPPLEMENTAL AGREEMENT

Date: 23 June 2021

Parties: (1) Imperium Entertainment Interactive Limited, as licensor; and
(2) Seven Senses Game Company Limited, as licensee

Subject

Pursuant to the MOE License Agreement, Seven Senses is authorised to act as an exclusive agent in the Designated Places for the operation and marketing of the Myth of Empires Game.

Seven Senses will be responsible for the publishing, distribution and sales of the Myth of Empires Game. Imperium Entertainment will be responsible for providing technical support to Seven Senses during the term of the MOE License Agreement, including but not limited to setting up the hardware and software infrastructures for and making necessary modifications to the Myth of Empires Game.

Term

The MOE License Agreement shall be effective from 3 July 2020 to 31 December 2022.

MOE License Fees

The MOE License Fees payable by Seven Senses to Imperium Entertainment Group will be on a revenue sharing basis and calculated according to the following formulas:

MOE License Fees for First Year

MOE License Fees for First Year = MOE Relevant Revenue for First Year \times 50%

In the event that the MOE License Fees for First Year accounts for 28% or more of the MOE Operating Revenue for First Year, then the MOE License Fees for First Year will not be determined by the formula above and will be recalculated according to the following formula:

MOE License Fees for First Year = MOE Operating Revenue for First Year \times 28%

MOE License Fees for Second Year

MOE License Fees for Second Year = MOE Relevant Revenue for Second Year \times 50%

In the event that the MOE License Fees for Second Year accounts for 28% or more of the MOE Operating Revenue for Second Year, then the MOE License Fees for Second Year will not be determined by the formula above and will be recalculated according to the following formula:

MOE License Fees for Second Year = MOE Operating Revenue for Second Year \times 28%

MOE License Fees for Third Year

MOE License Fees for Third Year = MOE Relevant Revenue for Third Year \times 50%

In the event that the MOE License Fees for Third Year accounts for 28% or more of the Operating Revenue for Third Year, then the MOE License Fees for Third Year will not be determined by the formula above and will be recalculated according to the following formula:

MOE License Fees for Third Year = Operating Revenue for Third Year \times 28%

The MOE License Fees for First Year, Second Year and Third Year, if any, shall be payable by Seven Senses to Imperium Entertainment Group on or before 7 February 2021, 7 February 2022 and 7 February 2023 respectively.

The MOE License Fees was determined with reference to (i) the quality of the Myth of Empires Game, the scope of the licensed area, the licensed operation platform and the operation model; (ii) the projected demand for services relating to the operation and marketing of the Myth of Empires Game; (iii) the prevailing rate of distribution commission in the computer and/or mobile game industry; (iv) the projected amount of marketing expenses to be incurred during the term of the MOE License Agreement; and (v) the revenue sharing arrangement and prevailing license fees payable by the Group to the independent third parties in respect of licensing agreement for similar computer and/or mobile games in the market.

Ownership

All Intellectual Property Rights in respect of the Myth of Empires Game will be in the name of Imperium Entertainment Group and owned by Imperium Entertainment Group.

Revised Aggregate Annual Cap

As the Myth of Empires Game was originally expected to be commercially released in 2022, the annual cap for the transactions under the MOE License Agreement for the First Year and the Second Year was zero whereas the annual cap for the Third Year was HK\$450,000.

Based on the latest information available to the Company, the Myth of Empires Game is expected to be commercially released in September 2021, which is earlier than the original target release date in 2022. As the MOE License Fee is determined on a revenue sharing basis and the Myth of Empires Game is expected to be generating revenue from 2021, Seven Senses and Imperium Entertainment have entered into the MOE Supplemental Agreement to amend the terms of the MOE License Agreement to the effect that the aggregate annual cap for the transactions under the MOE License Agreement and the IC License Agreement for each of the two years ending 31 December 2022 shall be revised to HK\$9,950,000.

The Board has considered the following factors in determining the revised aggregate annual caps: (i) the projected demand for services relating to the operation and marketing of the Myth of Empires Game and Iron Conflict Game; (ii) the estimated number of game users; (iii) the estimated purchase price of game reward card points and virtual items in respect of the Myth of Empires Game and Iron Conflict Game; and (iv) the projected amount of marketing expenses to be incurred.

INFORMATION ON IMPERIUM ENTERTAINMENT GROUP

Imperium Entertainment is an investment holding company incorporated in Hong Kong. The subsidiary(ies) of Imperium Entertainment is/are principally engaged in the design, research and development of computer and/or mobile games.

INFORMATION ON THE GROUP AND SEVEN SENSES

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in the manufacturing and sale of furnishings and home products, online game business, property investment, money lending business, esports business and provision of cloud computing and data storage services.

Seven Senses is a company incorporated in Hong Kong with limited liability and is principally engaged in the design, development and operation of online games.

IC SUPPLEMENTAL AGREEMENT

Reference is made to the announcement of the Company dated 6 December 2019. On 6 December 2019, Cubinet Interactive, an indirect wholly-owned subsidiary of the Company, entered into the License Agreement with Imperium Entertainment pursuant to which Cubinet Interactive was authorised to act as an exclusive agent in the Designated Places for the operation and marketing of the Iron Conflict Game for a term of three years commencing from 1 January 2020 to 31 December 2022.

On 21 August, 2020, Imperium Entertainment, Cubinet Interactive and Seven Senses entered into the Novation Agreement pursuant to which (i) Seven Senses undertook to observe, perform, discharge and be bound by the terms, conditions and covenants of the IC License Agreement as if Seven Senses were, and had originally been, a party to the IC License Agreement in place of Cubinet Interactive; and (ii) Cubinet Interactive agreed to assign to Seven Senses all its rights, title and interests in the IC License Agreement.

On 23 June 2021, Seven Senses entered into the IC Supplemental Agreement with Imperium Entertainment pursuant to which Seven Senses and Imperium Entertainment agreed to amend the terms of the IC License Agreement to the effect that the aggregate annual cap for the transactions under the IC License Agreement and the MOE License Agreement for each of the two years ending 31 December 2022 shall be revised to HK\$9,950,000.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOE LICENSE AGREEMENT, THE MOE SUPPLEMENTAL AGREEMENT AND THE IC SUPPLEMENTAL AGREEMENT

As set out in the annual report of the Company for the year ended 31 December 2020, the Group is a publisher of online games developed by third-party game developers. The Group licenses online games from game developers and earns game publishing service revenue by making a localised version of the licensed games and publishing them to the game players through distribution platforms, include online application stores (such as Google Play installed in mobile telecommunications devices), web-based and mobile game portals in certain countries and regions, including the Group's websites. In terms of online game business, the Company strives to expand the business as mobile game market is a fast-growing market in recent years. In order to develop the online game business and lay the groundwork for expanding the business, the Group has set up working teams in Hong Kong, Taiwan and Southeast Asia so as to expand its business to different markets and regions.

The Board considered that the entering into of the MOE license Agreement represents a good opportunity for the Group to tap into the fast-growing computer and/or mobile game market, which is in line with the Group's existing business plans and business strategies. The MOE License Agreement will also enable the Group to diversify its business and maximise the return of the Shareholders. Further, as the Myth of Empires Game is expected to be commercially released in September 2021, which is earlier than the original target release date in 2022, the Board considered that the entering into of the MOE Supplemental Agreement and the IC Supplemental Agreement will provide greater flexibility for seven senses in relation to the operation and marketing of the Myth of Empires Game and the Iron Conflict Game.

The Board has approved the MOE license Agreement, the MOE Supplemental Agreement and the IC Supplemental Agreement and the transactions contemplated thereunder. The Directors (including the independent non-executive Directors but excluding Mr. Cheng and Ms. Yeung) consider that the MOE license Agreement, the MOE Supplemental Agreement and the IC Supplemental Agreement were entered into in the ordinary and usual course of business of the Group and the terms of the MOE License Agreement, the MOE Supplemental Agreement and the IC Supplemental Agreement, including the MOE License Fees and the revised aggregate annual caps, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As Imperium Entertainment is wholly-owned by Mr. Cheng, an executive Director, Imperium Entertainment is a connected person of the Company. Accordingly, the MOE License Agreement, the MOE Supplemental Agreement and the IC Supplemental Agreement constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules.

Mr. Cheng and Ms. Yeung have abstained from voting on the Board resolution(s) to approve the MOE License Agreement, the MOE Supplemental Agreement, the IC Supplemental Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the other Directors has a material interest in the MOE License Agreement, the MOE Supplemental Agreement and the IC Supplemental Agreement, nor has any of them abstained from voting in respect of the relevant Board resolution(s).

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the MOE License Agreement, the MOE Supplemental Agreement, the IC License Agreement and the IC Supplemental Agreement exceeds 5% but is less than 25% and the revised aggregate annual cap is less than HK\$10,000,000, the transactions contemplated under the MOE License Agreement, the MOE Supplemental Agreement, the IC License Agreement and the IC Supplemental Agreement are subject to the reporting and announcement requirements and is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

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| “Board” | the board of Directors |
| “Business Day” | a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours |
| “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 |
| “Cubinet Interactive” | Cubinet Interactive International Co. Ltd., a company incorporated in Labuan, Malaysia with limited liability and an indirect wholly-owned subsidiary of the Company |

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| “Designated Places” | collectively, Hong Kong, Macau Special Administrative Region of the PRC, Taiwan and South East Asia (including Malaysia, Singapore, Vietnam, Thailand, the Philippines and Indonesia) |
| “Directors” | directors of the Company |
| “First Year” | the period from 3 July 2020 to 31 December 2020 |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “IC License Agreement” | the license agreement dated 6 December 2019 (as amended by the IC Supplemental Agreement) and entered into between Cubinet Interactive and Imperium Entertainment in relation to the Iron Conflict Game, which was subsequently assigned and novated by Cubinet Interactive to Seven Senses pursuant to the Novation Agreement |
| “IC Supplemental Agreement” | the supplemental license agreement dated 23 June 2021 and entered into between Seven Senses and Imperium Entertainment in relation to certain amendments to the IC License Agreement |
| “Imperium Entertainment” | Imperium Entertainment Interactive Limited, a company established in Hong Kong with limited liability |
| “Imperium Entertainment Group” | Imperium Entertainment and its subsidiary(ies) |
| “Intellectual Property Rights” | all copyrights, patents, trademarks, designs (whether registered or pending registration), and all legally protected trade secrets, know-how, materials or other confidential information and any other similar rights protected in any country |
| “Iron Conflict Game” | the Iron Conflict computer game developed and owned by Imperium Entertainment Group |

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| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “MOE License Agreement” | the license agreement dated 3 July 2020 (as amended by the MOE Supplemental Agreement) and entered into between Seven Senses and Imperium Entertainment in relation to the Myth of Empires Game |
| “MOE License Fees” | the license fees payable by Seven Senses to Imperium Entertainment Group under the MOE License Agreement, details of which are set forth in the subsection headed “MOE License Fees” in this announcement |
| “MOE Operating Revenue” | the total amount of fees (including but not limited to selling of game reward card points and virtual items in respect of the Myth of Empires Game) payable by the game users to Seven Senses after the commercial release of the Myth of Empires Game in the Designated Places |
| “MOE Relevant Revenue” | the total amount of fees (including but not limited to selling of game reward card points and virtual items in respect of the Myth of Empires Game) payable by the game users to Seven Senses after the commercial release of the Myth of Empires Game in the Designated Places minus the relevant distribution commission and marketing expenses |
| “MOE Supplemental Agreement” | the supplemental license agreement dated 23 June 2021 and entered into between Seven Senses and Imperium Entertainment in relation to certain amendments to the MOE License Agreement |
| “Myth of Empires Game” | the Myth of Empires computer game developed and owned by Imperium Entertainment Group |
| “Mr. Cheng” | Mr. Cheng Ting Kong, an executive Director |
| “Ms. Yeung” | Ms. Yeung So Mui, an executive Director and the spouse of Mr. Cheng |

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| “Novation Agreement” | the novation agreement dated 21 August 2020 and entered into between Imperium Entertainment, Cubinet Interactive and Seven Senses in relation to the assignment and novation of the IC License Agreement |
| “PRC” | the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Second Year” | the 12-month period ending 31 December 2021 |
| “Seven Senses” | Seven Senses Game Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Third Year” | the 12-month period ending 31 December 2022 |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “%” | per cent. |

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

Hong Kong, 23 June 2021

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