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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)**

### **CONTINUING CONNECTED TRANSACTION IN RELATION TO LEASE AGREEMENT**

#### **LEASE AGREEMENT**

On 23 July 2021 (after trading hours of the Stock Exchange), Seven Elements, an indirect subsidiary of the Company, entered into the Lease Agreement with Best Master, pursuant to which Seven Elements agreed to lease the Equipment to Best Master for the provision of cloud computing and data storage services and mining of Filecoin for a term of three years commencing from 1 August 2021.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Cheng, an executive Director, holds 34.74% of the entire issued shares in Times Universal through Rich Vision. Times Universal in turn indirectly owns the entire issued shares in Best Master. Hence, Best Master is an associate of Mr. Cheng and a connected person of the Company. Accordingly, the transactions contemplated under the Lease Agreement constitutes a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Lease Agreement are less than 5%, the transactions contemplated under the Lease 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 23 July 2021 (after trading hours of the Stock Exchange), Seven Elements, an indirect subsidiary of the Company, entered into the Lease Agreement with Best Master, pursuant to which Seven Elements agreed to lease the Equipment to Best Master for the provision of cloud computing and data storage services and mining of Filecoin for a term of three years commencing from 1 August 2021. Details of the Lease Agreement are set out below:

## **LEASE AGREEMENT**

Date: 23 July 2021 (after trading hours of the Stock Exchange)

Parties: (1) Seven Elements Interactive Digital Technology Limited; and  
(2) Best Master Limited

### **Subject**

Seven Elements agreed to lease the Equipment to Best Master for the provision of cloud computing and data storage services and for mining of Filecoin for a term of three years commencing from 1 August 2021.

### **Term**

The Lease Agreement shall be effective from 1 August 2021 to 31 July 2024.

### **Leasing Fees**

The Leasing Fees shall be based on 35% of the total number of Filecoin mined during the term of the Lease Agreement, which shall be settled by Best Master in Filecoin.

The amount of the Leasing Fees shall be calculated based on (i) the cryptocurrency released on each day by the official Inter Planetary File System; and (ii) the market value of Filecoin on the relevant day, which shall be determined with reference to the Filecoin price as quoted by Coinbase at 0:00 a.m. Eastern Standard Time on the same day.

The rate at which the Leasing Fees will be charged was determined after arm's length negotiations between Best Master and Seven Elements after taking into account (i) the prevailing leasing fees for similar equipment for provision of cloud computing and data storage services and mining of Filecoin that are charged by Seven Elements for other Independent Third Parties; and (ii) the fee quote(s) for similar equipment for provision of cloud computing and data storage services and mining of Filecoin obtained by Best Master from other potential suppliers.

## **Miner collateral and Gas fees**

Pursuant to the Lease Agreement, Best Master is required to deposit sufficient number of Filecoin as miner collateral and Gas fees required for Filecoin mining purpose.

In the event that Best Master fails to deposit sufficient number of Filecoin as miner collateral and Gas fees, Seven Elements shall be entitled to the following compensation (the “**Compensation**”):

- (i) if Best Master is able to deposit the same within seven days, it will not constitute a default of the Lease Agreement on the part of Best Master and the amount of the Compensation payable by Best Master to Seven Elements shall be 35% of the difference between (a) the number of Filecoin mined by Best Master on the date immediately preceding the date on which Best Master fails to deposit sufficient number of Filecoin multiplied by the number of days during which Best Master fails to deposit sufficient number of Filecoin; and (b) the actual number of Filecoin mined by Best Master in the period during which Best Master fails to deposit sufficient number of Filecoin (the “**Loss of Profit**”); or
- (ii) if Best Master is unable to deposit the same within seven days, it will constitute a default of the Lease Agreement on the part of Best Master and the amount of the Compensation payable to Seven Elements shall be the sum of (1) the Loss of Profit; (2) all the Leasing Fees not yet paid to Seven Elements; and (3) a handling charge of HK\$800,000.

## **Caps**

The maximum aggregate amounts payable (including the Leasing Fees and the Compensation) (the “**Caps**”) by Best Master to Seven Elements under the Lease Agreement is as follows:

<b>Financial year/period</b>	<b>Caps</b>
From 1 August 2021 to 31 December 2021	HK\$6,500,000
From 1 January 2022 to 31 December 2022	HK\$8,600,000
From 1 January 2023 to 31 December 2023	HK\$6,000,000
From 1 January 2024 to 31 July 2024	HK\$1,500,000

Each of Seven Element and Best Master reserves the right, and shall be entitled in its absolute and sole discretion, to suspend or terminate the transactions contemplated under the Lease Agreement in the event that the amount of the Leasing Fees which has accrued and become payable pursuant to the terms of the Lease Agreement exceeds the Caps (or such higher threshold amounts as may be agreed between Best Master and Seven Element) for any of the financial year/period set out above.

In arriving the above Caps for the Lease Agreement, the Directors have taken into account the following factors: (i) the prevailing market price of Filecoin; (ii) the expected number of Filecoins to be mined during the term of the Lease Agreement, which is expected to decline over time as the total capacity of the Filecoin network increases; and (iii) the Leasing Fees to be charged at the rate of 35% of the total number of Filecoin mined during the term of the Lease Agreement.

## **INFORMATION ON BEST MASTER AND TIMES UNIVERSAL**

Best Master is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of hotel and property management consultancy service and investment in cryptocurrency. It is an indirect wholly-owned subsidiary of Times Universal, which is a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 2310). Times Universal in turn is beneficially owned as to 34.74% by Rich Vision and 34.74% by Great Match. Rich Vision is wholly-owned by Mr. Cheng and Great Match is wholly-owned by Mr. Choi Yun Chor.

## **INFORMATION ON THE GROUP AND SEVEN ELEMENTS**

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 Elements is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of cloud computing and data storage services.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT**

The Board considers that the entering into of the Lease Agreement represents a good opportunity for the Group to develop and expand its cloud computing and data storage services business, to increase its revenue and to maximise the return of the Shareholders.

The Board has approved the Lease Agreement and the transactions contemplated thereunder. The Directors (excluding Mr. Cheng, Ms. Yeung and Mr. Lin Junwei) consider that the Lease Agreement was entered into in the ordinary and usual course of business of the Group and the terms of the Lease Agreement, including the Leasing Fees and the 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 at the date of this announcement, Mr. Cheng, an executive Director, holds 34.74% of the entire issued shares in Times Universal through Rich Vision. Times Universal in turn indirectly owns the entire issued shares in Best Master. Hence, Best Master is an associate of Mr. Cheng and a connected person of the Company. Accordingly, the transactions contemplated under the Lease Agreement constitutes a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

Mr. Cheng, Ms. Yeung, being an executive director of Times Universal and the spouse of Mr. Cheng and Mr. Lin Junwei, being an executive director of Times Universal, have material interests in the Lease Agreement and have abstained from voting on the Board resolution(s) to approve the Lease Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the other Directors has a material interest in the Lease Agreement, nor has any of them abstained from voting in respect of the relevant Board resolution(s).

As all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Lease Agreement are less than 5%, the transactions contemplated under the Lease 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:

“associate”	has the meaning ascribed thereto under the Listing Rules
“Best Master”	Best Master Limited, a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors
“Caps”	has the meaning ascribed thereto in the subsection headed “Caps” under the section headed “Lease Agreement” of this announcement
“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
“Compensation”	has the meaning ascribed thereto in the subsection headed “Miner collateral and Gas fees” under the section headed “Lease Agreement” of this announcement
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company
“Equipment”	the Filecoin equipment, storage facilities and auxiliary parts, which can generate 3 pebibytes of effective storage mining power
“Great Match”	Great Match International Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Choi Yun Chor
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of the Company and its connected persons
“Lease Agreement”	the lease agreement dated 23 July 2021 and entered into between Best Master and Seven Elements in relation to the leasing of the Equipment by Seven Elements to Best Master
“Leasing Fees”	the leasing fees payable by Best Master to Seven Elements under the Lease Agreement, details of which are set forth in the subsection headed “Leasing Fees” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Cheng”	Mr. Cheng Ting Kong, an executive Director
“Ms. Yeung”	Ms. Yeung So Mui, an executive Director and the spouse of Mr. Cheng
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Rich Vision”	Rich Vision Developments Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Cheng
“Seven Elements”	Seven Elements Interactive Digital Technology 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

“Times Universal”	Times Universal Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 2310)
“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 July 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.*