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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) DISCLOSEABLE TRANSACTION LICENSE AGREEMENT IN RELATION TO MOBILE GAME BUSINESS; AND (2) BUSINESS UPDATE**

#### **THE LICENSE AGREEMENT**

On 18 August 2020, the Licensee, a wholly-owned subsidiary of the Company, entered into the License Agreement with the Licensor pursuant to which the Licensee is authorised to act as an exclusive agent for the marketing, publishing, operation and distribution of the Mobile Game in the Designated Territories for an initial term of three years commencing from the date of signing of the License Agreement, subject to renewal upon expiry.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the License Agreement are more than 5% but less than 25%, the entering into of the License Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

On 18 August 2020, the Licensee, a wholly-owned subsidiary of the Company, entered into the License Agreement with the Licensor pursuant to which the Licensee is authorised to act as an exclusive agent for the marketing, publishing, operation and distribution of the Mobile Game in the Designated Territories for an initial term of three years commencing from the date of signing of the License Agreement, subject to renewal upon expiry. Details of the License Agreement are set out below:

## **THE LICENSE AGREEMENT**

Date: 18 August 2020

Parties: (1) Asobimo, Inc., as licensor; and  
(2) Seven Senses Game Company Limited, as licensee

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Licensor and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

### **Subject**

Pursuant to the License Agreement, the Licensee is authorised to act as an exclusive agent for the marketing, publishing, operation and distribution of the Mobile Game in the Designated Territories during the term of the License Agreement.

The Mobile Game shall be commercially launched (i) in Japan on or before 31 December 2020; and (ii) in the Designated Territories on or before 31 March 2021.

The Licensee shall invest a minimum amount of US\$1,500,000 for promoting the Mobile Game by implementing its online or offline marketing plans, including advertising, joint cooperation, press conference or other non-freemium marketing events, in the Designated Territories within 12 months after the commercial launch date of the Mobile Game.

### **Term**

The License Agreement shall be effective for an initial term of three years commencing from the date of signing of the License Agreement, which shall be automatically extended for an additional 12 months, unless either the Licensee or the Licensor provides the other with written notice of termination.

## **Consideration**

In consideration of the license and related rights granted by the Licensor to the Licensee under the License Agreement, the Licensee shall pay to the Licensor the Consideration as follows:

### ***License fee***

The Licensee shall pay to the Licensor the License Fee of US\$1,000,000 within 25 days after the date of signing of the License Agreement.

Subject to the event below, the License Fee payable by the Licensee to the Licensor under the License Agreement shall be non-refundable:

In the event that the Mobile Game has not been commercially launched in Japan on or before 31 December 2020, the Licensor shall be entitled to rescind the License Agreement and the Licensor shall refund the License Fee to the Licensee (without interest).

### ***Revenue Share***

Subject to the requirement of the Guaranteed Revenue Share (as defined below), the Licensee shall pay to the Licensor the Revenue Share on a monthly basis calculated according to the following formula:

Revenue Share = Net Profit per month x 20%

The Licensee has guaranteed that the minimum amount of total Revenue Share attributable to the Licensor during the term of the License Agreement shall be US\$1,000,000 (the “**Guaranteed Revenue Share**”).

The Guaranteed Revenue Share shall be satisfied in the following manner:

- (a) as to US\$500,000 of the Guaranteed Revenue Share shall be paid by the Licensee to the Licensor within 25 days after the closed beta test version of the Mobile Game had been delivered from the Licensor to the Licensee; and
- (b) the balance of US\$500,000 of the Guaranteed Revenue Share shall be paid by the Licensee to the Licensor within 25 days after the commercial launch date of the Mobile Game in the Designated Territories.

The Guaranteed Revenue Share and any Revenue Share to be paid by the Licensee to the Licensor under the License Agreement shall be non-refundable.

### *Incentive fee*

The Licensee shall pay to the Licensor the Incentive Fee of US\$100,000 in the event that the accumulated Gross Revenue reaches US\$5,000,000 (or multiples of US\$5,000,000).

The Consideration was determined after arms' length negotiations between the Licensee and the Licensor taking into account: (i) the quality of the Mobile Game, the scope of the licensed territory, the licensed operation platform and the operation model; (ii) the projected demand for the Mobile Game; and (iii) the projected amount of marketing expenses to be incurred by the Licensee during the term of the License Agreement.

### **Ownership**

All Intellectual Property Rights will be owned by the Licensor.

### **INFORMATION ON THE LICENSOR**

The Licensor is a company incorporated in Tokyo, Japan and is principally engaged in the development and operation of online games.

### **INFORMATION ON THE GROUP AND THE LICENSEE**

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 games business, property investment and money lending business.

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

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

As set out in the annual report of the Company for the year ended 31 December 2019, the Group is exploring the feasibilities of expansion into the lucrative online games segment in PRC. This will enable the business to develop from a broader customer base and enjoy better economy of scale for its operation. The Group is confident in developing the business into a prominent regional game distributor.

The Board considered that the entering into of the License Agreement represents a good opportunity for the Group to expand its online games business, which is in line with the Group's existing business plans and business strategies. The License Agreement will also enable the Group to diversify its business and maximise the return of the shareholders of the Company.

In view of the above, the Directors consider that the entering into of the License Agreement and the terms of the License Agreement, including the Consideration, are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the License Agreement are more than 5% but less than 25%, the entering into of the License Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **BUSINESS UPDATE**

The entering into of the License Agreement will enable the Group to enrich its online games portfolio, which is in line with the Group's business strategy to expand into the lucrative online games segment in the PRC and to develop its online games business into a prominent regional game distributor. Based on the information currently available to the management of the Group, apart from the Mobile Game which is expected to be launched in the Designated Territories in the first quarter of 2021, the Group also plans to launch two other new online games in the second half of 2020, including the game titled "Iron conflict" ("烈火戰馬"). For details of the game titled "Iron conflict" please refer to the Company's announcement dated 6 December 2019.

## **DEFINITIONS**

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

"Board" the board of Directors

"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

“Consideration”	collectively, the Licensee Fee, the Revenue Share, the Guaranteed Revenue Share and the Incentive Fee
“Designated Territories”	collectively, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Gross Revenue”	the total amount of revenue received by the Licensee or its affiliates relating to the commercialisation of the Mobile Game, including but not limited to in-app purchases and advertisements in the Mobile Game, or any other commercial activities regarding the sale, license, promotion, or operation of the Mobile Game or its virtual currency
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Incentive Fee”	the incentive fee payable by Licensee to the Licensor under the License Agreement, details of which are set forth in the subsection headed “Incentive Fee” in this announcement
“Intellectual Property”	collectively, all copyrights, patents, trademarks, service marks, trade names, goodwill, patents, designs, trade secrets, know-how and confidential information
“License Agreement”	the license agreement dated 18 August 2020 and entered into between the Licensee and the Licensor in relation to the Mobile Game
“License Fee”	the license fee payable by Licensee to the Licensor under the License Agreement, details of which are set forth in the subsection headed “License Fee” in this announcement
“Licensee”	Seven Senses Game Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Licensor”	Asobimo, Inc., a company established in Tokyo, Japan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Net Revenue”	the total amount of Gross Revenue after deducting all kinds of consumption taxes (including but not limited to value added taxes) imposed by the government in the Designated Territories and the commission charged by app store platforms
“Mobile Game”	a mobile game developed by the Licensor as set out in the License Agreement
“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
“Revenue Share”	the royalties payable by the Licensee to the Licensor under the License Agreement, details of which are set forth in the subsection headed “Revenue Share” in this announcement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US”	United States dollars, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 18 August 2020

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