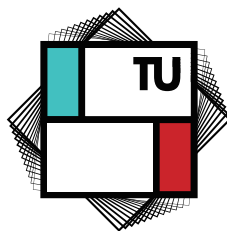


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## **TIMES UNIVERSAL GROUP HOLDINGS LIMITED**

**時代環球集團控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 2310)**

### **(1) DISCLOSEABLE TRANSACTION IN RELATION TO PURCHASE OF CRYPTOCURRENCY; AND**

### **(2) CHANGE IN USE OF NET PROCEEDS FROM THE RIGHTS ISSUE**

#### **ACQUISITION OF CRYPTOCURRENCY**

The Board is pleased to announce that during the Relevant Period, the Purchaser, an indirect wholly-owned subsidiary of the Company, purchased 12,000 units of Filecoin through a series of on-market transactions on the trading platform at an aggregate consideration (excluding handling charges) of US\$634,942 (equivalent to approximately HK\$4,939,848.76).

#### **LISTING RULES IMPLICATIONS**

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Purchase during the Relevant Period on an aggregate basis exceeds 5% but is less than 25%, the Purchase constitutes a discloseable transaction on the part of the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

#### **CHANGE IN USE OF NET PROCEEDS FROM THE RIGHTS ISSUE**

Having considered the increasing business opportunities in the cryptocurrency industry and less staff costs are incurred in the Group's hotel operations due to reduction of headcount and the slower than expected recovery of the hospitality industry as a result of the COVID-19 pandemic, in order to utilise the Net Proceeds in a more effective way and to facilitate efficient allocation of the Company's financial resources, the Board resolved to reallocate part of Net Proceeds originally for the staff costs of the Group in the amount of HK\$11.0 million to finance the consideration for the Purchase.

## **PURCHASE OF CRYPTOCURRENCY**

The Board is pleased to announce that during the Relevant Period, the Purchaser, an indirect wholly-owned subsidiary of the Company, purchased 12,000 units of Filecoin through a series of on-market transactions on the trading platform at an aggregate consideration (excluding handling charges) of US\$634,942 (equivalent to approximately HK\$4,939,848.76).

As the Purchase was made in open market, the Company is not aware of the identities and the principal business activities of the respective vendor(s). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the vendor(s) and its ultimate beneficial owner(s) or his associate(s) are Independent Third Parties.

The consideration for the Purchase was satisfied by the Purchaser in cash and was determined according to the bid and ask prices of the Filecoin as quoted in open market.

The consideration is financed by the Net Proceeds. For details, please refer to the section headed "Change in use of Net Proceeds from the Rights Issue" in this announcement below.

## **INFORMATION OF FILECOIN**

Filecoin is a decentralized storage network that turns cloud storage into an algorithmic market. The market runs on a blockchain with a native protocol token (i.e. Filecoin), which miners earn by providing storage to clients. Conversely, clients spend Filecoin hiring miners to store or distribute data. Filecoin miners compete to mine blocks with sizable rewards, but Filecoin mining power is proportional to active storage, which directly provides a useful service to clients (unlike Bitcoin mining, whose usefulness is limited to maintaining blockchain consensus).

Filecoin miners must pledge their storage to the network by depositing Filecoin as collateral via a pledge transaction in the blockchain. The collateral is deposited for the time intended to provide the service, and it is returned if the miner generates proofs of storage for the data they commit to store. If some proofs of storage fail, a proportional amount of collateral is lost.

## **REASONS FOR AND BENEFITS OF THE PURCHASE**

The Group is principally engaged in hotel operation in Canada and provision of property management services in the PRC.

The Group intends to utilise the Cryptocurrency as collateral for Filecoin mining purpose, which in turn, would allow the Group to tap into the cryptocurrency business and diversify the business operation of the Group. The Group will identify service provider(s) for the provision of Filecoin mining services to utilise the Cryptocurrency. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

Having considered that (i) more and more institutional investors started to invest in cryptocurrency; (ii) more and more people understand cryptocurrency and are more willing to invest in cryptocurrency or related products such as cryptocurrency ETFs; (iii) with the devaluation of the traditional currencies due to quantitative easing measures adopted by various governments in stimulating the economy, there are signs that cryptocurrency is getting viewed as an asset like gold; (iv) increasing number of corporations are considering accepting cryptocurrency as form of payment for their goods and/or services; and (v) the potential for the Filecoin to become one of the major cryptocurrencies as it is less energy-intensive than some other major cryptocurrencies (such as Bitcoin) and its increasing demand as a result of the rapid development in the decentralised storage network, there will be increasing opportunities in the cryptocurrency business and the Directors are of the view that the terms of the Purchase are on normal commercial terms, are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Purchase during the Relevant Period on an aggregate basis exceeds 5% but is less than 25%, the Purchase constitutes a discloseable transaction on the part of the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

## **CHANGE IN USE OF NET PROCEEDS FROM THE RIGHTS ISSUE**

As disclosed in the Prospectus, the Company intended to apply part of the Net Proceeds in the amount of HK\$31.0 million for the staff costs of the Group. As at 30 June 2021, the Net Proceeds in the amount of approximately HK\$20.0 million has been allocated to the staff costs of the Group.

Having considered the increasing business opportunities in the cryptocurrency industry and less staff costs are incurred in the Group's hotel operations due to reduction of headcount and the slower than expected recovery of the hospitality industry as a result of the COVID-19 pandemic, in order to utilise the Net Proceeds in a more effective way and to facilitate efficient allocation of the Company's financial resources, the Board resolved to reallocate part of Net Proceeds originally for the staff costs of the Group in the amount of HK\$11.0 million to finance the consideration for the Purchase and any further purchase of Filecoin in the future.

In light of the above and having considered the reasons for and benefits of the Purchase, the Directors considered that the change in the use of the Net Proceeds is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Cryptocurrency”	an aggregate of 12,000 units of Filecoin
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Proceeds”	net proceeds of the Rights Issue (after deduction of relevant expenses, including but not limited to placing commission, legal expenses and disbursements) of approximately HK\$52.0 million
“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
“Prospectus”	the prospectus of the Company dated 17 June 2020 in relation to the Rights Issue
“Purchase”	a series of on market purchase of the Cryptocurrency at an aggregate consideration (excluding handling charges) of US\$634,942 (equivalent to approximately HK\$4,939,848.76)

“Purchaser”	Best Master Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly owned subsidiary of the Company
“Relevant Period”	a period commenced on 12 July 2021 and ended on 14 July 2021 (both dates inclusive)
“Rights Issue”	rights issue of the Company on the basis of one rights share for every two shares held on the record date, details of which are set out in the Prospectus
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder”	holder of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“US\$”	United States dollars, the lawful currency for the time being of the United States of America

By Order of the Board  
**Times Universal Group Holdings Limited**  
**CHOI YUN CHOR**  
*Co-Chairman and Executive Director*

Hong Kong, 14 July 2021

*For the purpose of this announcement, unless otherwise indicated, conversion of United States dollars into Hong Kong dollars is calculated at the approximate exchange rate of US\$1.00 to HK\$7.78. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.*

*As at the date hereof, the executive Directors are Ms. YEUNG So Mui, Mr. CHOI Yun Chor, Mr. NG Kwai Wah Sunny, Mr. CHEN Jian, Mr. TAI Kwok Keung Kenny and Mr. LIN Junwei; and the independent non-executive Directors are Ms. LAI Cheuk Yu Cherrie, Mr. TING Wong Kacee and Dr. LOKE Yu (alias LOKE Hoi Lam).*