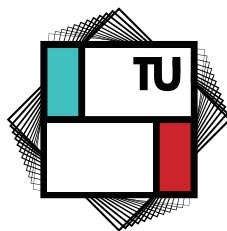


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TIMES UNIVERSAL GROUP HOLDINGS LIMITED

時代環球集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2310)

DISCLOSEABLE TRANSACTION

ACQUISITION OF THE ENTIRE EQUITY INTERESTS IN THE TARGET COMPANIES AND THE COPYRIGHT

The Board is pleased to announce that on 9 September 2021 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Purchaser agreed to acquire and the Vendors agreed to sell the entire equity interest in the Target Companies and the Copyright at the consideration of RMB2.95 million (equivalent to approximately HK\$3.54 million) (subject to adjustment).

As one or more of the applicable percentage ratios in respect of the Acquisition under Chapter 14 of the Listing Rules exceed(s) 5% but is/are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE ACQUISITION

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Principal terms of the Sale and Purchase Agreement are set out as follows:

Date

9 September 2021

Parties

- (1) The Purchaser;
- (2) The Vendor A;
- (3) The Vendor B; and
- (4) The Vendor C.

The Vendor C is a company established in the PRC with limited liability and principally engaged in investment holding. As at the date of this announcement, the equity interest of the Vendor C is owned as to 60% by the Vendor A and as to 40% by the Vendor B. To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, each of the Vendors and the ultimate beneficial owners of Vendor C (namely, the Vendor A and the Vendor B) is an Independent Third Party.

Subject Matter

Subject to the terms and conditions of the Sale and Purchase Agreement, the Purchaser agreed to purchase, and the Vendors agreed to sell, the entire equity interest in the Target Companies and the Copyright.

Consideration

The consideration of the Acquisition is RMB2.95 million (equivalent to approximately HK\$3.54 million) (subject to adjustment), which will be financed by the Group's internal resources, and shall be settled in accordance with the following manners and subject to the payment conditions:

Payment Terms

The Purchaser shall pay RMB1 million (equivalent to approximately HK\$1.20 million) (the “**1st Instalment**”) to the Vendors within one (1) business day after the fulfillment of the following payment conditions:—

- (a) all necessary approval from the shareholders of the Target Companies in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (b) all relevant documents, seals, chops in relation to the Target Companies and the Copyright having been taken up and under controlled by the Purchaser;

- (c) all documents and forms required for the registration of the transfer and change of the Target Companies with the Administration for Industry and Commerce and the registration of the transfer of the Copyright provided by the Purchaser duly signed by the Vendors having been obtained by the Purchaser;
- (d) since the date of the Sale and Purchase Agreement, there is no actual and potential decision, judgement or order restricting, prohibiting or cancelling the sale and purchase of the Target Companies and there is no actual and potential decision, judgement, order or settlement agreement which would have a material adverse impact on the Target Companies;
- (e) since the date of the Sale and Purchase Agreement, there is no material adverse impact on the asset, business and financial conditions of the Target Companies; and
- (f) the contractual negotiation for the management contracts for Tianrun Ludaokangcheng, Hongli Jinshanyihao, Xingfushiguang Phase 1 and Xingfushiguang Phase 2 having been completed and daily operations have been taken over by the management of the Purchaser and the term of the aforementioned management contracts shall not be shorter than one year commenced from 1 July 2021.

The Purchaser shall pay RMB1 million (equivalent to approximately HK\$1.20 million) (the “**2nd Instalment**”) to the Vendors within three (3) business days after the Vendors have procured the termination of all the employment contracts with all the existing employees of the Target Companies on or before 30 September 2021 with the relevant costs borne by the Vendor A and the Vendor B.

The Purchaser shall pay the remaining balance of RMB0.95 million (subject to adjustment) (the “**3rd Instalment**”) to the Vendors within five (5) business days after the registration of the transfer and change of the Target Companies with the Administration for Industry and Commerce and the registration of the transfer of the Copyright having been completed. In the event that the aforementioned registration is not completed on or before 30 November 2021 due to the reason caused by the Purchaser or the government authority, the Purchaser shall pay the 3rd Instalment to the Vendors provided that the Vendors shall be under conditional obligation and duty in assisting the Purchaser in completing the aforementioned registration.

Consideration adjustment

The Vendors warrant to the Purchaser that the amount of the account receivables of the Target Companies (i.e. RMB1.40 million (equivalent to approximately HK\$1.68 million)) shall be more than 10% of the sum of (i) renovation deposit; and (ii) management fee deposit. If the inspection by the Purchaser (which shall be completed by 30 November 2021) reveals that any of the account receivables of the Target Companies cannot be recovered, the amount of the Consideration shall be adjusted downward by deducting the amount equivalent to the amount of the account receivables of the Target Companies cannot be recovered in the 3rd Instalment.

Basis of the Consideration

The consideration under the Sale and Purchase Agreement of RMB2.95 million (equivalent to approximately HK\$3.54 million) payable by Purchaser to the Vendors was arrived at after arm's length negotiations between the parties after having considered a number of factors including but not limited to, (i) historical performance of the Target Companies; (ii) potential growth and prospects of the Target Companies; and the valuation of the Target Companies done by the Group based on the future discounted cash flow of the Target Companies, no significant risks identified in the business due diligence, the forecasted profit generated from the Target Companies, the synergies brought by the Acquisition of Target Companies to the Group's business strategy.

Completion

Completion of the Sale and Purchase Agreement shall take place on 30 November 2021. The Vendors shall ensure that the Target Companies do not have any liabilities (except for certain deposits and prepayments received by the Target Companies in the ordinary course of business) as at Completion.

Upon Completion, each of the Target Companies will become an indirect wholly-owned subsidiary of the Company, and the financial results of each of the Target Companies will be consolidated into the financial statements of the Group.

INFORMATION OF THE TARGET COMPANIES

The Target Company A is a company established in the PRC with limited liability and is principally engaged in provision of property management services. As at the date of this announcement, the equity interest in the Target Company A is owned as to 90% by the Vendor A and as to 10% by the Vendor B.

The Target Company B is a company established in the PRC with limited liability and is principally engaged in investment holding. As at the date of this announcement, the equity interest in the Target Company B is owned as to 60% by the Vendor A and as to 40% by the Vendor B.

The Target Company C is a company established in the PRC with limited liability and is principally engaged in provision of internet property management services. As at the date of this announcement, the equity interest in the Target Company C is owned as to 90% by the Vendor C and as to 10% by the Vendor B.

The following table sets out the unaudited financial information of the Target Company A for the two financial years ended 31 December 2020

	For the year ended 31 December	
	2019	2020
	<i>(RMB '000)</i>	<i>(RMB '000)</i>
Revenue	2,614	2,999
Net profit before tax	231	231
Net profit after tax	229	231

The unaudited total assets and net assets of the Target Company A as at 31 December 2020 were approximately RMB1.94 million (equivalent to approximately HK\$2.32 million) and RMB1.10 million (equivalent to approximately HK\$1.32 million) respectively.

The following table sets out the unaudited financial information of the Target Company B for the two financial years ended 31 December 2020

	For the year ended 31 December	
	2019	2020
	<i>(RMB '000)</i>	<i>(RMB '000)</i>
Revenue	—	—
Net profit/(loss) before tax	(24)	193
Net profit/(loss) after tax	(24)	193

The unaudited total assets and net assets of the Target Company B as at 31 December 2020 were approximately RMB0.02 million (equivalent to approximately HK\$0.024 million) and RMB0.02 million (equivalent to approximately HK\$0.024 million) respectively.

The following table sets out the unaudited financial information of the Target Company C for the two financial years ended 31 December 2020

	For the year ended 31 December	
	2019	2020
	<i>(RMB '000)</i>	<i>(RMB '000)</i>
Revenue	53	16
Net loss before tax	(976)	(498)
Net loss after tax	(976)	(498)

The unaudited total assets and net liabilities of the Target Company C as at 31 December 2020 were approximately RMB0.001 million (equivalent to approximately HK\$0.0012 million) and RMB0.011 million (equivalent to approximately HK\$0.013 million) respectively.

INFORMATION OF THE COPYRIGHT

The Copyright represents the copyrights of smart home software (registration no. 1229777) and its associated Android version (registration no. 3291622). Target Company A can use this software to manage the daily operations of property management, such as staff management, accounting, collect property management fees, provide value-added services, etc.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in hotel operation, properties development and provision of property management services.

It has been the Company's objective to explore other investment opportunities in hotel operation, property investment and development in Hong Kong, the PRC and other overseas countries, with an aim to deliver substantial returns for shareholders of the Company through a series of acquisitions and proposed cooperation. The Company considers that the Acquisition is in line with the overall business direction of the Group and is a good investment opportunity to expand its operations in property management in China. The Group believes that the Acquisition could generate stable cashflow and income to the Group.

Taking into account the above factors, the Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition under Chapter 14 of the Listing Rules exceed(s) 5% but is/are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire equity interests of the Target Companies and the Copyright by the Purchaser from the Vendors pursuant to the terms of Sale and Purchase Agreement
“Board”	the board of Directors
“Company”	Times Universal Group Holdings Limited (時代環球集團控股有限公司) (stock code: 2310), 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

“Completion”	completion of the Acquisition pursuant to the Sale and Purchase Agreement
“Connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the total consideration of the Acquisition in the amount of RMB2.95 million (equivalent to approximately HK\$3.54 million) (subject to adjustment)
“Copyright”	two copyright registration nos. 1229777 and 3291622 in the PRC in relation to smart home software registered in the name of Vendor B
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	an independent third party not connected with the Company or its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Purchaser”	Chongqing Ailuojia Technology Service Limited *(重慶愛洛家科技服務有限公司), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 9 September 2021 and entered into between the Purchaser and the Vendors in respect of the Acquisition
“Shareholders”	holders of the Shares from time to time
“Shares”	ordinary share(s) in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company A”	Chongqing Haotai Property Management Company Limited*(重慶市昊泰物業管理有限責任公司), a limited liability company established in the PRC

“Target Company B” or “Vendor C”	Chongqing Jia Duan Technology Company Limited* (重慶市嘉端科技有限責任公司), a limited liability company established in the PRC
“Target Company C”	Chongqing Qi Chang Technology Company Limited* (重慶企暢科技有限公司), a limited liability company established in the PRC
“Target Companies”	together, the Target Company A, the Target Company B and the Target Company C; and where the context requires, can mean either one of them
“Vendor A”	Mr. Yang Jin Zhu, an Independent Third Party
“Vendor B”	Ms. Wang Jing, an Independent Third Party
“Vendors”	together, the Vendor A , the Vendor B and the Vendor C; and where the context requires, can mean either one of them
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

The figures in RMB are converted into HK\$ at the rate of RMB1:HK\$1.20 throughout this announcement for illustration purposes only.

On behalf of the Board
Times Universal Group Holdings Limited
CHOI YUN CHOR
Co-Chairman and Executive Director

Hong Kong, 9 September 2021

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).

** For identification purpose only*