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)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

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

References is made to the announcement (the "**Announcement**") of Times Universal Group Holdings Limited (the "**Company**") dated 9 September 2021 in relation to, among others, the Acquisition. Unless otherwise defined, capitalised terms used in this announcement shall bear the same meanings as those defined in the Announcement.

COMPLIANCE WITH THE LISTING RULES

As disclosed in the Announcement, 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.

Since the discounted cash flow method was adopted by the Company, such valuation constitutes profit forecasts under Rule 14.61 of the of the Listing Rules. This announcement is made in compliance with Rules 14.60A and 14.62 of the Listing Rules.

ASSUMPTIONS OF VALUATION

Pursuant to Rule 14.62(1) of the Listing Rules, details of the principal assumptions, including commercial assumptions, upon which the valuation was based are as follows:

General Assumptions

1. It is assumed that there are no material changes in the current laws, regulations and policies, and the macroeconomic situation of the country, nor are there any material changes in the political, economic and social environment of the regions where the parties to the transactions are located;

2. It is assumed that the Target Companies operate on a going-concern basis;

3. It is assumed that there are no material changes in the interest rate, exchange rate, tax base and tax rate, policy levy and other expenses relevant to the Target Companies after the Acquisition;

4. It is assumed that the management of the Target Companies is responsible, stable, and capable of assuming its duties after the Acquisition; and

5. It is assumed that after the Acquisition, there are no force majeure and unforeseen factors which will have a significant adverse impact on the Target Companies.

Special Assumptions

1. It is assumed that the accounting policies will not affect the discounted cash flow model adopted by the Target Companies after the Acquisition, and those adopted in the preparation of the valuation are consistent in material aspects;

2. It is assumed that the Target Companies maintain the current operation scope and business pattern based on the existing management method and management level after the Acquisition;

3. It is assumed that there are no material changes in the supply of labour used by the Target Companies in their operation;

4. It is assumed that the Target Companies are in full compliance with relevant state and local laws and regulations, and no recognized tax benefit qualification is cancelled as a result of violation of laws and regulations;

5. It is assumed that the total contracted area under management of the Target Companies and revenue remain consistent over the forecast period;

6. It is assumed that operating expenses of the Target Companies mainly comprise of staff costs which accounted for approximately 44% to 46% of the forecast revenue or 54% to 58% of the operating expenses of the Target Companies; and

7. It is assumed the income tax is calculated at 15% of the estimated assessable profits in accordance with the relevant rules and regulations of The Catalogue of Encouraged Industries in Western China over the forecast period.

The Board has reviewed the key assumptions upon which the profit forecast was based and is of the view that the profit forecast was made after due and careful enquiry.

Grant Thornton Hong Kong Limited ("**Grant Thornton**"), the auditor of the Company, has been engaged by the Company to review the arithmetical calculation and compilation of the discounted future estimated cash flows upon which the valuation prepared by the Group was based.

A letter from the Board and a report from Grant Thornton are included in the appendices to this announcement for the purposes of Rules 14.60A and 14.62 of the Listing Rules. The following is the qualification of Grant Thornton:

EXPERT AND CONSENT

The qualification of the expert who has given its opinion and advice in this announcement is as follows:

Name	**Qualification**
Grant Thornton	Certified Public Accountants

Grant Thornton has given and has not withdrawn its written consent to the publication of this announcement with inclusion of its report/letter and all references to its name (including its qualification) in the form and context in which they are included.

To the best knowledge, information and belief of the Board and having made all reasonable enquiries, Grant Thornton is a third party independent of the Group and is not a connected person of the Group. As at the date of this announcement, Grant Thornton does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

As at the date of this announcement, Grant Thornton does not have any direct or indirect interests in any assets which have been, since 31 December 2020 (the date to which the latest published annual results of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

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

Hong Kong, 4 October 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).

The following is the text of a report received from the Company's reporting accountant, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, for inclusion in this announcement.

Grant Thornton
致同

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF CHONGQING HAOTAI PROPERTY MANAGEMENT COMPANY LIMITED, CHONGQING JIA DUAN TECHNOLOGY COMPANY LIMITED AND CHONGQING QI CHANG TECHNOLOGY COMPANY LIMITED

TO THE BOARD OF DIRECTORS OF TIMES UNIVERSAL GROUP HOLDINGS LIMITED

We refer to the discounted future estimated cash flows on which the business valuation (the "**Valuation**") prepared by the directors of the Company (the "**Directors**") in respect of the appraisal of the fair value of the 100% equity interests in Chongqing Haotai Property Management Company Limited, Chongqing Jia Duan Technology Company Limited and Chongqing Qi Chang Technology Company Limited (the "**Target Companies**") is based. The Valuation is set out in the announcement of Times Universal Group Holdings Limited (the "**Company**") dated 9 September 2021 (the "**Announcement**") in connection with the acquisitions of 100% equity interests in the Target Companies. The Valuation is prepared based on the discounted estimated future cash flows and is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' Responsibilities for the Discounted Future Estimated Cash Flows

The Directors are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the section heading "Assumptions of Valuation" in the supplemental announcement of the Company dated 4 October 2021 in relation to the acquisition of the Target Companies (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future estimated cash flows used in the Valuation. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Target Companies or an expression of an audit or review opinion on the Valuation.

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled in accordance with the Assumptions. We performed procedures on the arithmetical calculations and the compilations of the discounted future estimated cash flows in accordance with the Assumptions. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

The discounted future estimated cash flows do not involve the adoption of accounting policies. The discounted future estimated cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Further, since the discounted future estimated cash flows relates to the future, actual results are likely to be different from the discounted future estimated cash flows because events and circumstances frequently do not occur as expected, and the differences may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Opinion

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future estimated cash flows have been properly compiled in all material respects in accordance with the Assumptions.

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

4 October 2021

The following is the text of a letter from the Board for the purpose of incorporation in this announcement.

4 October 2021

The Listing Division
The Stock Exchange of Hong Kong Limited
12/F, Two Exchange Square,
8 Connaught Place, Central,
Hong Kong

Dear Sirs,

Re: Discloseable Transaction — Acquisition of the entire equity interests in the target companies and the copyright

We refer to the announcement of Times Universal Group Holdings Limited (the "**Company**") dated 9 September 2021 (the "**Announcement**") in relation to the acquisition (the "**Acquisition**") of the entire equity interests of Chongqing Haotai Property Management Company Limited ("**Target Company A**)", Chongqing Jia Duan Technology Company Limited ("**Target Company B**") and Chongqing Qi Chang Technology Company Limited ("**Target Company C**") (together "**Target Companies**") and the copyright (the "**Copyright**").

As disclosed in the Announcement, the consideration 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 Company and its subsidiaries (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. The valuation on the Target Companies using the discounted cash flow is regarded as a profit forecast (the "**Profit Forecast**") under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

For the purpose of preparing this letter, we have (i) considered the report from Grant Thornton Hong Kong Limited regarding the arithmetical accuracy of the calculations of the Profit Forecast upon which the valuation of the Target Companies is based; (ii) reviewed the Profit Forecast upon which the valuation of the Target Companies has been made; (iii) discussed with the relevant senior management of the Company regarding, the bases and assumptions upon which the Profit Forecast regarding the Target Companies in the valuation has been prepared, the relevant work conducted by the senior management, and the historical performance of the Target Companies; and

(iv) reviewed the reports to the Directors from the senior management regarding the calculations of the discounted future cash flows used in the valuation. We confirm that the Profit Forecast was made after due and careful enquiry.

Yours faithfully,
For and on behalf of
Times Universal Group Holdings Limited

CHOI Yun Chor
Co-Chairman and Executive Director