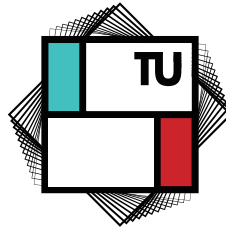


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TIMES UNIVERSAL GROUP HOLDINGS LIMITED

時代環球集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2310)

CONTINUING CONNECTED TRANSACTION IN RELATION TO LEASE AGREEMENT

LEASE AGREEMENT

On 23 July 2021 (after trading hours of the Stock Exchange), Best Master, an indirect wholly-owned subsidiary of the Company, entered into the Lease Agreement with Seven Elements, 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, the Company is owned as to approximately 34.74% by Rich Vision Developments Limited, which in turn is wholly-owned by Mr. Cheng. Accordingly, Mr. Cheng is a controlling shareholder and a connected person of the Company.

As Seven Elements is an indirect wholly-owned subsidiary of Imperium Group and Imperium Group is owned as to approximately 68.94% by Diamon State Holdings Limited, which in turn is wholly-owned by Mr. Cheng, a controlling shareholder of the Company, Seven Elements is an associate of Mr. Cheng and a connected person of the Company. Accordingly, the Lease Agreement constitute a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. Ms. Yeung, being the spouse of Mr. Cheng, and Mr. Lin Junwei, being an executive director of Imperium Group, have material interests in the Lease Agreement and have abstained from voting on the relevant resolution at the Board meeting approving the Lease Agreement.

As one or more the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Lease Agreement exceed(s) 5% but is less than 25% and the Caps are less than HK\$10,000,000, the transactions contemplated under the Lease Agreement are subject to the reporting, announcement and annual review but is exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As confirmed with the auditors of the Company, as the Leasing Fees are wholly in the form of variable lease payments, the Company will not be required to recognize a right-of-use asset and a lease liability in respect of the Lease Agreement under Hong Kong Financial Reporting Standard 16 issued by Hong Kong Institute of Certified Public Accountants.

On 23 July 2021 (after trading hours of the Stock Exchange), Best Master, an indirect wholly-owned subsidiary of the Company, entered into the Lease Agreement with Seven Elements, 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

Parties: (1) Best Master Limited; and
(2) Seven Elements Interactive Digital Technology 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 Fee 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 on its customers; 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 Independent Third Parties.

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.

If 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 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:

Financial year/period	Caps
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 Best Master and Seven Elements 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 reaches and/or 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 at 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 SEVEN ELEMENTS

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 service.

INFORMATION ON THE GROUP AND BEST MASTER

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

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.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT

The Board considers that the entering into of the Lease Agreement would provide the necessary equipment to participate in Filecoin mining and utilise Filecoin purchased by the Group as collateral for Filecoin mining purpose, and would in turn, allow the Group to tap into the cryptocurrency business and diversify the business operation of the Group.

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 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 Board is of the view that the terms of the Lease agreement and the transactions contemplated thereunder are on normal commercial terms, are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

The Board has approved the Lease Agreement and the transactions contemplated thereunder. The Directors (excluding 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, the Company is owned as to approximately 34.74% by Rich Vision Developments Limited, which in turn is wholly-owned by Mr. Cheng. Accordingly, Mr. Cheng is a controlling shareholder and a connected person of the Company.

As Seven Elements is an indirect wholly-owned subsidiary of Imperium Group and Imperium Group is owned as to approximately 68.94% by Diamon State Holdings Limited, which in turn is wholly-owned by Mr. Cheng, a controlling shareholder of the Company, Seven Elements is an associate of Mr. Cheng and a connected person of the Company. Accordingly, the Lease Agreement constitute a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. Ms. Yeung, being the spouse of Mr. Cheng, and Mr. Lin Junwei, being an executive director of Imperium Group, have material interests in the Lease Agreement and have abstained from voting on the relevant resolution at the Board meeting approving the Lease Agreement.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Lease Agreement exceed(s) 5% but is less than 25% and the Caps are less than HK\$10,000,000, the transactions contemplated under the Lease Agreement are subject to the reporting, announcement and annual review but is exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As confirmed with the auditors of the Company, as the Leasing Fees are wholly in the form of variable lease payments, the Company will not be required to recognize a right-of-use asset and a lease liability in respect of the Lease Agreement under Hong Kong Financial Reporting Standard 16 issued by Hong Kong Institute of Certified Public Accountants.

DEFINITIONS

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

“associate”	has the meaning ascribed thereto under the Listing Rules
“Best Master”	Best Master Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“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”	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)
“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
“controlling shareholder”	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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Imperium Group”	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 (stock code: 776)
“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 out in the subsection headed “Leasing Fees” under the section headed “Lease Agreement” of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Cheng”	Mr. Cheng Ting Kong, a controlling shareholder of the Company
“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
“Seven Elements”	Seven Elements Interactive Digital Technology Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Imperium Group
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 23 July 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).