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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The board (the "**Board**") of directors (the "**Directors**") of Times Universal Group Holdings Limited (formerly known as Forebase International Holdings Limited) (the "**Company**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	**2021** ***HK$'000***	2020 *HK$'000*
Revenue	*4*	**77,700**	58,803
Direct costs		**(58,692)**	(41,533)
Gross profit		**19,008**	17,270
Other income, gains and losses, net	*5*	**3,489**	8,304
Administrative expenses		**(35,145)**	(28,359)
Impairment losses under expected credit loss model, net of reversal		**(5,897)**	(22,613)
Impairment loss recognised on interests in joint ventures		**–**	(29,523)
Impairment loss recognised on intangible assets		**(1,748)**	(385)
Share of result of an associate		**(1,870)**	(4,349)
Share of results of joint ventures		**–**	(15,335)
Loss on derecognition of joint ventures		**(882)**	–
Finance costs	*6*	**(5,163)**	(4,979)
Loss before tax	*7*	**(28,208)**	(79,969)
Income tax credit	*8*	**7,268**	1,189
Loss for the year		**(20,940)**	(78,780)

	Notes	**2021**	2020
		HK$'000	*HK$'000*
Other comprehensive income (expense) for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**678**	577
Share of other comprehensive income of joint ventures		**–**	342
Share of other comprehensive expense of an associate		**(72)**	–
Release of cumulative exchange reserve upon derecognition of joint ventures		**882**	–
Other comprehensive income for the year		**1,488**	919
Total comprehensive expense for the year		**(19,452)**	(77,861)
Loss per share	*10*		
Basic		**(1.92) cents**	(8.52) cents
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	2021 HK$'000	2020 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**84,914**	85,533
Right-of-use assets		**12,445**	2,894
Intangible assets		**15,162**	20,520
Goodwill		**3,265**	–
Interest in an associate		**1,115**	16,865
Interests in joint ventures		**–**	–
Deferred tax assets		**8,514**	3,875
		125,415	129,687
CURRENT ASSETS			
Inventories		**656**	584
Cryptocurrency		**5,370**	–
Trade and other receivables	*11*	**8,167**	12,818
Amount due from an associate		**13,808**	–
Bank balances and cash		**28,293**	47,831
		56,294	61,233
CURRENT LIABILITIES			
Trade and other payables	*12*	**39,190**	23,228
Contract liabilities		**5,527**	4,284
Contingent consideration payable		**240**	–
Loans from a controlling shareholder		**10,544**	–
Secured loans		**29,857**	33,667
Bonds		**30,181**	10,181
Lease liabilities		**1,371**	2,518
Tax liabilities		**14,876**	14,671
		131,786	88,549
NET CURRENT LIABILITIES		**(75,492)**	(27,316)
TOTAL ASSETS LESS CURRENT LIABILITIES		**49,923**	102,371
NON-CURRENT LIABILITIES			
Loans from controlling shareholders		**–**	20,558
Bonds		**20,000**	40,000
Lease liabilities		**11,374**	732
Deferred tax liabilities		**2,275**	5,355
		33,649	66,645
NET ASSETS		**16,274**	35,726

	2021	2020
	HK$'000	*HK$'000*
CAPITAL AND RESERVES		
Share capital	**441,350**	441,350
Reserves	**(425,076)**	(405,624)
TOTAL EQUITY	**16,274**	35,726

Notes:

1. GENERAL

Times Universal Group Holdings Limited (formerly known as Forebase International Holdings Limited) (the "**Company**") was incorporated in Hong Kong with limited liability. The registered office and principal place of business of the Company are located at Unit 3002, 30/F, Workington Tower, 78 Bonham Strand, Sheung Wan, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The immediate holding company of the Company is Great Match International Limited, a company incorporated in the British Virgin Islands and the ultimate controlling shareholder is Mr. Choi Yun Chor (the "**Controlling Shareholder**").

The Company is an investment holding company and the principal activities of the Company and its subsidiaries (collectively referred to as the "**Group**") are hotel operation in Canada, properties management in the People's Republic of China (the "**PRC**") and cryptocurrency investment.

Pursuant to a special resolution passed at the annual general meeting of the Company held on 29 June 2020, the name of the Company was changed from "Forebase International Holdings Limited" to "Times Universal Group Holdings Limited". The change of the Company's name become effective on 16 July 2020.

The functional currency of the Company is Hong Kong dollar ("**HK$**"). For the purposes of presenting the consolidated financial statements, the Group adopted HK$ as its presentation currency as its shares are listed in Hong Kong.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, Hong Kong Accounting Standard ("**HKAS**") 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "**Committee**") of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 16	Covid-19-Related Rent Concession beyond 30 June 2021[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[2]

1 Effective for annual periods beginning on or after 1 April 2021.
2 Effective for annual periods beginning on or after 1 January 2022.
3 Effective for annual periods beginning on or after 1 January 2023.
4 Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRSs mentioned in the consolidated financial statements, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

During the year ended 31 December 2021, the Group incurred a loss of approximately HK$20,940,000 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$75,492,000. Such conditions indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, and thus, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In order to ensure the Group's ability to operate as a going concern, a company wholly-owned by the Controlling Shareholder has given an undertaking to provide continuing financial support to the Group to enable it to meet its liabilities as and when they fall due and to enable the Group to continue in operational existence.

The Directors believe the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from the end of the reporting period. Accordingly, the Directors believe that the Group will continue as a going concern and therefore consider it is appropriate to adopt a going concern basis in preparing its consolidated financial statements.

The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the assets of the Group to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

4. REVENUE

	2021	2020
	HK$'000	*HK$'000*
Hotel operation	**42,336**	23,609
Properties management	**35,364**	35,194
	77,700	58,803

5. OTHER INCOME, GAINS AND LOSSES, NET

	2021	2020
	HK$'000	*HK$'000*
Interest income from bank deposits	**12**	10
Gain on disposal of property, plant and equipment, net	**–**	54
Gain on loans from controlling shareholders stated at fair value upon initial recognition	**–**	1,564
Loss from changes in fair value of cryptocurrency	**(2,253)**	–
Gain on early termination of a lease	**136**	–
Government grants *(Note)*	**4,823**	5,792
Loss on written-off of property, plant and equipment	**(51)**	–
Others	**822**	884
	3,489	8,304

Notes:

During the year ended 31 December 2021, approximately RMB565,000 (equivalent to approximately HK$681,000) (2020: RMB888,000 (equivalent to approximately HK$999,000)) represents an incentive from the Finance Bureau of People's Government of Chongqing, Yuzhong District* (重慶市渝中區財政局) for maintaining good quality of properties management service and to provide financial support to retain employees.

During the year ended 31 December 2021, the Group recognised government grants of Canadian dollar ("**CAD**") 668,000 (equivalent to HK$4,142,000) (2020: CAD736,000 (equivalent to HK$4,259,000)) which relate to Canada Emergency Wage Subsidy and Emergency Rent Subsidy provided by the Canada Federal Government.

During the year ended 31 December 2020, the Group recognised government grants of approximately HK$534,000 which relate to Employment Support Scheme provided by the Hong Kong Government.

There are no conditions attached to the receipt of the government grants and they are non-recurring in nature.

** For identification purpose only*

6. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
Interests on:		
– Secured loans	**1,452**	1,587
– Bonds	**2,345**	3,101
– Lease liabilities	**240**	187
– Imputed interest on loans from Controlling Shareholder	**513**	32
– Other	**613**	72
	5,163	4,979

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2021	2020
	HK$'000	*HK$'000*
Auditors' remuneration:		
– audit services	**1,337**	1,260
– non-audit services	**287**	150
Staff costs (including directors' emolument)		
– salaries, wages, allowance and other benefits in kind	**38,116**	29,226
– bonus	**–**	211
– retirement schemes contributions *(Note (a))*	**2,585**	822
Total staff costs *(Note (b))*	**40,701**	30,259
Cost of inventories recognised as expense	**6,839**	4,662
Depreciation of:		
– Property, plant and equipment	**2,982**	2,821
– Right-of-use assets	**1,899**	2,111
Total depreciation	**4,881**	4,932
Depreciation included in direct costs	**(2,131)**	(1,962)
Depreciation included in administrative expenses	**2,750**	2,970
Amortisation of intangible assets (included in administrative expenses)	**4,170**	4,562
Legal and professional fee	**4,666**	3,318

Notes:

(a) During the year ended 31 December 2021, the increase in retirement benefit scheme contributions was primarily due to the exemption of social insurance contributions as a result of regulatory supportive policies issued by the PRC local governments in response to the outbreak of COVID-19 for the year ended 31 December 2020.

(b) Staff costs amounted to approximately HK$29,992,000 (2020: HK$20,889,000) and HK$10,709,000 (2020: HK$9,370,000) have been included in direct costs and administrative expenses respectively.

8. INCOME TAX CREDIT

	2021	2020
	HK$'000	*HK$'000*
Current tax		
PRC Enterprise Income Tax ("**EIT**")	**278**	1,326
Deferred tax		
Current year	**(7,546)**	(2,515)
	(7,268)	(1,189)

Notes:

(a) Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years. No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

(b) Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

(c) Provision for the PRC EIT for Nuofute Property Management Co., Ltd.* 重慶諾富特物業管理有限公司 ("**Nuofute Property Management**") is calculated at 15% of the estimated assessable profits for the year ended 31 December 2021. Nuofute Property Management is qualified as a company under the development strategy of the PRC's western region and is able to enjoy a preferential income tax rate of 15% for the years ended 31 December 2021 and 31 December 2020.

(d) Pursuant to the relevant laws and regulation in the PRC, Chongqing Haotai Property Management Company Limited* 重慶市昊泰物業管理有限責任公司 ("**Chongqing Haotai**"), which is newly acquired during the year ended 31 December 2021, is qualified as small low-profit enterprises enjoyed a preferential tax rate of 20% for the year ended 31 December 2021. In addition, in accordance with the "Notice on Preferential Income Tax Policies Applicable to Small Low-profit Enterprises", Chongqing Haotai is also entitled to a tax concession for 75% and 50% of its taxable income for the annual taxable income of less than RMB1,000,000 and the portion that exceeds RMB1,000,000 but does not exceed RMB3,000,000 (inclusive) for the year ended 31 December 2021, respectively.

(e) Canadian Corporation Tax is calculated at Federal Tax rate of 15% and British Columbia Provincial Tax rate of 12% on the estimated assessable profits for the years ended 31 December 2021 and 2020. No provision for taxation has been made as there is no assessable profit for the years ended 31 December 2021 and 2020.

(f) Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

* *For identification purpose only*

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2021, nor has any dividend been proposed since the end of the reporting period (2020: HK$Nil).

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2021	2020
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(20,940)**	(78,780)

	2021	2020
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,092,878**	924,373

No diluted loss per share for both years ended 31 December 2021 and 2020 were presented as there were no potential ordinary shares in issue for both years ended 31 December 2021 and 2020.

11. TRADE AND OTHER RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Trade receivables		
– contracts with customers	**53,297**	50,261
Less: Allowance for credit losses	**(48,455)**	(44,346)
Trade receivables, net *(Note (a))*	**4,842**	5,915
Other receivables	**7,344**	8,464
Deposits	**766**	1,116
Prepayments	**1,481**	978
	9,591	10,558
Less: Allowance for credit losses	**(6,266)**	(3,655)
	3,325	6,903
Trade and other receivables, net	**8,167**	12,818

Note:

As at 1 January 2020, trade receivables from contracts with customers amounted to approximately HK$19,344,000, net of allowance for credit losses of approximately HK$21,092,000.

The Group allows an average credit period of 0 to 30 days to its trade customers. The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the date of delivery of goods or date of rendering of services which approximated the respective dates on which revenue was recognised.

	2021	2020
	HK$'000	*HK$'000*
Within 90 days	**597**	2,719
91 to 180 days	**2**	613
181 to 365 days	**439**	476
1 to 2 years	**2,527**	1,533
2 to 3 years	**1,277**	51
Over 3 years	**–**	523
	4,842	5,915

12. TRADE AND OTHER PAYABLES

	2021	2020
	HK$'000	*HK$'000*
Trade payables	**953**	417
Accruals	**4,427**	2,220
Other taxes payables	**3,947**	3,765
Bond interest payable	**3,274**	2,929
Other payables	**26,589**	13,897
	39,190	23,228

The following is an aged analysis of trade payables presented based on the invoice date:

	2021	2020
	HK$'000	*HK$'000*
Within 90 days	**899**	321
91 to 180 days	**3**	23
Over 365 days	**51**	73
	953	417

The average credit period on purchases of goods is 0 to 90 days.

13. ACQUISITION OF SUBSIDIARIES

On 9 September 2021, Chongqing Ailuojia Technology Services Limited* (重慶愛洛家科技有限公司), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") with Mr. Yang Jin Zhu, Ms. Wang Jing (collectively known as the "**Vendors**"), pursuant to which Chongqing Ailuojia agreed to acquire and the Vendors agreed to sell the entire equity interest in i) Chongqing Haotai Property Management Company Limited* (重慶市昊泰物業管理有限責任公司); ii) Chongqing Jia Duan Technology Company Limited* (重慶市嘉端科技有限責任公司); iii) Chongqing Qi Chang Technology Company Limited* (重慶企暢科技有限公司); and iv) copyrights of smart home software (registration nos. 1229777) and its associated Android version (registration no. 3291622) in the PRC registered in the name of Ms. Wang Jing, one of the Vendors (collectively the "**Chongqing Business**") at the consideration of RMB2,950,000 (equivalent to approximately HK$3,610,000).

The Vendors warrant to Chongqing Ailuojia that the amount of the account receivables of the Chongqing Business (i.e. RMB1,400,000 (equivalent to approximately HK$1,713,000)) shall be more than 10% of the sum of (i) renovation deposit; and (ii) management fee deposit. If the inspection by Chongqing Ailuojia (which shall be completed by 30 November 2021) reveals that any of the account receivables of the Chongqing Business 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 Chongqing Business cannot be recovered in the last instalment (i.e. RMB950,000) before the adjustment ("**Contingent Consideration I**") and which is subsequently waived.

On the same date, Chongqing Ailuojia subsequently entered into a supplemental agreement to the Sale and Purchase Agreement with the Vendors (the "**Supplemental Agreement**"), pursuant to which, RMB200,000 (equivalent to approximately HK$245,000) of the consideration will be uphold and will only be payable upon the successful renewal of a property management agreement on or before 1 August 2022 (the " **Contingent Consideration II**"). RMB196,000 (equivalent to HK$240,000) represents the estimated fair value of this obligation at the completion of the acquisition.

The acquisition is completed on 9 September 2021.

	HK$'000
Consideration transferred	
Consideration payable	3,365
Fair value of the contingent consideration	240
	3,605

Acquisition-related costs amounting to RMB164,000 (equivalent to approximately HK$198,000) have been excluded from the consideration transferred and have been recognised as an expense in the current year, within the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

* *For identification purpose only*

Assets acquired and liabilities recognised at the date of acquisition	*HK$'000*
Trade and other receivables	480
Bank balances and cash	2
Other payables	(142)
	340

Goodwill arising on acquisition:	*HK$'000*
Consideration transferred	3,605
Less: recognised amounts of net assets acquired	(340)
Goodwill arising on acquisition	3,265

Goodwill arose on the acquisition of the Chongqing Business because the acquisition included the benefit of expected synergies, revenue growth and future market development after the acquisition. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash inflow on acquisition of Chongqing Business	*HK$'000*
Bank balances and cash acquired	2

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

Since the financial information contained in the Unaudited Preliminary Announcement was neither audited nor agreed with Asian Alliance (HK) CPA Limited as at the date of the publication and subsequent adjustments have been made to such information, Shareholders and potential investors of the Company are advised to pay attention to certain differences between the financial information of the unaudited and audited annual results of the Group. Set forth below are principal details and reasons for the material differences in such financial information.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021	**2021**		
	HK$'000	*HK$'000*	*HK$'000*	*NOTES*
	(Audited)	(Unaudited)	(Differences)	
Revenue	77,700	84,499	(6,799)	*1*
Direct costs	(58,692)	(59,549)	857	
Gross profit	19,008	24,950	(5,942)	
Other income, gains and losses, net	3,489	3,408	81	
Administrative expenses	(35,145)	(33,896)	(1,249)	
Impairment losses recognised under expected credit loss model, net of reversal	(5,897)	(5,144)	(753)	*2*
Impairment loss recognised on intangible assets	(1,748)	–	(1,748)	*3*
Share of result of an associate	(1,870)	–	(1,870)	*4*
Loss on derecognition of joint ventures	(882)	–	(882)	
Finance costs	(5,163)	(4,046)	(1,117)	
Loss before tax	(28,208)	(14,728)	(13,480)	
Income tax credit	7,268	(1,166)	8,434	*7*
Loss for the year	(20,940)	(15,894)	(5,046)	
Other comprehensive income for the year				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	678	266	412	
Share of other comprehensive expense of an associate	(72)	–	(72)	
Release of cumulative exchange reserve upon derecognition of joint ventures	882	–	882	
Other comprehensive income for the year	1,488	266	1,222	
Total comprehensive expense for the year	(19,452)	(15,628)	(3,824)	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	2021 *HK$'000* (Audited)	2020 *HK$'000* (Unaudited)	*HK$'000* (Differences)	*NOTES*
NON-CURRENT ASSETS				
Property, plant and equipment	84,914	84,914	–	
Right-of-use assets	12,445	12,741	(296)	
Intangible assets	15,162	15,958	(796)	*3*
Goodwill	3,265	3,547	(282)	
Interest in an associate	1,115	16,865	(15,750)	*4*
Interests in joint ventures	–	–	–	
Deferred tax assets	8,514	3,998	4,516	*7*
	125,415	138,023	(12,608)	
CURRENT ASSETS				
Inventories	656	656	–	
Cryptocurrency	5,370	5,043	327	
Trade and other receivables	8,167	19,247	(11,080)	*1, 2&5*
Amount due from an associate	13,808	–	13,808	*4*
Bank balances and cash	28,293	25,527	2,766	*5*
	56,294	50,473	5,821	
CURRENT LIABILITIES				
Trade and other payables	39,190	28,026	11,164	*6*
Contract liabilities	5,527	5,527	–	
Contingent consideration payables	240	–	240	
Loans from a controlling shareholder	10,544	–	10,544	*6*
Secured loans	29,857	29,857	–	
Bonds	30,181	30,181	–	
Lease liabilities	1,371	1,366	5	
Tax liabilities	14,876	15,908	(1,032)	
	131,786	110,865	20,921	
NET CURRENT LIABILITIES	(75,492)	(60,392)	(15,100)	
TOTAL ASSETS LESS CURRENT LIABILITIES	49,923	77,631	(27,708)	
NON-CURRENT LIABILITIES				
Loans from controlling shareholders	–	20,558	(20,558)	*6*
Bonds	20,000	20,000	–	
Lease liabilities	11,374	11,620	(246)	
Deferred tax liabilities	2,275	5,354	(3,079)	*7*
	33,649	57,532	(23,883)	
NET ASSETS	16,274	20,099	(3,825)	
CAPITAL AND RESERVES				
Share capital	441,350	441,350	–	
Reserves	(425,076)	(421,251)	(3,825)	
TOTAL EQUITY	16,274	20,099	(3,825)	

Notes:

1. The difference was a result on adjustment of transactions not fulfil recognition criteria of revenue.

2. The differences were a result of impairment assessment of the Group's financial assets after reassessment by valuer.

3. The difference was a result upon finalisation of the valuation of the Group's intangible assets.

4. The difference was a result upon finalisation of the valuation of the investment properties held by an associate and reclassification of amount due from an associate from non-current assets to current assets.

5. The difference was a result from finalisation of the bank reconciliation upon receive of bank confirmations.

6. The difference was a result from reclassification of loans from controlling shareholders from non-current liabilities to current liabilities and other payables.

7. The difference was mainly arising from recognition of deferred tax assets for tax losses, depreciation allowance and ECL provision and derecognition of deferred tax liabilities for withholding tax on undistributed profit from the PRC subsidiaries and intangible assets.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The Company's auditor has issued a qualified opinion on the Group's consolidated financial statements for the year ended 31 December 2021, an extract of which is as follows:

QUALIFIED OPINION

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

(a) Limitation of scope on interest in an associate

As disclosed in Note 23 to the consolidated financial statements, the carrying amount of the Group's interest in an associate, Total Blossom Sdn Bhd ("**Total Blossom**"), amounted to approximately HK$1,115,000 as at 31 December 2021, share of result of an associate amounted to approximately HK$1,870,000 and share of other comprehensive expense of an associate amounted to approximately HK$72,000 for the year ended 31 December 2021. The sole and only asset of the associate is an investment property under construction located in Malaysia (the "**Associate Investment Property**") amounted to approximately HK$29,694,000 as at 31 December 2021 and fair value loss of the Associate Investment Property amounted to approximately HK$3,815,000 for the year then ended 31 December 2021.

We were unable to obtain sufficient appropriate audit evidence, including but not limited to the status of the construction of the Associate Investment Property, to satisfy ourselves as to the existence, ownership and valuation of the Associate Investment Property, which might have material effects on the financial position and financial performance of Total Blossom as at and for the year ended 31 December 2021. Consequently, as the Group accounts for its interests in Total Blossom using equity method, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the Group's share of net assets of Total Blossom as at 31 December 2021 which represents the carrying amount of the Group's interest in an associate and the Group's share of result and other comprehensive expense of Total Blossom for the year ended 31 December 2021 which represents the Group's share of result of an associate in the consolidated financial statements were free from material misstatements. There were no other satisfactory audit procedures that we could adopt to obtain sufficient appropriate audit evidence in this regard.

Any adjustments found to be necessary to the Associate Investment Property may have significant impact to the share of result and other comprehensive expense of an associate and its net asset value, which in turn, may have consequential significant impacts on the loss and other comprehensive expense of the Group for the year ended 31 December 2021, the net assets of the Group as at 31 December 2021 and the related disclosures thereof in the consolidated financial statements.

(b) Limitation of scope on interests in joint ventures

As disclosed in Note 24 to the consolidated financial statements, the interests in Triple Market Limited and its subsidiaries (collectively known as the "**Joint Ventures**") with HK$Nil carrying amount as at 31 December 2020 had been derecognised since 31 October 2021.

During the year ended 31 December 2019, all of the investment properties of the Joint Ventures, which were the major assets of the Joint Ventures, were seized (the "**Seized Investment Properties**") by the Intermediate People's Court of Chongqing (the "**Court**") in relation to a loan dispute with a financial institution (the "**Court Case**"). The directors of the Company (the "**Directors**") inquired the management of the Joint Ventures in relation to the Court Case, including the court orders, the reason for the seizure and the latest development of the case, but they were not able to obtain all relevant information as at 31 December 2019.

As at 31 December 2020, as advised by the Company's PRC legal advisor, the Joint Ventures do not possess control over the Seized Investment Properties because the Seized Investment Properties of the Joint Ventures are held under a compulsory auction as ordered by the Court during the year ended 31 December 2020. The Directors were of the opinion that the Joint Ventures are unlikely to repossess the investment properties and therefore impairment loss on the interests in Joint Ventures of HK$29,523,000 was made during the year ended 31 December 2020.

In view of (i) the Seized Investment Properties; (ii) the lost of contact with the management of the Joint Ventures since 31 October 2021 and (iii) the Directors were unable to obtain the books and records of the Joint Ventures, the Directors resolved that the Group no longer had the power to govern the financial and operating policies of Joint Ventures, and the control over the Joint Ventures was lost on 31 October 2021 and derecognised the interest in the Joint Ventures since 31 October 2021 (the "**Joint Ventures Derecognition Date**").

Under the circumstances as explained above, we were not able to carry out procedures which we considered necessary on the books and records of the Joint Ventures to ascertain (1) the net liabilities of the Joint Ventures of approximately HK$57,725,000 and HK$57,725,000 as at 31 December 2020 and the Joint Ventures Derecognition Date respectively; (2) the loss of the Joint Ventures of approximately HK$89,021,000 and HK$Nil for the year ended 31 December 2020 and the period from 1 January 2021 to the Joint Ventures Derecognition Date respectively; and (3) the other comprehensive income of the Joint Ventures of approximately HK$698,000 and HK$Nil for the year ended 31 December 2020 and the period from 1 January 2021 to the Joint Ventures Derecognition Date respectively. There were no other satisfactory audit procedures that we could adopt to obtain sufficient appropriate evidence in this regard.

Any adjustments found to be necessary to the above amounts would affect the amounts recorded in the consolidated statement of profit or loss and other comprehensive income in respect of the Joint Ventures for the year ended 31 December 2020 and the period from 1 January 2021 to the Joint Ventures Derecognition Date, with a corresponding effect on the loss on derecognition of the Joint Ventures of approximately HK$882,000, the release of cumulative exchange reserve upon derecognition of joint ventures of approximately HK$882,000 and the related disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's "*Code of Ethics for Professional Accountants*" (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK$20,940,000 during the year ended 31 December 2021 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$75,492,000. As stated in Note 3.1, these events or conditions, along with other matters set forth in Note 3.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

DIVIDEND

The Board does not recommend the payment of any final dividend in respect of the year ended 31 December 2021 (2020: HK$Nil). The Group's long–term dividend policy is to distribute not less than 30% of its net profit as a dividend each financial year, and the Board will review this dividend policy from time to time to ensure optimal returns to shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and Segment Information

Revenue represents hotel operation income and property management income. Revenue increased by 32.1% to approximately HK$77,700,000 from approximately HK$58,803,000 in 2020 was mainly due to the partial operation of the hotel during this year and increase in property management business.

Direct Costs

Direct costs increased by approximately HK$17,159,000 or 41.3% to approximately HK$58,692,000. The increase was mainly due to partial operations of the hotel and increase in property management business.

Gross Profit

Gross profit increased approximately HK$1,738,000 or 10.0% which was in line with the increase in revenue and direct costs.

Other Income, Gain and Losses, net

Other income, gain and losses, net decreased by approximately HK$4,815,000 from approximately HK$8,304,000 in 2020 to approximately HK$3,489,000 in 2021. The decrease was mainly due to revaluation loss on cryptocurrencies of approximately HK$2,253,000 offset by the government grants of approximately HK$4,142,000 received as a result of COVID-19 pandemic.

Administrative Expenses

Administrative expenses increased by approximately HK$6,786,000 from approximately HK$28,359,000 in 2020 to approximately HK$35,145,000 in 2021 was mainly due to the increase in rental cost for crytocurrency investment and increase in staff costs in hotel operation in response to the partial operations of the hotel.

Finance Costs

Finance costs increased by approximately HK$184,000 from approximately HK$4,979,000 in 2020 to approximately HK$5,163,000 in 2021 was mainly due to increase in imputed interest on loan from controlling shareholders offset by the decrease in interest cost after the repayment of bond in July 2020 and repayment of one of the secure bank loans from ICBC of Canada in September 2021.

Loss for the Year

As a result of the foregoing combined effects of the above, the Group recorded a net loss of approximately HK$20,940,000 for the year ended 31 December 2021.

Liquidity and Financial Resources

As at 31 December 2021, the Group's net current liabilities and current ratio were approximately HK$75,492,000 and 0.43 respectively (net current liabilities and current ratio in 2020: HK$27,316,000 and 0.69 respectively).

Charge on Assets

As at 31 December 2021, the Group's land and buildings held for own use of approximately HK$83,851,000 (2020: approximately HK$84,733,000) were pledged to secure banking facilities granted to the Group.

Capital Structure

For the year ended 31 December 2021, the Group financed its liquidity requirements through a combination of cash flow as generated from operations, secured loans, bonds and loans from controlling shareholder.

Capital Commitment and Contingent Liabilities

As at 31 December 2021, the total capital commitments of the Group amounted to approximately HK$312,000 (2020: HK$Nil).

BUSINESS REVIEW

Hotel Operation Business

Revenue from hotel operation accounted for approximately 54.5% of the total revenue. Hotel occupancy rate increased to 71.1% in 2021 from 39.1% in 2020 owing to the COVID-19 pandemic which caused the hotel to close for prolonged periods. The revenue was therefore increased by approximately HK$18,727,000 from approximately HK$23,609,000 in 2020 to approximately HK$42,336,000 in 2021. The increase was mainly due to the hotel partially operated in 2021.

Property Management Business

Revenue from property management business amounted to approximately HK$35,364,000, representing an increase of 0.48% comparing to approximately HK$35,194,000 in 2020. The increase was mainly due to increase in property management fee.

Net Gearing Ratio

The net gearing ratio was 3.83 as at 31 December 2021 (31 December 2020: 1.58). The net gearing ratio was measured by net debt (including secured loans, loans from controlling shareholder, and bonds, and deducting bank balances and cash) over total equity.

Staff and Remuneration Policy

As at 31 December 2021, the Group had approximately 281 employees, including 199 based in the PRC, 11 based in Hong Kong and 71 based in Canada. Staff costs for the year ended 31 December 2021 were approximately HK$40,701,000, representing an increase of approximately HK$10,442,000 as compared to approximately HK$30,259,000 of last year due to the staff costs increased in hotel operation and increase in the property management business.

Employee remuneration is determined in accordance with prevailing industry practice and employees' performance and experience. Discretionary bonuses are awarded to employees with outstanding performance with reference to the performance of the Group. Employees are also entitled to other staff benefits including medical insurance and mandatory provident fund.

Foreign Exchange Fluctuation and Hedge

The Group is not subject to material foreign currency exposure since its operations in the PRC and Canada are mainly denominated in RMB and CAD respectively and the Group's revenue and operating costs in the PRC and Canada are denominated in the functional currency of the Group's entity generating the sales or incurring the costs. Accordingly, the directors consider that the currency risk is not significant. As such, no hedging instrument is considered necessary by the Board during the year. The directors will monitor the Group's exposure on an ongoing basis and will consider hedging the currency risk should the need arise.

During the years ended 31 December 2021 and 2020, the Group did not enter into any forward foreign currency contracts.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS.

Acquisition of Three Companies

Pursuant to the sale and purchase agreement dated 9 September 2021 entered into among Yang Jin Chu and Yang Jing as vendors and Chongqing Ailuojia Technology Service Limited* (重慶愛洛家科技服務有限公司) ("**Ailuojia**"), an indirect wholly-owned subsidiary of the Company, as purchaser, Ailuojia agreed to acquire the entire equity interest in Chongqing Haotai Property Management Limited* (重慶市昊泰物業管理有限責任公司) ("**Haotai**"), Chongqing Jia Duan Technology Company Limited* (重慶市嘉端科技有限責任公司) ("**Jiaduan**") and Chongqing Qi Chang Technology Company Limited* (重慶企暢科技有限公司) ("**Qichang**") and two copyright registrations in the PRC in relation to smart home software at a total consideration of RMB2,950,000.00. Haotai is a company engaged in the provision of property management services. Jiaduan is a company engaged in investment holding. Qichang is a company engaged in provision of internet property management services. Upon completion of such acquisition, Haotai, Jiaduan and Qichang has became subsidiaries of the Group. For more details, please refer to the announcement of the Company dated 9 September 2021.

** For identification purpose only*

Acquisition of Cryptocurrencies

Best Master Limited, 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 a aggregate consideration (excluding handling charges) of US$634,942. The Group intends to utilize 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. For more details, please refer to the announcement of the Company dated 14 July 2021.

Prospects

The property management segment continues to be the key sources of income for the Group. Management believes that property management industry in China will continue to grow steadily and bring stable income to the Group. While exploring new property management projects, the Group will actively consider expanding this segment through acquisitions.

Despite the hotel operation business was partially opened in 2021, it was still a difficult year for the hotel operation business and the global tourism industry has been devastated. Although management believes that demand for hotel will return once the economy recovers, management expects that travel restrictions, quarantine and safety concerns will continue to deter people from travelling for the foreseeable future and that a full recovery will take several years. After all, management is confident in hotel operation and will continue to explore suitable business opportunities, with an aim to deliver substantial returns for shareholders of the Company through a series of acquisitions and proposed cooperation.

OTHER INFORMATION

Corporate Governance

The Company is committed to achieving a high standard of practices of corporate governance so as to ensure the protection of shareholders' interests with better transparency. The Company has complied with the code provisions of the Corporate Governance Code set out in Appendix 14 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange during the year ended 31 December 2021.

Model Code for Securities Transactions by Directors

The Company has adopted Appendix 10, Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the "**Model Code**") as the code of practice for carrying out securities transactions by the directors of the Company. The Company, having made specific enquiries to all directors of the Company, confirmed that all directors have complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 December 2021.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2021.

Review of Accounts

The audit committee of the Board, which comprises all independent non-executive directors of the Company, has reviewed the financial results of the Group for the year ended 31 December 2021, including the accounting principles and practices adopted by the Group, and has reviewed and discussed with the management on the effectiveness of the Group's system regarding the internal controls and accounts.

Scope of Work of Asian Alliance (HK) CPA Limited

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in this announcement have been agreed by the Group's Auditor, Asian Alliance (HK) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Asian Alliance (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Asian Alliance (HK) CPA Limited on this announcement.

Publication of the Final Results and Annual Report

This results announcement has been published on the Company's website at www.timesuniversal.com.hk and the website of the Stock Exchange at www.hkexnews.hk. The 2021 annual report is expected to be despatched to shareholders of the Company on or before Friday, 13 May 2022, which will be also made available on the websites of the Company and the Stock Exchange.

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

Hong Kong, 6 May 2022

As at the date hereof, the executive Directors are Mr. CHOI Yun Chor, Mr. CHEN Jian, Mr. TAI Kwok Keung Kenny and Mr. LIN Junwei; and the independent non-executive Directors are Ms. LAI Cheuk Yu Cherrie and Dr. LOKE Yu (alias Loke Hoi Lam).