(Incorporated in Bermuda with limited liability)

(Stock Code: 718)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board of directors ("**Board**" or "**Directors**") of Tai United Holdings Limited ("**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, "**Group**") for the six months ended 30 June 2023 ("**Reporting Period**") as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	3		
Contracts with customers		**82,237**	74,090
Leases		**17,322**	20,675
Net investment gains	5	**–**	98
Total		**99,559**	94,863
Other income		**8,164**	5,155
Other gains and losses	6	**1,791**	782
Impairment losses recognised under expected credit loss model, net	7	**(249,693)**	(3,182)
Change in fair value of investment properties	13	**(443,172)**	(222,873)
Purchases and changes in inventories		**(54,721)**	(57,441)
Employee benefits expenses		**(16,685)**	(19,051)
Other operating expenses		**(29,981)**	(28,692)
Finance costs	8	**(88,272)**	(91,485)

	Notes	Six months ended 30 June 2023 HK$'000 (unaudited)	2022 HK$'000 (unaudited)
Loss before tax		**(773,010)**	(321,924)
Income tax credit	9	**112,242**	49,455
Loss for the period	10	**(660,768)**	(272,469)
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**6,898**	(83,251)
Other comprehensive income/(expense) for the period		**6,898**	(83,251)
Total comprehensive expense for the period		**(653,870)**	(355,720)
Loss for the period attributable to:			
Owners of the Company		**(661,208)**	(271,302)
Non-controlling interests		**440**	(1,167)
		(660,768)	(272,469)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(654,219)**	(355,326)
Non-controlling interests		**349**	(394)
		(653,870)	(355,720)
Loss per share	12		
– Basic *(HK cents)*		**(12.59)**	(5.17)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	Notes	**30 June 2023 HK$'000 (unaudited)**	31 December 2022 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**4,266**	4,771
Investment properties	13	**2,661,841**	3,174,568
Intangible assets		**46,701**	49,995
Mining rights	14	**18,716**	18,716
Right-of-use assets		**3,743**	5,965
Other non-current deposits		**1,502**	1,502
Other non-current assets		**6,000**	6,000
		2,742,769	3,261,517
Current assets			
Inventories		**849**	2,122
Accounts receivable	15	**48,613**	29,769
Other receivables, deposits and prepayments		**61,801**	94,268
Bank balances and cash		**188,344**	222,941
		299,607	349,100
Current liabilities			
Accounts payable	17	**21,977**	12,569
Accrued liabilities and other payables		**553,374**	478,432
Borrowings	16	**1,665,048**	1,741,486
Lease liabilities		**3,318**	4,378
Tax payables		**100,963**	103,858
Financial guarantee contracts		**871,354**	664,394
		3,216,034	3,005,117
Net current liabilities		**(2,916,427)**	(2,656,017)
Total assets less current liabilities		**(173,658)**	605,500

	Notes	**30 June 2023** *HK$'000* **(unaudited)**	31 December 2022 *HK$'000* (audited)
Non-current liabilities			
Deferred tax liabilities		**257,070**	380,925
Lease liabilities		**574**	2,007
		257,644	382,932
Net (liabilities)/assets		**(431,302)**	222,568
Capital and reserves			
Share capital	18	**262,501**	262,501
Reserves		**(695,693)**	(41,474)
Equity attributable to owners of the Company		**(433,192)**	221,027
Non-controlling interests		**1,890**	1,541
Total equity		**(431,302)**	222,568

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. BASIS OF PREPARATION

The condensed consolidated financial statements of Tai United Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern assessment

In preparing the condensed consolidated financial statements, the Directors have given consideration to the future liquidity of the Group in light of the Group incurred a net loss of approximately HK$660,768,000 for the six months ended 30 June 2023 and, as of that date, the Group's has net current liabilities of HK$2,916,427,000, including the overdue bank borrowing of HK$1,453,945,000 which have not yet been successfully renewed, extended nor repaid during the six months ended 30 June 2023 and subsequent to end of the reporting period. In addition, subsequent to the end of the reporting period, certain legal claims were filed against the Group in the People's of Republic China (the "**PRC**"). It came to the attentions of the directors of the Company that part of the claims related to certain pledge of assets and guarantees provided by two subsidiaries established in the PRC, namely Guangzhou Rongzhi Public Facilities Investment Co., Ltd.* (廣州融智公共設施投資有限公司) ("**Guangzhou Rongzhi**") and Jinzhou Jiachi Public Facilities Management Co., Ltd.* (錦州嘉馳公共設施管理有限公司) ("**Jinzhou Jiachi**"), allegedly originated prior to the acquisition of Sky Build Limited and Superb Power Enterprises Limited (the "**Acquisitions**") were not recorded in the books and records of the Group. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The consolidated financial statements have been prepared on a going concern basis as the directors of the Company are satisfied that the liquidity of the Group can be maintained in the coming year taking into the consideration of the following matters:

(1) In March 2021, the Group had entered into an undertaking arrangement with Dai Yongge ("**Mr. Dai**"), the ultimate controlling party of the seller of the acquisition of subsidiaries, that if the bank loan borrowed by Guangzhou Rongzhi Public Facilities Investment Co., Ltd ("**Guangzhou Rongzhi**") has not been successfully renewed subsequent to the completion of the acquisition and being enforceable for repayment, Mr. Dai will irrevocably fulfil his personal obligations under this undertaking arrangement to repay all amounts of the bank loan due with interest accrued to the Bank. In case of such event happened, the Group has agreed to repay Mr. Dai's settlement amount within 13 months from his settlement date or when financing on Guangzhou Rongzhi is available to the Group for repayment, whenever earlier.

(2) The Group may seek other financing resources (including but not limited to rights issue and placing of shares) to meet its liabilities and obligation as and when they are fall due, and

(3) The Group reserves all rights and remedies it may have against seller of the subsidiaries (the "**Seller**") acquired in 2021 and other relevant parties of the Seller.

The directors of the Company have reviewed the cash flow projections of the Group prepared by the management covering a period of not less than 12 months from 30 June 2023. Taking into account of the internally available funds, non-current assets held by the Group, the undertaking arrangement obtained from Mr. Dai and the potential fund raising activities, the directors of the Company are confident that the Group will be able to meet its financial obligations when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and non-current liabilities to current respectively. The effect of these adjustments has not been reflected in the condensed consolidated financial statements. The preparation of condensed consolidated financial statements in conformity with Hong Kong Financial Reporting Standards ("**HKFRSs**") requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to HKFRSs, and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2022.

Application of amendments to HKFRSs

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. HKFRSs comprise HKFRSs; HKASs; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

3. REVENUE

Disaggregation of revenue for contracts with customers

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Types of goods and services		
– Sales of medical equipment	**19,609**	4,620
– Sales of flooring materials	**43,847**	56,414
– Revenue from properties management and related services	**18,781**	13,056
	82,237	74,090
Geographical markets		
– The People's of Republic China (the "**PRC**")	**38,390**	17,152
– Singapore	**–**	30,322
– United States of America ("**USA**")	**42,653**	17,562
– Hong Kong	**1,194**	8,530
– United Kingdom (the "**UK**")	**–**	524
	82,237	74,090
Timing of revenue recognition		
– Over time	**18,781**	13,056
– At a point in time	**63,456**	61,034
	82,237	74,090

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	Segment revenue	
	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers		
– Medical equipment trading	**19,609**	4,620
– Flooring materials trading	**43,847**	56,414
– Properties investment	**18,781**	13,056
	82,237	74,090
Leases	**17,322**	20,675
Total revenue	**99,559**	94,765

4. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the Chief Operating Decision Maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or rendered.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

(i) Properties investment segment – properties investment, development of shopping mall, leasing of properties, and property management;

(ii) Medical equipment trading segment;

(iii) Flooring materials trading segment;

(iv) Mining and exploitation of natural resources segment – mining and production of tungsten resources activities in the Republic of Mongolia ("**Mongolia**"); and

(v) Financial services and assets management segment by aggregating different operating segments including trading equity securities and derivatives and managing of assets arising from acquisition of distressed debts assets.

The following is an analysis of the Group's revenue and results by operating and reportable segments:

Six months ended 30 June 2023 (unaudited)

	Properties investment *HK$'000*	Medical equipment trading *HK$'000*	Flooring material trading *HK$'000*	Mining and exploitation of natural resources *HK$'000*	Financial services and asset management *HK$'000*	Total *HK$'000*
Segment revenue	36,103	19,609	43,847	–	–	99,559
Segment net investment gains	–	–	–	–	–	–
Total	36,103	19,609	43,847	–	–	99,559
Segment results	(761,267)	1,674	351	(445)	(1,301)	(760,988)
Net foreign exchange gains						1,791
Unallocated finance costs						(49)
Unallocated interest income						807
Central administration costs						(14,571)
Loss before tax						(773,010)

Six months ended 30 June 2022 (unaudited)

	Properties investment *HK$'000*	Medical equipment trading *HK$'000*	Flooring material trading *HK$'000*	Mining and exploitation of natural resources *HK$'000*	Financial services and asset management *HK$'000*	Total *HK$'000*
Segment revenue	33,731	4,620	56,414	–	–	94,765
Segment net investment gains	–	–	–	–	98	98
Total	33,731	4,620	56,414	–	98	94,863
Segment results	(302,563)	(2,373)	1,026	(387)	(926)	(305,223)
Net foreign exchange losses						(3)
Unallocated finance costs						(100)
Unallocated interest income						695
Central administration costs						(17,293)
Loss before tax						(321,924)

5. NET INVESTMENT GAINS

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Changes in fair value of financial assets at fair value through profit or loss ("**FVTPL**")	**–**	98

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Net foreign exchange gains	**1,791**	764
Others	**–**	18
	1,791	782

7. IMPAIRMENT LOSSES RECOGNISED UNDER EXPECTED CREDIT LOSS MODEL, NET

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Impairment losses recognised on:		
– accounts receivable	**(107)**	(1,731)
– other receivables	**(958)**	(1,451)
– financial guarantee contracts	**(248,628)**	–
	(249,693)	(3,182)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022.

8. FINANCE COSTS

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest expenses on		
– bank borrowings	**88,170**	91,346
– lease liabilities	**102**	139
	88,272	91,485

9. INCOME TAX CREDIT

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
PRC Enterprise Income tax:		
Current tax	**(1,015)**	1,027
Deferred tax	**(111,227)**	(50,482)
	(112,242)	(49,455)

10. LOSS FOR THE PERIOD

Loss for the period has been arrived after charging:

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Cost of inventories recognised as an expense	**54,721**	57,441
Depreciation of property, plant and equipment	**1,055**	516
Depreciation of right-of-use assets	**1,938**	2,902
Amortisation of intangible assets	**1,296**	1,363
Expenses relating to short-term leases	**–**	26

11. DIVIDEND

The Directors have determined that no dividend will be paid in respect of the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

12. LOSS PER SHARE

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

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(661,208)**	(271,302)

	Six months ended 30 June	
	2023	2022
	'000	*'000*
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic loss per share	**5,250,020**	5,250,020

No diluted loss per share for both periods were presented as there were no potential ordinary shares in issue for both periods.

13. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 January 2022 (audited)	4,160,477
Changes in fair value recognised in profit or loss	(679,152)
Exchange realignment	(306,757)
At 31 December 2022 (audited)	**3,174,568**
Changes in fair value recognised in profit or loss	**(443,172)**
Exchange realignment	**(69,555)**
At 30 June 2023 (unaudited)	**2,661,841**

The fair values of the Group's investment properties located in the UK at 30 June 2023 have been valued by the independent professional valuer based on market comparable approach with reference to market unit rate, taking into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the properties, while the fair value of the Group's investment properties located in the PRC have been valued by independent professional valuer based on income capitalisation approach with reference to capitalisation rate and monthly market rent taking to account the nature of property, income potential, location and individual factor of the properties.

There has been no change from the valuation technique used in prior years. In estimating the fair values of the investment properties for disclosure purpose, the highest and the best use of the investment properties is their current use.

The Group's investment properties are under Level 3 fair value hierarchy as at 30 June 2023 and 31 December 2022 and there were no transfer out of level 3 during the six months ended 30 June 2023 and 2022.

14. MINING RIGHTS

	HK$'000
COST	
At 1 January 2022, 31 December 2022 (audited) and 30 June 2023 (unaudited)	1,003,034
IMPAIRMENT	
At 1 January 2022, 31 December 2022 (audited) and 30 June 2023 (unaudited)	984,318
CARRYING VALUES	
At 31 December 2022 (audited) and 30 June 2023 (unaudited)	18,716

The mining rights represent four of the rights to conduct mining activities in the location of Ulaan Uul, Nogoonnuur Soum of Bayan-Ulgii Aimag ("**Ulaan Uul**"), Tsunkheg, Nogoonnuur Soum of Bayan-Ulgii Aimag ("**Tsunkheg**") and Khovd Gol, Tsengel Soum of Bayan-Ulgii Aimag ("**Khovd Gol**") in Mongolia. The mining right in Tsunkheg and the two mining rights in Ulaan Uul have remaining legal lives of 9 to 14 years, expiring in July 2031, March 2033 and December 2035, respectively. The mining right in Khovd Gol has a remaining legal life of 14 years, expiring in July 2036.

The mining licenses are issued by Mineral Resources and Petroleum Authority of Mongolia (the "**Mongolia Mineral Authority**") and may be extended for two successive additional periods of 20 years each. The Directors are of the opinion that the application for extension is procedural and the Group should be able to renew its mining licenses at minimal charges, until all the proven and probable minerals have been mined. No active mining operation of the Group has taken place yet during the six months ended 30 June 2023 and 2022.

15. ACCOUNTS RECEIVABLE

	30 June 2023 *HK$'000* **(unaudited)**	31 December 2022 *HK$'000* (audited)
Accounts receivable	**49,395**	30,444
Less: Allowance for credit losses	**(782)**	(675)
	48,613	29,769

The Group allows a credit period of 30 to 120 days (31 December 2022: 30 to 120 days) to its customers depending on the type of products sold. Trade receivable arising from sale of operating rights are due for settlement in accordance with terms of the relevant agreements.

The following is an aged analysis of accounts receivable, net of allowance of credit losses, presented based on the invoice dates which approximated the respective revenue recognition dates:

	30 June 2023 *HK$'000* **(unaudited)**	31 December 2022 *HK$'000* (audited)
Within 90 days	**20,648**	7,253
91–120 days	**26,246**	21,916
Over 120 days	**1,719**	600
	48,613	29,769

16. BORROWINGS

	30 June 2023 *HK$'000* **(unaudited)**	31 December 2022 *HK$'000* (audited)
Secured fixed-rate bank borrowings	**1,453,945**	1,527,997
Secured variable-rate bank borrowings	**207,170**	208,152
Unsecured fixed-rate bank borrowings	**3,933**	5,337
	1,665,048	1,741,486

17. ACCOUNTS PAYABLE

An ageing analysis of accounts payable presented based on the delivery date at the end of the reporting period is as follows:

	30 June 2023 *HK$'000* **(unaudited)**	31 December 2022 *HK$'000* (audited)
0–30 days	**5,594**	1,849
31–90 days	**12,657**	10,720
91–365 days	**3,726**	–
	21,977	12,569

The credit period granted by the suppliers is 90 days for both reporting periods.

18. SHARE CAPITAL

	Number of shares	**Share capital** *HK$'000*
Authorised ordinary shares at HK$0.05 per share		
At 1 January 2022, 31 December 2022 and 30 June 2023	34,566,666,668	1,728,333
Issued and fully paid ordinary shares at HK$0.05 per share		
At 1 January 2022, 31 December 2022 (audited) and 30 June 2023 (unaudited)	5,250,019,852	262,501

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

The revenue of the Company for the Reporting Period was approximately HK$99.6 million, representing a 5.1% increment as compared to revenue of approximately HK$94.8 million for the period ended 30 June 2022, such increase was mainly contributed by the increase in revenue generated from (i) properties management and related services; and (ii) sales of medical equipment in the People's Republic of China ("**China**" or "**PRC**") in the ordinary and usual course of business of the Group, partially offset by the decrease in revenue from sales of flooring materials. Revenue increased and notwithstanding the Company actively implementing its continuous cost saving plan, the Group still recorded a loss before tax of approximately HK$773.0 million during the Reporting Period, increased by 140.1% as compared with the loss before tax of approximately HK$321.9 million in the same period ended 30 June 2022, due to the combined effect of:

(i) A decrease in fair value of investment properties to approximately HK$443.2 million resulting from the adverse impact post COVID-19 pandemic;

(ii) provision for guarantee contracts of approximately HK$248.6 million during the Reporting Period, which was due to guarantees provided by immediate holding companies of the Guangzhou Shopping Mall and Jinzhou Shopping Mall (as defined below). The guarantees were provided to onshore banks in the PRC in relation to third party loans and such guarantees were not disclosed to the Group by the seller at the time of acquisition of the holding companies of the two shopping malls.

Income tax credit for the Reporting Period was approximately HK$112.2 million.

Taking into account the income tax mentioned above and netting of non-controlling interests, the Group recorded the loss attributable to owners of the Company increasing from approximately HK$271.3 million for the same period ended 30 June 2022 to approximately HK$661.2 million for the Reporting Period.

BUSINESS REVIEW

The Group is principally engaged in the businesses of property investment, flooring materials and medical equipment trading, mining and exploitation of natural resources, and financial services and assets management.

(1) Property Investment

Shopping Mall Businesses in the PRC

The Group wholly owns three shopping malls in the PRC, including: (i) a single-storey underground mall ("**Jinzhou Shopping Mall**") located in Jingzhou, Liaoning Province, the PRC, which is engaged in the shopping mall business ("**Jinzhou Shopping Mall Business**"); (ii) a two-storey underground mall ("**Guangzhou Shopping Mall**") located in Guangzhou, Guangdong Province, the PRC, which is engaged in the shopping mall business ("**Guangzhou Shopping Mall Business**"); and (iii) a two-storey underground mall (the "**Anyang Shopping Mall**") located in Anyang city, Hunan Province, the PRC, which is engaged in the shopping mall business ("**Anyang Shopping Mall Business**").

Anyang Shopping Mall Business, together with Jinzhou Shopping Mall Business and Guangzhou Shopping Mall Business are the "**Shopping Mall Businesses in the PRC**".

The business and operating model of the Jinzhou Shopping Mall, Guangzhou Shopping Mall and Anyang Shopping Mall primarily involves the leasing of stores to retailers and wholesalers of apparels, accessories, household appliances and food and beverage and other venue areas in the shopping malls for marketing and promotional activities. It derives revenue from rental income and the provision of property management services to tenants, including mall security, maintenance and repair and management of the operations of the three shopping malls. The Company holds the three shopping malls as investment properties and conducts day-to-day operations primarily in leasing and property management services which generate rental and property management incomes.

In addition, as to the Guangzhou Shopping Mall, under certain contracts with its tenants, the operating rights of the stores may be transferred to them after a specified period of the lease. This and the sales promotion and leasing activities by the leasing team of the Guangzhou Shopping Mall generate additional revenue from the transfer of operating rights of the stores. For the Reporting Period, there was no further completion of pre-existing contracts prior to the acquisition of the holding company of the Guangzhou Shopping Mall in 2021 due to COVID-19, which led to no revenue recorded (six months ended 30 June 2022: Nil) from the transfer of the operating rights of store units of the mall.

The Group has been undertaking a diversified business strategy. The acquisitions of three shopping malls in Anyang, Jinzhou and Guangzhou that completed in 2021 are in line with the strategic development of the Group and have provided an opportunity for the Group to widen its shopping malls network, expand the geographical coverage and scale up its shopping mall businesses. It is expected that the promotional campaigns, marketing activities and branding of the shopping malls of the Group will become more effective and cost-efficient. Anyang Shopping Mall is located in the central region of the PRC while the shopping malls in Jinzhou and Guangzhou are located in the north-eastern region and southern region of the PRC respectively. The acquisitions have allowed the Group's shopping mall network to have a strategic presence in central, north-eastern and southern regions of the PRC and expand geographically across the above regions in the PRC and potentially grow its market share.

The Shopping Mall Businesses in the PRC primarily involve the leasing and management of operations of Anyang Shopping Mall, Jinzhou Shopping Mall and Guangzhou Shopping Mall. As of 30 June 2023, details of the three shopping malls are set out as follows:

Shopping Mall	**Gross Floor Area** *(approximately sq.m.)*	**Leasable Floor Area** *(approximately sq.m.)*	**Leased Floor Area** *(approximately sq.m.)*
Anyang Shopping Mall			
Anyang Diyi Shopping Street Shopping Mall in the PRC	25,310	24,815	13,343
Jinzhou Shopping Mall			
Jinzhou First Tunnel Shopping Mall in the PRC	40,765	38,809	32,372
Guangzhou Shopping Mall			
Guangzhou First Tunnel Shopping Mall in the PRC Phases 1 and 2	89,415	37,571	20,921

For the Reporting Period, the revenue generated from the Shopping Mall Businesses in the PRC was mainly attributable to the rental income and property management and related service income from shops and venue spaces tenants of approximately HK$35.4 million.

As at 30 June 2023, the fair values of investment properties of Anyang Shopping Mall, Jinzhou Shopping Mall and Guangzhou Shopping Mall amounted to approximately HK$369.7 million, approximately HK$586.9 million and approximately HK$1,121.6 million respectively.

Real Estate in the UK

The Group holds luxury real estate in premium location in central London within close proximity to the Buckingham Palace ("**UK Investment Properties**"). As at 30 June 2023, the UK Investment Properties of the Group carried at fair value were approximately HK$583.5 million. The revenue generated from the UK Investment Properties for the Reporting Period was approximately HK$0.7 million, representing a decrease of 87.9% as compared to approximately HK$5.8 million over the same period ended 30 June 2022. Such decrease in rental income was mainly attributable to the early termination of the lease of the town house at 6 Buckingham Gate, London, the United Kingdom in April 2023.

The business and operating model of the UK Investment Properties involves the leasing and property management of luxury residential properties in London, which are leased to high-end tourists and tenants for rental income.

As such, the overall segment results were therefore a loss of approximately HK$761.3 million, representing an increase of approximately 151.6% as compared to the loss of approximately HK$302.6 million in the same period ended 30 June 2022, which was mainly due to provision for guarantee contracts of approximately HK$248.6 million, decrease in fair value of investment properties of approximately HK$443.2 million resulting from the lingering adverse impact of the outbreak of COVID-19 pandemic and finance costs of approximately HK$80.9 million for the Reporting Period, which was due to the bank loan of approximately RMB1,345 million in connection to the acquisition of Guangzhou Shopping Mall.

(2) Flooring Materials and Medical Equipment Trading

The Group commenced the trading business of flooring materials with overseas customers in second half of 2021 and recorded revenue of approximately HK$43.8 million for the Reporting Period, representing a decrease of approximately 22.3%, as compared to approximately HK$56.4 million over the same period ended 30 June 2022. The Group has made sales of flooring board materials to overseas customers by exporting to markets in the United States. Leveraging on the potential synergies with the Group's Shopping Mall Business in the PRC, we expect to capitalise on the shopping mall tenants and customer networks to develop and expand our domestic sales of flooring, ceiling and other decorative materials.

The Group carries out medical equipment trading business in China for which the majority customers are hospitals. As the selling products are mostly general medical equipment, consumable goods and optical medical devices and the related parts ("**Medical Products**"). The revenue for the Reporting Period increased to approximately HK$19.6 million, represented an increase of approximately 326.1% as compared with approximately HK$4.6 million of the same period ended 30 June 2022. The segment gain for medical equipment trading business for the Reporting Period was approximately HK$1.7 million, as compared to a loss of approximately HK$2.4 million for the same period ended 30 June 2022.

(3) Mining and Exploitation of Natural Resources

Currently, the Group holds four mining right licences ("**Mining Rights**") of three tungsten projects in Mongolia. The segment of mining and exploitation of natural resources business recorded no revenue during the Reporting Period as numerous investors who we approached have suspended their negotiations with us due to the COVID-19 pandemic and the subsequent lockdown measures. In view of various factors including the closure of factories, suspension of production lines and therefore the lower market demand resulting from the resurgence of COVID-19, some of the potential mining partners or investors had lost interest in investing in this segment during the Reporting Period.

The carrying values of the Mining Rights was approximately HK$18.7 million as at 30 June 2023. The Group is still continuously identifying potential investors to negotiate the sales of the Mining Rights.

(4) Financial Services and Assets Management

No segment revenue was recorded as the prospect and market condition were yet to be certain, especially in light of the economic recovery affected by lingering effect of the COVID-19 pandemic and the China-US tension. The Group has adopted a prudent approach in financial investments during the Reporting Period. As such, the segment loss for the Reporting Period was approximately HK$1.3 million, compared with the segment loss of approximately HK$0.9 million for the same period ended 30 June 2022. The status of each of the business in this segment is further discussed as below.

Financial services

The Group holds a money lenders licence in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) through a wholly-owned subsidiary. Due to uncertain market conditions, the commencement of money lending business will be postponed.

Distressed debt assets management

The business incurred a loss of approximately HK$1.2 million for the Reporting Period, mainly representing the overhead costs of the business operation, whereas the loss of the same period ended 30 June 2022 was approximately HK$1.0 million. The Directors will continue to assess whether the Group should continue to engage in distressed assets investment.

Securities investment

The Group reported no transaction for its securities investments in the Reporting Period, no investment gain/loss was recorded for the Reporting Period, as compared to a net investment income of approximately HK$0.1 million in the same period ended 30 June 2022.

FINANCIAL REVIEW

Capital structure

As at 30 June 2023, the consolidated net liabilities of the Group was approximately HK$431.3 million, representing a decrease of approximately HK$653.9 million as compared to that net asset of approximately HK$222.6 million as at 31 December 2022. There is no shares movement since the end of the Reporting Period. As at 30 June 2023, the Company has 5,250,019,852 shares of HK$0.05 each in issue and the total deficit attributable to owners of the Company was HK$433.2 million (as at 31 December 2022: total equity attributable to owner of the Company approximately HK$221.0 million).

Liquidity and financial resources

As at 30 June 2023, the Group's bank balances and cash were approximately HK$188.3 million (as at 31 December 2022: approximately HK$222.9 million), its current assets was approximately HK$299.6 million (as at 31 December 2022: approximately HK$349.1 million), and its current liabilities was approximately HK$3,216.0 million (as at 31 December 2022: approximately HK$3,005.1 million). The current ratio was 0.09 times[*(Note 1)*] (as at 31 December 2022: 0.12 times). As at the end of the Reporting Period, the net current liabilities of the Group were approximately HK$2,916.4 million (as at 31 December 2022: net current liabilities of approximately HK$2,656 million).

As at 30 June 2023, the total debt financing of the Group was approximately HK$1,665.0 million (as at 31 December 2022: approximately HK$1,741.5 million), and there was no non-current debt financing as at 30 June 2023 (as at 31 December 2022: nil).

As at 30 June 2023, net debt[*(Note 2)*] of the Group was approximately HK$1,476.7 million (as at 31 December 2022: net debt of approximately HK$1,518.5 million) and the total deficit was approximately HK$431.3 million (as at 31 December 2022: total equity approximately HK$222.6 million). Therefore, gearing ratio[*(Note 3)*] as at the end of the Reporting Period was -3.86 (as at 31 December 2022: gearing ratio 7.82).

The objective of the Group's funding and treasury management activities is to ensure a sufficient liquidity to meet operational needs and various investment plans.

Notes:

1. Current ratio = Current assets/Current liabilities

2. Net debt = Borrowings – Bank balances and cash

3. Gearing ratio = Total interest-bearing borrowings/Total equity

Capital commitments

As at 30 June 2023, the Group has no material capital commitments and was not engaged in any future plans concerning major investment or acquisition of capital assets (as at 31 December 2022: nil).

Charges on group assets

As at 30 June 2023, the Group's bank borrowings of approximately HK$1,661.1 million were secured by certain assets of the Group, including investment properties and the equity interest of a wholly-owned subsidiary of the Company (as at 31 December 2022: approximately HK$1,736.1 million).

Contingent liabilities

As at 30 June 2023, the Group had no material contingent liabilities (as at 31 December 2022: nil).

Foreign exchange exposure

The Group's financial statements are denominated in Hong Kong dollars ("**HKD**"), while the Group is conducting business mainly in HKD, United States Dollar ("**USD**"), Great British Pound ("**GBP**") and RMB. Since exchange rates of HKD is pegged to USD, there is no material exchange risk in respect of USD assets and transactions. However, the assets, liabilities and transactions of the UK and the PRC subsidiaries of the Group are mainly denominated in GBP and RMB respectively, there were exchange risks during financial settlement at the end of Reporting Period in this regard.

The Group has implemented policies and guidelines in relation to foreign exchange risk management. Meanwhile, the subsidiaries in the PRC are able to generate sufficient income to deal with their local currency expenses; therefore, the management of the Company considered that the Group's exposure to the potential foreign currency risk was relatively limited.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2023, the Group had 156 (as at 31 December 2022: 169) employees, of whom approximately 10% (as at 31 December 2022: 8.9%) were located in Hong Kong and the rest were located in the PRC and overseas.

The Group recognises the employees as the key element that contributes to the Group's success. The Group's remuneration policies are formulated based on the individual performance and the salaries trends in various regions, which will be reviewed annually. Apart from mandatory provident fund and medical insurance, the Company has adopted a share option scheme under which share options may also award to the Directors and eligible employees as an incentive with reference to the assessment of individual performance. The board of Directors ("**Board**") believes that the Group maintains an admirable relationship with the employees.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Reporting Period (same period ended 30 June 2022: nil).

PROSPECTS

The PRC economy is returning to the pre-pandemic level. Although the rebounds in commercial activities vary amongst different regions, the Group formulates various strategies to embrace the resurging business opportunities.

The Guangzhou Shopping Mall will continue to leverage on the online media to bring consumer traffic to the mall. Professionally produced promotional video clips will continue to be boardcasted in official accounts of the mall on popular mobile social media platforms like Douyin, Kuaishou and Wechat Channels. The mall will also extend support and training to tenants to set up their own media accounts and produce video clips for marketing on the media platforms. Ongoing efforts will be spent to enhance the mall's image of the hubs for garment exporters and leading kids fashion brands. Following completion of renovation works for the entrances and certain interior sections of the mall, a brighter and more comfortable shopping environment for visitors will be ready for the resurging business in second half of the year.

The Jinzhou Shopping Mall has set up selfies hotspots in the mall to foster customers membership program. Continual upgrading works are scheduled for a more convenient settings for the mall's single pathway shopping route. The mall is also exploring cooperation opportunities with prominent night market operators in different cities to introduce new tenants and business models with extended business hours in the evenings.

The Guangzhou and Jinzhou Shopping Malls are collaborating with the Claimant Bank (as defined below) to set up jointly managed bank accounts for ordinary business operations of the malls affected by the court orders freezing existing banks accounts of the two shopping malls.

The Anyang Shopping Mall will introduce more elements to attract the young consumers. The mall will take various measures to enhance both the quantity and quality of tenants in the existing manicure business section. The mall also plans to launch an online membership program with the selfies gallery of several dozen photo shooting themes. Under the plan, member events will be sent to the young members to increase the mall visitors flow and monetize online traffic for our tenants. Market activities are scheduled to expand tenant base for the pets care and trendy entertainment sections of the mall.

For UK Investment Properties, the Group is proactively seeking bids from investors for purchase of part of the real estate in order to optimize the capital structure of this business unit in the high interest rate environment.

The flooring materials trading business is expected to remain stable in the second half of 2023 with North America as the primary market.

Business environment has been improving but there are still challenges ahead. The Group will collaborate closely with different stakeholders to sustain and grow existing businesses, while actively exploring new business initiatives to complement and further expand our commercial footprints in the PRC and overseas.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

In the Reporting Period, the Company became aware of litigation claims that had been brought in the PRC by an onshore bank (the "**Claimant Bank**") against among others, Jinzhou Jiachi Public Facilities Management Co., Ltd. (錦州嘉馳公共設施管理有限公司) ("**Jinzhou Jiachi**") and Longain Park Limited (錦凌有限公司) ("**Longain**"), both of which are subsidiaries of the Company. Jinzhou Jiachi was alleged to have provided guarantees as one of the guarantors of bank loans taken out by third party companies, while Longain was alleged to have provided a pledge against the entire equity interest in Guangzhou Rongzhi Public Facilities Investment Co., Ltd. (廣州融智公共設施投資有限公司) ("**Guangzhou Rongzhi**", a subsidiary of Longain) for a bank loan taken out by Guangzhou Rongzhi.

Furthermore, the Company became aware of additional guarantees alleged to have been provided by Guangzhou Rongzhi as one of the guarantors in 2019 and pledges alleged to have been provided by Jinzhou Jiachi and/or Guangzhou Rongzhi, against their respective operating rights to the Jinzhou Shopping Mall and the Guangzhou Shopping Mall, as one of the respective pledgors in 2018, for bank loans taken out by third party companies. Litigations claims had been brought in the PRC by the Claimant Bank against Jinzhou Jiachi and Guangzhou Rongzhi for the pledges alleged to have been provided by the two companies.

After the Reporting Period, the Company noted that five litigation claims had been brought in the PRC by another onshore bank against, among others, Guangzhou Rongzhi, which was alleged to have provided guarantees as one of the guarantors of five bank loans, the borrowers of which being third party companies.

Furthermore, the Company noted that onshore bank deposits of both Jinzhou Jiachi and Guangzhou Rongzhi had been frozen pursuant to a civil ruling (民事裁定書) handed down by a PRC court pursuart to one of the aforementioned litigation claims against these two subsidiaries of the Company for alleged pledges provided to the Claimant Bank. As at the date of this announcement, an aggregate amount of approximately RMB13.0 million have been frozen pursuant to the civil ruling.

At the prevailing time of the above alleged events, neither Jinzhou Jiachi, Longain nor Guangzhou Rongzhi were subsidiaries of the Company. The Company acquired the entire equity interest in Jinzhou Jiachi, the entire shareholding interest in Longain and correspondingly the entire equity interest in Guangzhou Rongzhi through acquisitions that completed in April 2021.

The Company further noted that a litigation claim had been brought in the PRC by a former supplier of the Group, being a third party company, against Jinzhou Jiachi.

For further details regarding the aforementioned matters, please refer to the announcements of the Company dated 13 February 2023, 9 March 2023, 28 March 2023, 4 April 2023, 14 July 2023 and 26 July 2023, respectively. PRC legal counsel has been engaged to advise on the said litigation claims. The Group reserves all rights and remedies it may have against seller of Jinzhou Jiachi, Longain and Guangzhou Rongzhi and other relevant parties.

PURCHASE, SALE OR REDEMPTIONS OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining statutory and regulatory standards and adhering to the principles of corporate governance with emphasis on transparency, independence, accountability and responsibility. During the Reporting Period, the Company has complied with all the applicable code provisions of the Corporate Governance Code ("**CG Code**") as set out in Part 2 of Appendix 14 to the Listing Rules, except for certain deviations disclosed herein.

The CG Code stipulates that the roles of chairman of the board and chief executive officer should be separate and should not be performed by the same individual. During the Reporting Period, Mr. Wang Hongfang was the Chairman and CEO and is responsible for overseeing the daily operations of the Group. The Board believes that it is in the best interests of the Group to have Mr. Wang Hongfang taking up both roles for effective management and business development. In addition, the Group's operations are also supervised and managed by the rest of the Board, comprising one other executive Director and three independent non-executive Directors, who provide balance of power and sufficient checks to protect interest of the Company and shareholders as a whole.

The CG Code stipulates that non-executive directors should be appointed for a specific term subject to re-election. Independent non-executive Directors are not appointed for a specific term. However, all Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

AUDIT COMMITTEE AND REVIEW ON THE INTERIM RESULTS

The Company has established the Audit Committee with a specific written terms of reference in accordance with the requirements under Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee is responsible for, among others, reviewing and supervising the Group's financial reporting process, assisting the Board to ensure effective risk management and internal control systems of the Group and providing advice and comments to the Board.

As at the date of this announcement, the Audit Committee comprised all three independent non-executive Directors, namely, Mr. Leung Ting Yuk, Dr. Gao Bin and Ms. Song Yanjie, Mr. Leung Ting Yuk is elected as the chairman of the Audit Committee.

The unaudited condensed consolidated financial statements of the Group for the Reporting Period have been reviewed by the Audit Committee together with the management of the Company. The Audit Committee is satisfied that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.irasia.com/listco/hk/taiunited/index.html. The interim report of the Company for the six months ended 30 June 2023 will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

By order of the Board
Tai United Holdings Limited
Wang Hongfang
Chairman and Chief Executive Officer

Hong Kong, 30 August 2023

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:
Mr. Wang Hongfang
(Chairman and Chief Executive Officer)
Mr. Zheng Yuchun *(Executive President)*

Independent non-executive Directors:
Dr. Gao Bin
Mr. Leung Ting Yuk
Ms. Song Yanjie

* *English translated name is for identification purpose only.*