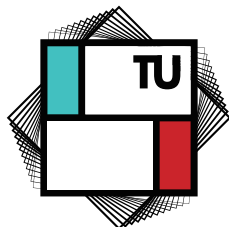


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TIMES UNIVERSAL GROUP HOLDINGS LIMITED

時代環球集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2310)

2023 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		<i>Change in percentage Approximate</i>
	2023 Approximate (Unaudited)	2022 Approximate (Unaudited)	
Revenue from continuing operations	HK\$46.0 million	HK\$45.1 million	2.0%
Gross profit	HK\$10.9 million	HK\$10.0 million	9.0%
Gross profit margin	23.7%	22.2%	1.5%
Loss attributable to the shareholders of the Company from continuing operations	HK\$3.7 million	HK\$8.5 million	N/A
Basic loss per share from continuing operations	HK\$0.34 cents	HK\$0.78 cents	N/A

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Times Universal Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2023 are 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
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
			(Restated)
Continuing operations			
Revenue	3	45,963	45,122
Direct costs		<u>(35,103)</u>	<u>(35,133)</u>
Gross profit		10,860	9,989
Other income, gains and losses, net		2,504	136
Administrative expenses		(15,853)	(14,687)
Impairment losses under expected credit loss model, net of reversal		484	(2,348)
Finance costs		<u>(1,553)</u>	<u>(1,629)</u>
Loss before tax	5	(3,558)	(8,539)
Income tax expense	6	<u>(141)</u>	<u>(9)</u>
Loss for the period from continuing operations		<u>(3,699)</u>	<u>(8,548)</u>
Discontinued operation			
Loss for the period from discontinued operation	8	<u>—</u>	<u>(4,226)</u>
Loss for the period		<u><u>(3,699)</u></u>	<u><u>(12,774)</u></u>

	Six months ended 30 June	
	2023	2022
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Other comprehensive income		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
— Exchange differences arising on translation of foreign operations	<u>(23)</u>	<u>917</u>
Other comprehensive (expenses) income for the period, net of income tax	<u>(23)</u>	<u>917</u>
Total comprehensive expense for the period	<u>(3,722)</u>	<u>(11,857)</u>
Total comprehensive expense for the period:		
— from continuing operations	(3,722)	(7,631)
— from discontinued operation	<u>—</u>	<u>(4,226)</u>
	<u>(3,722)</u>	<u>(11,857)</u>
	<i>HK cents</i>	<i>HK cents</i>
Loss per share		
	<i>9</i>	
From continuing and discontinued operations		
Basic	(0.34)	(1.17)
Diluted	<u>N/A</u>	<u>N/A</u>
From continuing operations		
Basic	(0.34)	(0.78)
Diluted	<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		30 June 2023	31 December 2022
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		81,044	79,055
Right-of-use assets	<i>10</i>	8,887	10,057
Intangible assets	<i>11</i>	3,117	5,434
Goodwill		2,877	3,010
Interest in an associate		—	—
Deferred tax assets		10,785	11,028
Other receivables		—	—
		<hr/> 106,710	<hr/> 108,584
CURRENT ASSETS			
Inventories		698	687
Trade and other receivables	<i>12</i>	8,085	8,344
Amount due from an associate		—	—
Cash and cash equivalents		8,599	19,696
		<hr/> 17,382	<hr/> 28,727
CURRENT LIABILITIES			
Trade and other payables	<i>13</i>	26,088	25,897
Contract liabilities		5,804	5,650
Loans from a controlling shareholder		40,090	38,090
Secured loan	<i>14</i>	25,988	26,226
Bonds	<i>15</i>	10,181	20,181
Lease liabilities		1,017	1,125
Tax liabilities		14,183	14,713
		<hr/> 123,351	<hr/> 131,882
NET CURRENT LIABILITIES		<hr/> (105,969)	<hr/> (103,155)
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 741	<hr/> 5,429

		30 June	31 December
		2023	2022
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Bond	<i>15</i>	10,000	10,000
Lease liabilities		8,512	9,479
Deferred tax liabilities		816	816
		<u>19,328</u>	<u>20,295</u>
NET LIABILITIES		<u>(18,587)</u>	<u>(14,866)</u>
CAPITAL AND RESERVES			
Share capital		441,350	441,350
Reserves		<u>(459,937)</u>	<u>(456,216)</u>
TOTAL EQUITY		<u>(18,587)</u>	<u>(14,866)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIALS STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Times Universal Group Holdings Limited (the “**Company**”) is a public limited company incorporated in Hong Kong and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). 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 immediate holding company of the Company is Great Match International Limited (“**Great Match**”), 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 and properties management and catering in the People’s Republic of China (the “**PRC**”).

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.

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

The financial information relating to the year ended 31 December 2022 is included in this condensed consolidated financial statements as comparative information and does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements is as follows:

- the Company has delivered the consolidated financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance; and
- the Company’s auditor has reported on those consolidated financial statements. The auditor’s opinion was modified, based on (a) limitation of scope on interest in an associate and amount due from an associate; and (b) limitation of scope on interests in joint ventures. The auditor’s report included a paragraph in relation to material uncertainty related to going concern and report on other matters under sections 407(2) and 407(3) of the Hong Kong Companies Ordinance. The auditor’s report did not contain a statement under section 406(2) of the Hong Kong Companies Ordinance.

2. PRINCIPAL ACCOUNTING POLICIES AND ADOPTION OF AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

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

Other than additional accounting policies resulting from application of amendments to HKFRSs, and application of 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 interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two model Rules

Except as described below, the application of the new and amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2.1 Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements.

2.2 Impacts on application of Amendments to HKAS 12 Income Taxes International Tax Reform — Pillar Two model Rules

HKAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the “**Pillar Two legislation**”). The amendments require that entities shall apply the amendments immediately upon issuance.

The amendments also require that entities shall disclose separately its current tax expense/income related to Pillar Two income taxes, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The Group is yet to apply the temporary exception during the current interim period because the Group’s entities are operating in jurisdictions which the Pillar Two legislation has not yet been enacted or substantially enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group’s exposure to Pillar Two income taxes in the Group’s annual consolidated financial statements in which the Pillar Two legislation has been enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

2.3 Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

In addition, the Group will apply Amendments to HKAS 1 and HKFRS Practice Statement 2 *Disclosure of Accounting Policies* which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the Group’s consolidated financial statements for the year ending 31 December 2023.

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments in the current period had no material impact on the condensed consolidated financial statements but is expected to affect the disclosures of the Group's accounting policies in the Group's annual consolidated financial statements for the year ending 31 December 2023.

3. DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

For the six months ended 30 June 2023

	Hotel operation <i>HK\$'000</i> (Unaudited)	Properties management <i>HK\$'000</i> (Unaudited)	Catering management <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Types of goods or service				
Hotel accommodation	8,617	—	—	8,617
Food and beverage	11,746	—	—	11,746
Spa	3,194	—	—	3,194
Marina	980	—	—	980
Sales of goods in spa and marina	351	—	—	351
Properties management	—	18,992	—	18,992
Catering services	—	—	2,083	2,083
	<u>24,888</u>	<u>18,992</u>	<u>2,083</u>	<u>45,963</u>
Total	<u>24,888</u>	<u>18,992</u>	<u>2,083</u>	<u>45,963</u>
Geographical markets				
The PRC	—	18,992	2,083	21,075
Canada	24,888	—	—	24,888
	<u>24,888</u>	<u>18,992</u>	<u>2,083</u>	<u>45,963</u>
Total	<u>24,888</u>	<u>18,992</u>	<u>2,083</u>	<u>45,963</u>
Timing of revenue recognition				
A point in time	12,097	—	—	12,097
Over time	12,791	18,992	2,083	33,866
	<u>24,888</u>	<u>18,992</u>	<u>2,083</u>	<u>45,963</u>
Total	<u>24,888</u>	<u>18,992</u>	<u>2,083</u>	<u>45,963</u>

For the six months ended 30 June 2022

Continuing operations

	Hotel operation <i>HK\$'000</i> (Unaudited)	Properties management <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Types of goods or service			
Hotel accommodation	9,452	—	9,452
Food and beverage	11,314	—	11,314
Spa	3,347	—	3,347
Marina	937	—	937
Sales of goods in spa and marina	264	—	264
Properties management	—	19,808	19,808
	<u>25,314</u>	<u>19,808</u>	<u>45,122</u>
Total	<u>25,314</u>	<u>19,808</u>	<u>45,122</u>
Geographical markets			
The PRC	—	19,808	19,808
Canada	25,314	—	25,314
	<u>25,314</u>	<u>19,808</u>	<u>45,122</u>
Total	<u>25,314</u>	<u>19,808</u>	<u>45,122</u>
Timing of revenue recognition			
A point in time	11,578	—	11,578
Over time	13,736	19,808	33,544
	<u>25,314</u>	<u>19,808</u>	<u>45,122</u>
Total	<u>25,314</u>	<u>19,808</u>	<u>45,122</u>

4. SEGMENT INFORMATION

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

For the six months ended 30 June 2023

Continuing operations	Hotel operation <i>HK\$'000</i> (Unaudited)	Properties management <i>HK\$'000</i> (Unaudited)	Catering management <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Revenue	<u>24,888</u>	<u>18,992</u>	<u>2,083</u>	<u>45,963</u>
Segment profit (loss)	<u>368</u>	<u>(1,923)</u>	<u>(252)</u>	(1,807)
Unallocated corporate expenses				(1,550)
Finance costs				<u>(201)</u>
Loss before tax				<u>(3,558)</u>

For the six months ended 30 June 2022

Continuing operations	Hotel operation <i>HK\$'000</i> (Unaudited)	Properties management <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Revenue	<u>25,314</u>	<u>19,808</u>	<u>45,122</u>
Segment loss	<u>(2,746)</u>	<u>(1,586)</u>	(4,332)
Unallocated corporate expenses			(3,207)
Finance costs			<u>(1,000)</u>
Loss before tax			<u>(8,539)</u>

The following is an analysis of the Group's assets and liabilities by reportable segments.

As at 30 June 2023

	Hotel operation <i>HK\$'000</i> (Unaudited)	Properties management <i>HK\$'000</i> (Unaudited)	Catering management <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
ASSETS				
Segment assets	88,008	28,632	961	117,601
Unallocated corporate assets				<u>6,491</u>
Consolidated assets				<u><u>124,092</u></u>
LIABILITIES				
Segment liabilities	34,401	35,122	2,680	72,203
Unallocated corporate liabilities				<u>70,476</u>
Consolidated liabilities				<u><u>142,679</u></u>

As at 31 December 2022

	Hotel operation <i>HK\$'000</i> (Audited)	Properties management <i>HK\$'000</i> (Audited)	Catering management <i>HK\$'000</i> (Audited)	Total <i>HK\$'000</i> (Audited)
ASSETS				
Segment assets	84,003	28,724	3,311	116,038
Unallocated corporate assets				<u>21,723</u>
Consolidated total assets				<u><u>137,311</u></u>
LIABILITIES				
Segment liabilities	32,797	32,126	1,747	66,670
Unallocated corporate liabilities				<u>85,507</u>
Consolidated liabilities				<u><u>152,177</u></u>

Geographical information

The Group's operations are principally located in Hong Kong, Canada, Malaysia and the PRC.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the customers. Information about the Group's non-current assets (excluding deferred tax assets) is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	six months ended 30 June 2023	2022	30 June 2023	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Canada	24,888	25,314	80,367	78,443
Hong Kong	—	—	351	236
Malaysia	—	—	—	—
The PRC	21,075	19,808	15,207	18,877
	<u>45,963</u>	<u>45,122</u>	<u>95,925</u>	<u>97,556</u>

5. LOSS BEFORE TAX

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss before tax from continuing operations has been arrived at after charging:		
Staff costs	22,993	21,126
Cost of inventories recognised as expense	5,584	3,689
Depreciation of:		
— Property, plant and equipment	1,429	1,249
— Right-of-use assets	764	1,180
Total depreciation	2,193	2,429
Depreciation included in direct costs	<u>(1,085)</u>	<u>(1,552)</u>
Depreciation included in administrative expenses	<u>1,108</u>	<u>877</u>
Amortisation of intangible assets (included in administrative expenses)	2,178	1,815
Legal and professional fee	<u>1,318</u>	<u>2,737</u>

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax		
PRC Enterprise Income Tax	<u>141</u>	<u>9</u>

7. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period (six months ended 30 June 2022: nil).

8. DISCONTINUED OPERATION

On 30 November 2022, the Company entered into a disposal agreement with a purchaser (the “**Purchaser**”), an independent third party, in respect of the disposal of (i) the entire equity interests in Dragon Delight Group Limited and Best Master Limited (collectively referred as the “**Disposal Subsidiaries**”); and (ii) an aggregate amount of approximately HK\$8,958,000 owed by the Disposal Subsidiaries to the Company for a cash consideration of HK\$1,291,000 (the “**Disposal**”). The principal activities of the Disposed Subsidiaries are cryptocurrency investment, which represents the cryptocurrency investment segment of the Group. The Disposal was effected in order to avoid further fluctuation in the market price of cryptocurrencies in hand and generate cash flows for the Group to repay its bonds. The Disposal was completed on 30 November 2022, on which date the control of the operation of cryptocurrency investment passed to the Purchaser.

The loss for the period from the discontinued cryptocurrency investment operation is set out below. The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income have been restated to re-present the cryptocurrency investment operation as a discontinued operation.

	Six months ended 30 June 2022 <i>HK\$'000</i> (Unaudited)
Loss of cryptocurrency investment operation for the period	<u>(4,226)</u>

The results of the cryptocurrency investment operation for the six months ended 30 June 2022, which have been included in the condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

	Six months ended 30 June 2023 HK\$'000 (Unaudited)
Interest income from bank deposits	1
Loss from changes in fair value of cryptocurrency	(4,220)
Administrative expenses	(7)
	<hr/>
Loss before tax and loss for the period	(4,226)
	<hr/> <hr/>

9. LOSS PER SHARE

For continuing operations

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

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company	(3,699)	(12,774)
Less: Loss for the period from discontinued operation	—	(4,226)
	<hr/>	<hr/>
Loss for the purpose of basic and diluted loss per share from continuing operations	(3,699)	(8,548)
	<hr/> <hr/>	<hr/> <hr/>
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	1,092,877	1,092,877
	<hr/> <hr/>	<hr/> <hr/>

No diluted loss per share for both six months ended 30 June 2023 and 2022 were presented as there were no dilutive potential ordinary shares in issue for both six months ended 30 June 2023 and 2022.

For continuing and discontinued operations

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

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(3,699)</u>	<u>(12,774)</u>

The denominators used are the same as those detailed above for both basic and diluted loss per share.

10. RIGHT-OF-USE ASSETS

	Office premises	Car parks	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January 2022 (audited)	12,345	100	12,445
Additions	—	72	72
Depreciation charges	(1,478)	(86)	(1,564)
Exchange adjustments	<u>(889)</u>	<u>(7)</u>	<u>(896)</u>
At 31 December 2022 (audited)	9,978	79	10,057
Depreciation charges	(722)	(42)	(764)
Exchange adjustments	<u>(404)</u>	<u>(2)</u>	<u>(406)</u>
At 30 June 2023 (unaudited)	<u>8,852</u>	<u>35</u>	<u>8,887</u>

11. INTANGIBLE ASSETS

	Customers relationship HK\$'000
COST	
At 1 January 2022 (audited)	47,062
Exchange adjustment	<u>(3,672)</u>
At 31 December 2022 (audited)	43,390
Exchange adjustment	<u>(1,912)</u>
At 30 June 2023 (unaudited)	<u>41,478</u>
ACCUMULATED AMORTISATION AND IMPAIRMENT	
At 1 January 2022 (audited)	31,900
Charged for the period	3,604
Impairment loss	5,209
Exchange adjustment	<u>(2,757)</u>
At 31 December 2022 (audited)	37,956
Charged for the period	2,178
Exchange adjustment	<u>(1,773)</u>
At 30 June 2023 (unaudited)	<u>38,361</u>
CARRYING VALUES	
At 30 June 2023 (unaudited)	<u><u>3,117</u></u>
At 31 December 2022 (audited)	<u><u>5,434</u></u>

The customers relationship was acquired from third parties through business combinations. It was amortised on a straight-line basis over 10 years. The remaining useful life of the intangible assets was 2.5 years (31 December 2022: 3 years).

12. TRADE AND OTHER RECEIVABLES

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Trade receivables		
— contracts with customers	20,460	23,912
Less: Allowance for credit losses	(18,982)	(19,444)
	<hr/>	<hr/>
Trade receivables, net	1,478	4,468
	<hr/>	<hr/>
Other receivables	5,876	6,501
Deposits	4,968	1,597
Prepayments	717	960
	<hr/>	<hr/>
	11,561	9,058
Less: Allowance for credit losses	(4,954)	(5,182)
	<hr/>	<hr/>
	6,607	3,876
	<hr/>	<hr/>
Trade and other receivables, net	8,085	8,344
	<hr/> <hr/>	<hr/> <hr/>

The Group does not hold any collateral or other credit enhancements over its trade receivables.

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

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Within 90 days	833	2,757
91 to 180 days	324	1,666
181 to 365 days	277	1
1 to 2 years	—	—
2 to 3 years	44	44
	<hr/>	<hr/>
	1,478	4,468
	<hr/> <hr/>	<hr/> <hr/>

30 June	31 December
2023	2022
<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Audited)

The movements in loss allowance of trade receivables during the period/year are as follows:

At the beginning of the period/year	19,444	48,455
Loss allowance of trade receivables recognised during the period/year	(484)	(26,019)
Exchange adjustments	22	(2,992)
	<hr/>	<hr/>
At the end of the period/year	18,982	19,444
	<hr/> <hr/>	<hr/> <hr/>

13. TRADE AND OTHER PAYABLES

30 June	31 December
2023	2022
<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Audited)

Trade payables	3,306	1,742
Accruals	5,561	2,453
Other taxes payables	843	3,849
Bond interest payables	245	3,204
Other payables	16,133	14,649
	<hr/>	<hr/>
	26,088	25,897
	<hr/> <hr/>	<hr/> <hr/>

The following is an ageing analysis of trade payables, based on the invoice date, at the end of the reporting period.

30 June	31 December
2023	2022
<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Audited)

Within 90 days	3,282	1,495
91 to 180 days	1	210
181 to 365 days	—	1
Over 365 days	23	36
	<hr/>	<hr/>
	3,306	1,742
	<hr/> <hr/>	<hr/> <hr/>

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

14. SECURED LOAN

	Maturity rate	Effective interest rate	30 June 2023 <i>HK\$'000</i> (Unaudited)	31 December 2022 HK\$'000 (Audited)
Variable-rate secured bank loan:				
Canada prime rate +1.5%	15 March 2032	7.95%	<u>25,988</u>	<u>26,226</u>

The secured bank loan is a commercial mortgage loan (the “**Loan**”) granted by Industrial and Commercial Bank of China (Canada) Limited (“**ICBC**”). The banking facility would be reviewed by ICBC periodically.

As at 30 June 2023, the Loan is repayable by quarterly instalments up to 15 March 2032, bearing an interest rate of prime rate of ICBC plus 1.5% per annum, and secured by Group’s freehold land and buildings held for own use with a carrying amount of approximately HK\$77,866,000 and personal guarantee for CAD5,000,000 by Mr. Choi Yun Chor.

As the Loan is subject to bank’s overriding right to demand repayment even though the scheduled repayment dates are twelve months after the date of the reporting period. The Loan is classified as a current liability for the year ended 31 December 2022 and the six months ended 30 June 2023.

The Group’s Loan is subject to the fulfilment of covenants relating to certain of the Group’s financial statement ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facility would become payable on demand. The Group regularly monitors its compliance with these covenants. During the year ended 31 December 2022 and six months ended 30 June 2023, the Group is required to comply with the financial covenants throughout the continuance of the relevant loan and/or as long as the loan is outstanding which the ratio of debt coverage ratio shall not be less than 1.25. The Group has complied with the covenant throughout the year ended 31 December 2022 and six months ended 30 June 2023.

15. BONDS

	30 June 2023	31 December 2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Current portion:		
Bonds carried at fixed coupon rate of 3% per annum (<i>note (a)</i>)	10,181	10,181
Bond carried at fixed coupon rate of 8% per annum (<i>Note (b)</i>)	—	10,000
	<u>10,181</u>	<u>20,181</u>
Non-current portion:		
Bonds carried at fixed coupon rate of 3% per annum (<i>note (c)</i>)	<u>10,000</u>	<u>10,000</u>
	<u>20,181</u>	<u>30,181</u>

Notes:

- (a) The Company issued an unlisted bonds with the principal amount of HK\$10,181,000 as part of the consideration in respect of the acquisition of the joint ventures on 6 March 2018. The bond bears interest rate at 3% per annum and is unsecured. The amount is repayable within 36 months from the date of issue, which is 5 March 2021.
- (b) The Company issued an 8% coupon unlisted and unsecured bonds with the aggregate principal amount of HK\$10,000,000 on 23 January 2015. The amount is repayable within 96 months from the date of issue, which is 22 January 2023.
- (c) The Company issued a 3% coupon unlisted and unsecured bonds with the principal amount of HK\$10,000,000 on 1 December 2017 to Mr. Shen Ke, a former director of the Company. The amount is repayable within 84 months from the date of issue, which is 30 November 2024.

16. CAPITAL COMMITMENTS

	30 June 2023	31 December 2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Contracted for but not provided in the consolidated financial statements in respect of:		
Unpaid registered capital for subsidiaries	14,019	14,665
Acquisition of property, plant and equipment	—	2,219
	<u>14,019</u>	<u>16,884</u>

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

FINANCIAL REVIEW

The revenue of the Group represents the revenue from operation of a resort in Canada (the “**Hotel Operation**”), properties management in the PRC (the “**Properties Management**”) and the management of kitchen for, and management of delivering quality ingredients to, PRC customers (the “**Catering Management**”). Revenue increased by approximately HK\$0.9 million or 2.0% from approximately HK\$45.1 million for the six months ended 30 June 2022 (“**1H2022**”) to approximately HK\$46.0 million for the six months ended 30 June 2023 (“**1H2023**”). Such increase was mainly due to the revenue from the new segment, the Catering Management, of approximately HK\$2.1 million, and partly offset by the slight decrease in revenue from both Hotel Operation and Properties Management due to the depreciation of Canadian dollar and Chinese Yuan against Hong Kong dollars.

The gross profit of the Group increased by approximately HK\$0.9 million or 9.0% from approximately HK\$10.0 million for 1H2022 to approximately HK\$10.9 million for 1H2023. Such increase was mainly due to the increase in gross profit from the Hotel Operation as a result of better control on direct costs, and partly offset by the decrease in gross profit from the Properties Management as a result of the increasing cost of supply and direct labour costs.

The administrative expenses of the Group increased by approximately HK\$1.2 million or 8.2% from approximately HK\$14.7 million for 1H2022 to approximately HK\$15.9 million for 1H2023.

As a result, the loss for the period of the Group from continuing operations decreased from approximately HK\$8.5 million for 1H2022 to approximately HK\$3.7 million for 1H2023.

Liquidity and Financial Resources

As at 30 June 2023, the net current liabilities of the Group increased by approximately HK\$2.8 million from approximately HK\$103.2 million as at 31 December 2022 to approximately HK\$106.0 million as at 30 June 2023. The current ratio of the Group decreased from approximately 0.22 times as at 31 December 2022 to approximately 0.14 times as at 30 June 2023.

As at 30 June 2023, the bank balances and cash amounted to approximately HK\$8.6 million (31 December 2022: approximately HK\$19.7 million).

Charge on Assets

As at 30 June 2023, the land and buildings held for own use of the Group of approximately HK\$79.4 million (31 December 2022: approximately HK\$77.9 million) were pledged to secure banking facilities granted to the Group.

Capital Structure

For the six months ended 30 June 2023, the Group financed its liquidity requirements through a combination of cash generated from operations, secured loans, bonds and loans from controlling shareholder.

Capital Commitment and Contingent Liabilities

As at 30 June 2023, the Group did not have any significant contingent liabilities. The Group has capital commitment of unpaid registered capital for subsidiaries of approximately HK\$14.0 million as at 30 June 2023.

Staff and Remuneration Policies

As at 30 June 2023, the Group had approximately 364 employees, including 224 employees based in the PRC, 9 employees based in Hong Kong and 131 employees based in Canada. Staff costs of the Group increased by approximately HK\$1.9 million or 9.0% from approximately HK\$21.1 million for 1H2022 to approximately HK\$23.0 million for 1H2023. Such increase was mainly due to the overall increase in staff cost incurred in Hotel Operation business due to the increasing occupancy rate of the resort in Canada and the associated provision of food and beverage, spa services and marina services, and partly offset by the overall decrease in staff cost in the PRC.

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 1H2023. The directors will monitor the Group's exposure on an ongoing basis and will consider hedging the currency risk should the need arise.

During 1H2023, the Group did not enter into any forward foreign currency contracts.

BUSINESS REVIEW

Hotel Operation Business

Revenue from Hotel Operation accounted for approximately 54.1% of the total revenue of the Group for 1H2023. Revenue from Hotel Operation decreased by approximately HK\$0.4 million or 1.6% from approximately HK\$25.3 million for 1H2022 to approximately HK\$24.9 million for 1H2023. The decrease was mainly attributable to the fluctuation in exchange rate between Canadian dollars and Hong Kong dollars. The occupancy rate increased from approximately 81.3% for 1H2022 to approximately 82.1% for 1H2023.

Properties Management Business

Revenue from Properties Management business accounted for approximately 41.4% of the total revenue of the Group for 1H2023. Revenue was decreased by approximately HK\$0.8 million or 4.0% from approximately HK\$19.8 million for 1H2022 to approximately HK\$19.0 million for 1H2023. The decrease was mainly attributable to the fluctuation in exchange rate between Chinese Yuan and Hong Kong dollars.

Catering Management

Revenue from Catering Management accounted for approximately 4.5% of total revenue of the Group for 1H2023. The Group is actively soliciting customers for the Catering Management business for the better return of the shareholders of the Group.

PROSPECTS

Although the revenue from Hotel Operation in Canada decreased by approximately 1.6%, the Hotel Operation achieved an occupancy rate of approximately 82.1% in 1H2023 (1H2022: 81.3%), which was of exceptional performance as compared with its regional competitors. Meanwhile, the Properties Management and Catering Management in the PRC continues to expand their business and grow steadily in revenue (in terms of Chinese Yuan). With the recovery of the PRC and Canada economy, the market potential is increasing, bringing us various business opportunities. Our management team will seize the chance and explore new business opportunities constantly to deliver stable returns to our shareholders.

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 Listing Rules during the six months ended 30 June 2023.

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 during the period ended 30 June 2023, all directors have complied with the code provisions as set out in the Model Code. The relevant employees who, because of their office in the Company, are likely to be in possession of unpublished price sensitive information, have been requested to comply with the provisions of the Model Code.

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 six months ended 30 June 2023.

Review of Accounts

The audit committee of the Board (the “**Audit Committee**”) has reviewed and discussed with the management of the Company the accounting principles and practices, financial reporting process, internal control matters, and the unaudited condensed financial statements for the six months ended 30 June 2023. The Audit Committee consists of three independent non-executive directors of which at least one of them has appropriate professional qualifications and experience in financial matters.

Publication of the Interim Results and 2023 Interim Report

This interim results announcement has been published on the Company's website at www.timesuniversal.com and the website of the Stock Exchange at www.hkexnews.hk. The 2023 interim report is expected to be despatched to shareholders on or before 30 September 2023, which will be also made available on the websites of the Company and the Stock Exchange.

APPRECIATION

On behalf of the Board, I would like to express sincere appreciation to our Shareholders, business partners, and dedicated senior management, as well as staff, for their continued support and valuable attributions to the Group.

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

Hong Kong, 30 August 2023

As at the date hereof, the executive Directors are Mr. CHOI Yun Chor, Mr. CHEN Jian, Mr. TAI Kwok Keung Kenny and Ms. HUNG Wang Kai Grace; and the independent non-executive Directors are Ms. LAI Cheuk Yu Cherrie, Mr. HUANG Xiangyang and Mr. NGOK Ho Wai.