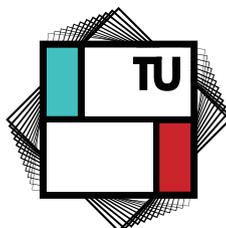


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TIMES UNIVERSAL GROUP HOLDINGS LIMITED

時代環球集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2310)

2022 INTERIM RESULTS ANNOUNCEMENT

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 2022 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	45,122	34,936
Direct costs		(35,133)	(22,892)
Gross profit		9,989	12,044
Other income		723	2,436
Administrative expenses		(19,500)	(14,954)
Impairment losses under expected credit loss model, net of reversal		(2,348)	(2,828)
Finance costs		(1,629)	(2,044)
Loss before tax	5	(12,765)	(5,346)
Income tax expense	6	(9)	(10)
Loss for the period		(12,774)	(5,356)

		Six months ended 30 June	
		2022	2021
	<i>Note</i>	HK\$'000	HK\$'000
		(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>917</u>	<u>1,563</u>
Other comprehensive income for the period, net of income tax		<u>917</u>	<u>1,563</u>
Total comprehensive expense for the period		<u><u>(11,857)</u></u>	<u><u>(3,793)</u></u>
Loss per share	<i>8</i>	HK cents	HK cents
Basic		<u><u>(1.17)</u></u>	<u><u>(0.49)</u></u>
Diluted		<u><u>N/A</u></u>	<u><u>N/A</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		30 June 2022	31 December 2021
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		82,805	84,914
Right-of-use assets	<i>9</i>	11,345	12,445
Intangible assets	<i>10</i>	12,702	15,162
Goodwill		3,125	3,265
Interest in an associate		1,115	1,115
Interest in joint ventures		—	—
Deferred tax assets		8,206	8,514
		119,298	125,415
CURRENT ASSETS			
Inventories		629	656
Cryptocurrency	<i>11</i>	1,150	5,370
Trade and other receivables	<i>12</i>	11,233	8,167
Amount due from an associate		13,808	13,808
Bank balances and cash		19,137	28,293
		45,957	56,294
CURRENT LIABILITIES			
Trade and other payables	<i>13</i>	37,936	39,190
Contract liabilities		5,000	5,527
Contingent consideration payable		230	240
Loans from a controlling shareholders		10,544	10,544
Secured loan	<i>14</i>	28,832	29,857
Bonds	<i>15</i>	40,181	30,181
Lease liabilities		1,250	1,371
Tax liabilities		14,289	14,876
		138,262	131,786
NET CURRENT LIABILITIES		(92,305)	(75,492)
TOTAL ASSETS LESS CURRENT LIABILITIES		26,993	49,923

		30 June	31 December
		2022	2021
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Bonds	<i>15</i>	10,000	20,000
Lease liabilities		10,301	11,374
Deferred tax liabilities		2,275	2,275
		<u>22,576</u>	<u>33,649</u>
NET ASSETS		<u>4,417</u>	<u>16,274</u>
CAPITAL AND RESERVES			
Share capital		441,350	441,350
Reserves		(436,933)	(425,076)
TOTAL EQUITY		<u>4,417</u>	<u>16,274</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIALS STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Times Universal Group Holdings Limited (the “**Company**”) was incorporated in Hong Kong with limited liability. 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 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.

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 2021 that is included in these condensed consolidated financial statements as comparative information 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 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those consolidated financial statements. The auditor’s report was modified; included an emphasis of matter in respect of the Group’s ability to continue as a going concern, limitation of scope on interest in an associate and interest in joint ventures and contained a statement under sections 407(2) or (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 and cryptocurrency that 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 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following 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 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

Except as described below, the application of the 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 and changes in accounting policies on application of Amendments to HKFRS 3 Reference to the Conceptual Framework*

2.1.1 *Accounting policies*

For business combinations in which the acquisition date is on or after 1 January 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* 2018 issued in June 2018 (the “**Conceptual Framework**”) except for transactions and events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Levies*, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

2.1.2 *Transition and summary of effects*

The Group applies the amendments to business combinations for which the acquisition date is on or after 1 January 2022. The application of the amendments in the current period had no impact on the condensed consolidated financial statements.

2.2 Impacts on application of Amendments to HKFRSs Annual Improvements to HKFRSs 2018–2020

The Group has applied the annual improvements which make amendments to the following standards:

HKFRS 9 Financial Instruments

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the “10 per cent” test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other’s behalf.

HKFRS 16 Leases

The amendment to Illustrative Example 13 accompanying HKFRS 16 removes from the example the illustration of reimbursement relating to leasehold improvements by the lessor in order to remove any potential confusion.

HKAS 41 Agriculture

The amendment ensures consistency with the requirements in HKFRS 13 *Fair Value Measurement* by removing the requirement in paragraph 22 of HKAS 41 to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

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

3. DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The following is the disaggregation of revenue from contracts with customers:

Six months ended 30 June 2022

	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>

Six months ended 30 June 2021

	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	4,728	—	4,728
Food and beverage	6,926	—	6,926
Spa	1,653	—	1,653
Marina	940	—	940
Sales of goods in spa and marina	253	—	253
Properties management	—	20,436	20,436
	<u>14,500</u>	<u>20,436</u>	<u>34,936</u>
Total	<u>14,500</u>	<u>20,436</u>	<u>34,936</u>
Geographical markets			
The PRC	—	20,436	20,436
Canada	14,500	—	14,500
	<u>14,500</u>	<u>20,436</u>	<u>34,936</u>
Total	<u>14,500</u>	<u>20,436</u>	<u>34,936</u>
Timing of revenue recognition			
A point in time	7,179	—	7,179
Over time	7,321	20,436	27,757
	<u>14,500</u>	<u>20,436</u>	<u>34,936</u>
Total	<u>14,500</u>	<u>20,436</u>	<u>34,936</u>

4. SEGMENT INFORMATION

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

Six months ended 30 June 2022

	Hotel operation <i>HK\$'000</i> (Unaudited)	Properties management <i>HK\$'000</i> (Unaudited)	Cryptocurrency investment <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Revenue	<u>25,314</u>	<u>19,808</u>	<u>—</u>	<u>45,122</u>
Segment loss	<u>(2,746)</u>	<u>(1,586)</u>	<u>(4,226)</u>	<u>(8,558)</u>
Unallocated corporate expenses				(3,207)
Finance costs				<u>(1,000)</u>
Loss before tax				<u>(12,765)</u>

Six months ended 30 June 2021

	Hotel operation <i>HK\$'000</i> (Unaudited)	Properties management <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Revenue	<u>14,500</u>	<u>20,436</u>	<u>34,936</u>
Segment (loss) profit	<u>(706)</u>	<u>106</u>	(600)
Unallocated corporate expenses			(3,504)
Finance costs			<u>(1,242)</u>
Loss before tax			<u>(5,346)</u>

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

As at 30 June 2022

	Hotel operation <i>HK\$'000</i> (Unaudited)	Properties management <i>HK\$'000</i> (Unaudited)	Cryptocurrency investment <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
ASSETS				
Segment assets	84,951	44,361	1,150	130,462
Unallocated corporate assets				<u>34,793</u>
Consolidated total assets				<u><u>165,255</u></u>
LIABILITIES				
Segment liabilities	35,903	39,412	—	75,315
Unallocated corporate liabilities				<u>85,523</u>
Consolidated total liabilities				<u><u>160,838</u></u>

As at 31 December 2021

	Hotel operation <i>HK\$'000</i> (Audited)	Properties management <i>HK\$'000</i> (Audited)	Cryptocurrency investment <i>HK\$'000</i> (Audited)	Total <i>HK\$'000</i> (Audited)
ASSETS				
Segment assets	87,711	44,445	5,370	137,526
Unallocated corporate assets				<u>44,183</u>
Consolidated total assets				<u><u>181,709</u></u>
LIABILITIES				
Segment liabilities	36,698	37,063	—	73,761
Unallocated corporate liabilities				<u>91,674</u>
Consolidated total liabilities				<u><u>165,435</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 external customers is presented based on the location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	six months ended 30 June 2022	2021	30 June 2022	31 December 2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Canada	25,314	14,500	82,074	84,413
Hong Kong	—	—	649	492
Malaysia	—	—	1,115	1,115
The PRC	19,808	20,436	27,254	30,881
	<u>45,122</u>	<u>34,936</u>	<u>111,092</u>	<u>116,901</u>

Note: Non-current assets excluded deferred tax assets and financial instruments.

5. LOSS BEFORE TAX

	Six months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss before tax has been arrived at after charging:		
Staff costs	21,126	17,169
Cost of inventories recognised as expense	3,689	2,439
Depreciation of:		
— Property, plant and equipment	1,249	1,360
— Right-of-use assets	1,180	1,389
Total depreciation	2,429	2,749
Depreciation included in direct costs	<u>(1,552)</u>	<u>(1,911)</u>
Depreciation included in administrative expenses	<u>877</u>	<u>838</u>
Amortisation of intangible assets (included in administrative expenses)	1,815	2,238
Legal and professional fee	2,737	1,616
Net decrease in fair value of cryptocurrency	<u>4,220</u>	<u>—</u>

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax		
PRC Enterprise Income Tax (“EIT”)	<u>9</u>	<u>10</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 2021: nil).

8. 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:

	Six months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(12,774)</u>	<u>(5,356)</u>
	<i>'000</i>	<i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>1,092,877</u>	<u>1,092,877</u>

No diluted loss per share for both six months ended 30 June 2022 and 2021 were presented as there were no dilutive potential ordinary shares in issue for both six months ended 30 June 2022 and 2021.

9. RIGHT-OF-USE ASSETS

	Office premises <i>HK\$'000</i>	Car parks <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2021 (audited)	1,172	1,722	2,894
Additions	12,697	108	12,805
Depreciation charges	(1,704)	(195)	(1,899)
Early termination	—	(1,589)	(1,589)
Exchange adjustments	180	54	234
	<u>12,345</u>	<u>100</u>	<u>12,445</u>
At 31 December 2021 (audited)	12,345	100	12,445
Depreciation charges	(1,076)	(104)	(1,180)
Exchange adjustments	76	4	80
	<u>11,345</u>	<u>—</u>	<u>11,345</u>
At 30 June 2022 (unaudited)	<u>11,345</u>	<u>—</u>	<u>11,345</u>

10. INTANGIBLE ASSETS

	Customers relationship <i>HK\$'000</i>
COST	
At 1 January 2021 (audited)	45,616
Exchange adjustment	<u>1,446</u>
At 31 December 2021 (audited)	47,062
Exchange adjustment	<u>(2,004)</u>
At 30 June 2022 (unaudited)	<u>45,058</u>
ACCUMULATED AMORTISATION AND IMPAIRMENT	
At 1 January 2021 (audited)	25,096
Charged for the period	4,170
Impairment loss	1,748
Exchange adjustment	<u>886</u>
At 31 December 2021 (audited)	31,900
Charged for the period	1,815
Exchange adjustment	<u>(1,359)</u>
At 30 June 2022 (unaudited)	<u>32,356</u>
CARRYING VALUES	
At 30 June 2022 (unaudited)	<u>12,702</u>
At 31 December 2021 (audited)	<u><u>15,162</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 3.5 years (31 December 2021: 4 years).

11. CRYPTOCURRENCY

	Filecoin <i>HK\$'000</i>
FAIR VALUE	
At 1 January 2021 (audited)	—
Addition	7,623
Net decrease in fair value recognised in profit or loss	<u>(2,253)</u>
At 31 December 2021 (audited)	5,370
Net decrease in fair value recognised in profit or loss	<u>(4,220)</u>
At 30 June 2022 (unaudited)	<u>1,150</u>

Note:

As at 30 June 2022, the Group's cryptocurrency is carried at a revaluated amount of approximately HK\$1,150,000 (31 December 2021: approximately HK\$5,370,000) being estimated fair value arrived at using available information for the reference prices in the relevant cryptocurrencies markets. The fair value was categorised under Level 1 fair value hierarchy as the fair value was based on a quoted (unadjusted) market price in active markets for identical assets.

At 30 June 2022, cryptocurrency of approximately HK\$688,000 (31 December 2021: approximately HK\$4,347,000) represented an initial pledge collateral committed for the investment in Filecoin mining. No restriction is placed on those Filecoins, the Group is able to withdraw those Filecoins at any time.

12. TRADE AND OTHER RECEIVABLES

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Trade receivables		
— contracts with customers	54,183	53,297
Less: Allowance for credit losses	(48,631)	(48,455)
	<hr/>	<hr/>
Trade receivables, net	5,552	4,842
	<hr/>	<hr/>
Other receivables	8,782	7,344
Deposits	829	766
Prepayments	2,336	1,481
	<hr/>	<hr/>
	11,947	9,591
Less: Allowance for credit losses	(6,266)	(6,266)
	<hr/>	<hr/>
	5,681	3,325
	<hr/>	<hr/>
Trade and other receivables, net	11,233	8,167
	<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 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Within 90 days	1,577	597
91 to 180 days	85	2
181 to 365 days	294	439
1 to 2 years	1,852	2,527
2 to 3 years	1,744	1,277
	<hr/>	<hr/>
	5,552	4,842
	<hr/> <hr/>	<hr/> <hr/>

30 June	31 December
2022	2021
<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	48,455	44,346
Loss allowance of trade receivables recognised during the period/year	2,348	2,656
Exchange adjustments	(2,172)	1,453
	<hr/>	<hr/>
At the end of the period/year	48,631	48,455
	<hr/> <hr/>	<hr/> <hr/>

13. TRADE AND OTHER PAYABLES

30 June	31 December
2022	2021
<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Audited)

Trade payables	200	953
Accruals	6,072	4,427
Other taxes payables	2,093	3,947
Bond interest payables	3,841	3,274
Other payables	25,730	26,589
	<hr/>	<hr/>
	37,936	39,190
	<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
2022	2021
<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Audited)

Within 90 days	146	899
91 to 180 days	—	3
181 to 365 days	3	—
Over 365 days	51	51
	<hr/>	<hr/>
	200	953
	<hr/> <hr/>	<hr/> <hr/>

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

14. SECURED LOAN

	Maturity rate	Effective interest	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Variable-rate borrowings:				
Canada prime rate +1.75% secured bank loan	15 September 2031	4.20%	<u>28,832</u>	<u>29,857</u>

As at 30 June 2022, the mortgage loans of HK\$28,832,000 (31 December 2021: HK\$29,857,000) are repayable on 15 September 2031, bearing an interest rate of 1.75% (31 December 2021: 1.75%) plus prime rate per annum and guaranteed by Mr. Choi Yun Chor (31 December 2021: jointly and severally guaranteed by Mr. Choi Yun Chor and Ms. Yeung So Mui). The banking facilities are secured by freehold land and buildings held for own use with carrying amount of approximately HK\$82,029,000 (31 December 2021: HK\$83,851,000), which are reviewed periodically.

As secured loans are subject to the bank's overriding right to demand repayment even though the scheduled repayment dates are twelve months after the date of the reporting period. The secured loans were classified as current liabilities for the six months ended 30 June 2022 and the year ended 31 December 2021.

The Group's secured loans are 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 facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. During the six months ended 30 June 2022 and the year ended 31 December 2021, 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 (as specified in the mortgage loan agreement with the bank) shall not be less than 1.25. The Group has complied with the covenant throughout the six months ended 30 June 2022 and the year ended 31 December 2021. The financial institution did not demand for immediate repayment after the breach.

15. BONDS

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Current portion:		
Bonds carried at fixed coupon rate of 6% per annum (<i>note (a)</i>)	20,000	20,000
Bonds carried at fixed coupon rate of 8% per annum (<i>note (b)</i>)	10,000	—
Bonds carried at fixed coupon rate of 3% per annum (<i>note (d)</i>)	10,181	10,181
	40,181	30,181
Non-current portion:		
Bonds carried at fixed coupon rate of 8% per annum (<i>note (b)</i>)	—	10,000
Bonds carried at fixed coupon rate of 3% per annum (<i>note (c)</i>)	10,000	10,000
	10,000	20,000
	50,181	50,181

Notes:

- (a) The Company entered into two placing agreements with a placing agent issued two 6% coupon unlisted and unsecured bonds on 6 August 2014 and 10 October 2014 with the aggregate principal amount of HK\$10,000,000 each within the placing period. The amounts are repayable within 96 months from the date of issue, which are 5 August 2022 and 9 October 2022 respectively.
- (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.
- (d) 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.

16. CAPITAL COMMITMENTS

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	—	312

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

FINANCIAL REVIEW

The revenue of the Group represents the revenue from operation of a resort in Canada (the “**Hotel Operation**”) and properties management in the PRC (the “**Properties Management**”). Revenue increased by approximately HK\$10.2 million or 29.2% from approximately HK\$34.9 million for the six months ended 30 June 2021 (“**1H2021**”) to approximately HK\$45.1 million for the six months ended 30 June 2022 (“**1H2022**”). Such increase was mainly due to the increase in revenue from the Hotel Operation.

The gross profit of the Group decreased by approximately HK\$2.0 million or 17.1% from approximately HK\$12.0 million for 1H2021 to approximately HK\$10.0 million for 1H2022. Such decrease was mainly due to the increasing cost of supply and labour cost due to the ongoing development of coronavirus disease COVID-19 in the PRC and Canada, which affected the Group’s operating environment in the PRC and Canada.

The administrative expenses of the Group increased by approximately HK\$4.5 million or 30.4% from approximately HK\$15.0 million for 1H2021 to approximately HK\$19.5 million for 1H2022. Such increase was mainly due to the decrease in fair value of cryptocurrency held by the Group.

As a result, the loss for the period of the Group increased by approximately HK\$7.4 million from approximately HK\$5.4 million for 1H2021 to approximately HK\$12.8 million for 1H2022.

Liquidity and Financial Resources

As at 30 June 2022, the net current liabilities of the Group increased by approximately HK\$16.8 million from approximately HK\$75.5 million as at 31 December 2021 to approximately HK\$92.3 million as at 30 June 2022. The current ratio of the Group decreased from approximately 0.43 times as at 31 December 2021 to approximately 0.33 times as at 30 June 2022.

As at 30 June 2022, the bank balances and cash amounted to approximately HK\$19.1 million (31 December 2021: approximately HK\$28.3 million).

Charge on Assets

As at 30 June 2022, the land and buildings held for own use of the Group of approximately HK\$82.0 million (31 December 2021: approximately HK\$83.9 million) were pledged to secure banking facilities granted to the Group.

Capital Structure

For the six months ended 30 June 2022, 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 2022, the Group did not have any significant capital commitment and contingent liabilities.

Staff and Remuneration Policies

As at 30 June 2022, the Group had approximately 404 employees, including 247 employees based in the PRC, 6 employees based in Hong Kong and 151 employees based in Canada. Staff costs of the Group increased by approximately HK\$4.0 million or 23.0% from approximately HK\$17.2 million for 1H2021 to approximately HK\$21.1 million for 1H2022. Such increase was mainly due to the 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.

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 1H2022. The directors will monitor the Group's exposure on an ongoing basis and will consider hedging the currency risk should the need arise.

During 1H2022, the Group did not enter into any forward foreign currency contracts.

Use of net proceeds from the Rights Issue

As disclosed in the announcements of the Company dated 29 May 2020, 6 July 2020 and 13 July 2020 and the prospectus of the Company dated 17 June 2020 (the “**Prospectus**”), 364,292,398 ordinary shares of the Company were allotted and issued pursuant to the rights issue (the “**Rights Issue**”) on the basis of one rights share (the “**Rights Share(s)**”) for every two ordinary shares (the “**Share(s)**”) of the Company held on the record date at the issue price of HK\$0.145 per Rights Share. Among the 364,292,398 Rights Shares allotted and issued by the Company pursuant to the Rights Issue, (i) 126,561,279 Rights Shares were allotted and issued to Great Match International Limited; (ii) 126,561,279 Rights Shares were allotted and issued to Rich Vision Developments Limited; (iii) 19,880,000 Rights Shares were allotted and issued to the then existing shareholders (other than Great Match International Limited and Rich Vision Developments Limited); and (iv) 91,289,840 Rights Shares were allotted and issued to not less than six independent places procured by the placing agent, Sun International Securities Limited.

The closing price of the Shares as at the date on which terms of the Rights Issue were fixed, i.e. 29 May 2020, was HK\$0.145 per Share. The gross proceeds from the Rights Issue were approximately HK\$52.8 million, and the net proceeds (after deducting the relevant expenses incurred in the Rights Issue) were approximately HK\$52.0 million. The net subscription price, after deducting relevant expenses, is approximately HK\$0.143 per Rights Share.

As disclosed in the announcement of the Company dated 14 July 2021, the Board resolved to change the use of the unutilised net proceeds. As at 30 June 2022, the Group has utilised the net proceeds as follows:

	Intended use of net proceeds as stated in the Prospectus <i>HK\$ million</i>	Revised intended use of unutilised net proceeds after re-allocation <i>HK\$ million</i>	Amount of net proceeds utilised up to 30 June 2022 <i>HK\$ million</i>	Unutilised net proceeds up to 30 June 2022 <i>HK\$ million</i>	Expected timeline for the intended use
Repayment of the Bonds	10.0	10.0	10.0	—	N/A
Purchase of Filecoin	—	11.0	7.6	3.4	End of 2022
General working capital					
— Staff costs	31.0	20.0	20.0	—	N/A
— Costs of inventories for the hotel operation in Canada	4.0	4.0	4.0	—	N/A
— Finance costs	5.6	5.6	5.6	—	N/A
— Legal and professional fees	1.4	1.4	1.4	—	N/A
	<u>52.0</u>	<u>52.0</u>	<u>48.6</u>	<u>3.4</u>	

BUSINESS REVIEW

Hotel Operation Business

Revenue from Hotel Operation accounted for approximately 56.1% of the total revenue of the Group. Revenue from Hotel Operation increased by approximately HK\$10.8 million or 74.6% from approximately HK\$14.5 million for 1H2021 to approximately HK\$25.3 million for 1H2022. The occupancy rate increased from 53.9% for 1H2021 to 81.3% for 1H2022. The Group's hotel operation business continued to grow in 2022 as fewer stringent measures and controls on the COVID-19 pandemic were in place.

Properties Management Business

Revenue from Properties Management business accounted for approximately 43.9% of the total revenue of the group. Revenue was decreased by approximately HK\$0.6 million or 3.1% from approximately HK\$20.4 million for 1H2021 to approximately HK\$19.8 million for 1H2022. The decrease was attributable to the decrease in income from car parking services and fluctuation of exchange rate.

PROSPECTS

The Properties Management business continues to be the key sources of revenue 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.

For the Hotel Operation business, the occupancy rate of the resort in Canada has been increasing. The revenue from other facilities and services associated with the resort in Canada, including the revenue from providing food and beverage, spa services and marina services, has experienced positive growth in 1H2022. Management is confident in hotel operation and will continue to explore suitable business opportunities.

The Group continued to participate in the cryptocurrency investment business through Filecoin mining and holding Filecoin obtained with a view to diversify the business operation of the Group and deliver returns for shareholders of the Company.

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 2022.

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 as at 30 June 2022, 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 2022.

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 interim financial results for the six months ended 30 June 2022. 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 2022 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 2022 interim report is expected to be despatched to shareholders on or before 30 September 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, 30 August 2022

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