TIMES UNIVERSAL GROUP HOLDINGS LIMITED
時代環球集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2310)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2023 *Approximate*	2022 *Approximate*	Change in percentage *Approximate*
Revenue from continuing operations	**HK$101.6 million**	HK$96.1 million	5.7%
Gross profit	**HK$25.5 million**	HK$23.3 million	9.4%
Gross profit margin	**25.1%**	24.2%	0.9%
Loss attributable to the shareholders of the Company from continuing operations	**HK$8.3 million**	HK$24.2 million	N/A
Basic loss per share from continuing operations	**HK0.76 cents**	HK2.21 cents	N/A

The Board does not recommend the payment of final dividend for the year ended 31 December 2023 (the year ended 31 December 2022: Nil).

The board (the "**Board**") of directors (the "**Directors**") of Times Universal Group Holdings Limited (the "**Company**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	**2023** ***HK$'000***	2022 *HK$'000*
Continuing operations			
Revenue	*4*	**101,560**	96,055
Direct costs		**(76,064)**	(72,801)
Gross profit		**25,496**	23,254
Other income, gains and losses, net	*5*	**2,505**	8,264
Administrative expenses		**(27,050)**	(31,855)
Reversal (provision) of impairment losses under expected credit loss model, net		**1,398**	(16,948)
Impairment loss recognised on intangible assets		**(165)**	(5,209)
Impairment loss recognised on goodwill		**(1,155)**	—
Impairment loss reversed (recognised) on interest in an associate		**1,115**	(1,115)
Share of loss of an associate		**(1,115)**	—
Finance costs	*6*	**(3,114)**	(4,704)
Loss before tax	*7*	**(2,085)**	(28,313)
Income tax (expense) credit	*8*	**(6,205)**	4,128
Loss for the year from continuing operations		**(8,290)**	(24,185)
Discontinued operation			
Loss for the year from discontinued operation		**—**	(4,163)
Loss for the year		**(8,290)**	(28,348)
Other comprehensive expense for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(297)**	(2,792)

	Notes	**2023**	2022
		HK$'000	*HK$'000*
Other comprehensive expense for the year, net of income tax		**(297)**	(2,792)
Total comprehensive expense for the year		**(8,587)**	(31,140)
Total comprehensive expense for the year:			
— from continuing operations		**(8,587)**	(26,977)
— from discontinued operation		**—**	(4,163)
		(8,587)	(31,140)
Loss per share	*10*		
From continuing and discontinued operations			
Basic		**HK(0.76) cents**	HK(2.59) cents
Diluted		**N/A**	N/A
From continuing operations			
Basic		**HK(0.76) cents**	HK(2.21) cents
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**83,647**	79,055
Right-of-use assets		**8,556**	10,057
Intangible assets		**3,357**	5,434
Goodwill		**1,781**	3,010
Interest in an associate		**—**	—
Deferred tax assets		**5,410**	11,028
Other receivables		**—**	—
		102,751	108,584
CURRENT ASSETS			
Inventories		**73**	687
Trade and other receivables	*11*	**8,169**	8,344
Amount due from an associate		**—**	—
Cash and cash equivalents		**9,387**	19,696
		17,629	28,727
CURRENT LIABILITIES			
Bank overdraft		**23**	—
Trade and other payables	*12*	**25,974**	25,897
Contract liabilities		**6,395**	5,650
Loans from a controlling shareholder		**41,575**	38,090
Secured loan		**25,063**	26,226
Bonds		**20,181**	20,181
Lease liabilities		**981**	1,125
Tax liabilities		**14,720**	14,713
		134,912	131,882
NET CURRENT LIABILITIES		**(117,283)**	(103,155)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(14,532)**	5,429

	Notes	2023 *HK$'000*	2022 *HK$'000*
NON-CURRENT LIABILITIES			
Bonds		**—**	10,000
Lease liabilities		**8,352**	9,479
Other payables	*12*	**64**	—
Deferred tax liabilities		**505**	816
		8,921	20,295
NET LIABILITIES		**(23,453)**	(14,866)
CAPITAL AND RESERVES			
Share capital		**441,350**	441,350
Reserves		**(464,803)**	(456,216)
TOTAL DEFICIT		**(23,453)**	(14,866)

Notes:

1. GENERAL

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, properties management and catering management in the People's Republic of China (the "**PRC**") and cryptocurrency investment which was discontinued during the year ended 31 December 2022.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN OTHER ACCOUNTING POLICIES

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**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 consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
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
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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

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

The Group has applied the amendments for the first time in the current year. 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 year has had no material impact on the Group's consolidated financial statements.

Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The application of the amendments in the current year has had no material impact on the Group's consolidated financial statements.

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

The Group has applied the amendments for the first time in the current year. 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 apply the amendments immediately upon issuance and retrospectively. The amendments also require that entities to disclose separately its current tax expense/income related to Pillar Two income taxes in periods which the Pillar Two legislation is in effect, 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 application of the amendments in the current year has had no material impact on the Group's consolidated financial statements.

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

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* 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 has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in the consolidated financial statements.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") — Long Service Payment ("LSP") offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the Hong Kong Special Administrative Region ("**HKSAR**") gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "**Abolition**"). The Abolition will officially take effect on 1 May 2025 (the "**Transition Date**"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has applied the above HKICPA guidance and changed its accounting policy in connection with its LSP liability, which should result in a catch-up profit or loss adjustment in June 2022 for the service cost up to that date and consequential impacts on current service cost, interest expense and remeasurement effects from changes in actuarial assumptions for the rest of 2022, with the corresponding adjustment to the comparative carrying amount of the LSP liability.

The abolition of the offsetting mechanism did not have a material impact on the Group's profit or loss for the year ended 31 December 2022 and the Group's and the Company's financial position as at 31 December 2022. In light of the immaterial impact, the Group did not apply the change in its accounting policy retrospectively. Alternatively, the catch-up profit or loss adjustment of HK$78,000 was recognised in the current accounting period with the corresponding adjustment to the LSP liability.

Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

The Directors have, at the time of approving the 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 in preparing the consolidated financial statements.

During the year ended 31 December 2023, the Group incurred a loss from continuing operations of approximately HK$8,290,000 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$117,283,000 and the Group has net liabilities of approximately HK$23,453,000. Such conditions indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, and thus, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The Group continues to adopt the going concern basis in preparing its consolidated financial statements. In order to improve the Group's financial positions, liquidity and cash flows, the Directors have adopted or shall adopt the following measures:

(i) reviewing the business operations of the Group to improve their efficiency;

(ii) implementing cost saving measures to control operating cost, administrative costs and corporate costs with a view to reduce the working capital requirements of the Group;

(iii) reviewing its existing investments and business opportunities and actively considering to develop new business in order to enhance the cash flow of the Group;

(iv) actively considering to realise other loss making investment or terminate loss making businesses;

(v) obtaining a confirmation from Great Match not to demand repayment of the amount due from the Group to Great Match as at 31 December 2023, unless the repayment would not affect the ability of the Group to repay other creditors in the normal course of business; and

(vi) obtaining a loan agreement for facilities of up to HK$50,000,000 from the Controlling Shareholder in favour of the Group to provide continuing financial support to the Group.

The Directors have reviewed the Group's cash flow projections prepared by the management, which covering a period of not less than twelve months from 31 December 2023, on the basis that the Group's aforementioned plans and measures will be successful, the Directors believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from the end of the reporting period. Accordingly, the Directors believe that the Group will continue as a going concern and therefore consider it is appropriate to adopt a going concern basis in preparing its consolidated financial statements.

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

4. REVENUE

	2023	2022
	HK$'000	*HK$'000*
Continuing operations		
Hotel operation	**56,200**	55,108
Properties management	**38,802**	36,183
Catering management	**6,558**	4,764
	101,560	96,055

5. OTHER INCOME, GAINS AND LOSSES, NET

	2023	2022
	HK$'000	*HK$'000*
Continuing operations		
Interest income from bank deposits	**7**	7
Gains on settlements of bonds *(Note)*	**1,000**	7,800
Exchange gain, net	**1,165**	—
Loss on fair value change of contingent consideration payable	**—**	(5)
Rental income	**32**	—
Others	**301**	462
	2,505	8,264

Note:

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.

During the year ended 31 December 2022, the Company entered into two settlement deeds with the bondholders to settle the aggregated principal amount of HK$20,000,000 and the aggregated outstanding interest of HK$1,200,000, recognised as other payable, at an aggregated cash consideration of HK$13,400,000. Gains on settlements of bonds of HK$7,800,000 has been recognised in the profit or loss for the year.

During the year ended 31 December 2023, the Company entered into a settlement deed with a bondholder to settle the aggregated principal amount of HK$10,000,000 and the aggregated outstanding interest of HK$800,000, recognised as other payable, at an aggregated cash consideration of HK$9,800,000. Gains on settlement of bonds of HK$1,000,000 has been recognised in the profit or loss for the year.

6. FINANCE COSTS

	2023	2022
	HK$'000	*HK$'000*
Continuing operations		
Interests on:		
— Secured loan	**2,163**	1,607
— Bonds	**347**	1,930
— Lease liabilities	**518**	608
— Imputed interest on loans from Controlling Shareholder *(Note)*	**—**	480
— Long service payments	**4**	—
— Other	**82**	79
	3,114	4,704

Note:

The amount for the year ended 31 December 2022 represents interest expense on loans from Controlling Shareholder which are unsecured, non-interest bearing and repayable on 30 June 2022. The effective interest rate for the loans was 5% per annum. During the year ended 31 December 2022, the loans was renewed and the terms of the loans were changed to unsecured, non-interest bearing and repayable on demand.

7. LOSS BEFORE TAX

Loss before tax from continuing operations has been arrived at after charging (crediting):

	2023	2022
	HK$'000	*HK$'000*
Auditors' remuneration:		
— audit services	**1,325**	1,361
— non-audit services	**50**	555
Staff costs (including directors' emolument)		
— salaries, wages, allowance and other benefits in kind	**44,297**	44,806
— retirement schemes contributions	**2,796**	2,778
— service cost of long service payments	**102**	—
Total staff costs *(Note)*	**47,195**	47,584
Cost of inventories recognised as expense	**8,507**	8,691
Depreciation of:		
— Property, plant and equipment	**2,413**	2,631
— Right-of-use assets	**1,372**	1,564
Total depreciation	**3,785**	4,195
Depreciation included in direct costs	**(2,132)**	(1,898)
Depreciation included in administrative expenses	**1,653**	2,297
Electricity, water and gas fee	**12,772**	11,418
Electricity, water and gas fee included in direct costs	**(11,532)**	(10,203)
Electricity, water and gas fee included in administrative expenses	**1,240**	1,215
Amortisation of intangible assets (included in administrative expenses)	**1,775**	3,604
Legal and professional fee	**4,034**	4,117
Loss on written-off of property, plant and equipment	**187**	—

Note: Staff costs amounted to approximately HK$37,640,000 (2022: HK$38,784,000) and HK$9,555,000 (2022: HK$8,800,000) have been included in direct costs and administrative expenses respectively.

8. INCOME TAX EXPENSE (CREDIT)

Income tax expense (credit) from continuing operations are as follows:

	2023	2022
	HK$'000	*HK$'000*
Current tax		
PRC Enterprise Income Tax ("**EIT**")	**1,018**	600
Deferred tax		
Current year	**5,187**	(4,728)
	6,205	(4,128)

Notes:

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

(b) Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. Certain subsidiaries operating in the PRC enjoy a preferential income tax rate of 5% to 15% (2022: 2.5% to 15%) of their assessable income.

(c) Pursuant to the relevant laws and regulation in the PRC, Chongqing Haotai Property Management Company Limited* 重慶市昊泰物業管理有限責任公司, one of the subsidiaries of the Group, is qualified as small low-profit enterprises enjoyed a preferential tax rate of 20% for the years ended 31 December 2023 and 2022. In addition, in accordance with the "Announcement on Further implementation on Preferential Income Tax Policies Applicable to Small Low-profit Enterprises" issued by State Taxation Administration of the PRC, Chongqing Haotai is also entitled to a tax concession for 75% of its taxable income for the annual taxable income of less than RMB1,000,000 and the portion that exceeds RMB1,000,000 but does not exceed RMB3,000,000 (inclusive) for the years ended 31 December 2023 and 2022.

(d) Canadian Corporation Tax is calculated at Federal Tax rate of 15% and British Columbia Provincial Tax rate of 12% on the estimated assessable profits for the years ended 31 December 2023 and 2022. No provision for taxation has been made as the Canada subsidiary has sufficient tax loss brought forward to offset the estimated assessable profits for the year ended 31 December 2023 and did not have assessable profit for the year ended 31 December 2022.

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

* *For identification purpose only*

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (2022: HK$Nil).

10. LOSS PER SHARE

For continuing operations

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

Loss figures are calculated as follows:

	2023	2022
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(8,290)**	(28,348)
Less: Loss for the year from discontinued operation	**—**	(4,163)
Loss for the purpose of basic and diluted loss per share from continuing operations	**(8,290)**	(24,185)

	2023	2022
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,092,878**	1,092,878

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:

	2023	2022
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(8,290)**	(28,348)

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

From discontinued operations

For the year ended 31 December 2022, basic loss per share for the discontinued operations is HK0.38 cent per share, based on the loss for the year from the discontinued operation of approximately HK$4,163,000 and the denominators detailed above for basic loss per share.

No diluted loss per share for both years ended 31 December 2023 and 31 December 2022 were presented as there were no potential ordinary shares in issue for both years.

11. TRADE AND OTHER RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade receivables — contracts with customers	**18,050**	23,912
Less: Allowance for credit losses	**(12,478)**	(19,444)
Trade receivables, net *(Note)*	**5,572**	4,468
Other receivables	**4,435**	6,501
Deposits	**930**	1,597
Prepayments	**1,013**	960
	6,378	9,058
Less: Allowance for credit losses	**(3,781)**	(5,182)
	2,597	3,876
Trade and other receivables, net	**8,169**	8,344
Analysed for reporting purpose as:		
Non-current asset	**—**	—
Current assets	**8,169**	8,344
	8,169	8,344

Note:

As at 1 January 2022, trade receivables from contracts with customers amounted to approximately HK$4,842,000, net of allowance for credit losses of approximately HK$48,455,000.

The Group allows an average credit period of 0 to 90 days to its trade customers. The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the date of delivery of goods or date of rendering of services which approximated the respective dates on which revenue was recognised.

	2023	2022
	HK$'000	*HK$'000*
Within 90 days	4,418	2,757
91 to 180 days	480	1,666
181 to 365 days	571	1
1 to 2 years	103	—
2 to 3 years	—	44
	5,572	4,468

12. TRADE AND OTHER PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Trade payables	1,759	1,742
Accruals	2,312	2,453
Other taxes payables	3,920	3,849
Bond interest payable	2,751	3,204
Other payables	15,296	14,649
	26,038	25,897
Analysed for reporting purpose as:		
Non-current liabilities	64	—
Current liabilities	25,974	25,897
	26,038	25,897

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

	2023	2022
	HK$'000	*HK$'000*
Within 90 days	1,081	1,495
91 to 180 days	595	210
181 to 365 days	69	1
Over 365 days	14	36
	1,759	1,742

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

THE FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the years ended 31 December 2022 and 2023 included in this announcement does not constitute, but is derived from, the Company's statutory annual consolidated financial statements for those years.

The Company has delivered the 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 (Cap. 622) and shall deliver the financial statements for the year ended 31 December 2023 in due course.

The Company's auditor has reported on the financial statements of the Group for both years.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The Company's auditor has issued a qualified opinion on the Group's consolidated financial statements for the year ended 31 December 2023, an extract of which is as follows:

QUALIFIED OPINION

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

Limitation of scope on interest in an associate and amount due from an associate

The carrying amount of the Group's interest in an associate, Total Blossom Sdn Bhd ("**Total Blossom**"), amounted to approximately HK$Nil and HK$Nil as at 31 December 2022 and 31 December 2023, respectively, while share of loss of an associate amounted to HK$Nil, share of other comprehensive expense amounted to approximately HK$Nil and impairment loss recognised on interest in an associate amounted to approximately HK$1,115,000 for the year ended 31 December 2022, and share of loss of an associate amounted to approximately HK$1,115,000, share of other comprehensive expense amounted to approximately HK$Nil and reversal of impairment loss recognised on interest in an associate amounted to approximately HK$1,115,000 for the year ended 31 December 2023.

The sole and only asset of Total Blossom was an investment property under construction located in Malaysia (the "**Associate Investment Property**"). As at 31 December 2022 and 31 December 2023, the value of the Associate Investment Property amounted to approximately HK$29,694,000 and HK$Nil, respectively.

As disclosed in Note 24 to the consolidated financial statements, the management of the Group has appointed an independent lawyer to investigate the status of the Associate Investment Property, and during the year ended 31 December 2023, based on the legal opinion, the management of Total Blossom concluded that Total Blossom did not have the ownership on the Associate Investment Property and obligation on the consideration payable associated with the Associate Investment Property. Therefore, the management of Total Blossom had written off the Associate Investment Property of approximately HK$29,694,000 and the consideration payable of approximately HK$24,870,000 on the books and record of Total Blossom during the year ended 31 December 2023. However, we were unable to obtain sufficient audit evidence to satisfy ourselves that the Associate Investment Property and the consideration payable should be written off on the books and record of Total Blossom during the year ended 31 December 2023, and hence the share of loss of an associate and the reversal of impairment loss recognised on interest in an associate during the year ended 31 December 2023 were fairly stated.

On the other hand, during the audit for the year ended 31 December 2023, we were unable to obtain the books and records of Total Blossom for the year ended 31 December 2022 to satisfy ourselves that the Group has significant influence on Total Blossom, and hence the valuation and classification of interest in an associate as at 31 December 2022, and the valuation of impairment loss recognised on an associate for the year ended 31 December 2022 were fairly stated.

As disclosed in Note 24 to the consolidated financial statements, the carrying amount of the amount due from Total Blossom amounted to HK$Nil as at 31 December 2022. The directors of the Company (the "**Directors**") considered that the associate is in severe financial difficulty, therefore, they are of the view that there is no realistic prospect of recovery of amount due from an associate. As a result, full impairment of amount due from an associate of approximately HK$13,808,000 has been provided for the year ended 31 December 2022. However, due to the failure to obtain the books and records of Total Blossom for the year ended 31 December 2022, we were unable to satisfy ourselves as to the existence and valuation of the amount due from an associate as at 31 December 2022 and the occurrence and accuracy of the impairment loss recognised on amount due from an associate for the year ended 31 December 2022.

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (1) whether the Group has significant influence on an associate, Total Blossom, for the year ended 31 December 2022 and the interest in an associate included in the Group's consolidated statement of financial position as at 31 December 2022 was fairly stated; (2) whether the Group's share of loss of an associate, share of other comprehensive expense of an associate and impairment loss recognised or reversed on interest in an associate for the years ended 31 December 2022 and 31 December 2023 were fairly stated; (3) whether amount due from an associate included in the Group's consolidated statement of financial position as at 31 December 2022 and impairment loss recognised on amount due from an associate for the year ended 31 December 2022 were fairly stated; and (4) whether the summarised financial information of an associate as shown in the consolidated financial statements are properly disclosed. These caused us to qualify our opinion on the consolidated financial statements in respect of the year ended 31 December 2023.

Any adjustments found to be necessary to the above amounts may have consequential significant impacts on the loss and other comprehensive expenses of the Group for the years ended 31 December 2022 and 31 December 2023, the net liabilities of the Group as at 31 December 2022, and the related disclosures thereof in the consolidated financial statements.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3.1 to the consolidated financial statements, which indicates that the Group incurred a net loss from continuing operations of approximately HK$8,290,000 for the year ended 31 December 2023 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$117,283,000 and the Group had net liabilities of approximately HK$23,453,000. As stated in Note 3.1 to the consolidated financial statements, these events or conditions, along with other matters as set forth in Note 3.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

DIVIDEND

The Board does not recommend the payment of any final dividend in respect of the year ended 31 December 2023 (2022: HK$Nil). The Group's long-term dividend policy is to distribute not less than 30% of its net profit as a dividend each financial year, and the Board will review this dividend policy from time to time to ensure optimal returns to shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and Segment Information

The revenue of the Group represents the revenue from operation of a resort in Canada (the "**Hotel Operation**"), properties management (the "**Properties Management**") in the People's Republic of China (the "**PRC**") and the management of kitchen for, and management of delivering quality ingredients to, PRC customers (the "**Catering Management**"). Revenue from continuing operations increased by approximately HK$5.5 million or 5.7% from approximately HK$96.1 million for the year ended 31 December 2022 ("**FY2022**") to approximately HK$101.6 million for the year ended 31 December 2023 ("**FY2023**"). Such increase was mainly due to the increase in revenue from the Properties Management. The revenue from Hotel Operation and Catering Management also recorded a positive change in FY2023.

Gross Profit

The gross profit of the Group from continuing operations increased by approximately HK$2.2 million or 9.4% from approximately HK$23.3 million for FY2022 to approximately HK$25.5 million for FY2023. The increase was mainly due to the increase in revenue, with better control on direct costs by the Properties Management. The gross profit margin of the Group from continuing operations maintained stably at approximately 24.2% for FY2022 and approximately 25.1% for FY2023.

Other Income, Gain and Losses, net

Other income, gain and losses, net from continuing operations decreased by approximately HK$5.8 million or 69.9% from approximately HK$8.3 million for FY2022 to approximately HK$2.5 million for FY2023. The decrease was mainly due to the decrease in recognition of gains on settlements of bonds aggregated to approximately HK$6.8 million, and partially offset by the increase in net exchange gain of approximately HK$1.2 million.

Administrative Expenses

The administrative expenses of the Group from continuing operations decreased by approximately HK$4.8 million or 15.0% from approximately HK$31.9 million for FY2022 to approximately HK$27.1 million for FY2023, which was mainly due to the decrease in corporate expenses incurred in the segment of Hotel Operation.

Reversal/Provision of Impairment Losses under Expected Credit Loss Model, Net

The reversal of impairment loss recognised under expected credit loss model of the Group amounted to approximately HK$1.4 million for FY2023 as compared to the provision of impairment losses recognised under expected credit loss of the Group of approximately HK$16.9 million for FY2022. The change was due to the better implementation of credit control policies by the Properties Management segment.

Impairment Loss Recognised on Intangible Assets

Impairment loss recognised on intangible assets of the Group decreased by approximately HK$5.0 million or 96.2% from approximately HK$5.2 million for FY2022 to approximately HK$0.2 million for FY2023. For FY2022 and FY2023, one of the cash-generating units, comprising Nuofute Property Management Co., Ltd.* (重慶諾富特物業管理有限公司) (the "**Nuofute CGU**") under the Properties Management segment has been underperformed. The management of the Group concluded there was indication for impairment and conducted impairment assessment on intangible assets, customers relationship, attributable to the Nuofute CGU.

Impairment Loss Recognised on Goodwill

The impairment loss recognised on goodwill was approximately HK$1.2 million for the FY2023, as compared to nil for FY2022, which was due to one cash-generating unit of the Group, comprising Chongqing Ailuojia Technology Service Limited* (重慶愛洛家科技服務有限公司) ("**Chongqing Ailuojia**") and its subsidiaries in the Properties Management segment (the "**Chongqing Ailuojia CGU**") was underperformed during the FY2023.

Finance Costs

The finance costs of the Group from continuing operations decreased by approximately HK$1.6 million or 34.0% from approximately HK$4.7 million for FY2022 to approximately HK$3.1 million for FY2023, which was mainly due to the reduction from interest on bonds as a result of the settlement of bonds amounted to approximately HK$10 million in early FY2023.

Income Tax Expense and Credit

The income tax expense of the Group amounted to approximately HK$6.2 million for FY2023, as compared to income tax credit of approximately HK$4.1 million for FY2022. Income tax credit mainly represented the tax losses of the Group available for offsetting against future profits.

Loss for the Year from Continuing Operations

As a result, the Group recorded a net loss from continuing operations of approximately HK$8.3 million for FY2023, as compared to approximately HK$24.2 million for FY2022.

Loss for the Year from Discontinued Operation

No operations were discontinued by the Group during FY2023. The loss for the year from discontinued operation of the Group amounted to approximately HK$4.2 million for FY2022. Such losses in FY2022 was mainly the result of the loss from changes in fair value of cryptocurrency.

Loss for the Year

As a result of the items mentioned above, the Group recorded a net loss of approximately HK$8.3 million for FY2023, as compared to approximately HK$28.3 million for FY2022.

Liquidity and Financial Resources

As at 31 December 2023, the Group's net current liabilities and current ratio were approximately HK$117.3 million and 0.13 times, respectively (net current liabilities and current ratio in 2022: approximately HK$103.2 million and 0.22 times, respectively).

Net Gearing Ratio

The Group recorded total deficit of approximately HK$23.5 million as at 31 December 2023 and approximately HK$14.9 million as at 31 December 2022. The net gearing ratio was measured by net debt (including secured loan, loans from controlling shareholder, and bonds, and deducting cash and cash equivalents) over total equity.

Charge on Assets

As at 31 December 2023, the Group's land and buildings held for own use of approximately HK$79.5 million (2022: approximately HK$77.9 million) were pledged to secure banking facilities granted to the Group.

Capital Structure

For FY2023, the Group financed its liquidity requirements through a combination of cash flow as generated from operations, secured loan, bonds and loans from the controlling shareholder.

Capital Commitment and Contingent Liabilities

As at 31 December 2023, the Group does not have any capital commitments in relation to the acquisition of property, plant and equipment of the Group in FY2023 (2022: HK$2.2 million) and has capital commitments in relation to unpaid registered capital for subsidiaries amounted to approximately HK$15.3 million (2022: HK$14.7 million).

The Directors confirm that there were no material contingent liabilities as at 31 December 2023 (2022: nil).

BUSINESS REVIEW

Hotel Operation

Revenue from Hotel Operation accounted for approximately 55.3% of the total revenue. Hotel occupancy rate increased to 83.8% in 2023 from 82.8% in 2022 due to the increasing traveling activities in Canada during FY2023. The revenue of the Hotel Operation was increased by approximately HK$1.1 million from approximately HK$55.1 million in FY2022 to approximately HK$56.2 million in FY2023.

Properties Management

Revenue from Properties Management amounted to approximately HK$38.8 million in FY2023, representing an increase of 7.2% comparing to approximately HK$36.2 million in FY2022.

Catering Management

Revenue from Catering Management amounted to approximately HK$6.6 million, representing an increase of approximately 37.5% comparing to approximately HK$4.8 million in FY2022.

Staff and Remuneration Policy

As at 31 December 2023, the Group had approximately 397 employees, including 250 based in the PRC, 9 based in Hong Kong and 138 based in Canada. Staff costs of the Group were approximately HK$47.2 million for FY2023, representing a decrease of approximately HK$0.4 million or 0.8% as compared to approximately HK$47.6 million of FY2022, which was relatively stable.

Employee remuneration is determined in accordance with prevailing industry practice and employees' performance and experience. 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 of the Company (the "**Directors**") consider that the currency risk is not significant. As such, no hedging instrument is considered necessary by the board of Directors (the "**Board**") during the year. The directors will monitor the Group's exposure on an ongoing basis and will consider hedging the currency risk should the need arise.

During FY2022 and FY2023, the Group did not enter into any forward foreign currency contracts.

PROSPECTS

The revenue from Hotel Operation in Canada increased by approximately 2.0% and the Hotel Operation achieved an occupancy rate of approximately 83.8% in FY2023 (FY2022: 82.8%), which was of exceptional performance as compared with its regional competitors. Meanwhile, the Properties Management continues to expand its business and grow steadily in revenue, with annual increment of approximately 7.2%. With the recovery of the PRC 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 Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the code provisions set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to The Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange as its own code of corporate governance. The Company has been in compliance with the code provisions of the CG Code during FY2023.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by Directors. The Company has made specific enquiries to all Directors and all Directors have confirmed that they have strictly complied with the Model Code during FY2023.

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 FY2023.

Review of Accounts

The audit committee of the Board, which comprises all independent non-executive Directors, has reviewed the financial results of the Group for FY2023, including the accounting principles and practices adopted by the Group, and has reviewed and discussed with the management on the effectiveness of the Group's system regarding the internal controls and accounts.

Scope of Work of Asian Alliance (HK) CPA Limited

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group's auditor, Asian Alliance (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Asian Alliance (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Asian Alliance (HK) CPA Limited on this announcement.

Publication of the Final Results and Annual Report of the Group for FY2023

This 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 annual report is expected to be despatched to shareholders of the Company on or before 30 April 2024, 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, 27 March 2024

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.