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Thing On Enterprise Limited
晉安實業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2292)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

FINANCIAL HIGHLIGHTS

	For the year ended		Change %
	31 December	31 December	
	2023	2022	
	HK\$'000	HK\$'000	
Revenue	35,374	37,517	(5.71)
Gross profit	29,990	32,045	(6.41)
Loss before income tax	(59,757)	(35,688)	67.44
Profit for the year attributable to owners of the Company (excluding changes in fair value of investment properties charged to profit or loss)	16,602	18,211	(8.84)

ANNUAL RESULTS

The board (the “Board”) of directors (the “Directors”) of Thing On Enterprise Limited (the “Company”) presents the consolidated results of the Company and its subsidiaries (collectively as the “Group”) for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

		2023	2022
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2	35,374	37,517
Cost of sales	4	<u>(5,384)</u>	<u>(5,472)</u>
Gross profit		29,990	32,045
Other income and gains	3	1,134	802
Changes in fair value of investment properties		(79,233)	(57,177)
General and administrative expenses	4	<u>(11,648)</u>	<u>(11,321)</u>
Operating loss		(59,757)	(35,651)
Finance expenses	5	<u>—</u>	<u>(37)</u>
Loss before income tax		(59,757)	(35,688)
Income tax expenses	6	<u>(2,874)</u>	<u>(3,278)</u>
Loss for the year		(62,631)	(38,966)
Other comprehensive income		<u>—</u>	<u>—</u>
Loss and total comprehensive expenses attributable to owners of the Company		<u>(62,631)</u>	<u>(38,966)</u>
Loss per share:			
Basic and diluted (Hong Kong cents)	8	<u>(8.70)</u>	<u>(5.41)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Investment properties		1,200,560	1,279,793
Property, plant and equipment		10,452	10,720
Deferred income tax assets		260	118
		<u>1,211,272</u>	<u>1,290,631</u>
Current assets			
Trade receivables, prepayments, deposits and other receivables	9	3,511	1,706
Tax prepayment		37	114
Cash and bank balances		33,306	17,409
		<u>36,854</u>	<u>19,229</u>
Total assets		<u>1,248,126</u>	<u>1,309,860</u>
EQUITY			
Share capital		36	36
Reserves		1,228,403	1,291,034
Total equity attributable to owners of the Company		<u>1,228,439</u>	<u>1,291,070</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		8,275	7,301
		<u>8,275</u>	<u>7,301</u>
Current liabilities			
Other payables and accruals		11,017	10,913
Tax payable		395	576
		<u>11,412</u>	<u>11,489</u>
Total liabilities		<u>19,687</u>	<u>18,790</u>
Net current assets		<u>25,442</u>	<u>7,740</u>
Total equity and liabilities		<u>1,248,126</u>	<u>1,309,860</u>

NOTES

1 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of the consolidated financial statements which are in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) are set out below. The consolidated financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance (Cap. 622) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are stated at fair value.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(a) The adoption of new and amended standards

In 2023, the Group adopted the following new and amended standards which are relevant to its operations.

HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction
HKAS 12 (Amendments)	International Tax Reform — Pillar Two Model Rules
HKFRS 17 and HKFRS 17 (Amendments)	Insurance Contracts
HKFRS 17 (Amendment)	Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information

The Group has assessed the impact of the adoption of these new and amended standards and considered that there was no significant impact on the Group’s results and financial position.

(b) Amendments to existing standards and interpretation that are not yet effective

The HKICPA has issued a new standard and certain amendments which are relevant to the Group's operation but not yet effective for the annual period beginning on 1 January 2023 and the Group has not early adopted.

		Effective for annual periods beginning on or after
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2024
HKAS 1 (Amendments)	Non-current Liabilities with Covenants	1 January 2024
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements	1 January 2024
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 January 2024
HK-Int 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024

The Group has not early adopted the above amendments and is in the process of assessing the impact of these amendments on the Group's accounting policies and consolidated financial statements.

2 REVENUE AND SEGMENT INFORMATION

The executive directors of the Company are the Group's chief operating decision-maker ("CODM"). The Group's management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The Group's revenue represents rental income from office properties, rental income from retail properties and property management fee income. An analysis of the Group's revenue is as follows:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total segment revenue		
Rental income - Office properties	17,928	20,450
Rental income - Retail properties	13,136	13,002
Property management fee income	12,478	12,750
Less: Inter-segment revenue		
Property management fee income	(8,168)	(8,685)
	35,374	37,517

The CODM considers the business from service perspectives and the Group is organised into rental and property management major business segments according to the nature of services provided: rental income from office properties, rental income from retail properties and property management fee income.

The CODM assesses the performance of the operating segments based on the segment (loss)/profit of each segment. The measurement of segment (loss)/profit is (loss)/profit before income tax and before items which are not specifically attributed to individual reportable segments, such as unallocated corporate income/expenses.

The unallocated corporate income/expenses represent the income/expenses that are not directly attributable to the property investment and management business.

Operating expenses are allocated to the relevant segment which is the predominant user of the services provided by the operating segment. Corporate expenses are included as unallocated costs.

For the year ended 31 December 2023, inter-segment property management fee income of HK\$8,168,000 (2022: HK\$8,685,000) was charged.

Segment assets are those operating assets that are employed by a segment in its operating activities. Segment assets are determined after deducting related allowance that are reported as direct offsets in the consolidated statement of financial position. Segment assets consist primarily of property, plant and equipment, investment properties, deferred income tax assets, trade receivables, prepayments, deposits and other receivables and certain cash and bank balances.

Segment liabilities are those operating liabilities that result from the operating activities of a segment. Segment liabilities do not include other liabilities that are incurred for financing rather than operating purpose unless the segment is engaged in financing activities.

Unallocated assets represented other corporate receivables and certain cash and bank balances.

Unallocated liabilities represented borrowings and other corporate payables.

For the years ended 31 December 2023 and 31 December 2022, there was no addition to non-current assets.

(a) As at and for the year ended 31 December 2023

The segment results for the year ended 31 December 2023 and other segment item included in the consolidated statement of comprehensive income are as follows:

	Office properties HK\$'000	Retail properties HK\$'000	Property management HK\$'000	Total HK\$'000
Total segment revenue	17,928	13,136	12,478	43,542
Less: inter-segment revenue	—	—	(8,168)	(8,168)
Revenue	17,928	13,136	4,310	<u>35,374</u>
Segment (loss)/profit	(73,468)	8,712	3,176	(61,580)
Unallocated corporate income and expenses, net				<u>1,823</u>
Loss before income tax				(59,757)
Income tax expenses				<u>(2,874)</u>
Loss for the year				<u>(62,631)</u>
Other item				
Depreciation	—	—	(268)	<u>(268)</u>

The segment assets and liabilities as at 31 December 2023 are as follows:

	Office properties <i>HK\$'000</i>	Retail properties <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	748,278	456,575	12,377	1,217,230
Unallocated assets				<u>30,896</u>
Total assets				<u>1,248,126</u>
Segment liabilities	(13,639)	(4,479)	(929)	(19,047)
Unallocated liabilities				<u>(640)</u>
Total liabilities				<u>(19,687)</u>

(b) As at and for the year ended 31 December 2022

The segment results for the year ended 31 December 2022 and other segment item included in the consolidated statement of comprehensive income are as follows:

	Office properties <i>HK\$'000</i>	Retail properties <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Total segment revenue	20,450	13,002	12,750	46,202
Less: inter-segment revenue	<u>—</u>	<u>—</u>	<u>(8,685)</u>	<u>(8,685)</u>
Revenue	20,450	13,002	4,065	<u>37,517</u>
Segment (loss)/profit	(32,479)	(8,181)	3,954	(36,706)
Unallocated corporate income and expenses, net				<u>1,018</u>
Loss before income tax				(35,688)
Income tax expenses				<u>(3,278)</u>
Loss for the year				<u>(38,966)</u>
Other item				
Depreciation	—	—	(268)	<u>(268)</u>

The segment assets and liabilities as at 31 December 2022 are as follows:

	Office properties <i>HK\$'000</i>	Retail properties <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	828,854	454,567	11,838	1,295,259
Unallocated assets				<u>14,601</u>
Total assets				<u>1,309,860</u>
Segment liabilities	(12,771)	(4,417)	(944)	(18,132)
Unallocated liabilities				<u>(658)</u>
Total liabilities				<u>(18,790)</u>

Revenue from external customers by geographical areas is based on the geographical location of the customers. The Group's revenue for the years ended 31 December 2023 and 2022 is generated from Hong Kong in which the customers are located.

The analysis of the Group's major customers, which a single external customer has contributed 10% or more to the Group's revenue, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer A	<u>4,242</u>	<u>4,811</u>

The revenue contributed by the above major customer is mainly attributable to the office properties segment and property management segment in Hong Kong.

As at 31 December 2023, non-current assets of HK\$1,211,012,000 (2022: HK\$1,290,513,000) other than deferred income tax assets are located in Hong Kong.

3 OTHER INCOME AND GAINS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bank interest income	1,107	193
Forfeiture of rental deposit (<i>Note i</i>)	27	177
Sundries (<i>Note ii</i>)	—	432
	<u>1,134</u>	<u>802</u>

Notes:

- (i) The forfeiture of rental deposit was recognised, netting off the rental receivables, when the rental agreement was early terminated by a tenant.
- (ii) Included in sundries of HK\$432,000 for the year ended 31 December 2022 were the government grants from the Employment Support Scheme (“ESS”) under the Anti-epidemic Fund launched by the Hong Kong Government, which aimed to retain employment and to assist the economy to recover once the coronavirus disease 2019 (“COVID-19”) is contained. As a condition of receiving the grants under the ESS, the Group had undertaken to employ sufficient number of employees in each subsidy month.

These government grants were received with the compliance of all the attached conditions. Therefore the government grants were recognised in the consolidated statement of comprehensive income for the year ended 31 December 2022.

No government grants were provided for the year ended 31 December 2023.

4 EXPENSES BY NATURE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditor’s remuneration		
Audit services	700	620
Non-audit services	200	200
Depreciation of property, plant and equipment	268	268
Direct operating expenses arising from investment properties generating rental income (<i>Note</i>)	287	814
Employee benefit expenses (including Directors’ emoluments)	8,970	8,888
Legal and professional expenses	787	773
Other expenses	723	571
Property management fee expenses	3,596	3,474
Rates and government rent	1,501	1,185
	<u>17,032</u>	<u>16,793</u>
Total cost of sales and general and administrative expenses	<u>17,032</u>	<u>16,793</u>

Note:

The direct operating expenses arising from investment properties generating rental income mainly include cleaning expenses, commission expenses, repairs and maintenance expenses and others.

5 FINANCE EXPENSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest expenses on borrowings	<u>—</u>	<u>37</u>

6 INCOME TAX EXPENSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong Profits Tax	2,102	2,376
Over-provision in prior years	(60)	(80)
Deferred income tax expenses	<u>832</u>	<u>982</u>
	<u>2,874</u>	<u>3,278</u>

For the years ended 31 December 2023 and 2022, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporation under Hong Kong Profits Tax will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of other entities of the Group not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

No overseas profits tax have been provided for the years ended 31 December 2023 and 2022.

The taxation on the Group's loss before income tax differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss before income tax	<u>(59,757)</u>	<u>(35,688)</u>
Calculated at a tax rate of 16.5%	(9,860)	(5,889)
Income not subject to taxation	(183)	(104)
Expenses not deductible for taxation purposes	13,142	9,516
Effect of different tax rate of a subsidiary	(165)	(165)
Over-provision in prior years	<u>(60)</u>	<u>(80)</u>
Income tax expenses	<u>2,874</u>	<u>3,278</u>

7 DIVIDEND

No dividend has been paid or declared by the Company for the years ended 31 December 2023 and 2022.

8 LOSS PER SHARE — BASIC AND DILUTED

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective years.

	2023	2022
Loss attributable to owners of the Company (HK\$'000)	(62,631)	(38,966)
Weighted average number of ordinary shares in issue (thousands)	<u>720,000</u>	<u>720,000</u>
Basic loss per share (Hong Kong cents)	<u>(8.70)</u>	<u>(5.41)</u>

(b) Diluted loss per share

Diluted loss per share is of the same amount as the basic loss per share as there were no potentially dilutive ordinary shares outstanding as at 31 December 2023 and 2022.

9 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	239	72
Prepayments, deposits and other receivables	<u>3,272</u>	<u>1,634</u>
	<u>3,511</u>	<u>1,706</u>

Trade receivables represent rental income receivables and property management fee receivables. The Group normally does not grant credit period to its trade customers. The ageing analysis of the trade receivables based on invoice date is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	—	22
31 to 60 days	<u>239</u>	<u>50</u>
	<u>239</u>	<u>72</u>

As at 31 December 2023 and 2022, no impairment provision was made on the trade receivables. No trade receivables were written off for the years ended 31 December 2023 and 2022.

The Group does not hold any collateral as security, except that the Group holds rental deposits from tenants for leasing of properties.

The carrying amounts of trade receivables, deposits and other receivables approximate their fair values and are denominated in Hong Kong dollars.

CHAIRMAN’S STATEMENT

On behalf of the Board, I would like to present to the shareholders of the Company (the “Shareholders”) the annual results and consolidated financial statements of the Group for the year ended 31 December 2023.

The Group engages in property investment business in Hong Kong with a principal focus on office and retail properties leasing and in the property management business. Its investment property portfolio covers office space in core business areas and retail shops in prime urban areas.

The Group recorded rental income of approximately HK\$31.1 million for the year ended 31 December 2023 (2022: HK\$33.5 million), of which (i) approximately HK\$17.9 million or 57.6% (2022: HK\$20.5 million or 61.1%) of rental income was derived from rental of office properties and (ii) approximately HK\$13.2 million or 42.4% (2022: HK\$13.0 million or 38.9%) of rental income was derived from rental of retail properties. This slight decrease in rental income reflected a slower than expected recovery of the overall real estate market in Hong Kong. For the year ended 31 December 2023, the Group recorded property management fee income of approximately HK\$4.3 million (2022: HK\$4.1 million). The property management fee income contributed approximately 12.2% of the Group’s total revenue for the year ended 31 December 2023 (2022: 10.8%).

OUTLOOK

The real estate industry faces challenges in the current economic landscape of 2023, with global inflation and interest rates expected to remain high, hindering worldwide economic growth. Major economies are recovering slower than expected due to ongoing geopolitical tensions and macroeconomic volatility, causing uncertainties for growth prospects.

Hong Kong’s position as an international financial, trade, innovation, and technology center highlights its competitiveness, supporting adjustment on the local economy’s revival. Positive developments have occurred since the full resumption of normal travel between Hong Kong and Mainland China and relaxation of anti-pandemic measures. However, the local property market encounters challenges from global economic uncertainties and rising interest rates.

The Group emphasizes the importance of prudent management philosophy, which has been a key factor in its success. With a solid financial foundation, the Group is well-prepared to navigate challenges and seize new opportunities. The Group will focus on investing in a resilient portfolio to generate stable recurring income and create value for its Shareholders.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation to tenants, suppliers, other business partners and Shareholders for their continuous support. I would like to also thank the management team and all staff members for their contribution during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group engages in property investment business in Hong Kong with a principal focus on office and retail properties leasing and in the property management business. Its investment property portfolio covers office space in core business areas and retail shops in prime urban areas.

The Group recorded a loss of approximately HK\$62.6 million for the year ended 31 December 2023 (2022: loss of approximately HK\$39.0 million). The loss was mainly attributable to the loss in fair value of investment properties of approximately HK\$79.2 million for the year ended 31 December 2023 (2022: HK\$57.2 million). However, the Group recorded a profit of approximately HK\$16.6 million for the year ended 31 December 2023 (2022: HK\$18.2 million) by excluding the changes in fair value of investment properties.

The Group recorded rental income of approximately HK\$31.1 million for the year ended 31 December 2023 (2022: HK\$33.5 million), of which (i) approximately HK\$17.9 million or 57.6% (2022: HK\$20.5 million or 61.1%) of rental income was derived from rental of office properties and (ii) approximately HK\$13.2 million or 42.4% (2022: HK\$13.0 million or 38.9%) of rental income was derived from rental of retail properties. This slight decrease in rental income reflected a slower than expected recovery of the overall real estate market in Hong Kong. For the year ended 31 December 2023, the Group recorded property management fee income of approximately HK\$4.3 million (2022: HK\$4.1 million). The property management fee income contributed approximately 12.2% of the Group's total revenue for the year ended 31 December 2023 (2022: 10.8%).

In order to facilitate the expansion of the Group’s business activities in property investment in other countries outside Hong Kong, investments in financial assets and provision of financial services and technologies so as to further explore sources of revenue, Good Shot Limited (“Good Shot”), a wholly-owned subsidiary of Thing On Group Limited (“Thing On Group”), the controlling shareholder of the Company, agreed on 25 April 2018 to make available to the Group (i) an unsecured revolving loan facility of up to HK\$400.0 million, and (ii) an unsecured revolving loan facility of up to HK\$600.0 million at an interest rate more favourable than market rate. The parties had agreed to extend the maturity date of the loan facilities seven times between 14 August 2019 and 9 December 2022. On 20 December 2023, the parties agreed to further extend the maturity date of loan facilities under the eighth extension agreement from 2 January 2024 to 2 January 2025.

INVESTMENT PROPERTY PORTFOLIO

As at 31 December 2023, the Group owned an investment property portfolio of 38 (2022: 38) properties.

The aggregate saleable area of the properties was approximately 59,887 sq.ft. (2022: 59,887 sq.ft.) as at 31 December 2023, of which approximately 60.2% (2022: 60.2%) and 25.1% (2022: 25.1%) was derived from office and retail properties located on Hong Kong Island, respectively, and 2.6% (2022: 2.6%) and 12.1% (2022: 12.1%) was derived from office and retail properties located in Kowloon, respectively.

The total value of the properties attributable to the Group was approximately HK\$1,200.6 million (2022: HK\$1,280.0 million) as at 31 December 2023, of which approximately 59.8% (2022: 62.2%) and 28.2% (2022: 26.1%) was derived from office and retail properties located on Hong Kong Island, respectively, and 2.3% (2022: 2.4%) and 9.7% (2022: 9.1%) was derived from office and retail properties located in Kowloon, respectively.

FINANCIAL REVIEW

The revenue and cost of sales for the year ended 31 December 2023 were approximately HK\$35.4 million and HK\$5.4 million (2022: HK\$37.5 million and HK\$5.5 million), respectively. The slight decrease in revenue of approximately HK\$2.1 million reflected a slower than expected recovery of the overall real estate market in Hong Kong and vacancies of certain properties.

The gross profit for the year ended 31 December 2023 was approximately HK\$30.0 million (2022: HK\$32.0 million). Loss for the year attributable to owners of the Company for the year ended 31 December 2023 was approximately HK\$62.6 million (2022: loss of approximately HK\$39.0 million), which was mainly due to the loss in fair value of investment properties of approximately HK\$79.2 million for the year ended 31 December 2023 (2022: loss of approximately HK\$57.2 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2023, cash and bank balances of the Group amounted to approximately HK\$33.3 million (2022: HK\$17.4 million). The current ratio (current assets divided by current liabilities) of the Group was approximately 3.2 as at 31 December 2023 (2022: 1.7).

As at 31 December 2023, the Group had no borrowings (2022: Nil) and thus no gearing ratio was calculated (2022: Nil). The gearing ratio of the Group would be calculated as a ratio of net debt (representing borrowings less cash and bank balances) to total equity.

TREASURY POLICIES

The Group continues to adopt a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year under review. The Board closely monitors the liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

FOREIGN EXCHANGE EXPOSURE

The Group's revenue generating activities and borrowings were transacted in Hong Kong Dollar, which is the functional and presentation currency of the Group. The Board considered that the Group was not exposed to significant foreign exchange risk, and had not employed any financial instrument for hedging. The Board will review the Group's foreign exchange risk and exposure from time to time and will apply hedging where necessary.

FINAL DIVIDEND

The Directors did not recommend the payment of any dividend for the year ended 31 December 2023 (2022: Nil).

CONTINGENT LIABILITIES

As at 31 December 2023, the Group had no significant contingent liabilities (2022: Nil).

CAPITAL COMMITMENTS

As at 31 December 2023, the Group had no significant capital commitments (2022: Nil).

SIGNIFICANT INVESTMENTS

As at 31 December 2023, the Group did not have any significant investment plans (2022: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2023, the Group did not have any specific plan for material investments or capital assets.

CHARGE OVER THE GROUP'S ASSETS

As at 31 December 2023, there was no charge over the assets of the Group (2022: Nil).

ADVANCE TO ENTITY PROVIDED BY THE COMPANY

As at 31 December 2023, the Company had not provided any advance to an entity which is subject to disclosure requirement under Rule 13.20 of the Listing Rules.

PLEDGING OF SHARES BY CONTROLLING SHAREHOLDERS

As at 31 December 2023, the controlling shareholder of the Company had not pledged all or part of its interests in the shares of the Company (the "Shares") to secure the Company's debts or to secure guarantees or other support of its obligations.

BREACH OF LOAN AGREEMENT

As at 31 December 2023, the Company had not breached any terms of its loan agreements for loans that are significant to its operations.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES BY THE COMPANY

As at 31 December 2023, the Company had not provided any financial assistance and guarantees to affiliated companies of the Company.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

There has been no significant event which occurred after the end of period from 1 January 2023 to 31 December 2023 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2023, the Group had 17 full-time employees (2022: 18 full-time employees). The employee benefit expenses (including Director's emoluments) amounted to approximately HK\$9.0 million for the year ended 31 December 2023 (2022: HK\$8.9 million). The Group entered into employment contracts with all its employees. Apart from salary remuneration and overtime compensation, employees are entitled to medical insurance coverage and retirement benefits under the mandatory provident fund scheme in which the Group participates. In addition, the Company granted discretionary bonuses to qualified employees, based on its operating results and individual performance. The Company had also adopted a share option scheme.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures for the year ended 31 December 2023.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

In the opinion of the Directors, the Company was in compliance with all relevant provisions set out in the CG Code for the year ended 31 December 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures of the Group's result for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders of the Company entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on Thursday, 25 April 2024, the register of members of the Company will be closed from Friday, 19 April 2024 to Thursday, 25 April 2024, both days inclusive, during the period no transfer of Shares will be registered. All transfers accompanied by the relevant certificates must be lodged with the Company's transfer office and branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 18 April 2024.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Company established the audit committee of the Company (the "Audit Committee") on 15 December 2017 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee consists of three members, namely Ms. Chan Kam Ping, Mr. Wong King Wai Kirk and Mr. Hung Franklin Chi Yen. Ms. Chan Kam Ping is the chairlady of the Audit Committee. The Audit Committee has reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2023.

By order of the Board
Thing On Enterprise Limited
Wong Chung Tak Richard
Chairman

Hong Kong, 23 February 2024

As at the date of this announcement, the Board comprises Mr. Wong Chung Tak Richard as the chairman of the Board and a non-executive Director; Mr. Wong Ka Yeung Roland and Ms. Chan Choi Wan Rolie as executive Directors; and Ms. Chan Kam Ping, Mr. Wong King Wai Kirk and Mr. Hung Franklin Chi Yen as independent non-executive Directors.