



Thing On Enterprise Limited
晉安實業有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2292

2024
Interim Report

CONTENTS

CORPORATE INFORMATION	2
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	7
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION	8
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION	22
MANAGEMENT DISCUSSION AND ANALYSIS	23
OTHER INFORMATION	26

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Ka Yeung Roland *JP*

Ms. Chan Choi Wan Rolie

Non-executive Director

Mr. Wong Chung Tak Richard *JP*

(Chairman of the Board)

Independent Non-executive Directors

Ms. Chan Kam Ping

Mr. Wong King Wai Kirk

Mr. Hung Franklin Chi Yen

CHIEF EXECUTIVE OFFICER

Mr. Wong Man Yeung Ryan

AUDIT COMMITTEE

Ms. Chan Kam Ping *(Chairlady)*

Mr. Wong King Wai Kirk

Mr. Hung Franklin Chi Yen

REMUNERATION COMMITTEE

Mr. Hung Franklin Chi Yen *(Chairman)*

Mr. Wong King Wai Kirk

Ms. Chan Kam Ping

NOMINATION COMMITTEE

Mr. Wong King Wai Kirk *(Chairman)*

Ms. Chan Kam Ping

Mr. Hung Franklin Chi Yen

COMPANY SECRETARY

Ms. Chan Yuen Ying Stella

AUTHORISED REPRESENTATIVES

Ms. Chan Yuen Ying Stella

Mr. Wong Ka Yeung Roland *JP*

LEGAL ADVISER AS TO HONG KONG LAW

King & Wood Mallesons

INDEPENDENT AUDITOR

PricewaterhouseCoopers

Certified Public Accountants and

Registered PIE Auditor

REGISTERED OFFICE

One Nexus Way

Camana Bay

Grand Cayman, KY1-9005

Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

17/F

Bank of East Asia Harbour View Centre

56 Gloucester Road

Wan Chai

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Intertrust Corporate Services (Cayman) Limited

One Nexus Way

Camana Bay

Grand Cayman, KY1-9005

Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

PRINCIPAL BANKER

Hang Seng Bank

STOCK CODE

2292

WEBSITE

<http://www.toenterprise.com/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	18,566	17,574
Cost of sales	6	(3,085)	(2,595)
Gross profit		15,481	14,979
Other income and gains	5	1,018	321
Changes in fair value of investment properties	10	(65,300)	(24,933)
General and administrative expenses	6	(4,817)	(5,404)
Loss before income tax		(53,618)	(15,037)
Income tax expenses	7	(1,603)	(1,454)
Loss for the period		(55,221)	(16,491)
Other comprehensive income		-	-
Loss and total comprehensive expenses attributable to owners of the Company		(55,221)	(16,491)
Loss per share:			
Basic and diluted (Hong Kong cents)	9	(7.67)	(2.29)

The notes on pages 8 to 21 are an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Investment properties	10	1,135,260	1,200,560
Property, plant and equipment	11	10,318	10,452
Deferred income tax assets		217	260
		1,145,795	1,211,272
Current assets			
Trade receivables, prepayments, deposits and other receivables	12	3,308	3,511
Tax prepayment		–	37
Cash and bank balances		43,412	33,306
		46,720	36,854
Total assets		1,192,515	1,248,126
EQUITY			
Share capital	14	36	36
Reserves		1,173,182	1,228,403
Total equity attributable to owners of the Company		1,173,218	1,228,439

The notes on pages 8 to 21 are an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2024

	Note	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		8,320	8,275
		8,320	8,275
Current liabilities			
Other payables and accruals	13	9,726	11,017
Tax payable		1,251	395
		10,977	11,412
Total liabilities		19,297	19,687
Net current assets		35,743	25,442
Total equity and liabilities		1,192,515	1,248,126

The unaudited interim condensed consolidated financial information on pages 3 to 21 was approved by the Board of Directors on 9 August 2024 and was signed on its behalf by:

Wong Ka Yeung, Roland JP
Director

Chan Choi Wan, Rolie
Director

The notes on pages 8 to 21 are an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company				
	Share Capital	Share Premium	Revaluation Reserve (Note)	Retained Earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023	36	367,582	3,990	919,462	1,291,070
Loss and total comprehensive expenses for the period	-	-	-	(16,491)	(16,491)
At 30 June 2023 (Unaudited)	36	367,582	3,990	902,971	1,274,579
At 1 January 2024	36	367,582	3,990	856,831	1,228,439
Loss and total comprehensive expenses for the period	-	-	-	(55,221)	(55,221)
At 30 June 2024 (Unaudited)	36	367,582	3,990	801,610	1,173,218

Note:

Revaluation reserve of the Group represents the revaluation surplus arising from the transfer of an owner-occupied property to an investment property which is carried at fair value.

The notes on pages 8 to 21 are an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Cash flows from operating activities		
Net cash generated from operating activities	8,897	8,129
Cash flows from investing activities		
Increase in bank deposits with original maturities over three months	(39,761)	(9,810)
Bank interest received	1,209	529
Net cash used in investing activities	(38,552)	(9,281)
Net decrease in cash and cash equivalents during the periods	(29,655)	(1,152)
Cash and cash equivalents at beginning of periods	33,306	6,809
Cash and cash equivalents at end of periods	3,651	5,657
Analysis of balances of cash and cash equivalents		
Cash and bank balances	43,412	26,067
Less: Bank deposits with original maturities over three months	(39,761)	(20,410)
	3,651	5,657

The notes on pages 8 to 21 are an integral part of the interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 BASIS OF PREPARATION

The interim condensed consolidated financial information comprises those of Thing On Enterprise Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”).

This interim condensed consolidated financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

This interim condensed consolidated financial information has been prepared in accordance with the same accounting policies adopted in the Group’s consolidated financial statements for the year ended 31 December 2023 (“the 2023 financial statements”), except for the accounting policy changes that are expected to be reflected in the Group’s consolidated financial statements for the year ending 31 December 2024. Details of these changes in accounting policies are set out in Note 2.

The preparation of interim condensed consolidated financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim condensed consolidated financial information contains condensed consolidated financial information and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 financial statements. The interim condensed consolidated financial information and notes thereon do not include all of the information required for the preparation of a full set of financial statements in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

The interim condensed consolidated financial information is unaudited, but has been reviewed by PricewaterhouseCoopers (“PwC”) in accordance with Hong Kong Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity” issued by the HKICPA. PwC’s independent review report to the Board of Directors is included on page 22 of this report. In addition, this interim condensed consolidated financial information has been reviewed by the Company’s Audit Committee.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

2 CHANGES IN ACCOUNTING POLICIES

(a) Amended standards and interpretation adopted by the Group

The accounting standards and amendments used in the preparation of the interim condensed consolidated financial information are consistent with those set out in the 2023 financial statements, except for the adoption of the following amendments to existing standards and interpretation issued by the HKICPA:

Amendments to HKAS 1 HK Int 5 (Revised)	Classification of Liabilities as Current or Non-current Presentation of Financial Statements — Classification by the Borrower of a Team Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of these amendments and interpretation did not have significant impact on the interim condensed consolidated financial information of the Group.

(b) Impact of amendments to existing standards issued but not yet applied by the Group

The HKICPA has issued certain amendments to existing standards which are relevant to the Group's operation but not yet effective for the annual period beginning on 1 January 2024 and the Group has not early adopted.

		Effective for annual periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 18	Presentation and Disclosure in Financial Statement	1 January 2027
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

2 CHANGES IN ACCOUNTING POLICIES (Continued)

(b) Impact of amendments to existing standards issued but not yet applied by the Group (Continued)

The Group is in the process of assessing potential impact of the amendments to existing standards above upon initial application. According to the preliminary assessment made by the management of the Group, it does not anticipate any significant impact on the Group's financial positions and results of operations upon adopting the amendments to existing standards above.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense on a year to date basis. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2023 financial statements.

4 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:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Total segment revenue		
Rental income — Office properties	9,524	8,925
Rental income — Retail properties	6,604	6,573
Property management fee income	6,569	6,182
Less: Inter-segment revenue		
Property management fee income	(4,131)	(4,106)
	18,566	17,574

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

4 REVENUE AND SEGMENT INFORMATION (Continued)

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 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 six months ended 30 June 2024, inter-segment property management fee income of HK\$4,131,000 (2023: HK\$4,106,000) 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 interim condensed 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 the other corporate receivables and certain cash and bank balances.

Unallocated liabilities represented the other corporate payables.

For the six months ended 30 June 2024 and the year ended 31 December 2023, there were no additions to non-current assets.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

4 REVENUE AND SEGMENT INFORMATION (Continued)

(a) For the six months ended 30 June 2024 (Unaudited)

The segment results for the six months ended 30 June 2024 and other segment item included in the interim condensed 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	9,524	6,604	6,569	22,697
Less: inter-segment revenue	-	-	(4,131)	(4,131)
Revenue	9,524	6,604	2,438	18,566
Segment (loss)/profit	(56,412)	(1,369)	2,523	(55,258)
Unallocated corporate income and expenses, net				1,640
Loss before income tax				(53,618)
Income tax expenses				(1,603)
Loss for the period				(55,221)
Other item				
Depreciation (Note 11)	-	-	(134)	(134)

As at 30 June 2024 (Unaudited)

The segment assets and liabilities as at 30 June 2024 are as follows:

	Office properties HK\$'000	Retail properties HK\$'000	Property management HK\$'000	Total HK\$'000
Segment assets	687,183	452,441	11,881	1,151,505
Unallocated assets				41,010
Total assets				1,192,515
Segment liabilities	(14,129)	(4,422)	(390)	(18,941)
Unallocated liabilities				(356)
Total liabilities				(19,297)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

4 REVENUE AND SEGMENT INFORMATION (Continued)

(b) For the six months ended 30 June 2023 (Unaudited)

The segment results for the six months ended 30 June 2023 and other segment item included in the interim condensed 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	8,925	6,573	6,182	21,680
Less: inter-segment revenue	–	–	(4,106)	(4,106)
Revenue	8,925	6,573	2,076	17,574
Segment (loss)/profit	(24,013)	6,444	1,742	(15,827)
Unallocated corporate income and expenses, net				790
Loss before income tax				(15,037)
Income tax expenses				(1,454)
Loss for the period				(16,491)
Other item				
Depreciation (Note 11)	–	–	(134)	(134)

As at 31 December 2023 (Audited)

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

5 OTHER INCOME AND GAINS

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Bank interest income	985	321
Forfeiture of rental deposit	23	–
Sundry income	10	–
	1,018	321

6 EXPENSES BY NATURE

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Auditor's remuneration		
Audit services	–	–
Non-audit services	200	200
Depreciation of property, plant and equipment (Note 11)	134	134
Direct operating expenses arising from investment properties generating rental income (Note)	425	113
Employee benefit expenses (including Directors' emoluments)	3,898	4,206
Legal and professional expenses	337	425
Other expenses	248	439
Property management fee expenses	1,863	1,775
Rates and government rent	797	707
Total cost of sales and general and administrative expenses	7,902	7,999

Note:

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

7 INCOME TAX EXPENSES

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Hong Kong Profits Tax	1,540	1,061
Over-provision in prior periods	(26)	(60)
Deferred income tax expenses	89	453
	1,603	1,454

For the six months ended 30 June 2024 and 2023, 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 six months ended 30 June 2024 and 2023.

8 DIVIDEND

No dividend has been paid or declared by the Company for the six months ended 30 June 2024 and 2023.

9 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 periods.

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Loss attributable to owners of the Company (HK\$'000)	(55,221)	(16,491)
Weighted average number of ordinary shares in issue (thousands)	720,000	720,000
Basic loss per share (Hong Kong cents)	(7.67)	(2.29)

(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 30 June 2024 and 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

10 INVESTMENT PROPERTIES

	HK\$'000
Fair value	
At 1 January 2024 (Audited)	1,200,560
Changes in fair value of investment properties	(65,300)
At 30 June 2024 (Unaudited)	1,135,260

Notes:

- (a) None of the above investment properties was pledged as security as at 30 June 2024 (31 December 2023: Nil).
- (b) Valuation processes of the Group

The fair values of the investment properties, including both land and building elements held by the Group at the end of the reporting period have been arrived on the basis of a valuation carried out on that date by Jones Lang LaSalle Limited. Jones Lang LaSalle Limited is an independent firm of professional valuer not connected with the Group, who has appropriate qualifications and experience in the valuation of investment properties in the relevant locations.

The valuation of the investment properties held by the Group is made on the basis of market value, which conforms to the requirements set out in "The HKIS Valuation Standards 2020" published by Hong Kong Institute of Surveyors.

The Group's finance team reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the chief financial officer ("CFO"). Discussion of valuation processes and results are held between the CFO and the finance team semi-annually. At the end of the reporting period, the Group:

- (i) verifies all major inputs to the independent valuation report;
- (ii) assesses property valuation movements when compared to the prior year valuation reports; and
- (iii) holds discussions with the independent valuers.

The investment properties are included in Level 3 (31 December 2023: Level 3) of the fair value hierarchy.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

10 INVESTMENT PROPERTIES (Continued)

Notes: (Continued)

(c) Valuation techniques and inputs

Fair values of investment properties in Hong Kong were generally derived using direct comparison approach. There were no changes to the valuation technique during the six months ended 30 June 2024 (31 December 2023: Nil). Direct comparison approach is based on assuming sales of the properties in its existing state by making reference to comparable market transactions as available in the relevant market. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the properties under consideration.

The valuation takes into account the characteristics of the properties, which included the location, size, shape, view, floor level, year of completion and other factors collectively, to arrive at the market price.

The key input was the unit rate of market price, which an increase/decrease in the unit rate of market price would result in an increase/decrease in the fair value of the properties.

11 PROPERTY, PLANT AND EQUIPMENT

	Land and building HK\$'000	Furniture, fixtures, and office equipment HK\$'000	Total HK\$'000
Cost			
At 1 January 2024 (Audited) and 30 June 2024 (Unaudited)	13,400	3,169	16,569
Depreciation			
At 1 January 2024 (Audited)	2,948	3,169	6,117
Charge for the period	134	-	134
At 30 June 2024 (Unaudited)	3,082	3,169	6,251
Carrying value			
At 1 January 2024 (Audited)	10,452	-	10,452
At 30 June 2024 (Unaudited)	10,318	-	10,318

The depreciation expense for property, plant and equipment is charged to general and administrative expenses in the interim condensed consolidated statement of comprehensive income.

Included in land and building, there is a right of use asset which is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

12 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade receivables	381	239
Prepayments, deposits and other receivables	2,927	3,272
	3,308	3,511

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:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 30 days	316	-
31 to 60 days	-	239
61 to 90 days	65	-
	381	239

As at 30 June 2024 and 31 December 2023, no impairment provision was made on the trade receivables. No trade receivables were written off for the six months ended 30 June 2024 and year ended 31 December 2023.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

13 OTHER PAYABLES AND ACCRUALS

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Rental deposits	8,670	8,892
Rental receipt in advance	219	384
Other payables and accruals	837	1,741
	9,726	11,017

The carrying amounts of rental deposits, and other payables and accruals approximate their fair values and are denominated in Hong Kong dollars.

14 SHARE CAPITAL

	Number of shares (thousands)	HK\$'000
Authorised shares:		
At 1 January 2024 (Audited) and 30 June 2024 (Unaudited)	7,600,000	380
Ordinary shares, issued and fully paid:		
At 1 January 2024 (Audited) and 30 June 2024 (Unaudited)	720,000	36

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

15 COMMITMENTS

The Group has future aggregate minimum lease receipts under non-cancellable operating leases in respect of investment properties as follows:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
No later than 1 year	26,656	29,435
Between 1 and 2 years	16,469	15,729
Between 2 and 3 years	4,111	4,546
	47,236	49,710

The Group's operating leases are for terms of 1 to 3 years as at 30 June 2024 and 31 December 2023.

16 RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the interim condensed consolidated financial information, the Group undertook the following transactions with related companies, which in the opinion of the Directors of the Company, were carried out in the normal course of business during the six months ended 30 June 2024 and 2023.

- (a) **The Directors of the Company are of the view that the principal related company that had transactions with the Group are listed below:**

Name	Relationship
Thing On Capital Limited	Note
Note:	

The related company is commonly controlled by Mr. Wong Chung Tak Richard ("Mr. Wong").

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

16 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with the related company:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Rental income and property management fee income (Note) The related company commonly controlled by Mr. Wong	2,127	2,115

Note:

Rental income and property management fee income are charged at a fixed amount agreed by the parties.

(c) Key management compensation:

Key management includes directors and senior managements of the Group. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Fees	180	180
Salaries and other emoluments	2,310	2,337
Contributions to defined contribution schemes	45	43
	2,535	2,560

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Thing On Enterprise Limited

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 3 to 21, which comprises the interim condensed consolidated statement of financial position of Thing On Enterprise Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2024 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising material accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 9 August 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company and its subsidiaries (collectively, 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\$55.2 million for the six months ended 30 June 2024 as compared to approximately HK\$16.5 million for the six months ended 30 June 2023. The loss was mainly attributable to the loss in fair value of investment properties of approximately HK\$65.3 million for the six months ended 30 June 2024 (2023: HK\$24.9 million). However, the Group recorded a profit of approximately HK\$10.1 million for the six months ended 30 June 2024 (2023: HK\$8.4 million) by excluding the changes in fair value of investment properties.

The Group recorded rental income of approximately HK\$16.1 million for the six months ended 30 June 2024 (2023: HK\$15.5 million), of which approximately HK\$9.5 million or 59.1% (2023: HK\$8.9 million or 57.6%) of rental income was derived from rental of office properties and approximately HK\$6.6 million or 40.9% (2023: HK\$6.6 million or 42.4%) of rental income was derived from rental of retail properties. For the six months ended 30 June 2024, the Group recorded property management fee income of approximately HK\$2.4 million (2023: HK\$2.1 million). The property management fee income contributed approximately 13.1% (2023: 11.8%) of the Group’s total revenue for the six months ended 30 June 2024.

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, a wholly-owned subsidiary of Thing On Group Limited, 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.

OUTLOOK

The real estate industry continues to face challenges in the current economic landscape of 2024, with global inflation and interest rates remaining elevated, constraining worldwide economic growth. Major economies have been recovering at a slower pace than anticipated due to ongoing geopolitical tensions and macroeconomic volatility, creating uncertainties around growth prospects.

Hong Kong’s position as an international financial, trade, innovation, and technology center underscores its competitiveness, supporting the local economy’s revival. However, the local property market continues to encounter headwinds, with both residential and commercial segments experiencing a slowdown in transactions and softening of prices compared to the prior year. Rental rates have also come under pressure, particularly in the office and retail sectors, as businesses navigate the economic uncertainties.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group emphasizes the importance of its prudent management philosophy, which has been a key factor in its success. With a solid financial foundation, the Group is well-prepared to navigate the 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. Leveraging the Group's strong footing in Hong Kong, Mainland China, and other global cities, the Group will continue to explore the demand from potential tenants, buyers, and investors. Additionally, the Group will concentrate on acquiring high-quality properties in strategic locations to enhance both its asset value and rental income. Besides real estate, the Group will continue to explore investment opportunities in the financial sector, including financial investments and the provision of financial services and technologies, as part of an ongoing strategy to diversify income streams and hedge against market volatility. The Group will remain vigilant of market trends and developments, enabling timely strategic adjustments to its asset portfolio to optimize investment returns.

FINANCIAL REVIEW

The revenue and cost of sales for the six months ended 30 June 2024 were approximately HK\$18.6 million and HK\$3.1 million (2023: HK\$17.6 million and HK\$2.6 million), respectively. The slight increase in revenue of approximately HK\$1.0 million was due to some office properties located on Hong Kong Island being leased during the six months ended 30 June 2024 which were previously vacant. The gross profit for the six months ended 30 June 2024 was approximately HK\$15.5 million (2023: HK\$15.0 million).

For the six months ended 30 June 2024, basic loss per share was Hong Kong cents 7.67 (2023: loss per share Hong Kong cents 2.29).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, cash and bank balances of the Group amounted to approximately HK\$43.4 million (31 December 2023: HK\$33.3 million). The current ratio (current assets divided by current liabilities) of the Group was 4.3 as at 30 June 2024 (31 December 2023: 3.2).

As at 30 June 2024, the Group had no borrowings (31 December 2023: Nil) and thus no gearing ratio was calculated. The gearing ratio of the Group 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 period under review. The board (the "Board") of directors (the "Directors") of the Company 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INTERIM DIVIDEND

The Directors resolved not to declare any interim dividend for the six months ended 30 June 2024 (2023: Nil).

CONTINGENT LIABILITIES

As at 30 June 2024, the Group had no significant contingent liabilities (31 December 2023: Nil).

CAPITAL COMMITMENTS

As at 30 June 2024, the Group had no significant capital commitments (31 December 2023: Nil).

SIGNIFICANT INVESTMENTS

As at 30 June 2024, the Group did not have any significant investment (31 December 2023: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 June 2024, the Group did not have any specific plans for material investments or capital assets.

CHARGE OVER THE GROUP'S ASSETS

As at 30 June 2024, there was no charge over the assets of the Group (31 December 2023: Nil).

EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no significant events occurring after the end of the reporting period up to the date of this report.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group had 17 full-time employees (31 December 2023: 17 full-time employees). The employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$3.9 million for the six months ended 30 June 2024 (30 June 2023: approximately HK\$4.2 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 operation 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 during the six months ended 30 June 2024.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "SFO")), which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), are set out below:

Name of Director	Capacity	Long position/ Short position	Number of ordinary shares/ underlying shares held	Percentage of the issued share capital of the Company
Mr. Wong Chung Tak Richard ("Mr. Wong")	Interest in a controlled corporation (Note)	Long position	540,000,000 ordinary shares	75.0%

Note: Mr. Wong owns the entire issued share capital of Thing On Group Limited. By virtue of the SFO, Mr. Wong is deemed to be interested in such shares held by Thing On Group Limited.

Save as disclosed above, none of the Directors, or chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as defined in Part XV of the SFO as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2024.

OTHER INFORMATION (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that, other than the interests of the Directors and the chief executives of the Company, the following shareholders had notified the Company of relevant interests or short position in the shares and underlying shares of the Company as follows:

Name	Capacity	Long position/ short position	Number of ordinary shares/ underlying shares held	Percentage of the issued share capital of the Company
Thing On Group Limited	Beneficial owner (Note 1)	Long position	540,000,000 ordinary shares	75.0%
Ng Ka Fong Jenny	Interest of spouse (Note 2)	Long position	540,000,000 ordinary shares	75.0%

Notes:

1. Mr. Wong owns the entire issued share capital of Thing On Group Limited.
2. Ms. Ng Ka Fong Jenny is the spouse of Mr. Wong. Therefore, Ms. Ng Ka Fong Jenny is deemed to be interested in the shares of the Company which Mr. Wong is interested in.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 30 June 2024.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") pursuant to the written resolutions of the shareholders passed on 15 December 2017 (the "Adoption Date"). The purposes of the Share Option Scheme are to enable the Group to provide additional incentives or rewards to selected participants for their contributions to the Group and to promote the success of the business of the Group. The Board may, at its absolute discretion and on such terms as it may think fit, invite any employee (full-time or part-time), Director, substantial shareholder, consultant, adviser, business partner or service provider of the Group, to take up options to subscribe for shares of the Company. The Share Option Scheme will help motivating the participants to optimize their performance and efficiency and attract and retain the participants whose contributions are important to the long-term growth and profitability of the Group.

No share option has been granted by the Company under the Share Option Scheme since the Adoption Date and up to the date of this report. As at 1 January 2024 and 30 June 2024, the number of share options available for grant under the Share Option Scheme was 72,000,000. Save for the Share Option Scheme, the Company does not have any other share scheme.

OTHER INFORMATION (CONTINUED)

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 (including sale of treasury shares) for the six months ended 30 June 2024.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the shareholders' value.

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 the relevant provisions set out in the CG Code for the six months ended 30 June 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standards as set out in the Model Code during the six months ended 30 June 2024.

UPDATE ON DIRECTOR'S INFORMATION

Mr. Wong Ka Yeung Roland, an executive Director, has been appointed by the Government of the Hong Kong Special Administrative Region as Justice of the Peace with effect from 1 July 2024.

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The Company established an audit committee (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 unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2024.

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

Hong Kong, 9 August 2024