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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

FINANCIAL HIGHLIGHTS	For the six months ended 30 June		
	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Audited)	Change %
Revenue	21,106	23,696	(10.93)
Gross profit	18,071	19,812	(8.79)
Profit before income tax	83,948	98,089	(14.42)
Profit and total comprehensive income attributable to owners of the Company	82,176	95,410	(13.87)
Earnings per share:			
Basic and diluted (<i>Hong Kong cents</i>) (2017: Unaudited)	11.65	17.67	(34.07)

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Thing On Enterprise Limited (the “Company”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively as the “Group”) for the six months ended 30 June 2018, together with the comparative figures for the six months ended 30 June 2017 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 June 2018*

		Six months ended 30 June	
		2018	2017
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Revenue	3	21,106	23,696
Cost of sales	5	(3,035)	(3,884)
Gross profit		18,071	19,812
Other income, gains/losses, net	4	1,863	11,180
Changes in fair value of investment properties		78,827	77,863
General and administrative expenses	5	(12,073)	(9,209)
Operating profit		86,688	99,646
Finance expenses		(2,740)	(1,557)
Profit before income tax		83,948	98,089
Income tax expenses	6	(1,772)	(2,679)
Profit for the period		82,176	95,410
Other comprehensive income		—	—
Profit and total comprehensive income attributable to owners of the Company		82,176	95,410
Earnings per share:			
Basic and diluted (Hong Kong cents)			
(2017: Unaudited)	8	11.65	17.67

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	30 June 2018 HK\$'000 (Unaudited)	31 December 2017 HK\$'000 (Audited)
ASSETS		
Non-current assets		
Investment properties	1,744,567	1,665,740
Property, plant and equipment	11,926	12,060
	<u>1,756,493</u>	<u>1,677,800</u>
Current assets		
Prepayments, deposits and other receivables	3,371	3,910
Tax prepayment	363	454
Bank deposits	215,000	—
Cash and bank balances	10,695	14,071
	<u>229,429</u>	<u>18,435</u>
Total assets	<u><u>1,985,922</u></u>	<u><u>1,696,235</u></u>
EQUITY		
Share capital	36	—
Reserves	1,635,896	1,340,242
Total equity attributable to owners of the Company	<u><u>1,635,932</u></u>	<u><u>1,340,242</u></u>

		30 June 2018	31 December 2017
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		3,175	2,757
Borrowings	9	331,735	330,000
		<u>334,910</u>	<u>332,757</u>
Current liabilities			
Other payables and accruals		13,229	22,312
Amount due to ultimate holding company		—	336
Tax payable		1,851	588
		<u>15,080</u>	<u>23,236</u>
Total liabilities		349,990	355,993
Net current assets/(liabilities)		214,349	(4,801)
Total equity and liabilities		1,985,922	1,696,235

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 2017 (“the 2017 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 2018. 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 2017 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 in the interim report to be sent to shareholders. In addition, this interim condensed consolidated financial information has been reviewed by the Company’s Audit Committee.

2 CHANGES IN ACCOUNTING POLICIES

(a) New and amended standards 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 2017 financial statements, except for the adoption of the following amendments and adoptions to existing standards issued by the HKICPA:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Insurance Contracts
Amendment to HKFRS 1	First-time Adoption of HKFRS
Amendment to HKAS 28	Investments in Associates and Joint Ventures
Amendment to HKAS 40	Transfers of Investment Property
HK (IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration

HKFRS 9 “Financial Instruments”

HKFRS 9 replaces the whole of HKAS 39 which addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

All of the Group’s financial assets and financial liabilities were carried at amortised costs without significant impairment on the former, the implementation of HKFRS 9 does not result in any significant impact on the Group’s financial position and results of operations.

HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. Costs such as agency commissions incurred directly attributable to obtaining a contract, if recoverable, are capitalised and recorded in contract assets. The standard replaces HKAS 18 “Revenue” and HKAS 11 “Construction contracts” and related interpretations.

The Group has two major revenue streams, namely (i) rental income and (ii) property management fee income which is recognised over time under HKFRS15. Rental income from lease agreements is specifically excluded from the scope of HKFRS 15. Management has performed an assessment and the implementation of HKFRS 15 does not result in any significant impact on the Group’s financial position and results of operations.

Other than HKFRS 9 and HKFRS 15, the adoption of these amendments does not have any significant impact on the interim condensed consolidated financial information of the Group.

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

The HKICPA has issued certain new standards, interpretations and amendments which are relevant to the Group's operation but not yet effective for the annual period beginning on 1 January 2018 and the Group has not early adopted.

		Effective for annual periods beginning on or after
HKFRS 16	Leases	1 January 2019
HK (IFRIC) Interpretation 23	Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to HKFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

3 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, rental income from industrial properties and property management fee income. An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Total segment revenue		
Rental income — Office properties	12,506	12,269
Rental income — Retail properties	5,624	5,125
Rental income — Industrial properties	623	3,782
Property management fee income	7,516	5,030
Less: Inter-segment revenue		
Property management fee income	(5,163)	(2,510)
	21,106	23,696

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, rental income from industrial properties and property management fee income.

The CODM assesses the performance of the operating segments based on the segment profit of each segment. The measurement of segment profit is 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 six months ended 30 June 2018, inter-segment property management fee income of HK\$5,163,000 (2017: HK\$2,510,000) 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 statement of financial position. Segment assets consist primarily of property, plant and equipment, investment properties, prepayments, deposits and other receivables and 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 bank deposits.

Unallocated liabilities represented the amount due to ultimate holding company, the borrowings and the other corporate payables.

(a) *For the six months ended 30 June 2018 (Unaudited)*

The segment results for the six months ended 30 June 2018 and other segment item included in the interim condensed consolidated statement of comprehensive income are as follows:

	Office properties <i>HK\$'000</i>	Retail properties <i>HK\$'000</i>	Industrial properties <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Total segment revenue	12,506	5,624	623	7,516	26,269
Less: Inter-segment revenue	—	—	—	(5,163)	(5,163)
Revenue	12,506	5,624	623	2,353	<u>21,106</u>
Segment profit	66,339	15,874	5,740	2,997	90,950
Unallocated corporate income and expenses, net					<u>(7,002)</u>
Profit before income tax					83,948
Income tax expenses					<u>(1,772)</u>
Profit for the period					<u>82,176</u>
Other item					
Depreciation	—	—	—	(134)	<u>(134)</u>

As at 30 June 2018 (Unaudited)

The segment assets and liabilities as at 30 June 2018 are as follows:

	Office properties <i>HK\$'000</i>	Retail properties <i>HK\$'000</i>	Industrial properties <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	1,085,703	526,057	135,807	12,364	1,759,931
Unallocated assets					<u>225,991</u>
Total assets					<u>1,985,922</u>
Segment liabilities	(11,780)	(3,524)	(168)	(20)	(15,492)
Unallocated liabilities					<u>(334,498)</u>
Total liabilities					<u>(349,990)</u>

(b) *For the six months ended 30 June 2017*

The segment results for the six months ended 30 June 2017 and other segment item included in the interim condensed consolidated statement of comprehensive income are as follows:

	Office properties <i>HK\$'000</i>	Retail properties <i>HK\$'000</i>	Industrial properties <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Total segment revenue	12,269	5,125	3,782	5,030	26,206
Less: Inter-segment revenue	—	—	—	(2,510)	(2,510)
Revenue	12,269	5,125	3,782	2,520	<u>23,696</u>
Segment profit	77,478	12,146	13,957	1,147	104,728
Unallocated corporate income and expenses, net					<u>(6,639)</u>
Profit before income tax					98,089
Income tax expenses					<u>(2,679)</u>
Profit for the period					<u>95,410</u>
Other item					
Depreciation	—	—	—	(134)	<u>(134)</u>

As at 31 December 2017

The segment assets and liabilities as at 31 December 2017 are as follows:

	Office properties <i>HK\$'000</i>	Retail properties <i>HK\$'000</i>	Industrial properties <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	1,028,951	514,542	129,724	12,634	1,685,851
Unallocated assets					<u>10,384</u>
Total assets					<u>1,696,235</u>
Segment liabilities	(10,257)	(3,392)	(757)	(6,674)	(21,080)
Unallocated liabilities					<u>(334,913)</u>
Total liabilities					<u>(355,993)</u>

4 OTHER INCOME, GAINS/LOSSES, NET

	Six months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Bank interest income	1,861	—
Gain on disposal of subsidiaries	—	11,095
Sundries	2	85
	<u>1,863</u>	<u>11,180</u>

5 EXPENSES BY NATURE

	Six months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Direct operating expenses arising from investment properties generating rental income (<i>Note</i>)	554	1,241
Property management fee expenses	1,772	1,808
Rates and government rent	709	835
Depreciation of property, plant and equipment	134	134
Employee benefit expenses (including directors' emoluments)	4,110	3,429
Listing expenses	5,772	5,067
Auditor's remuneration (excluding listing related services)		
Audit services	—	85
Non-audit services	200	—
Legal and professional expenses	891	6
Other expenses	966	488
	<u>15,108</u>	<u>13,093</u>

Note:

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

6 INCOME TAX EXPENSES

	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Hong Kong Profits Tax	1,492	2,625
Over-provision in prior year	(138)	—
Deferred income tax expense	418	54
	<u>1,772</u>	<u>2,679</u>

For the six months ended 30 June 2018, Hong Kong Profits Tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit. No overseas profits tax has been calculated as the group companies incorporated in the British Virgin Islands or the Cayman Islands are exempted from tax.

7 DIVIDEND

No dividend has been paid or declared by the Company for the six months ended 30 June 2018 (2017: Nil).

8 EARNINGS PER SHARE — BASIC AND DILUTED

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods. The weighted average number of ordinary shares used for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the reorganisation completed on 15 December 2017 and the capitalisation issue which took place on 16 January 2018. Details of these events are stated in the 2017 financial statements.

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (HK\$'000)	82,176	95,410
Weighted average number of ordinary shares in issue (thousands)	<u>705,083</u>	<u>540,000</u>
Basic earnings per share (Hong Kong cents)	<u>11.65</u>	<u>17.67</u>

(b) Diluted earnings per share

Diluted earnings per share is of the same amount as the basic earnings per share as there were no potentially dilutive ordinary shares outstanding as at 30 June 2017 and 2018.

9 BORROWINGS

As at 30 June 2018, the borrowings represent a long-term loan from Good Shot Limited, a fellow subsidiary, which will mature in October 2019 and is interest bearing at the rate of one-month Hong Kong Interbank Offered Rate (“HIBOR”) plus 0.4% per annum. The loan was secured by corporate guarantees of the Company as at 30 June 2018.

As at 31 December 2017, the borrowings represented a long-term loan from a financial institution which would mature in December 2019 and was interest bearing at the rate of one-month HIBOR plus 0.5% per annum. The loan was secured by the unlimited personal guarantee of Mr. Wong Chung Tak Richard (“Mr. Wong”), the ultimate controlling shareholder of the Group, as at 31 December 2017. The unlimited personal guarantee was released and replaced by guarantees of the Company upon the listing of the Company. On 7 May 2018, the loan was early settled and refinanced by the above new long-term loan.

The Group’s borrowings were repayable between 1 and 2 years as at 30 June 2018 (31 December 2017: between 1 and 2 years).

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, retail and industrial properties leasing and in the property management business. Its investment property portfolio covers Grade A office space in core business areas, retail shops in prime urban areas, and industrial building units in a developed urban area.

The Group recorded profit of approximately HK\$82.2 million for the six months ended 30 June 2018 as compared to profit of approximately HK\$95.4 million for the six months ended 30 June 2017. The decrease in profit was mainly due to (i) the one-off gain on disposal of subsidiaries for the six months ended 30 June 2017 which did not recur in the current period and (ii) the increase in general and administrative expenses from approximately HK\$9.2 million for the six months ended 30 June 2017 to approximately HK\$12.1 million for the six months ended 30 June 2018.

The Group recorded rental income of approximately HK\$18.7 million for the six months ended 30 June 2018 (2017: HK\$21.2 million), of which approximately HK\$12.5 million or 66.9% (2017: HK\$12.3 million or 58.0%) of rental income was derived from rental of office properties, approximately HK\$5.6 million or 29.9% (2017: HK\$5.1 million or 24.1%) of rental income was derived from rental of retail properties and approximately HK\$0.6 million or 3.2% (2017: HK\$3.8 million or 17.9%) of rental income was derived from rental of industrial properties. For the six months ended 30 June 2018, the Group recorded property management fee income of approximately HK\$2.4 million (2017: HK\$2.5 million). The property management fee income contributed approximately 11.4% (2017: 10.5%) of the Group’s total revenue for the six months ended 30 June 2018.

While the rental income from office properties and retail properties maintained a steady growth during the six months ended 30 June 2018, the decrease in rental income from industrial properties was because one industrial property located in Hong Kong Island became vacant since February 2018.

In order to facilitate the expansion of the Group’s business activities in property investment in other countries outside Hong Kong as well as investments in financial assets and provision of financial services 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 to make available to the Group (i) an unsecured revolving loan facility of up to HK\$400,000,000, and (ii) an unsecured revolving loan facility of up to HK\$600,000,000, both for a term of 18 months from 25 April 2018 at interest rate more favourable than market rate.

OUTLOOK

The Group has been using Hong Kong as its major property investment market. Therefore, the Group's performance is very dependent on the performance of the local market. While the Group endeavors to steadily improve its performance in Hong Kong, it has also started to actively consider looking for quality properties in other international cities outside Hong Kong to reduce the risk of the Group relying on a single market as well as to further explore sources of revenue in overseas markets.

Meanwhile, the Company is also proactively considering to expand its business activities including, but not limited to, investments in financial assets and provision of financial services to bring better returns to its shareholders.

FINANCIAL REVIEW

The revenue and cost of sales for the six months ended 30 June 2018 were approximately HK\$21.1 million and HK\$3.0 million (2017: HK\$23.7 million and HK\$3.9 million), respectively. The gross profit for the six months ended 30 June 2018 was approximately HK\$18.1 million (2017: HK\$19.8 million).

For the six months ended 30 June 2018, basic earnings per share was Hong Kong cents 11.65 (2017: Hong Kong cents 17.67).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2018, cash and bank balances of the Group amounted to approximately HK\$10.7 million (31 December 2017: HK\$14.1 million) and the bank deposits of the Group amounted to HK\$215.0 million (31 December 2017: Nil). The current ratio (current assets divided by current liabilities) of the Group was 15.2 as at 30 June 2018 (31 December 2017: 0.8).

As at 30 June 2018, the Group had a long-term loan from Good Shot Limited, a wholly-owned subsidiary of Thing On Group Limited, the controlling shareholder of the Company, of approximately HK\$331.7 million and it is bearing interest at the rate of one-month Hong Kong Interbank Offered Rate plus 0.4% per annum, which will mature in October 2019. The gearing ratio of the Group calculated as a ratio of net debt (representing borrowings less cash and bank balances and bank deposits) to total equity was 6.5% (31 December 2017: 23.6%).

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 closely monitors the Group's 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 considers 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.

INTERIM DIVIDEND

The Directors resolved not to declare any interim dividend for the six months ended 30 June 2018 (2017: Nil).

CONTINGENT LIABILITIES

As at 30 June 2018, the Group had no significant contingent liabilities (31 December 2017: Nil).

CAPITAL COMMITMENTS

As at 30 June 2018, the Group had no significant capital commitments (31 December 2017: Nil).

SIGNIFICANT INVESTMENTS

As at 30 June 2018, the Group did not have any significant investment held or any future plan.

SIGNIFICANT EVENTS AFTER THE END OF THE REVIEW PERIOD

There has been no significant events occurring after the end of the review period up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2018, the Group has 16 employees (31 December 2017: 15 employees). 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 2018.

USE OF PROCEEDS FROM THE LISTING

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 January 2018 (the “Listing Date”). Based on the offer price of HK\$1.24 per offer share, the net proceeds from the global offering received by the Company, after deducting the underwriting fees and commissions and expenses in relation to the global offering borne by the Company, were approximately HK\$194.0 million. Since the Listing Date and up to the date of this announcement, the Company has not utilized any net proceeds raised from the global offering of the Company. Such net proceeds are intended to be applied in accordance with the proposed applications as set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 28 December 2017.

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 (“CG Code”) as set out in Appendix 14 to the Listing Rules as its own code of corporate governance.

In the opinion of the Directors, the Company was in compliance with all code provisions set out in the CG Code during the period from the Listing Date and up to 30 June 2018.

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 period from the Listing Date and up to 30 June 2018.

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The Company has 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. Wen Cyrus Jun-ming. Ms. Chan Kam Ping is the chairman 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 2018.

REVIEW OF INTERIM RESULTS BY AUDITOR

The unaudited interim results of the Group for the six months ended 30 June 2018 has been reviewed by the Group’s auditor, PricewaterhouseCoopers, 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.

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

Hong Kong, 15 August 2018

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. Wen Cyrus Jun-ming as independent non-executive Directors.