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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)

UPDATED EXPECTED TIMELINE FOR USE OF PROCEEDS AND CHANGE IN USE OF PROCEEDS

This announcement is made by Thing On Enterprise Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated 11 August 2020 relating to the expected timeline for the use of proceeds from the listing of the shares of the Company on the main board of the Stock Exchange (the “**Announcement**”) and (ii) the interim report of the Company for the six months ended 30 June 2021 (the “**Interim Report 2021**”), in which the utilisation of the net proceeds up to 30 June 2021 was disclosed. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement and the Interim Report 2021.

USE OF PROCEEDS FROM THE LISTING

As disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 28 December 2017 (the “**Prospectus**”), the Company intended to use the net proceeds raised from the Listing (or adjusted on a pro rata basis according to the net proceeds) as follows:

- (a) approximately 90%, will be used for acquisitions of new investment properties to the Company’s existing investment property portfolio;
- (b) approximately 5% will be used for the expansion and strengthening of the Company’s value-added property management services; and

(c) approximately 5% will be used for working capital and other general corporate purposes.

The actual 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.

As at the date of this announcement, the Company has utilised approximately HK\$119.5 million net proceeds, representing approximately 61.6% of the net proceeds.

UPDATED EXPECTED TIMELINE FOR USE OF PROCEEDS AND CHANGE IN USE OF PROCEEDS

As at the date of this announcement, the unutilised net proceeds amounted to approximately HK\$74.5 million (the “**Unutilised Net Proceeds**”) are intended to be used for acquisitions of new investment properties. The Board, having considered the current needs of the Group and the prevailing market conditions, resolved to extend the expected timeline for utilising the Unutilised Net Proceeds from on or before 31 December 2021 to on or before 31 December 2023 and to change the use of the Unutilised Net Proceeds for the repayment of borrowings. Set out below is the utilisation of the net proceeds up to the date of this announcement and the proposed change in use of the Unutilised Net Proceeds:

Use of proceeds	Proposed use of proceeds as disclosed in the Prospectus HK\$ million	Proceeds utilised up to the date of this announcement HK\$ million	Unutilised amount up to the date of this announcement HK\$ million	Revised allocation of the Unutilised Net Proceeds HK\$ million	Expected timeline for utilising the Unutilised Net Proceeds
Acquisitions of new investment properties	174.6	100.1	74.5	-	N/A
Expansion and strengthening of our value-added property management services	9.7	9.7	-	-	N/A
Working capital and other general corporate purposes	9.7	9.7	-	-	N/A
Repayment of borrowings	-	-	-	74.5	On or before 31 December 2023
	194.0	119.5	74.5	74.5	

As at the date of this announcement, the outstanding borrowings of the Group amounted to approximately HK\$84.1 million. The Unutilised Net Proceeds are expected to be utilised on or before 31 December 2023.

REASON FOR AND BENEFITS OF THE UPDATED EXPECTED TIMELINE FOR USE OF PROCEEDS AND CHANGE IN USE OF PROCEEDS

The Board considered that although the Company has been seeking for quality property investments in Hong Kong, however, this was impacted by COVID-19, and the slow global economic recovery. In addition, many international cities have imposed mandatory quarantine or lock-down measures, therefore the Company was unable to access to quality properties in Mainland China and overseas. As a result, the Board decided to extend the initial expected timeline for utilising the Unutilised Net Proceeds from on or before 31 December 2021 to on or before 31 December 2023, and reallocate the Unutilised Net Proceeds from acquisitions of new investment properties to repayment of borrowings. The Board considered that utilising the Unutilised Net Proceeds to repay the borrowings can reduce the interest expenses of the Group. The extension of the expected timeline for utilising the Unutilised Net Proceeds is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the development of global market conditions.

The Board is of the view that the reallocation of the Unutilised Net Proceeds from acquisitions of new investment properties to repayment of borrowings will be more favourable to the Group's long term business development as well as representing a better utilisation of the Unutilised Net Proceeds. The Board confirms that there is no change in the business nature of the Group as set out in the Prospectus and considered that the proposed change in the use of the Unutilised Net Proceeds will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its shareholders as a whole.

If there is any material development on the utilisation under the time frame as set out above, or in case any further adjustments on the use of the net proceeds are needed, the Company will make further announcement as and when appropriate.

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

Hong Kong, 15 December 2021

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.