



**Thing On Enterprise Limited**  
**晉安實業有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**Stock Code : 2292**

**2019**  
**Interim Report**

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Wong Ka Yeung Roland  
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. Wen Cyrus Jun-ming

## CHIEF EXECUTIVE OFFICER

Mr. Wong Fung Hing

## AUDIT COMMITTEE

Ms. Chan Kam Ping *(Chairman)*  
Mr. Wong King Wai Kirk  
Mr. Wen Cyrus Jun-ming

## REMUNERATION COMMITTEE

Mr. Wen Cyrus Jun-ming *(Chairman)*  
Mr. Wong King Wai Kirk  
Ms. Chan Kam Ping

## NOMINATION COMMITTEE

Mr. Wong King Wai Kirk *(Chairman)*  
Ms. Chan Kam Ping  
Mr. Wen Cyrus Jun-ming

## COMPANY SECRETARY

Ms. Chan Yuen Ying Stella

## AUTHORISED REPRESENTATIVES

Ms. Chan Yuen Ying Stella  
Mr. Wong Ka Yeung Roland

## LEGAL ADVISER AS TO HONG KONG LAW

King & Wood Mallesons

## INDEPENDENT AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountants*

## COMPLIANCE ADVISER

KGI Capital Asia Limited

## REGISTERED OFFICE

190 Elgin Avenue  
George Town  
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  
190 Elgin Avenue, George Town  
Grand Cayman KY1-9005  
Cayman Islands

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited  
Level 54  
Hopewell Centre  
183 Queen's Road East  
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 2019

	Note	Six months ended 30 June	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue	4	21,459	21,106
Cost of sales	6	(2,776)	(3,035)
Gross profit		18,683	18,071
Other income, gains, net	5	3,856	1,863
Changes in fair value of investment properties	10	(75,516)	78,827
General and administrative expenses	6	(6,317)	(12,073)
Operating (loss)/profit		(59,294)	86,688
Finance expenses		(3,303)	(2,740)
(Loss)/profit before income tax		(62,597)	83,948
Income tax expenses	7	(1,167)	(1,772)
(Loss)/profit for the period		(63,764)	82,176
Other comprehensive income		—	—
(Loss)/profit and total comprehensive (expenses)/income attributable to owners of the Company		(63,764)	82,176
(Loss)/earnings per share:			
Basic and diluted (Hong Kong cents)	9	(8.86)	11.65

The notes on pages 8 to 22 are an integral part of the interim condensed consolidated financial information.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	30 June 2019 HK\$'000 (Unaudited)	31 December 2018 HK\$'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	10	1,528,297	1,735,813
Property, plant and equipment	11	11,658	11,792
Deferred income tax assets		223	—
		<b>1,540,178</b>	1,747,605
<b>Current assets</b>			
Trade receivables, prepayments, deposits and other receivables	12	2,465	5,628
Tax prepayment		79	889
Cash and bank balances		254,515	158,318
		<b>257,059</b>	164,835
<b>Total assets</b>		<b>1,797,237</b>	1,912,440
<b>EQUITY</b>			
Share capital	14	36	36
Reserves		1,540,338	1,604,102
<b>Total equity attributable to owners of the Company</b>		<b>1,540,374</b>	1,604,138

The notes on pages 8 to 22 are an integral part of the interim condensed consolidated financial information.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2019

	Note	30 June 2019 HK\$'000 (Unaudited)	31 December 2018 HK\$'000 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Deferred income tax liabilities		3,967	3,872
<b>Current liabilities</b>			
Other payables and accruals	13	15,352	12,807
Borrowings	15	236,867	290,267
Tax payable		677	1,356
		<b>252,896</b>	304,430
<b>Total liabilities</b>		<b>256,863</b>	308,302
<b>Net current assets/(liabilities)</b>		<b>4,163</b>	(139,595)
<b>Total equity and liabilities</b>		<b>1,797,237</b>	1,912,440

The unaudited interim condensed consolidated financial information on pages 3 to 22 was approved by the Board of Directors on 14 August 2019 and was signed on its behalf.

**Wong Ka Yeung, Roland**  
Director

**Chan Choi Wan, Rolie**  
Director

The notes on pages 8 to 22 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 2019

	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 2018	—	154,264	3,990	1,181,988	1,340,242
Profit and total comprehensive income for the period	—	—	—	82,176	82,176
Issuance of shares	36	223,164	—	—	223,200
Share issuance costs	—	(9,686)	—	—	(9,686)
At 30 June 2018 (Unaudited)	36	367,742	3,990	1,264,164	1,635,932
At 1 January 2019	<b>36</b>	<b>367,582</b>	<b>3,990</b>	<b>1,232,530</b>	<b>1,604,138</b>
Loss and total comprehensive expenses for the period	—	—	—	(63,764)	(63,764)
At 30 June 2019 (Unaudited)	<b>36</b>	<b>367,582</b>	<b>3,990</b>	<b>1,168,766</b>	<b>1,540,374</b>

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 22 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 2019

	Six months ended 30 June	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operations	11,196	1,236
Hong Kong Profits Tax paid	(1,636)	—
Net cash generated from operating activities	9,560	1,236
<b>Cash flows from investing activities</b>		
Decrease/(increase) in bank deposits	11,300	(215,000)
Bank interest received	4,264	734
Proceeds from disposal of a subsidiary	135,773	—
Net cash generated from/(used in) investing activities	151,337	(214,266)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	—	223,200
Repayments of the ultimate holding company	—	(336)
Repayment of borrowings	(53,400)	—
Listing expenses paid	—	(8,052)
Borrowings interest paid	—	(3,658)
Other finance expense paid	—	(1,500)
Net cash (used in)/generated from financing activities	(53,400)	209,654
<b>Net increase/(decrease) in cash and cash equivalents during the periods</b>	<b>107,497</b>	<b>(3,376)</b>
<b>Cash and cash equivalents at beginning of periods</b>	<b>3,318</b>	<b>14,071</b>
<b>Cash and cash equivalents at end of periods</b>	<b>110,815</b>	<b>10,695</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	254,515	225,695
Less: Bank deposits with original maturities over three months	(143,700)	(215,000)
	110,815	10,695

The notes on pages 8 to 22 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 2018 (“the 2018 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 2019. 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 2018 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 23 of this report. 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 2018 financial statements, except for the adoption of the following new standard, amendments and interpretation to existing standards issued by the HKICPA:

HKFRS 16	Leases
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
HK (IFRIC) Interpretation 23	Uncertainty Over Income Tax Treatments
Annual Improvements to HKFRSs 2015-2017 cycle	Annual Improvements to HKFRSs 2015-2017 cycle

#### **HKFRS 16 — Leases**

HKFRS 16 addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from HKFRS 16 is that most operating leases will be accounted for on statement of financial position for lessees. The standard replaces HKAS 17 'Leases', and related interpretations.

The adoption of HKFRS 16 mainly impacts on lessee, which has new provisions for the accounting treatment of leases and will in the future no longer allow lessees to account for certain leases outside the statement of financial position. Instead, all long-term leases must be recognised in the statement of financial position in the form of assets (for the rights of use) and lease liabilities (for the payment obligations). Short-term leases with a lease term of twelve months or less and leases of low-value assets are exempt from such reporting obligations. The new standard will therefore result in recognition of a right-to-use asset and an increase in lease liabilities in the statement of financial position. In profit or loss, rental expenses will be replaced with depreciation and interest expense.

The principal business of the Group is property investment and management business. The Group is acting as the lessor of various office properties, retail properties and industrial properties. The Group does not have any operating lease commitments with the Group acting as lessee. Management has performed a preliminary assessment and expects that the implementation of the HKFRS 16 does not result in any significant impact on the Group's financial position and results of operations.

Other than HKFRS 16, the adoption of these amendments does not have any significant impact on the interim condensed consolidated financial information of the Group.

## 2 CHANGES IN ACCOUNTING POLICIES (Continued)

### (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 and amendments which are relevant to the Group's operation but not yet effective for the annual period beginning on 1 January 2019 and the Group has not early adopted.

		<b>Effective for annual periods beginning on or after</b>
Amendments to HKFRS 3	Definition of business	1 January 2020
Amendments to HKAS 1 and HKAS 8	Definition of material	1 January 2020
HKFRS 17	Insurance Contracts	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group is in the process of assessing potential impact of the new standards and amendments to 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 2018 financial statements.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

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

	<b>Six months ended 30 June</b>	
	<b>2019</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2018 HK\$'000 (Unaudited)
<b>Total segment revenue</b>		
Rental income — Office properties	<b>12,933</b>	12,506
Rental income — Retail properties	<b>5,774</b>	5,624
Rental income — Industrial properties	<b>—</b>	623
Property management fee income	<b>7,572</b>	7,516
Less: Inter-segment revenue		
Property management fee income	<b>(4,820)</b>	(5,163)
	<b>21,459</b>	21,106

### 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, rental income from industrial 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 six months ended 30 June 2019, inter-segment property management fee income of HK\$ 4,820,000 (2018: HK\$5,163,000) 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, deferred income tax assets, trade receivables, prepayments, deposits and other receivables and cash and bank balances, excluding bank deposits with original maturities over three months.

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 represent the other corporate receivables and bank deposits with original maturities over three months.

Unallocated liabilities represent the borrowings and the other corporate payables.

Additions to non-current assets comprise mainly additions to investment properties.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 4 REVENUE AND SEGMENT INFORMATION (Continued)

#### (a) For the six months ended 30 June 2019 (Unaudited)

The segment results for the six months ended 30 June 2019 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	Industrial properties HK\$'000	Property management HK\$'000	Total HK\$'000
Total segment revenue	12,933	5,774	—	7,572	26,279
Less: Inter-segment revenue	—	—	—	(4,820)	(4,820)
<b>Revenue</b>	<b>12,933</b>	<b>5,774</b>	<b>—</b>	<b>2,752</b>	<b>21,459</b>
Segment (loss)/profit	(25,638)	(39,592)	(522)	2,700	(63,052)
Unallocated corporate income and expenses, net					455
<b>Loss before income tax</b>					<b>(62,597)</b>
Income tax expenses					(1,167)
<b>Loss for the period</b>					<b>(63,764)</b>
<b>Other item</b>					
Depreciation (Note 11)	—	—	—	(134)	(134)

#### As at 30 June 2019 (Unaudited)

The segment assets and liabilities as at 30 June 2019 are as follows:

	Office properties HK\$'000	Retail properties HK\$'000	Industrial properties HK\$'000	Property management HK\$'000	Total HK\$'000
Segment assets	1,054,577	476,269	—	12,206	1,543,052
Unallocated assets					254,185
<b>Total assets</b>					<b>1,797,237</b>
Segment liabilities	(12,128)	(3,544)	—	(21)	(15,693)
Unallocated liabilities					(241,170)
<b>Total liabilities</b>					<b>(256,863)</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 4 REVENUE AND SEGMENT INFORMATION (Continued)

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

#### As at 31 December 2018 (Audited)

The segment assets and liabilities as at 31 December 2018 and addition to investment properties for the year then ended are as follows:

	Office properties HK\$'000	Retail properties HK\$'000	Industrial properties HK\$'000	Property management HK\$'000	Total HK\$'000
Segment assets	1,086,886	519,656	133,023	12,790	1,752,355
Unallocated assets					160,085
<b>Total assets</b>					1,912,440
Segment liabilities	(11,661)	(3,582)	(181)	(20)	(15,444)
Unallocated liabilities					(292,858)
<b>Total liabilities</b>					(308,302)
Addition to investment properties	30,957	—	—	—	30,957

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 5 OTHER INCOME, GAINS, NET

	Six months ended 30 June	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Bank interest income	2,044	1,861
Gain on disposal of a subsidiary (Note)	1,812	—
Sundries	—	2
	<b>3,856</b>	1,863

#### Note

On 25 February 2019, the Group entered into an agreement with a third party to dispose its entire interest in Wealth Range Limited (“Wealth Range”), being a wholly-owned subsidiary of the Group. Wealth Range owned units of industry property in Hong Kong. The transaction was completed on 28 June 2019. The Group recognised a gain on disposal of HK\$1,812,000 for the period ended 30 June 2019.

The following table summarises the consideration received for the disposal of Wealth Range, the fair value of net assets disposed and transfer of shareholder loan at the disposal date, transaction costs incurred and the gain on disposal.

	HK\$'000 (Unaudited)
Total consideration received	135,773
Fair value of net assets disposed	(42,986)
Transfer of shareholder loan	(89,776)
Transaction costs	(1,199)
Gain on disposal	1,812

The fair value of net assets disposed as at the disposal date is as follow:

	HK\$'000 (Unaudited)
Investment properties	132,000
Tax prepayment	483
Other receivable	290
Deferred tax liabilities	(11)
Amount due to immediate holding company	(89,776)
Net assets disposed	42,986



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 5 OTHER INCOME, GAINS, NET (Continued)

Note (Continued)

Analysis of net cash inflow of cash and cash equivalents in respect of the disposal of a subsidiary:

	HK\$'000 (Unaudited)
Cash consideration	<b>135,773</b>
Net cash inflow from disposal of a subsidiary	<b>135,773</b>

### 6 EXPENSES BY NATURE

	Six months ended 30 June	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Auditor's remuneration (excluding listing related services)		
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)	172	554
Employee benefit expenses (including directors' emoluments)	4,675	4,110
Legal and professional expenses	887	891
Listing expenses	—	5,772
Other expenses	421	966
Property management fee expenses	1,843	1,772
Rates and government rent	761	709
<b>Total cost of sales and general and administrative expenses</b>	<b>9,093</b>	<b>15,108</b>

Note:

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 7 INCOME TAX EXPENSES

	Six months ended 30 June	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Hong Kong Profits Tax	1,445	1,492
Over-provision in prior period	(161)	(138)
Deferred income tax (credit)/expense	(117)	418
	<b>1,167</b>	1,772

For the six months ended 30 June 2019, Hong Kong Profits Tax of the qualified entities 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 a 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 the other entities of the Group in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

For the six months ended 30 June 2018, Hong Kong Profits Tax was provided at the rate of 16.5% on the estimated assessable profits of the Group.

No overseas profits tax have been provided for the six months ended 30 June 2018 and 2019.

### 8 DIVIDEND

No dividend has been paid or declared by the Company for the six months ended 30 June 2019 (2018: Nil).

### 9 (LOSS)/EARNINGS PER SHARE — BASIC AND DILUTED

#### (a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit 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	
	2019 (Unaudited)	2018 (Unaudited)
(Loss)/profit attributable to owners of the Company (HK\$'000)	(63,764)	82,176
Weighted average number of ordinary shares in issue (thousands)	720,000	705,083
Basic (loss)/earnings per share (Hong Kong cents)	<b>(8.86)</b>	11.65

#### (b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is of the same amount as the basic (loss)/earnings per share as there were no potentially dilutive ordinary shares outstanding as at 30 June 2018 and 2019.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 10 INVESTMENT PROPERTIES

	HK\$'000
<b>Fair value</b>	
At 1 January 2019 (Audited)	<b>1,735,813</b>
Disposal of a subsidiary	<b>(132,000)</b>
Changes in fair value of investment properties	<b>(75,516)</b>
At 30 June 2019 (Unaudited)	<b>1,528,297</b>

Notes:

- (a) None of the above investment properties was pledged as security as at 30 June 2019 (31 December 2018: 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 on Properties (2017)" 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 periodically. 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 2018: Level 3) of the fair value hierarchy.

- (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 2019 (31 December 2018: 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. A significant increase/decrease in the unit rate of market price would result in a significant increase/decrease in the fair value of the properties.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 11 PROPERTY, PLANT AND EQUIPMENT

	Land and building HK\$'000	Furniture, fixtures, and office equipment HK\$'000	Total HK\$'000
<b>Cost</b>			
At 1 January 2019 (Audited) and 30 June 2019 (Unaudited)	13,400	3,169	16,569
<b>Depreciation</b>			
At 1 January 2019 (Audited)	1,608	3,169	4,777
Charge for the period	134	—	134
At 30 June 2019 (Unaudited)	1,742	3,169	4,911
<b>Carrying value</b>			
At 1 January 2019 (Audited)	11,792	—	11,792
At 30 June 2019 (Unaudited)	11,658	—	11,658

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

### 12 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2019 HK\$'000 (Unaudited)	31 December 2018 HK\$'000 (Audited)
Trade receivables	110	648
Prepayments, deposits and other receivables	2,355	4,980
	2,465	5,628

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 12 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Trade receivables represent rental income and property management fee receivable. 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:

	<b>30 June 2019 HK\$'000 (Unaudited)</b>	31 December 2018 HK\$'000 (Audited)
Within 30 days	<b>110</b>	648

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, prepayments, deposits and other receivables approximate their fair values and are denominated in Hong Kong dollars.

### 13 OTHER PAYABLES AND ACCRUALS

	<b>30 June 2019 HK\$'000 (Unaudited)</b>	31 December 2018 HK\$'000 (Audited)
Rental deposits	<b>10,495</b>	9,510
Rental receipt in advance	<b>328</b>	469
Accruals and other payables	<b>4,529</b>	2,828
	<b>15,352</b>	12,807

### 14 SHARE CAPITAL

	<b>Number of shares (thousands)</b>	HK\$'000
Authorised shares:		
<b>At 1 January 2019 (Audited) and 30 June 2019 (Unaudited)</b>	<b>7,600,000</b>	<b>380</b>
Ordinary shares, issued and fully paid:		
<b>At 1 January 2019 (Audited) and 30 June 2019 (Unaudited)</b>	<b>720,000</b>	<b>36</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 15 BORROWINGS

As at 30 June 2019 and 31 December 2018, the borrowings represent the current portion of borrowings from Good Shot Limited, 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 2019 and 31 December 2018.

The Group's borrowings were repayable within 1 year as at 30 June 2019 (31 December 2018: within 1 year).

### 16 COMMITMENTS

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

	30 June 2019 HK\$'000 (Unaudited)	31 December 2018 HK\$'000 (Audited)
No later than one year	31,056	30,680
Later than one year and no later than five years	20,872	19,075
	<b>51,928</b>	49,755

The Group's operating leases are for terms of 1 to 3 years as at 30 June 2019 and 31 December 2018.

### 17 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 2019 and 2018.

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

Name	Relationship
Good Shot Limited	Note
Thing On Capital Limited	Note

Note:

The related company is commonly controlled by Mr. Wong Chung Tak Richard ("Mr. Wong"), the ultimate controlling shareholder of the Group.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 17 RELATED PARTY TRANSACTIONS (Continued)

#### (b) Transactions with the related companies:

	Six months ended 30 June	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Finance expenses (Note i) The related company commonly controlled by Mr. Wong	3,303	2,714
Rental income and property management fee income (Note ii) The related company commonly controlled by Mr. Wong	2,716	1,004

Notes:

- i. The finance expenses represent the interest expenses charged on the borrowings as disclosed in Note 15 at the rate of one-month HIBOR plus 0.4% per annum with a loan handling fee charged at a fixed rate agreed by the parties.
- ii. Rental income and property management fee income are charged at a fixed amount agreed by the parties.
- iii. On 16 May 2018, the Group disposed its entire interest in Thing On Investment (China) Limited, a wholly-owned subsidiary of the Group, to Thing On Group Limited, ultimate holding company of the Group, at a consideration of HK\$7.8. The Group recognised a gain of HK\$7.8 on disposal of a subsidiary during the six months ended 30 June 2018.

#### (c) Balances with the related company

	30 June 2019 HK\$'000 (Unaudited)	31 December 2018 HK\$'000 (Audited)
	Borrowings from a related company (Note 15)	236,867
Prepaid loan handling fee to a related company	317	817

#### (d) 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	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Fees	180	180
Salaries and other emoluments	2,368	2,345
Contributions to defined contribution schemes	51	51
	2,599	2,576

# 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 22, 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 2019 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 a summary of significant accounting policies and other explanatory notes. 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, 14 August 2019



# 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 office space in core business areas and retail shops in prime urban areas.

The Group recorded a loss of approximately HK\$63.8 million for the six months ended 30 June 2019 as compared to profit of approximately HK\$82.2 million for the six months ended 30 June 2018. The loss was mainly attributable by the loss in fair value of investment properties of approximately HK\$75.5 million for the current period.

The Group recorded rental income of approximately HK\$18.7 million for the six months ended 30 June 2019 (2018: HK\$18.7 million), of which approximately HK\$12.9 million or 69.1% (2018: HK\$12.5 million or 66.9%) of rental income was derived from rental of office properties, approximately HK\$5.8 million or 30.9% (2018: HK\$5.6 million or 29.9%) of rental income was derived from rental of retail properties and no rental income (2018: HK\$0.6 million or 3.2%) was derived from rental of industrial properties. For the six months ended 30 June 2019, the Group recorded property management fee income of approximately HK\$2.8 million (2018: HK\$2.4 million). The property management fee income contributed approximately 12.8% (2018: 11.4%) of the Group’s total revenue for the six months ended 30 June 2019.

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 so as to further explore sources of revenue, Good Shot Limited, a wholly-owned subsidiary of Thing On Group Limited (“Thing On Group”), the controlling shareholder of the Company, agreed to make available to the Group (i) an unsecured revolving loan facility up of up to HK\$400.0 million, and (ii) an unsecured revolving loan facility of up to HK\$600.0 million, both for a term of 18 months from 25 April 2018 at interest rate more favourable than market rate.

## OUTLOOK

China and the United States have been engaging in trade talks since 2018. Both countries have been actively negotiating with each other, however, they have failed to reach any agreement so far. Moreover, there are some social issues surrounding Hong Kong recently, causing speculation that it may result in economic uncertainty and increase the risk of slowdown in Hong Kong’s economic growth. The Group continues to monitor the situation closely and work towards a solution to minimize the impact on the Group.

Hong Kong has been the Group’s major property investment market, and the factors mentioned above may affect the Group. The Group expects the property market will continue to be unstable, and shall take a conservative approach when evaluating investment properties. While the Group endeavors to steadily improve its performance in Hong Kong, it will also continue to actively seek for quality properties in Hong Kong, China and other international cities to reduce the risk of the Group relying on a single market. The group will also look at investments in financial assets and provision of financial services so as to further explore different sources of income in other markets. The Group will pay close attention to the latest market changes and arrange appropriate strategic adjustments to the Group’s assets portfolio to minimize the effect brought by the instability of the global economy.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### FINANCIAL REVIEW

The revenue and cost of sales for the six months ended 30 June 2019 were approximately HK\$21.5 million and HK\$2.8 million (2018: HK\$21.1 million and HK\$3.0 million), respectively. The slight increase in revenue of approximately HK\$0.4 million was primarily attributable to the increase in rental income from a newly acquired office property located in Kowloon since October 2018 and an office property located on Hong Kong Island which was previously vacant but leased since December 2018. The gross profit for the six months ended 30 June 2019 was approximately HK\$18.7 million (2018: HK\$18.1 million).

For the six months ended 30 June 2019, basic loss per share was Hong Kong cents 8.86 (2018: earnings per share Hong Kong cents 11.65).

### LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2019, cash and bank balances of the Group amounted to approximately HK\$254.5 million (31 December 2018: HK\$158.3 million). The current ratio (current assets divided by current liabilities) of the Group was 1.0 as at 30 June 2019 (31 December 2018: 0.5).

As at 30 June 2019, the Group had a short-term loan outstanding amounted to approximately HK\$236.9 million (31 December 2018: HK\$290.3 million) which will mature within one year. The gearing ratio of the Group calculated as a ratio of net debt (representing borrowings less cash and bank balances) to total equity was not applicable as the Group maintained at a net cash position as at 30 June 2019. As at 31 December 2018, the gearing ratio of the Group was approximately 8.2%.

### 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 of directors of the Company (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.

### INTERIM DIVIDEND

The Directors resolved not to declare any interim dividend for the six months ended 30 June 2019 (2018: Nil).

### CONTINGENT LIABILITIES

As at 30 June 2019, the Group had no significant contingent liabilities (31 December 2018: Nil).

### CAPITAL COMMITMENTS

As at 30 June 2019, the Group had no significant capital commitments (31 December 2018: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### SIGNIFICANT INVESTMENTS

As at 30 June 2019, the Group did not have any significant investment plans (31 December 2018: Nil).

### CHARGE OVER THE GROUP'S ASSETS

As at 30 June 2019, there was no charge over the assets of the Group (31 December 2018: 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 2019, the Group has 18 employees (31 December 2018: 18 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

On 25 February 2019, the Company entered into a sale and purchase agreement (the "Agreement"), which is a legally binding agreement with Chinese Ford Limited (the "Purchaser") pursuant to which the Company agreed to sell and the Purchaser agreed to purchase the entire issued shares of Wealth Range Limited ("Wealth Range"), a wholly-owned subsidiary of the Company, being the legal owner of a property located at Unit No. C on 2nd Floor, Unit Nos. A to G on 3rd Floor, Car Parking Space No.V2 & No.V4 & No.V18 on G/F, Sunview Industrial Building, No.3 On Yip Street, Chai Wan, Hong Kong and the outstanding loan in the principal amount of approximately HK\$89.5 million due by Wealth Range to the Company as at the date of the Agreement at a consideration of HK\$135.0 million (the "Disposal").

The Disposal was completed on 28 June 2019. The Group recorded a gain from the Disposal (after deducting relevant expenses) of approximately HK\$1.8 million. The proceeds from the Disposal were used to invest in some other suitable investment opportunities to be identified by the Company, repayment of shareholder's loan due to controlling shareholder and for general working capital of the Group.

Save as disclosed above and in Note 5 to the interim condensed consolidated financial information, the Group did not have any other material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2019.

### USE OF PROCEEDS FROM THE LISTING

The shares of the Company (the "Shares") 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, which are intended to be utilized in the manner as disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 28 December 2017.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As at 30 June 2019, the net proceeds had been utilized as follows:

<b>Use of proceeds</b>	<b>Proposed use of proceeds HK\$ million</b>	<b>Utilized HK\$ million</b>	<b>Unutilized HK\$ million</b>
Acquisitions of new investment properties	174.6	(31.0)	143.6
Expansion and strengthening of our value-added property management services	9.7	(9.7)	—
Working capital and other general corporate purposes	9.7	(9.7)	—
	<b>194.0</b>	<b>(50.4)</b>	<b>143.6</b>

## OTHER INFORMATION

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

As at 30 June 2019, 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)) ("SFO"), which were notified to the Company and 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 ("Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), are set out below:

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

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

Save as disclosed above, none of the directors, 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 2019.

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

As at 30 June 2019, 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	Approximate percentage of the issued share capital of the Company
Thing On Group	Beneficial owner (Note1)	Long position	540,000,000	75.0%
Ng Ka Fong Jenny	Interest of spouse (Note 2)	Long position	540,000,000	75.0%

Notes:

1. Mr. Wong owns the entire issued share capital of Thing On Group.
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 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 2019.

## 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.

## 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 for the six months ended 30 June 2019.

### 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 relevant provisions set out in the CG Code for the six months ended 30 June 2019.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 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 period for the six months ended 30 June 2019.

### 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. 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 2019.

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

Hong Kong, 14 August 2019