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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)

DISCLOSEABLE TRANSACTION

Discloseable Transaction

On 25 February 2019, the Company entered into the Agreement, which is legal binding agreement with the Purchaser whereby the Company agreed to sell and the Purchaser agreed to purchase Sale Shares and Sale Loan at a consideration of HK\$135,000,000.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Disposal are more than 5% but all of the applicable percentage ratios are less than 25%, the Agreement constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements set out in the Listing Rules.

DISCLOSEABLE TRANSACTION

The Agreement

Date: 25 February 2019

Vendor: the Company

Purchaser: Chinese Ford Limited

Pursuant to the Agreement, the Company has agreed to sell, and the Purchaser has agreed to purchase Sale Shares and Sale Loan subject to the terms and conditions thereof.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are independent of the Company and connected persons of the Company.

The Subject Company is the legal and beneficial owner of the 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 with a total saleable area of approximately 3,249.72 square meter which is currently vacant.

Consideration

The Consideration for the Disposal is HK\$135,000,000, which was arrived at after arm's length negotiations between the Company and the Purchaser with reference to the prevailing market conditions which includes the preliminary valuation of the Property of HK\$132,000,000 as at 31 December 2018.

The Consideration will be / has been settled in the following manner:-

- (a) HK\$27,000,000 was paid by the Purchaser to the Company as deposit upon signing of the Agreement; and
- (b) HK\$108,000,000 being balance of the Consideration will be payable by the Purchaser to the Company on Completion by cashier order or solicitor's cheque.

Completion

Completion is not subject to any condition precedent and it is expected to be take place before 12:00 noon on 28 June 2019.

Reasons for the Disposal

Taking into consideration the prevailing market conditions in real estate sector and the overall economy in Hong Kong, the Board is of the opinion that the Disposal represents a favourable opportunity to realise its investment and to enhance the liquidity of the Group.

The Directors consider the terms of the Disposal and the Agreement are fair and reasonable, and are in the best interests of the Group and its shareholders as a whole.

Information of the Group

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2292). The principal activity of the Company is investment holding and the principal business of the Company's subsidiaries are 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.

Information on the Subject Company

The Subject Company is a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Company. The Subject Company is the legal and beneficial owner of the Property.

The Property was held by the Group as investments to earn rentals and for capital appreciation purpose.

The net assets and total assets value of the Subject Company as extracted from its unaudited accounts as at 31 December 2018 was approximately HK\$43,519,000 and HK\$133,023,000 respectively.

The financial results of the Subject Company as extracted from the accounts for the two financial years ended 31 December 2018 are as follows:

| | For the year ended 31 December | |
|--|---------------------------------------|-------------------------------------|
| | 2017 | 2018 |
| | (audited) <i>(HK\$)</i> | (unaudited) <i>(HK\$)</i> |
| Net profit before taxation and extraordinary items | 14,110,000 | 2,236,000 |
| Net profit after taxation and extraordinary items | 13,617,000 | 2,222,000 |

Based on the unaudited book value of the Subject Company as at 31 December 2018 of HK\$43,519,000, the estimated gain from the Disposal (before deducting relevant expenses) is approximately HK\$3,000,000. It is intended that the proceeds from the Disposal will be 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. No specific investment project has been identified as at the date of this announcement.

Upon completion of the Disposal, the Subject Company will no longer be a subsidiary of the Group, and its financial results will no longer be consolidated into the financial statements of the Company.

Information on the Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability and its principal activity is investment holding.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Disposal are more than 5% but all of the applicable percentage ratios are less than 25%, the Agreement constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements set out in the Listing Rules.

DEFINITIONS

| | |
|-----------------|---|
| “Agreement” | the sale and purchase agreement which is a legal binding agreement entered into between the Company and the Purchaser on 25 February 2019 in relation to the Disposal |
| “Board” | the board of Directors |
| “Company” | Thing On Enterprise Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 2292) |
| “Completion” | the completion of the Disposal |
| “Consideration” | the consideration for the Disposal pursuant to the Agreement, being HK\$135,000,000 |
| “Directors” | the directors of the Company |
| “Disposal” | the Disposal of Sale Shares and Sale Loan from the Company to the Purchaser |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Property” | 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 |
| “Purchaser” | Chinese Ford Limited, a company incorporated in Hong Kong with limited liability |
| “Sale Shares” | the entire issued shares of the Subject Company wholly and beneficially owned by the Company |
| “Sale Loan” | the outstanding loan in the principal amount of HK\$ 89,484,000 due by the Subject Company to the Company as at the date of the Agreement |

| | |
|-------------------|---|
| “Subject Company” | Wealth Range Limited, a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Company, being the legal owner of the Property |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent |

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

Hong Kong, 25 February 2019

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.