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Ocean One Holding Ltd.
大洋環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8476)

**ANNOUNCEMENT OF ANNUAL RESULTS FOR
THE YEAR ENDED 31 MARCH 2018**

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of Ocean One Holding Ltd. (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- The Group recorded revenue of approximately HK\$239.8 million for the year ended 31 March 2018, representing an increase of approximately HK\$22.3 million or 10.3% as compared to the year ended 31 March 2017.
- The Group recorded a net profit attributable to the owners of the Company of approximately HK\$6.7 million for the year ended 31 March 2018, representing a decrease of approximately HK\$10.6 million as compared to the Group's net profit of approximately HK\$17.3 million for the year ended 31 March 2017. The decrease was mainly due to the recognition of the listing expenses of approximately HK\$10.6 million for the year ended 31 March 2018, as compared to approximately HK\$2.1 million incurred in the year ended 31 March 2017. By excluding these one-off listing expenses, the profit attributable to the owners of the Company would have been approximately HK\$17.2 million for the year ended 31 March 2018.
- The Board recommends the payment of a final dividend of HK2.2 cents per ordinary share for the year ended 31 March 2018.

ANNUAL RESULTS

The board of directors (the “Board”) of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2018, together with the comparative audited figures for the year ended 31 March 2017, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	NOTES	2018 HK\$'000	2017 HK\$'000
Revenue	4	239,794	217,447
Cost of goods sold		<u>(208,387)</u>	<u>(190,957)</u>
Gross profit		31,407	26,490
Other income	5	112	283
Other (loss) gain	6	(178)	4,097
Selling and distribution costs		(4,408)	(3,850)
Administrative expenses		(5,420)	(3,407)
Finance costs	7	(545)	(1,259)
Listing expenses		<u>(10,567)</u>	<u>(2,078)</u>
Profit before taxation	8	10,401	20,276
Taxation	9	<u>(3,747)</u>	<u>(3,003)</u>
Profit and total comprehensive income for the year		<u>6,654</u>	<u>17,273</u>
Earnings per share — basic (HK cents)	11	<u>2.8</u>	<u>8.2</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2018

	<i>NOTES</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Non-current asset			
Property, plant and equipment		<u>5,780</u>	<u>5,069</u>
Current assets			
Inventories		32,929	27,001
Trade and other receivables	<i>12</i>	33,412	21,675
Pledged bank deposits		1,826	1,593
Bank deposits with original maturity of more than three months		53,101	–
Bank balances and cash		<u>2,033</u>	<u>9,031</u>
		<u>123,301</u>	<u>59,300</u>
Current liabilities			
Trade and other payables	<i>13</i>	10,184	3,747
Amount due to a director		–	4,587
Amount due to a related company		–	9,460
Taxation payable		1,428	1,061
Bank overdrafts		1,705	7,901
Bank borrowings	<i>14</i>	6,042	21,971
Obligation under a finance lease		<u>119</u>	<u>119</u>
		<u>19,478</u>	<u>48,846</u>
Net current assets		<u>103,823</u>	<u>10,454</u>
Total assets less current liabilities		<u>109,603</u>	<u>15,523</u>
Non-current liabilities			
Obligation under a finance lease		210	329
Deferred taxation		<u>–</u>	<u>106</u>
		<u>210</u>	<u>435</u>
Net assets		<u>109,393</u>	<u>15,088</u>
Capital and reserves			
Share capital	<i>15</i>	2,800	–
Reserves		<u>106,593</u>	<u>15,088</u>
Total equity		<u>109,393</u>	<u>15,088</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1. GENERAL

Ocean One Holding Ltd. (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 18 April 2017 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company acts as an investment holding company and its subsidiaries are principally engaged in importing and wholesaling of frozen seafood products. The Company’s immediate and ultimate holding company is Karlson Holding Limited (“Karlson”) which was incorporated in the British Virgin Islands (“BVI”) and controlled by Mr. Chan Kin Fung (formerly known as “Mr. Chan Tsan Fong”) (“Mr. Chan”).

The shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 19 October 2017 (the “Listing”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the functional currency of the Company.

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The companies now comprising the Group underwent a group reorganisation (the “Group Reorganisation”) in preparation for the Listing. Before the completion of the Group Reorganisation, the operation of the Group was carried out by Quality Products (H.K.) Limited (“Quality Products”), which was wholly and directly owned by Mr. Chan, the controlling shareholder of the Company. The Group Reorganisation included the following steps:

- (a) On 21 March 2017, Ocean One (BVI) Holding Ltd. (“Ocean One (BVI)”) was incorporated as limited liability company in BVI by issuing one share of United States dollars (“US\$”) 1.00 to Mr. Chan.
- (b) On 31 March 2017, Ocean One (BVI) acquired the entire issued share capital of Quality Products from Mr. Chan by issuing one share of US\$1.00, credited as fully paid up.
- (c) On 18 April 2017, the Company was incorporated in the Cayman Islands with an authorised share capital of HK\$390,000 divided into 39,000,000 shares of HK\$0.01 each with one subscriber share allotted and issued as nil paid to Kelvin Butler, an independent third party. On 18 April 2017, Kelvin Butler transferred his one share to Karlson for nil consideration.
- (d) On 29 May 2017, the Company acquired the entire issued share capital of Ocean One (BVI) from Mr. Chan and in consideration and exchange, the Company allotted and issued one share to Karlson, credited as fully paid up, at the direction of Mr. Chan and credited as fully-paid up at par the one share held by Karlson. Thereafter, the Company became the holding company of the companies now comprising the Group.

The Group resulting from the Group Reorganisation, which involves interspersing the Company, Ocean One (BVI) and other investment holding company between Quality Products and Mr. Chan, is continued to be controlled by Mr. Chan and is regarded as a continuing entity. Accordingly, the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes of equity and consolidated statements of cash flows for the years ended 31 March 2018 and 2017 have been prepared to include the results, changes in equity and cash flows of the companies now comprising the Group as if the group structure upon the completion of the Group Reorganisation had been in existence throughout the periods, or since their respective dates of incorporation, where there is a shorter period. The consolidated statement of financial position of the Group as at 31 March 2017 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure upon completion of the Group Reorganisation had been in existence at that date taking into account the respective dates of incorporation, where applicable.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time in the current year.

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 7 “Disclosure Initiative”

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the followings to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

Except for the above, the HKICPA has issued a number of new and amendments to HKFRSs and interpretations are not yet effective for the year and have not been early adopted by the Group.

4. REVENUE AND SEGMENT INFORMATION

The Group’s operating activities are attributable to a single operating segment focusing on importing and wholesaling of frozen seafood products. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs that are regularly reviewed by the executive directors of the Company, the chief operating decision maker (“CODM”). The CODM reviews the results of the Group as a whole in order to assess financial performance and allocation of resources. Accordingly, the operation of the Group constitutes only one single operating segment. Other than entity wide information, no further analysis of this single segment is presented.

Entity wide information is as follows:

Revenue from major products

The following is an analysis of the Group’s revenue from its major products:

	2018 <i>HK\$’000</i>	2017 <i>HK\$’000</i>
Crabs and roe	12,996	10,628
Fishes	34,933	31,764
Octopuses and cuttlefishes	10,588	9,047
Prawns	85,241	77,872
Processed seafood products	37,854	35,255
Scallops, oysters and surf clams	43,516	41,679
Miscellaneous products	14,666	11,202
	<u>239,794</u>	<u>217,447</u>

Revenue by types of customers

The following is an analysis of the Group's revenue by types of customers:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Frozen seafood resellers	224,705	195,456
Frozen seafood catering service providers	15,089	21,991
	239,794	217,447

Geographical information

Information about the Group's revenue from external customers presented based on the geographical location of the customers is as below:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Hong Kong	210,791	186,305
Macau	26,012	31,142
Mainland China	1,791	–
Taiwan	1,200	–
	239,794	217,447

All of the Group's non-current assets are located in Hong Kong.

5. OTHER INCOME

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Interest income	106	–
Rental income (<i>Note</i>)	–	216
Others	6	67
	112	283

Note: During the year ended 31 March 2017, direct operating expenses arising from investment property that generated rental income were HK\$34,000.

6. OTHER (LOSS) GAIN

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Exchange loss, net	(178)	(416)
Gain on disposal of an investment property	–	4,513
	(178)	4,097

7. FINANCE COSTS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Interests on		
— bank borrowings	498	928
— bank overdrafts	35	319
— a finance lease	12	12
	<u>545</u>	<u>1,259</u>

8. PROFIT BEFORE TAXATION

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Directors' remuneration	1,296	1,196
Other staff costs	2,813	1,581
Retirement benefit scheme contributions for other staff	128	73
	<u>4,237</u>	<u>2,850</u>
Total staff costs		
	<u>4,237</u>	<u>2,850</u>
Auditor's remuneration	1,130	150
Cost of inventories recognised as expenses	208,387	190,957
Depreciation of property, plant and equipment	1,011	993
Depreciation of an investment property	–	45
Operating lease rentals in respect of rented premises		
— minimum lease payments	881	860
— contingent rent (<i>Note</i>)	329	330
	<u>1,210</u>	<u>1,190</u>

Note: The contingent rent refers to the operating lease rentals based on weight of the goods stored in the warehouse calculated on pre-determined rate.

9. TAXATION

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
The charge comprises:		
Hong Kong Profits Tax:		
Current tax	3,748	3,099
Underprovision in prior year	105	–
	<u>3,853</u>	<u>3,099</u>
Deferred taxation	(106)	(96)
	<u>3,747</u>	<u>3,003</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

10. DIVIDENDS

During the year ended 31 March 2017, a dividend of HK\$10,000,000, representing HK\$3.33 per share was declared and distributed by Quality Products to Mr. Chan.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2018 of HK 2.2 cents per ordinary share, in an aggregate amount of HK\$6,160,000, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Earnings for the purpose of basic earnings per share (profit for the year)	<u>6,654</u>	<u>17,273</u>
	2018	2017
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>241,452,055</u>	<u>210,000,000</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share is based on the assumption that the Group Reorganisation and the Capitalisation Issue (as defined in note 15(d)) had been effective on 1 April 2016.

No diluted earnings per share is presented as there are no potential ordinary shares during both years.

12. TRADE AND OTHER RECEIVABLES

The Group usually allows a credit period ranging from 0 to 60 days to its trade customers. The following is an aging analysis of the trade receivables presented based on the invoices dates at the end of the reporting period:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within 30 days	20,023	13,708
31 to 60 days	10,047	5,465
61 to 90 days	940	2
Over 90 days	2	2
	<u>31,012</u>	<u>19,177</u>

13. TRADE AND OTHER PAYABLES

The credit period of trade payables is ranging from 0 to 30 days.

The following is an aging and analysis of trade payables presented based on the invoice dates at the end of each reporting period:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within 30 days	<u>6,987</u>	<u>3,142</u>

14. BANK BORROWINGS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revolving loans	–	14,000
Term loans	6,042	7,971
	<u>6,042</u>	<u>21,971</u>
Variable-rate borrowings	<u>6,042</u>	<u>21,971</u>
Secured	<u>6,042</u>	<u>21,971</u>
Carrying amounts payable*		
Within one year	1,811	15,930
More than one year, but not more than two years	1,687	1,820
More than two years but not more than five years	2,544	4,221
	<u>6,042</u>	<u>21,971</u>
Amounts due within one year shown under current liabilities**	<u>6,042</u>	<u>21,971</u>

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

** The amounts contained a repayment on demand clause and are classified as current liabilities as at 31 March 2018 and 2017.

15. SHARE CAPITAL

For the purpose of these consolidated financial statements, the issued capital of the Group at 1 April 2016 represented the share capital of Quality Product. The share capital shown in the consolidated statement of financial position as at 31 March 2017 represented the issued share capital of Ocean One (BVI). The share capital shown in the consolidated statement of financial position as at 31 March 2018 represented the issued share capital of the Company.

The movement in share capital of the Company is as follows:

	<i>NOTES</i>	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each			
Authorised:			
At 18 April 2017 (date of incorporation)	<i>(a)</i>	39,000,000	390
Increase on 21 September 2017	<i>(b)</i>	<u>9,961,000,000</u>	<u>99,610</u>
At 31 March 2018		<u><u>10,000,000,000</u></u>	<u><u>100,000</u></u>
Issued and fully paid:			
Issue of shares on 18 April 2017 (date of incorporation)	<i>(a)</i>	1	–
Issue of shares upon the Group Reorganisation	<i>(c)</i>	1	–
Capitalisation Issue	<i>(d)</i>	209,999,998	2,100
Issue of shares upon public offer and placing	<i>(e)</i>	<u>70,000,000</u>	<u>700</u>
At 31 March 2018		<u><u>280,000,000</u></u>	<u><u>2,800</u></u>

Notes:

- (a) On 18 April 2017, the Company was incorporated in the Cayman Islands with an authorised share capital of HK\$390,000 divided into 39,000,000 shares of HK\$0.01 each with one subscriber share allotted and issued as nil paid to Kelvin Butler, an independent third party. On 18 April 2017, Kelvin Butler transferred his one share to Karlson for nil consideration.
- (b) On 21 September 2017, the authorised share capital of the Company was increased from HK\$390,000 divided into 39,000,000 shares to HK\$100,000,000 divided into 10,000,000,000 shares by the creation of an additional 9,961,000,000 shares, ranking pari passu in all respect with the then existing shares.
- (c) On 29 May 2017, the Company acquired the entire issued share capital of Ocean One (BVI) from Mr. Chan and in consideration and exchange, the Company allotted and issued one share to Karlson, credited as fully paid up, at the direction of Mr. Chan and credited as fully-paid up at par the one share held by Karlson.
- (d) Pursuant to the written resolutions passed by the sole shareholder of the Company on 21 September 2017, upon completion of the public offer and placing on 19 October 2017, the Company was authorised to capitalise a sum of HK\$2,099,999.98 standing to the credit of the share premium account of the Company and applied such amount to pay up in full at par of 209,999,998 ordinary shares of the Company (the “Capitalisation Issue”).
- (e) In connection with the Listing on 19 October 2017, the Company allotted and issued a total of 70,000,000 new shares at HK\$1.22 per share by way of public offer and placing.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established frozen seafood importer and wholesaler in Hong Kong with over 15 years of experience in the frozen seafood import and wholesale industry. It supplies a diverse and wide range of frozen seafood products with more than 80 product varieties to over 250 customers which are mainly frozen seafood resellers and frozen seafood catering service providers.

For the year ended 31 March 2018, the Group recorded a net profit of approximately HK\$6.7 million as compared to a net profit of approximately HK\$17.3 million for the year ended 31 March 2017. The Directors are of the view that the decrease in net profit was mainly attributable to the non-recurring listing expenses incurred during the year. Set aside the listing expenses, the Group's net profit for the year ended 31 March 2018 would be HK\$17.2 million. In view of the steady revenue growth and higher gross profit margin achieved for the year ended 31 March 2018 as compared to the same period last year, the Directors are cautiously optimistic about the Group's business outlook.

OUTLOOK

The Shares of the Company were successfully listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 October 2017. The Directors believe that the Listing could enhance the Group's profile and further strengthen the Group's reputation in the industry, which in turn helps maintaining the business relationship with the existing suppliers and customers, and exploring potential business opportunities with new suppliers and customers.

The net proceeds from the Share Offer will provide financial resources to the Group to meet and achieve its business opportunities and strategies which will further strengthen the Group's market position in the frozen seafood import and wholesale industry in Hong Kong.

The Group has obtained sale agency arrangements with a number of new foreign suppliers during the year, and will continue to pursue for additional exclusive agency or sale agency arrangements with existing and new foreign suppliers to further enrich our product portfolio and to maintain our competitiveness by carrying a broader product portfolio. The Group shall continue to strive and achieve the business objectives as stated in the prospectus issued by the Company dated 29 September 2017 ("Prospectus").

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 10.3% from approximately HK\$217.4 million for the year ended 31 March 2017 to approximately HK\$239.8 million for the year ended 31 March 2018, primarily attributable to the increase in the sales of prawns such as Argentina red prawn and MAR Brand red shrimp, miscellaneous products such as baked mini sweet potatoes, fried sesame chicken wings and roasted seaweed, and seasoned salmon roe under the crabs and roe products, all with strong demand from our customers.

Cost of goods sold

Our cost of goods sold mainly represents the costs of products sold net of purchases discounts and incentives, shipping handling charges and transportation costs. The Group's cost of goods sold for the year ended 31 March 2018 was approximately HK\$208.4 million, representing an increase of approximately 9.1% from approximately HK\$191.0 million for the year ended 31 March 2017, such increase was generally in line with the increase in our revenue.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 March 2018 was approximately HK\$31.4 million, representing an increase of approximately 18.6% from approximately HK\$26.5 million for the year ended 31 March 2017. The Group's gross profit margin for the year ended 31 March 2018 was approximately 13.1%, representing an increase of approximately 0.9 percentage points as compared to approximately 12.2% for the year ended 31 March 2017. The increase in gross profit and gross profit margin was mainly attributable to the sales of various high margin products such as roasted seaweed, capelin roe, flying fish roe and seasoned salmon roe, and mainly due to more frequent review of our product price lists according to the latest market conditions.

Selling and distribution costs

Our selling and distribution costs mainly comprise of staff costs of our logistics and warehouse team, warehouse rental, depreciation in our warehouse, warehouse utilities and transportation expenses. The Group's selling and distribution costs for the year ended 31 March 2018 was approximately HK\$4.4 million, representing an increase of approximately 14.5% from approximately HK\$3.9 million for the year ended 31 March 2017. The increase in selling and distribution costs of the Group was mainly due to the increase in warehouse and logistic staffs. The selling and distribution costs accounted for approximately 1.8% and 1.8% of the total revenue for the year ended 31 March 2018 and 2017 respectively.

Administrative expenses

For the year ended 31 March 2018, the Group's administrative expenses primarily comprised of staff costs for administrative and management personnel, directors' remuneration, auditor's remuneration, rent rates and management fee for office, office utilities, depreciation and insurance. Administrative expenses increased from approximately HK\$3.4 million for the year ended 31 March 2017 to approximately HK\$5.4 million for the year ended 31 March 2018. The increase in administrative expenses of the Group was mainly due to hiring of management staff and increase in auditor's remuneration to cope with the needs of compliance work as a result of the listing status.

Listing expenses

Listing expenses comprised professional and other expenses in relation to the Listing. The listing expenses amounted to approximately HK\$10.6 million for the year ended 31 March 2018, and approximately HK\$2.1 million for the year ended 31 March 2017.

Finance costs

Finance costs represented interests on bank borrowings, obligation under a finance lease, and bank overdrafts. Finance costs decreased from approximately HK\$1.3 million for the year ended 31 March 2017 to approximately HK\$0.5 million for the year ended 31 March 2018, the decrease was mainly due to reduction in import invoice financing and bank overdrafts.

Taxation

For the year ended 31 March 2018 and 2017, our taxation was approximately HK\$3.7 million and HK\$3.0 million, respectively, increased by approximately HK\$0.7 million or 24.7%, which was consistent with the increase in estimated assessable profits.

Profit for the year

For the year ended 31 March 2018, the Group's profit and total comprehensive income attributable to the owners of the Company was approximately HK\$6.7 million as compared to approximately HK\$17.3 million for the year ended 31 March 2017. The decrease was mainly attributable to the non-recurring listing expenses incurred during the period. By excluding the listing expenses, the Group's net profit for the year ended 31 March 2018 would be HK\$17.2 million, representing a decrease of approximately HK\$0.1 million as compared to the year ended 31 March 2017.

USE OF NET PROCEEDS FROM THE SHARE OFFER

The net proceeds from the Listing (after deducting the underwriting fees and other listing expenses borne by the Company) amounted to approximately HK\$63.0 million which will be used for the intended purposes as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus. Set out below is the actual utilization of net proceeds up to 31 March 2018:

	Net proceeds <i>HK\$'000</i>	Utilised <i>HK\$'000</i>	Unutilised <i>HK\$'000</i>
Strengthening our warehouse storage capability	29,632	–	29,632
Enhancing our logistics capability	8,376	1,710	6,666
Broadening our product offerings by entering into exclusive agency agreements and/or sale agency agreements	21,504	4,301	17,203
General working capital of our Group	3,494	–	3,494
	<u>63,006</u>	<u>6,011</u>	<u>56,995</u>
Total	<u>63,006</u>	<u>6,011</u>	<u>56,995</u>

In regard to strengthening our warehouse storage capability, according to the Prospectus the Group will acquire a new warehouse locating in Tsuen Wan. Up to the date of this announcement, the Group is in the process of identifying a suitable property to be acquired and the net proceeds assigned for this purpose remains unutilised.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group finances its liquidity and capital requirements primarily through cash generated from operations, net proceeds from the listing and bank borrowings.

As at 31 March 2018, the Group had cash and cash equivalents of approximately HK\$55.1 million (31 March 2017: HK\$9.0 million).

As at 31 March 2018, the Group's total equity attributable to the owners of the Company amounted to approximately HK\$109.4 million (31 March 2017: HK\$15.1 million). As of the same date, the Group's total debt, comprising bank overdrafts, bank borrowings and obligation under a finance lease, amounted to approximately HK\$8.1 million (31 March 2017: HK\$30.3 million).

On 19 October 2017, 21,000,000 and 49,000,000 ordinary shares of HK\$0.01 each of the Company were issued at HK\$1.22 per share by way of public offer and placing, respectively. On the same date, the Company's shares were listed on the GEM of the Stock Exchange.

The net proceeds from the Listing amounted to approximately HK\$63.0 million. The Directors believe that with the new capital from the share offer, the Group is in a healthy financial position to expand its business and achieve its business objectives.

BORROWINGS AND GEARING RATIO

As at 31 March 2018, the Group had total bank borrowings of approximately HK\$8.1 million (31 March 2017: HK\$30.3 million). The Group's bank borrowings were primarily used in financing the working capital requirement of its operations, while the obligations under a finance lease was for the acquisition of a motor vehicle to support its operations.

As at 31 March 2018, the gearing ratio of the Group, calculated by dividing total bank borrowings, bank overdrafts and obligations under a finance lease with total equity and multiplied by 100%, was approximately 7.4% (31 March 2017: 201.0%).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the year ended 31 March 2018, the Group did not have any significant investment, material acquisition or disposal of subsidiaries and affiliated companies.

FOREIGN EXCHANGE EXPOSURE

As the Group conducts business with a number of overseas suppliers, such as those in Japan, Vietnam and China, certain of the product costs or payments are denominated in foreign currencies such as Japanese Yen and United States Dollars, which are currencies different from the revenue which is mainly in Hong Kong Dollars. As a result, the Group is exposed to foreign exchange risk.

By adopting a cost-plus pricing model, the Group is generally able to pass on the cost arising from exchange rate fluctuations to the customers; and the management is closely monitoring the movement of relevant exchange rates to ensure the net exposure is kept at an acceptable level. The Directors consider that the exposure to foreign exchange risk is insignificant and it is currently not necessary to adopt any hedging strategy.

TREASURY POLICIES

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

PLEDGE OF GROUP ASSETS

As at 31 March 2018, the Group has pledged its leasehold land and buildings and pledged bank deposits total amounted to approximately HK\$5.4 million (31 March 2017: HK\$5.3 million) to secure the bank borrowings and banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2018, the Group did not have any material contingent liabilities. As at 31 March 2017, the Group provided guarantees given to a bank in respect of banking facility granted to Eastern Mark Limited, a related company controlled by Mr. Chan Kin Fung, of approximately HK\$17.6 million.

COMMITMENTS

The contractual commitments mainly involve rental payable by the Group in respect of the leased office and cold storage warehouse and a car park under non-cancellable operating leases. As at 31 March 2018, the Group's operating lease commitments were approximately HK\$1.7 million (31 March 2017: Nil).

SEGMENT INFORMATION

The Group principally operates in one business segment, which is the importing and wholesaling of frozen seafood products in Hong Kong.

INFORMATION ON EMPLOYEES

As at 31 March 2018, the Group had 15 employees working in Hong Kong (31 March 2017: 16). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of trainings were provided to the employees. The total staff cost (including remuneration of Directors and mandatory provident funds contributions) for the year ended 31 March 2018 amounted to approximately HK\$4.2 million (31 March 2017: HK\$2.9 million).

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICE

The Board of Directors (the "Board") recognizes the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company's corporate governance practices are based on the principles of good corporate governance as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules (the "CG Code") and in relation to, among others, the Directors, Chairman and Chief Executive Officer, Board composition, the appointment, re-election and removal of Directors, their responsibilities and remuneration and communications with the shareholders of the Company.

The Company was listed on the GEM of the Stock Exchange on 19 October 2017 (the "Listing Date"). To the best knowledge of the Board, the Company has complied with the code provisions in the CG Code from the Listing Date up to the date of this announcement.

The Board will review and monitor the practices of the Company from time to time with an aim to maintain and improve high standards of corporate governance practices.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to paragraph A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual.

Mr. Chan Kin Fung (“Mr. Chan”) is the chairman and the chief executive officer of our Group. Considering that Mr. Chan has been operating and involved in the management of our Group since 2002, our Directors believe that it is in the best interests of our Group to have Mr. Chan taking up both roles for the purpose of ensuring consistent leadership of our Group and for effective management, business development and overall strategic planning for our Group. Therefore, the Board considers that the deviation from paragraph A.2.1 of the CG Code is appropriate in such circumstances. From a corporate governance point of view, the decisions of the Board are made collectively by way of voting and therefore the chairman should not be able to monopolise the voting of the Board. The Board considers that the balance of power between the Board and our senior management can still be maintained under the current structure. The Board shall review the structure from time to time to ensure appropriate action is taken should the need arise.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code for dealing in securities of the Company by the Directors (the “Model Code”). Having made specific enquiry, all the Directors have confirmed that they have complied with the Model Code from the Listing Date to 31 March 2018.

In addition, the Company has also adopted provisions of the Model Code as written guidelines for relevant employees in respect of their dealings in the securities of the Company. Such relevant employees did and would abide by the provisions of the Model Code. Besides, the Company has adopted internal control policy in relation to the disclosure of inside information of the Company (the “Inside Information Policy”).

No incident of non-compliance of the Model Code and/or the Inside Information Policy by such relevant employees was noted by the Company from the Listing Date up to the date of this announcement.

PURCHASE, SALES OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries have purchased, sold or redeemed any listed securities of the Company from the Listing Date up to the date of this announcement.

COMPETING INTEREST

As at the Listing Date and up to the date of this announcement, none of the Directors or the Controlling Shareholders of the Company or their close associates (as defined in the GEM Listing Rules) is interested in any business which competes or may compete, either directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

INTERESTS OF THE COMPLIANCE ADVISER

As confirmed by the Group's compliance adviser, Innovax Capital Limited (the "Compliance Adviser"), save as the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 26 September 2017, none of the Compliance Adviser or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group as at 31 March 2018, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

EVENT AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2018 and up to the date of this announcement.

REVIEW OF ANNUAL RESULTS

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2018 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

AUDIT COMMITTEE

The audit committee was established on 21 September 2017 with written terms of reference in accordance with Rule 5.28 of the GEM Listing Rules and in compliance with paragraph C.3 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The audit committee currently consists of three independent non-executive Directors and is chaired by Mr. So Yuk Ki. The other members are Mr. Lee Kam Wan and Dr. Leung Wai Ping Noel. The written terms of reference of the audit committee are posted on the GEM website and on the Company's website.

The primary duties of the audit committee are to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of the Group.

The audit committee has reviewed the audited consolidated financial statements and the results for the year ended 31 March 2018 with the management, and are of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on or about Thursday, 23 August 2018 (the “2018 AGM”). A notice convening the 2018 AGM will be published and despatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the 2018 AGM, the register of members of the Company will be closed from Monday, 20 August 2018 to Thursday, 23 August 2018, both days inclusive, during which period no transfer of the shares of the Company can be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Friday, 17 August 2018.

By order of the Board
Ocean One Holding Ltd.
Chan Kin Fung
Chairman of the Board,
Chief Executive Officer and Executive Director

Hong Kong, 25 June 2018

As at the date of this announcement, the Board comprises Mr. Chan Kin Fung and Ms. Tse Chun Ha Amy as executive Directors; Mr. So Yuk Ki, Mr. Lee Kam Wan and Dr. Leung Wai Ping Noel as independent non-executive Directors.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company’s website at www.oceanoneholding.com.