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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)

MAJOR TRANSACTION
ACQUISITION OF A PROPERTY HOLDING COMPANY
AND TWO LORRY PARKING SPACES

ACQUISITION

The Board wishes to announce that on 27 July 2018 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement A with Vendor A to acquire the Sale Share, representing the entire issued share capital of Billiant Bright, which will solely own the Property A, at a total consideration of HK\$47 million, and on the same date the Purchaser entered into the Provisional Agreement B with Vendor B to acquire Property B at a total consideration of HK\$5.3 million. It is expected that the Acquisitions will complete on or before 27 September 2018.

GEM LISTING RULES IMPLICATIONS

As the Acquisitions will be made within a 12 month period and the ultimate beneficial owner of Vendor A and Vendor B is the same, the Acquisitions are aggregated pursuant to Rule 19.22 of the GEM Listing Rules. As the highest applicable percentage ratio (as defined under Chapter 19 of the GEM Listing Rules) in respect of the Acquisitions is more than 25% but less than 100%, the Acquisitions constitute a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Acquisitions. A written Shareholder's approval dated 27 July 2018 has been obtained from Karlson Holding Limited (which as at the date of this announcement held 210,000,000 shares in the Company, representing approximately 75.0% of the issued share capital of the Company) in respect of the Acquisitions. Such written approval has been accepted in lieu of holding a general meeting of the Company for approving the Acquisitions. Therefore, no general meeting of the Company will be convened for approving the Acquisitions pursuant to Rule 19.44 of the GEM Listing Rules.

A Circular containing, among other things, details of the Acquisitions and other information as required under the GEM Listing Rules is expected to be despatched to the Shareholders on or before 17 August 2018. If additional time is required for preparing the Circular, the Company may apply for a waiver from strict compliance of Rule 19.41(a) of the GEM Listing Rules.

INTRODUCTION

On 27 July 2018 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement A with Vendor A to acquire the Sale Share, representing the entire issued share capital of Billiant Bright, which will solely own the Property A, at a total consideration of HK\$47 million, and on the same date the Purchaser entered into the Provisional Agreement B with Vendor B to acquire Property B at a total consideration of HK\$5.3 million. It is expected that the Acquisitions will be completed on or before 27 September 2018.

THE PROVISIONAL AGREEMENT A

Date: 27 July 2018

Parties: (1) Vendor A
(2) The Purchaser
(3) The Guarantor

Consideration: HK\$47 million

Stamp Duty: All stamp duty shall be borne by the Purchaser

Interests to be acquired

Pursuant to the terms and conditions of the Provisional Agreement A, Vendor A shall sell and the Purchaser shall acquire the Sale Share, representing the entire issued share capital of Billiant Bright, which will solely own the Property A comprising Unit 3 together with air handling plant room on 10/F of High Block of Cheung Fung Industrial Building, 23–39 Pak Tin Par Street, Tsuen Wan, together with a car park No. P6 on the 1/F.

Consideration

The purchase price in the aggregate amount of HK\$47 million for the acquisition is to be satisfied by the Purchaser in the following manner:

- (1) HK\$2,285,000.00, was paid to Vendor A upon signing of the Provisional Agreement A as initial deposit;
- (2) HK\$2,415,000.00, is payable upon the signing of the Formal Agreement A on or before 23 August 2018 as further deposit; and

- (3) the remaining balance of HK\$42,300,000.00, equivalent to 90% of the purchase price, is to be paid upon completion of the acquisition, which is expected to take place on or before 27 September 2018.

It is estimated that the total cost of the acquisition together with transaction costs such as stamp duty and property agent commission will be approximately HK\$47.1 million.

The purchase price was determined after arm's length negotiations between Vendor A and the Purchaser on normal commercial terms with reference to (i) the market value of similar properties in similar locations, and (ii) the preliminary value of the Property A at HK\$47 million as at 26 July 2018 as appraised by Asset Appraisal Limited, an independent property valuer appointed by the Company. The Directors (including the independent non-executive Directors) believe that the purchase price is fair and reasonable and in the interests of the Company and the Shareholders as a whole. It is expected that the purchase price will be financed as to (i) approximately HK\$25.9 million from the Share Offer (as defined in the Prospectus); (ii) approximately HK\$21.1 million from the Group's own operating cash flow. The Board confirms that the financing arrangement of the acquisition is consistent with the use of net proceeds as stated in the Prospectus.

A valuation report of the Property A to be issued by Asset Appraisal Limited will be contained in the Circular to be despatched to the Shareholders.

Guarantee

The Guarantor, being the ultimate beneficial owner of Vendor A, agrees to guarantee the due performance of all the obligations of Vendor A in the Provisional Agreement A to the Purchaser, and to indemnify the Purchaser against all losses, costs, expenses and damages by reason of or in connection with any failure of Vendor A to perform any of Vendor A's obligations or breach of any of the warranties.

Conditions Precedent

Completion is subject to the satisfaction or waiver of the conditions precedent on or before the target completion date. The conditions precedent include amongst others, the following:

1. Billiant Bright, which is wholly-owned by Vendor A, has to complete the acquisition of the Property A from its previous landlord on or before 31 July 2018;
2. Vendor A shall have to prove good title to the Sale Share, the shareholder's loan and the Property A to the Purchaser, Vendor A warrants that the Property A shall be free from all encumbrances as at the completion date;
3. Vendor A shall execute a deed of assignment of loan to assign all the loans, debt and other obligations due and owing by Billiant Bright to Vendor A as at the completion date to the Purchaser. The parties agree that the purchase price includes the consideration for the assignment of the shareholder's loan;

4. Vendor A shall provide all the title deeds of the Property A and Billiant Bright's documents, records and accounts to the Purchaser's solicitors/accountant within one calendar month from the date of Provisional Agreement A for the perusal and due diligence checking, and the result of which is reasonably satisfactory to the Purchaser; and
5. Vendor A warrants that Billiant Bright has not carried out any business save and except the holding of the Property A and has never employed any employee up to the completion date.

Formal Agreement and Completion

Pursuant to the terms of the Provisional Agreement A, the parties will enter into the Formal Agreement A on or before 23 August 2018 and completion of the acquisition shall take place on or before 27 September 2018.

THE PROVISIONAL AGREEMENT B

Date: 27 July 2018

Parties: (1) Vendor B
(2) The Purchaser

Consideration: HK\$5.3 million

Stamp Duty: All stamp duty shall be borne by the Purchaser

Assets to be acquired

Pursuant to the terms and conditions of the Provisional Agreement B, Vendor B shall sell and the Purchaser shall acquire Property B comprising two lorry parking spaces located at Car park No. L7 and L15 on 1/F of High Block of Cheung Fung Industrial Building, 23–39 Pak Tin Par Street, Tsuen Wan.

Consideration

The purchase price in the aggregate amount of HK\$5.3 million for the acquisition is to be satisfied by the Purchaser in the following manner:

- (1) HK\$265,000.00, was paid to Vendor B upon signing of the Provisional Agreement B as initial deposit;
- (2) HK\$265,000.00, is payable upon the signing of the Formal Agreement B on or before 23 August 2018 as further deposit; and
- (3) the remaining balance of HK\$4,770,000.00, equivalent to 90% of the purchase price, is to be paid upon completion of the acquisition, which is expected to take place on or before 27 September 2018.

It is estimated that the total cost of the acquisition together with transaction costs such as stamp duty and property agent commission will be approximately HK\$5.6 million.

The purchase price was determined after arm's length negotiations between Vendor B and the Purchaser on normal commercial terms with reference to (i) the market value of similar properties in similar locations, and (ii) the preliminary value of the Property B at HK\$5.6 million as at 26 July 2018 as appraised by Asset Appraisal Limited, an independent property valuer appointed by the Company. The Directors (including the independent non-executive Directors) believe that the purchase price is fair and reasonable and in the interests of the Company and the Shareholders as a whole. It is expected that the purchase price will be financed from the Group's own operating cash flow.

A valuation report of the Property B to be issued by Asset Appraisal Limited will be contained in the Circular to be despatched to the Shareholders.

Formal Agreement and Completion

Pursuant to the terms of the Provisional Agreement B, the parties will enter into the Formal Agreement B on or before 23 August 2018 and completion of the acquisition shall take place on or before 27 September 2018.

INFORMATION ON BILLIANT BRIGHT

Billiant Bright is a company incorporated in Hong Kong on 27 March 2018 with limited liability and will be the sole owner of Property A. The principal business of Billiant Bright is property holding.

As Billiant Bright was incorporated on 27 March 2018, the unaudited net profit before and after tax of Billiant Bright for the period from the date of incorporation to 30 June 2018 was nil, and the unaudited net asset value of Billiant Bright as at 30 June 2018 was nil.

Upon completion of the acquisition by the Purchaser, Billiant Bright will become an indirect wholly-owned subsidiary of the Company.

INFORMATION ON VENDOR A AND THE GUARANTOR

Vendor A is a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in investment holdings. The Guarantor is the ultimate beneficial owner of Vendor A.

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, Vendor A and the Guarantor are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

The Directors also confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, there is no prior transaction with Vendor A or the Guarantor which is required to be aggregated with the Acquisition pursuant to Rule 19.22 of the GEM Listing Rules.

INFORMATION ON VENDOR B

Vendor B is a company incorporated in Hong Kong with limited liability, which is principally engaged in property investment. The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, Vendor B, its immediate holding company and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

The Directors also confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, there is no prior transaction with Vendor B which is required to be aggregated with the Acquisition pursuant to Rule 19.22 of the GEM Listing Rules.

INFORMATION ON THE PURCHASER AND THE GROUP

The Purchaser is an indirect wholly-owned subsidiary of the Company and is incorporated on 10 July 2018 principally engages in property holding.

The Group is engaged in the import business and wholesale business of frozen seafood. As disclosed in the management discussion and analysis in the Company's 2018 Annual Report dated 25 June 2018, the Group is in the process of identifying a suitable property locating in Tsuen Wan and to acquire it as the new warehouse, in order to strengthen our warehouse storage capability to cater for future business growth.

REASONS FOR THE ACQUISITIONS

As disclosed in the Prospectus, the Company intends to use part of the net proceeds from the Share Offer (as defined in the Prospectus) of approximately 47.01% or HK\$27.55 million for acquisition of a property to strengthen the Group's warehouse storage capability. The Directors consider that the Acquisitions will, amongst other things, (i) cater for the Group's future business growth; (ii) mitigate the risk of possible substantial increases in warehouse rental expenses; and (iii) mitigate the risk of shortage of external cold storage warehouse facilities due to high demand but with limited supply.

Taking into account the above factors, the Directors consider that the terms of the Acquisitions is on normal commercial terms and is fair and reasonable, and the Acquisitions is in the interests of the Shareholders and the Company as a whole.

None of the Directors has any interests in the Acquisitions and therefore, none of them has abstained from voting on the Board resolutions which approved the Acquisitions.

GEM LISTING RULES IMPLICATIONS

As the Acquisitions will be made within a 12 month period and the ultimate beneficial owner of Vendor A and Vendor B is the same, the Acquisitions are aggregated pursuant to Rule 19.22 of the GEM Listing Rules. As the highest applicable percentage ratio (as defined under Chapter 19 of the GEM Listing Rules) in respect of the Acquisitions is more than 25% but less than 100%, the Acquisitions constitute a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Acquisitions. A written Shareholder's approval dated 27 July 2018 has been obtained from Karlson Holding Ltd. (which as at the date of this announcement held 210,000,000 shares in the Company, representing approximately 75.0% of the issued share capital of the Company) in respect of the Acquisitions. Such written approval has been accepted in lieu of holding a general meeting of the Company for approving the Acquisitions. Therefore, no general meeting of the Company will be convened for approving the Acquisitions pursuant to Rule 19.44 of the GEM Listing Rules.

A Circular containing, among other things, details of the Acquisitions and other information as required under the GEM Listing Rules is expected to be despatched to the Shareholders on or before 17 August 2018. If additional time is required for preparing the Circular, the Company may apply for a waiver from strict compliance of Rule 19.41(a) of the GEM Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Acquisitions”	the acquisition of the Sale Share by the Purchaser from Vendor A, and the acquisition of the Property B from Vendor B
“Billiant Bright”	Billiant Bright Properties Limited, a company incorporated on 27 March 2018 in Hong Kong with limited liability and will be the sole registered and beneficial owner of Property A
“Board”	the board of Directors of the Company
“Circular”	a circular of the Company containing, among other things, details of the Acquisitions and other information as required under the GEM Listing Rules
“Company”	Ocean One Holding Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8476)
“controlling shareholder”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the directors of the Company
“Formal Agreement A”	the formal sale and purchase agreement in relation to the acquisition of Property A to be entered into between the Purchaser and Vendor A

“Formal Agreement B”	the formal sale and purchase agreement in relation to the acquisition of Property B to be entered into between the Purchaser and Vendor B
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Guarantor”	the ultimate beneficial owner of Vendor A and Vendor B
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“percentage ratios”	have the meaning ascribed to such term in Chapter 19 of the GEM Listing Rules
“Provisional Agreement A”	the provisional agreement in relation to the acquisition of Property A entered into between the Purchaser and Vendor A dated 27 July 2018
“Provisional Agreement B”	the provisional agreement in relation to the acquisition of Property B entered into between the Purchaser and Vendor B dated 27 July 2018
“Property A”	Unit 3 together with air handling plant room on 10/F of High Block of Cheung Fung Industrial Building, 23–39 Pak Tin Par Street, Tsuen Wan, together with a car park No. P6 on the 1/F
“Property B”	Car park No. L7 and L15 on 1/F of High Block of Cheung Fung Industrial Building, 23–39 Pak Tin Par Street, Tsuen Wan
“Prospectus”	the prospectus of the Company dated 27 September 2017
“Purchaser”	Ocean One Property (H.K.) Limited, a company incorporated on 10 July 2018 in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Karlson Holding Ltd.”	a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company
“Sale Share”	1 share of Billiant Bright, representing its entire issued share capital

“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor A”	Dragon Access Holdings Limited, a company incorporated in the British Virgin Islands on 18 May 2012 with limited liability
“Vendor B”	Billion Rich Properties Limited, a company incorporated in Hong Kong on 10 October 2017 with limited liability, with Vendor A being its immediate holding company
“%”	per cent.

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

Hong Kong, 27 July 2018

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.

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