

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Ocean One Holding Ltd. (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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**

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All capitalised terms used in this circular have the meaning set out in the section headed “Definitions” of this circular.

A letter from the Board containing details of the Acquisitions is set out on pages 4 to 11 of this circular.

The Company has obtained written Shareholders’ approval for the Acquisitions pursuant to Rule 19.44 of the GEM Listing Rules from the Relevant Shareholders who form a closely allied group of Shareholders and together hold more than 50% of the voting rights at a general meeting to approve the Acquisitions. Accordingly, no Shareholders’ meeting will be held to approve the Acquisitions pursuant to Rule 19.44 of the GEM Listing Rules. This circular is being despatched to the Shareholders for information only.

27 September 2018

## **CHARACTERISTICS OF GEM**

**GEM has been positioned as a market designed to accommodate small and mid-sized 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.**

**Given that the companies listed on GEM are generally small and mid-sized companies, 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.**

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following respective meanings:*

“Acquisitions”	the acquisition of the Sale Share by the Purchaser from Vendor A, and the acquisition of Property B from Vendor B
“Announcement”	the Company’s announcement dated 27 July 2018 in relation to the Acquisitions
“Billiant Bright” or the “Target Company”	Billiant Bright Properties Limited, a company incorporated on 27 March 2018 in Hong Kong with limited liability and is 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)
“Completion”	completion of the Acquisitions in accordance with the terms and subject to the conditions of the formal sale and purchase agreements in relation to the Acquisitions
“Conditions”	the conditions precedent to the Completion as contained in the formal sale and purchase agreements and summarized in the subparagraph headed “Conditions Precedent” under the paragraph headed “The Acquisition” in this circular
“controlling shareholder”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the directors of the Company
“Enlarged Group”	the Group and the Target 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

## DEFINITIONS

“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
“Karlson Holding Ltd.”	a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company
“Latest Practicable Date”	24 September 2018, being the latest practicable date for ascertaining certain information prior to the printing of this circular
“percentage ratios”	have the meaning ascribed to such term in Chapter 19 of the GEM Listing Rules
“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 29 September 2017
“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
“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
“Sale Share”	1 share of Billiant Bright, representing its entire issued share capital

## DEFINITIONS

“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

**LETTER FROM THE BOARD**

**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)**

*Executive Directors:*

Mr. Chan Kin Fung

*(Chairman and Chief Executive Officer)*

Ms. Tse Chun Ha Amy

*Registered Office:*

Cricket Square, Hutchins Drive

PO Box 2681, Grand Cayman

KY1-1111

Cayman Islands

*Independent Non-executive Directors:*

Mr. So Yuk Ki

Mr. Lee Kam Wan

Dr. Leung Wai Ping Noel

*Head Office and Principal Place of*

*Business in Hong Kong:*

Unit B, 5/F, Goodwill Industrial Building

36-44 Pak Tin Par Street

Tsuen Wan

Hong Kong

27 September 2018

*To the Shareholders*

Dear Sir or Madam,

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

**INTRODUCTION**

References are made to the Announcement in relation to, among other matters, the Acquisitions which constituted a major transaction for the Company under Chapter 19 of the GEM Listing Rules.

On 27 July 2018, 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 solely owns 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.

On 23 August 2018, the Purchaser entered into the Formal Agreement B with Vendor B to acquire Property B, and on 31 August 2018 the Purchaser entered into the Formal Agreement A with Vendor A to acquire the Sales Share. It is expected that the Acquisitions will be completed on or before 27 September 2018.

## LETTER FROM THE BOARD

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 Latest Practicable Date 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.

The purpose of this circular is to provide you with further information regarding the Acquisitions and other information as required under the GEM Listing Rules.

### THE AGREEMENTS AND THE ACQUISITIONS

#### 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 solely owns 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. Vacant possession of the Property A will be delivered to the Purchaser on Completion.

#### *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, was paid upon the signing of the Formal Agreement A on 23 August 2018 as further deposit; and



## LETTER FROM THE BOARD

- (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 of the Property A has been carried out by Asset Appraisal Limited, which valued the market value of the Property A in existing state at HK\$47 million as at 26 July 2018. The valuation report of the Property A performed by Asset Appraisal Limited is set out in Appendix II to this circular.

### *Guarantee*

The Guarantor, being the ultimate beneficial owner of Vendor A, pursuant to the Formal Agreement A agrees to guarantee the due performance of all the obligations of Vendor A in the Formal 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.

The Company has engaged the legal adviser to carry out legal and background check against the Guarantor and with no negative record being identified. To the best of the Directors' knowledge, information and belief, the Guarantor is a merchant and is able to indemnify against all losses and damages arising from Vendor A's failure to perform 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. 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;

## LETTER FROM THE BOARD

2. 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;
3. 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
4. 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*

The Formal Agreement A has been entered into between the Purchaser and Vendor A on 31 August 2018, which contains substantially the same material terms of the Provisional Agreement A. Subject to the satisfaction or waiver of the conditions precedent, Completion will 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 as initial deposit;

## LETTER FROM THE BOARD

- (2) HK\$265,000.00, was paid upon the signing of the Formal Agreement B on 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 of the Property B has been carried out by Asset Appraisal Limited, which valued the market value of the Property B in existing state at HK\$5.6 million as at 26 July 2018. The valuation report of the Property B performed by Asset Appraisal Limited is set out in Appendix II to this circular.

### *Formal Agreement and Completion*

The Formal Agreement B has been entered into between the Purchaser and Vendor B on 23 August 2018, which contains substantially the same material terms of the Provisional Agreement B, 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 is 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 audited net loss before and after tax of Billiant Bright for the period from the date of incorporation to 31 August 2018 was HK\$140,000, and the audited net liabilities of Billiant Bright as at 31 August 2018 was HK\$140,000.

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

## **LETTER FROM THE BOARD**

### **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 incorporated on 10 July 2018 and 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 for the year ended 31 March 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 Acquisition 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.

## **LETTER FROM THE BOARD**

Property A will be used as the Company's new warehouse to provide additional cold storage capacity, and Property B will provide the parking spaces for loading and unloading of goods.

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 interest of the Company and the Shareholders 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.

### **FINANCIAL EFFECT OF THE ACQUISITIONS**

Property A and Property B will be held as leasehold land and building under property, plant and equipment in the Group after completion. The property, plant and equipment of the Group is expected to increase by approximately HK\$52,807,000, representing the sum of purchase prices, agency fee, stamp duties and other expenses incurred for the Acquisitions; the total assets and net asset value of the Group is expected to remain at a similar level as the increase in property, plant and equipment is offset by the decrease in bank balance and increase in bank borrowings. The Group expects the Acquisitions will increase the annual depreciation charges by approximately HK\$1,810,000. However, the above estimated depreciation charge is expected to be offset by annual savings of approximately HK\$1,445,000 in rental expenses.

The aggregate of the remuneration payable to and benefits in kind receivable by the Directors will not be varied in consequence of such acquisition.

### **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 the Announcement and this circular 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.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Acquisitions are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information as set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Ocean One Holding Ltd.**  
**Chan Kin Fung**  
*Chairman of the Board, Chief Executive Officer  
and Executive Director*

## 1. FINANCIAL SUMMARY OF THE GROUP

Financial information of the Group (i) for the year ended 31 March 2016 is set out in the Accountant's Report included in the Company's Prospectus; and (ii) for the two financial years ended 31 March 2017 and 2018 are disclosed on pages 39 to 81 of the 2018 annual report of the Company released on 28 June 2018. All of these financial statements have been published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.oceanoneholding.com](http://www.oceanoneholding.com):

- the Prospectus of the Company published on 29 September 2017 can be accessed by the direct hyperlink below:

<http://www.hkexnews.hk/listedco/listconews/GEM/2017/0929/GLN20170929049.pdf>

- 2018 annual report of the Company released on 28 June 2018 can be accessed by the direct hyperlink below:

<http://www.hkexnews.hk/listedco/listconews/GEM/2018/0628/GLN20180628023.pdf>

## 2. WORKING CAPITAL

After due and careful enquiry, the Directors are of the opinion that, after taking into account the effect of the Acquisitions and the present available financial resources of the Group including our internally generated funds and available banking facilities, the Group has sufficient working capital for its present requirements, that is for the next 12 months from the date of this circular in the absence of unforeseen circumstances.

## 3. STATEMENT OF INDEBTEDNESS

### Bank overdrafts

At the close of business on 31 August 2018, being the latest practicable date for ascertaining this information prior to the printing of this circular, the Group did not incur any bank overdrafts.

### Bank borrowings

At the close of business on 31 August 2018, being the latest practicable date for ascertaining this information prior to the printing of this circular, the Group had bank borrowings which comprised of term loans and mortgage loan amounting to approximately HK\$5.2 million, the Group's bank borrowings were primarily used in financing the working capital requirement of the operations.

As at 31 August 2018, being the latest practicable date for the purpose of the indebtedness statement, the Group had aggregate bank facilities of approximately HK\$43 million, which were secured by leasehold properties, pledged bank deposits and corporate guarantee provided by the Company, and none of the aggregate bank facilities were utilized.

**Obligation under a finance lease**

The Group leased a motor vehicle under finance lease with lease term of five years. As at 31 August 2018, the obligation under the finance lease was approximately HK\$279,000. The Group's obligation under the finance lease is unguaranteed and secured by the lessor's charge over the leased asset.

Save as aforesaid or as otherwise disclose herein, the Group did not have any debt securities issued and outstanding or agreed to be issued, term loans, loan capital, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured and unsecured, guarantees or other material contingent liabilities at the close of business on 31 August 2018.

**4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in the import business and wholesale business of frozen seafood in Hong Kong with over 16 years of experience. The Group 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. As disclosed in the management discussion and analysis in the Company's annual report for the year ended 31 March 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.

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; (iii) mitigate the risk of shortage of external cold storage warehouse facilities due to high demand but with limited supply.

Taking into account the Group has obtained several new sale agency arrangements with new foreign suppliers since the Listing, and will continue to pursuit 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 continuing to carry a broad product portfolio, the Directors believe that the Acquisitions is in the interest of the Company and the Shareholders as a whole. The benefits of the Acquisitions are mentioned in the paragraph headed "Reasons for the Acquisitions" in the letter from the Board in this circular.

**5. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2018, being the date to which the latest published audited financial statements of the Group were made up.



*The following is the text of a report set out in pages II-3 to II-13, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.*

**Deloitte.**

德勤

**ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF  
BILLIANT BRIGHT PROPERTIES LIMITED TO DIRECTORS OF OCEAN ONE  
HOLDING LTD.**

**Introduction**

We report on the financial information of Billiant Bright Properties Limited (the "**Target Company**") set out on pages II-3 to II-13, which comprises the statement of financial position as at 31 August 2018, and the statement of profit or loss and other comprehensive income and the statement of changes in equity for the period from 27 March 2018 (date of incorporation) to 31 August 2018 (the "**Relevant Period**") and a summary of significant accounting policies and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages II-3 to II-13 forms an integral part of this report, which has been prepared for inclusion in the circular of Ocean One Holding Ltd. (the "**Company**") dated 27 September 2018 (the "**Circular**") in connection with the acquisition of the entire issued share capital of the Target Company (the "**Proposed Acquisition**").

**Directors' responsibility for the Historical Financial Information**

The sole director of the Target Company is responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information, and for such internal control as the sole director of the Target Company determines is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The directors of the Company are responsible for the contents of the Circular in which the Historical Financial Information is included, and such information is prepared based on accounting policies materially consistent with those of the Company.

**Reporting accountants' responsibility**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the sole director of the Target Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Target Company's financial position as at 31 August 2018, and of the Target Company's financial performance for the Relevant Period in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information.

### **Report on matters under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

#### *Adjustments*

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page II-3 have been made.

#### *Dividends*

We refer to note 8 to the Historical Financial Information which states that no dividends have been paid by the Target Company in respect of the Relevant Period.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
27 September 2018

## HISTORICAL FINANCIAL INFORMATION OF THE TARGET COMPANY

### Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Target Company for the Relevant Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with Hong Kong Financial Reporting Standards ("HKFRSs") issued by HKICPA (the "Underlying Financial Statements"). These Underlying Financial Statements were audited by us in accordance with Hong Kong Standards of Auditing issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Target Company, and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>NOTE</i>	<b>For the period from 27 March 2018 (date of incorporation) to 31 August 2018</b> <i>HK\$'000</i>
Administrative expenses		(140)
Loss and total comprehensive expense for the period	5	(140)

<b>APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY</b>
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**STATEMENT OF FINANCIAL POSITION**

	<i>NOTES</i>	<b>As at 31 August 2018 HK\$'000</b>
Non-current asset		
Property, plant and equipment	9	<u>39,310</u>
Current asset		
Deposits		<u>16</u>
Current liabilities		
Accruals		8
Amount due to a director	10	<u>39,458</u>
		<u>39,466</u>
Net current liabilities		<u>(39,450)</u>
		<u>(140)</u>
Capital and reserve		
Share capital	11	—
Accumulated loss		<u>(140)</u>
		<u>(140)</u>

**STATEMENT OF CHANGES IN EQUITY**

	<b>Share capital</b>	<b>Accumulated loss</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Issue of share upon incorporation on 27 March 2018	—	—	—
Loss and total comprehensive expense for the period	<u>—</u>	<u>(140)</u>	<u>(140)</u>
At 31 March 2018	<u>—</u>	<u>(140)</u>	<u>(140)</u>

**NOTES TO THE HISTORICAL FINANCIAL INFORMATION**

**1. GENERAL**

The Target Company was incorporated in Hong Kong with limited liability on 27 March 2018. Its immediate holding company is Dragon Access Holdings Limited, a company incorporated in the British Virgin Islands, and its ultimate controlling party is Mr. Wong Shek Bun, the sole director and shareholder of the Target Company.

The address of the registered office and principal place of business of the Target Company is Million Group Center, 1-11 Ka Ting Road, Kwai Chung, New Territories, Hong Kong.

The Target Company is engaged in property holding business.

No statement of cash flows has been prepared as all transactions during the Relevant Period were settled by the current account with the sole director of the Target Company.

**2. BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION**

The Historical Financial Information has been prepared based on the accounting policies set out in note 4 which conforms with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

In preparing the Historical Financial Information, the sole director of the Target Company has given consideration to the future liquidity of the Target Company in light of the fact that the current liabilities exceeds the current assets by HK\$39,450,000 as at 31 August 2018.

Included in current liabilities as at 31 August 2018 is amount due to a director of HK\$39,458,000. Before the completion of the Proposed Acquisition, the sole director of the Target Company has agreed to provide adequate funds to enable the Target Company to meet in full its financial obligations as and when they fall due in the foreseeable future and not to demand the Target Company to repay the amount due to him until the Target Company has the financial ability to do so at least for the next twelve months from the date of this report. Upon completion of the Proposed Acquisition, the Company will provide financial support to the Target Company to meet in full its financial obligations as they fall due in the foreseeable future. Based on the factors described above, the sole director of the Target Company is of the opinion that it is appropriate to prepare the Historical Financial Information on the going concern basis.

### 3. APPLICATION OF NEW AND REVISED HKFRSS

The Target Company has not early applied the following new and amendments to HKFRSs and interpretations that have been issued but are not yet effective:

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers and the related Amendments <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>4</sup>
HK (IFRIC)–Int 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK (IFRIC)–Int 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle <sup>2</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts” <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>2</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>2</sup>
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle <sup>1</sup>
Amendments to HKAS 40	Transfers of Investment Property <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 April 2018.

<sup>2</sup> Effective for annual periods beginning on or after 1 April 2019.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 April 2021.

The sole director of the Target Company anticipates that the application of these new and amendments to HKFRSs and interpretations will have no material impact on the financial statements of the Target Company in the foreseeable future.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The Historical Financial Information has been prepared in accordance with the accounting policies which conform with HKFRSs issued by the HKICPA. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Target Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

The principal accounting policies are set out below.

### **Property, plant and equipment**

Property, plant and equipment including buildings held for own use for administrative purpose are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### **Leasehold land and building**

When the Target Company makes payments for a property interest which includes both leasehold land and building elements, the Target Company assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Target Company, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

When the lease payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

### **Impairment**

At the end of the reporting period, the Target Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### **Financial instruments**

Financial liabilities are recognised when the Target Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

### **Financial liability and equity instruments**

Debt and equity instruments issued by the Target Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Target Company after deducting all of its liabilities. Equity instruments issued by the Target Company are recognised at the proceeds received, net of direct issue costs.



*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

*Financial liability*

Financial liabilities representing amount due to a director is subsequently measured at amortised cost, using the effective interest method.

**Derecognition**

The Target Company derecognises financial liabilities when, and only when, the Target Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "profit before taxation" as reported in the statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Target Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

<b>APPENDIX II      ACCOUNTANTS' REPORT OF THE TARGET COMPANY</b>
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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Target Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss.

## 5. LOSS FOR THE PERIOD

*HK\$'000*

Loss for the period has been arrived at after charging:

Auditor's remuneration	—
Director's emoluments	—
Depreciation of property, plant and equipment	<u>112</u>

## 6. TAXATION

No provision for Hong Kong Profits Tax has been made in the Historical Financial Information as the Target Company has no assessable profit for the Relevant Period.

Taxation for the period can be reconciled to the loss for the period per the statement of profit or loss and other comprehensive income as follows:

*HK\$'000*

Loss for the period	<u>(140)</u>
Tax credit of Hong Kong Profits Tax at 16.5%	(23)
Tax effect of expense not deductible for tax purposes	5
Others	<u>18</u>
Taxation for the period	<u>—</u>

No deferred taxation has been recognised in the Historical Financial Information as the amount involved is insignificant.

## 7. EARNINGS PER SHARE

No earnings per share information is presented as its inclusion, for the purpose of this report, is considered not meaningful.

**8. DIVIDEND**

No dividend was paid or proposed by the Target Company during the Relevant Period.

**9. PROPERTY, PLANT AND EQUIPMENT**

	<b>Leasehold land and building <i>HK\$'000</i></b>
<b>COST</b>	
At 27 March 2018 (date of incorporation)	—
Addition	<u>39,422</u>
At 31 August 2018	<u>39,422</u>
<b>Depreciation</b>	
At 27 March 2018 (date of incorporation)	—
Provided for the period	<u>112</u>
At 31 August 2018	<u>112</u>
<b>CARRYING VALUE</b>	
At 27 March 2018 (date of incorporation)	<u>—</u>
At 31 August 2018	<u><u>39,310</u></u>

The leasehold land and building is situated in Hong Kong.

Depreciation is provided to write off the cost of leasehold land and building over their estimated useful life, which represents the remaining lease term of 29 years, using the straight-line method.

**10. AMOUNT DUE TO A DIRECTOR**

The amount due to the sole director, Mr. Wong Shek Bun, is unsecured, interest-free and repayable on demand.

## 11. SHARE CAPITAL

	<b>Amount</b> <i>HK\$</i>
Issued and fully paid:	
Ordinary share with no par value	
— Issue of 1 share upon incorporation on 27 March 2018 and balance at 31 August 2018	<u><u>1</u></u>

*HK\$'000*

Shown in the Historical Financial Information	<u><u>—</u></u>
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The Target Company was incorporated on 27 March 2018. At the time of incorporation, 1 ordinary share of HK\$1 was issued for cash to provide for the initial capital.

## 12. CAPITAL RISK MANAGEMENT

The Target Company manages its capital to ensure that the Target Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Target Company consists of debts, which includes amount due to a director disclosed in note 10, and equity attributable to owner of the Company.

The sole director review the capital structure on a regular basis. As part of this review, the sole director considers the cost of capital and the risks associated with the capital. Based on recommendations of the sole director, the Target Company will balance its overall capital structure through new share issues as well as raising of debts.

## 13. FINANCIAL INSTRUMENTS

### Category of financial instrument

	<i>HK\$'000</i>
<b>Financial liability</b>	
Amortised cost	
Amount due to a director	<u><u>39,458</u></u>

**Financial risk management objectives and policies**

The Target Company's major financial instrument includes amount due to a director. Details of this financial instrument is disclosed in respective note. The risks associated with the financial instrument and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**Liquidity risk**

As mentioned in note 2, before the completion of the Proposed Acquisition, the sole director of the Target Company has agreed to provide adequate funds to enable the Target Company to meet in full its financial obligations as and when they fall due in the foreseeable future and not to demand the Target Company to repay the amount due to him until the Target Company has the financial ability to do so. Upon completion of the Proposed Acquisition, the Company will provide financial support to the Target Company to meet in full its financial obligations as they fall due in the foreseeable future.

The financial liability is interest-free and repayable on demand.

**Fair value measurements of financial instruments**

The fair value of financial liability is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The sole director considers that the carrying amounts of financial liability recorded at amortised cost in the financial statements approximate to its fair value.

**14. MAJOR NON-CASH TRANSACTION**

During the period from 27 March 2018 (date of incorporation) to 31 August 2018, the Target Company acquired the property, plant and equipment at a consideration of HK\$39,422,000, such amount was settled by amount due to a director.

**15. SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements of the Target Company have been prepared in respect of any period subsequent to 31 August 2018.

**A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP**

The following unaudited pro forma statement of assets and liabilities of the Enlarged Group (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with paragraph 7.31 of the GEM Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the Acquisitions as if they had been taken place on 31 March 2018.

The Unaudited Pro Forma Financial Information is prepared based on (i) the information on the audited consolidated statement of financial position of the Group as at 31 March 2018, which has been extracted from the published annual report of the Group for the year ended 31 March 2018; (ii) the information on the underlying financial information of the Target Group as at 31 August 2018, which has been extracted from the accountants’ report as set out in Appendix II to this circular and after making pro forma adjustments relating to the Acquisitions that are (i) directly attributable to the Acquisitions and (ii) factually supportable, as if the Acquisitions had been completed on 31 March 2018. The Unaudited Pro Forma Financial Information is prepared based on a number of assumptions, estimates and uncertainties. Accordingly, because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Acquisitions been completed as at 31 March 2018 or at any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction of the historical financial information of the Group and the Target Company, as set out in the published annual report of the Group for the year ended 31 March 2018 and the accountants’ report of the Target Group as set out in Appendix II to this Circular, respectively and other financial information included elsewhere in the Circular.

UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE  
ENLARGED GROUP

	Pro forma adjustments					The Enlarged Group as at 31 March 2018 HK\$'000 (Unaudited)
	The Group as at 31 March 2018 HK\$'000 (Audited) (Note 1)	The Target Company as at 31 August 2018 HK\$'000 (Audited) (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	
<b>Non-current assets</b>						
Property, plant and equipment	5,780	39,310	7,682	5,618		58,390
<b>Current assets</b>						
Inventories	32,929	—				32,929
Trade and other receivables	33,412	16				33,428
Pledged bank deposits	1,826	—				1,826
Bank deposits with original maturity of more than 3 months	53,101	—				53,101
Bank balances and cash	2,033	—	(2,033)			—
	<u>123,301</u>	<u>16</u>				<u>121,284</u>
<b>Current liabilities</b>						
Trade and other payables	10,184	8				10,192
Amount due to a director	—	39,458	(39,458)			—
Taxation payable	1,428	—				1,428
Bank overdrafts	1,705	—	44,967	5,618	437	52,727
Bank borrowings	6,042	—				6,042
Obligation under a finance lease	119	—				119
	<u>19,478</u>	<u>39,466</u>				<u>70,508</u>
<b>Net current assets (liabilities)</b>	<u>103,823</u>	<u>(39,450)</u>				<u>50,776</u>
<b>Total assets less current liabilities</b>	<u>109,603</u>	<u>(140)</u>				<u>109,166</u>
<b>Non-current liability</b>						
Obligation under a finance lease	210	—				210
<b>Net assets (liabilities)</b>	<u><u>109,393</u></u>	<u><u>(140)</u></u>				<u><u>108,956</u></u>

**NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

1. Figures are extracted from the audited consolidated statement of financial position of the Group as at 31 March 2018 as set out in the published annual report of the Company for the year ended 31 March 2018.
2. Figures are extracted from the audited statement of financial position of the Target Company as at 31 August 2018 as set out in Appendix II to this Circular, which have been prepared under HKFRSs and using accounting policies materially consistent with those of the Group.
3. The adjustment represents the acquisition of the entire issued share capital of the Target Company. Pursuant to the Formal Agreement A dated 31 August 2018, the Group has conditionally agreed to acquire the entire issued share capital of Target Company for a consideration amounted to HK\$47,000,000, which is to be satisfied by cash at the completion of the proposed acquisition of the Target Company.

Under Hong Kong Financial Reporting Standard 3 (Revised) “Business Combination”, business consists of inputs and processes applied to those inputs that have the ability to create outputs. As the Target Company did not have any inputs and process to its business, the proposed acquisition of the Target Company is accounted for as acquisition of asset. In such case, the Company shall identify and recognise the individual identifiable assets acquired and liabilities assumed. The investment cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of proposed acquisition of the Target Company. Such a transaction does not give rise to goodwill.

The amount of HK\$7,682,000 represents the excess of the investment cost of HK\$47,000,000 over the aggregated carrying amount of identifiable assets acquired and liabilities assumed as at 31 August 2018 of HK\$39,318,000, after considering the assignment of loan to Vendor A and such amount is allocated to the property, plant and equipment. Upon the completion of the proposed acquisition of the Target Company, Target Company would become a wholly-owned subsidiary of the Group.

4. The adjustment represents the acquisition of Property B for a cash consideration of HK\$5,618,000 (including the purchase price of HK\$5,300,000 and stamp duty of HK\$318,000).
5. The adjustment represents the estimated legal and professional fees in relation to the Acquisitions of approximately HK\$437,000. This adjustment is not expected to have a continuing financial effect on the Enlarged Group.
6. Except for the Acquisitions and provision of estimated amount paid for legal and professional fees, no adjustment has been made to reflect any trading result or other transactions of the Enlarged Group entered into subsequent to 31 March 2018.



**B. ASSURANCE REPORT ON UNAUDITED PRO FORMA FINANCIAL  
INFORMATION**

*The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.*

**Deloitte.****德勤****INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF OCEAN ONE HOLDING LTD.**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Ocean One Holding Ltd. (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 31 March 2018 and related notes as set out in Section A of Appendix III to the circular issued by the Company dated 27 September 2018 (the “**Circular**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Section A of Appendix III to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisitions of entire issued share capital of Billiant Bright Properties Limited and 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 (the “**Acquisitions**”) on the Group's financial position as at 31 March 2018 as if the Acquisitions had taken place at 31 March 2018. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 31 March 2018, on which an auditor's report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2018 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
27 September 2018

*The following is the text of a letter, summary of valuation and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent property valuer, in connection with its valuation as at 26 July 2018 of the property interests acquired by the Group.*



**Asset Appraisal Limited**  
中誠達資產評估顧問有限公司

Rm 901, 9/F., On Hong Commercial Building  
145 Hennessy Road, Wanchai, Hong Kong  
香港灣仔軒尼詩道145號安康商業大廈9字樓901室  
Tel : (852) 2529 9448 Fax : (852) 3521 9591

27 September 2018

**The Board of Directors**  
**Ocean One Holding Ltd.**

Dear Sirs,

**Re: Valuation of Unit No. 3 Together with Air Handling Plant Room on 10/F and Carparking Space Nos. P6, L7 and L15 on 1st Floor of High Block of Cheung Fung Industrial Building, Nos. 23–39 Pak Tin Par Street, Tsuen Wan, New Territories, Hong Kong**

In accordance with the instructions of **Ocean One Holding Ltd.** (the “**Company**”) to value the captioned property interests (the “**properties**”) acquired by the Company or its subsidiaries (altogether referred to as the “**Group**”) situated in the Hong Kong Special Administrative Region (“**Hong Kong**”), we confirm that we have carried out inspections of the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at **26 July 2018** (the “**date of valuation**”).

**BASIS OF VALUATION**

Our valuation of the properties represents the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

**TITLESHIP**

We have been provided with copies of legal documents regarding the properties. We have caused title search to be made in the Land Registry of Hong Kong. However, we have not verified ownership of the properties and the existence of any encumbrances that would affect ownership of them. All information in relation to property title is disclosed herein for reference only and no responsibility in relation to legal aspect of the properties is assumed in this valuation report.

## VALUATION METHODOLOGY

We have valued the properties on the market basis assuming sale with the benefit of immediate vacant possession and by reference to comparable transactions available in the market.

We have attributed no commercial value to the properties rented by the Group due either to the short term nature of the leasehold interest in the property or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent.

## LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the properties valued nor for any expenses or taxation. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the floor areas in respect of the properties but have ascertained the floor areas based on the registered floor plans of the properties obtained from the Land Registry. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The Property was inspected on 14 August 2018 by TSE Wai Leung, who is a member of the Hong Kong Institute of Surveyors and a member of the Royal Institution of Chartered Surveyors. During the site inspection, we have ascertained the following matters of the Property:

- the general environment and development conditions of the area in which the Property is situated;
- the existing use of the Property;
- the occupancy of the Property;
- the facilities provided by the Property
- the existence of any non-conformity use within the Property;
- the repair and maintenance conditions of the Property; and
- the existence of any closure order and resumption order affixed to the Property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the properties, we have complied with all the requirements contained in Chapter 8 of the Rules Governing the Listing of Securities on the Growth Enterprise Market issued by The Stock Exchange of Hong Kong Limited; the HKIS Valuation Standards (2017 Edition) published by The Hong Kong Institute of Surveyors.

Unless otherwise stated, all monetary sums stated in this report are in Hong Kong (HK\$).

Our summary of valuation and valuation certificate are attached herewith.

Yours faithfully,  
for and on behalf of  
**Asset Appraisal Limited**

**Tse Wai Leung**

*MFin BSc MRICS MHKIS RPS(GP)*

*Director*

*Tse Wai Leung is a member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a Registered Professional Surveyor in General Practice and a qualified real estate appraiser in the PRC. He is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.*

## SUMMARY OF VALUATION

<b>Property</b>	<b>Market Value in existing state as at 26 July 2018 HK\$</b>
<b>Properties Acquired by the Group for self occupation</b>	
1. Unit No. 3 Together with Air Handling Plant Room on 10/F and Car Park No. P6 on 1st Floor High Block, Cheung Fung Industrial Building Nos. 23–39 Pak Tin Par Street Tsuen Wan, New Territories Hong Kong	47,000,000
2. Carparking Space Nos. L7 and L15 on 1st Floor High Block, Cheung Fung Industrial Building Nos. 23–39 Pak Tin Par Street Tsuen Wan, New Territories Hong Kong	5,600,000
	<hr/>
Grand total:	<u><u>52,600,000</u></u>

## VALUATION CERTIFICATE

## Properties Acquired by the Group for self occupation

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 26 July 2018 HK\$
1. Unit No. 3 Together with Air Handling Plant Room on 10/F and Car Park No. P6 on 1st Floor High Block Cheung Fung Industrial Building Nos. 23-39 Pak Tin Par Street Tsuen Wan, New Territories Hong Kong  10,171/905336th share of and in Remaining Portion of Tsuen Wan Town Lot No.313.	<p>The property comprises a workshop unit together with the air handling plant room annexed thereto and a private carparking space within a 21-storey industrial building of the reinforced concrete construction.</p> <p>The property was completed in 1989. The total saleable area of the workshop and the air handling plant room of the property is 7,300 square feet or thereabout.</p> <p>The property is held under New Grant No. TW6589 for a term of 99 years commencing on 1 July 1898 and the term has been statutorily extended until 30 June 2047.</p> <p>The annual government rent is equivalent to 3% of the rateable value for the time being of the property.</p>	The property is currently vacant.	47,000,000

*Notes:*

- The registered owner of the property is Nan Tai Hardware & Chemical Company Limited registered via memorial no. TW678261 dated 7 June 1990.
- The property is subject to a Provisional Agreement for Sale and Purchase in favour of Billiant Bright Properties Limited registered via memorial no. 18050200910017 dated 2 April 2018.
- The property is subject to a Mortgage to Secure General Banking Facilities in favour of The Hongkong and Shanghai Banking Corporation Limited registered via memorial no. TW1104708 dated 23 December 1996.
- The Property is falling with an area currently zoned Other Specific Uses "OU" under the Approved Tsuen Wan Outline Zone Plan No. S/TW/33.



## VALUATION CERTIFICATE

## Properties Acquired by the Group for self occupation

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 26 July 2018 HK\$
2. Car Park Nos. L7 and L15 on 1st Floor High Block Cheung Fung Industrial Building Nos. 23-39 Pak Tin Par Street Tsuen Wan, New Territories Hong Kong  452/905336th share of and in Remaining Portion of Tsuen Wan Town Lot No.313.	<p>The property comprises two lorry carparking spaces within a 21-storey industrial building of the reinforced concrete construction. The property was completed in 1989.</p> <p>The property is held under New Grant No. TW6589 for a term of 99 years commencing on 1 July 1898 and the term has been statutorily extended until 30 June 2047.</p> <p>The annual government rent is equivalent to 3% of the rateable value for the time being of the property.</p>	The property is currently vacant.	5,600,000

*Notes:*

- 1 The registered owner of the property is Billion Rich Properties Limited registered via memorial no. 18061100980023 dated 16 May 2018.
- 2 No mortgage is registered against the Property as at 26 July 2018.
- 3 The Property is falling with an area currently zoned Other Specific Uses "OU" under the Approved Tsuen Wan Outline Zone Plan No. S/TW/33.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 circular 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 circular misleading.

## 2. DISCLOSURE OF INTERESTS

### A. Interests of Directors and chief executive and short positions in shares, underlying shares and debentures

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) which are required to be 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 are taken or deemed to have under such provisions), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which are required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules (“Model Code”), are as follows:

#### *Long positions in Shares of associated corporation*

<b>Name</b>	<b>Capacity/nature</b>	<b>No. of Shares held</b>	<b>Approximate % of Shareholding</b>
Chan Kin Fung (“Mr. Chan”)	Interest of controlled corporation	210,000,000 <i>(Note 1)</i>	75%
Tse Chun Ha Amy (“Ms. Tse”)	Interest of spouse	210,000,000 <i>(Note 2)</i>	75%

#### *Notes:*

- (1) These Shares are held by Karlson Holding Limited, the entire issued share capital of which is held by Mr. Chan. Accordingly, Mr. Chan is deemed to be interested in the Shares held by Karlson Holding Limited by virtue of the SFO.
- (2) Ms. Tse is the spouse of Mr. Chan. Accordingly, Ms. Tse is deemed to be interested in Mr. Chan’s interest in the Company by virtue of the SFO.

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests in the underlying Shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares or underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**B. Substantial Shareholders' and other persons' interests and short positions in shares and underlying shares of the Company**

As at the Latest Practicable Date, the following persons/entities (other than the Directors and chief executive of the Company) had or were deemed to have an interest or a short position in the Shares or the underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

*Long positions in the Shares*

Name	Capacity/nature	No. of Shares held	Approximate % of Shareholding
Karlson Holding Limited	Beneficial owner	210,000,000	75%
Chan Kin Fung	Interest in a controlled corporation	210,000,000 (Note 1)	75%
Tse Chun Ha Amy	Interest of spouse	210,000,000 (Note 2)	75%

*Notes:*

- (1) These Shares are held by Karlson Holding Limited, which is wholly-owned by Mr. Chan. Accordingly, Mr. Chan is deemed to be interested in these Shares by virtue of the SFO.
- (2) Ms. Tse is the spouse of Mr. Chan. Accordingly, Ms. Tse is deemed to be interested in Mr. Chan's interest in the Company by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section "Interests of Directors and chief

executive and short positions in shares, underlying shares and debentures” above, had any interest or a short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

### **3. DIRECTORS’ SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### **4. COMPETING INTERESTS**

As at the Latest Practicable Date, (i) none of the Directors and their respective close associates (as defined under the GEM Listing Rules); and (ii) as confirmed by the Group’s compliance adviser, Innovax Capital Limited, neither itself nor each of its directors, employees and close associates (as referred to in Rule 6A.32 of the GEM Listing Rules) was interested in any business which competes, or might compete, either directly or indirectly, with the businesses of the Group.

### **5. INTERESTS OF THE COMPLIANCE ADVISER**

As confirmed by the Group’s compliance adviser, Innovax Capital Limited, save as the compliance adviser agreement entered into between the Company and Innovax Capital Limited dated 26 September 2017, none of Innovax Capital Limited 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 the Latest Practicable Date, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

### **6. DIRECTORS’ INTERESTS IN ASSETS**

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which has since 31 March 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

### **7. DIRECTORS’ INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE**

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

## 8. LITIGATION

As at the Latest Practicable Date, so far as known to the Directors, there is no litigation, arbitration or claim of material importance in which the Group is engaged or pending or threatened against the Group.

## 9. MATERIAL CONTRACTS

The following contracts (being contracts entered into outside the ordinary course of business carried on by the Group) had been entered into by the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date which are or may be material:

- (a) an agreement for sale and purchase dated 18 November 2016 between Quality Products (H.K.) Limited as the vendor and Perfect International (Asia) Limited as the purchaser for the sale and purchase of the property situated at Unit B, 11th Floor, Sang Hing Industrial Building, Nos. 81-83 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong;
- (b) a share purchase agreement dated 29 May 2017 between our Company and Mr. Chan pursuant to which our Company acquired the entire issued share capital of Ocean One (BVI) Holding Ltd. from Mr. Chan;
- (c) a share purchase agreement dated 27 March 2017 between Mr. Chan and Ocean One (BVI) Holding Ltd. pursuant to which Ocean One (BVI) Holding Ltd. acquired the entire issued share capital of Quality Products (H.K.) Limited from Mr. Chan;
- (d) a deed of indemnity dated 28 September 2017 executed by Mr. Chan and Karlson Holding Limited in favour of our Company (for itself and as trustee for its subsidiaries stated therein) containing (i) indemnities in respect of taxation; and (ii) certain other indemnities and undertakings as more particularly set out in the paragraph headed “6. Other information — B. Indemnities” in Appendix V to the Prospectus;
- (e) a deed of non-competition dated 28 September 2017 executed by Mr. Chan, Karlson Holding Limited and Mrs. Chan in favour of our Company (for itself and as trustee for its subsidiaries stated therein), details of which are particularly set out under the section headed “Relationship with Controlling Shareholders — Non-competition Undertakings” in the Prospectus;
- (f) a public offer underwriting agreement dated 28 September 2017 entered into, among others, the Company, the controlling shareholders, the executive directors, the sole sponsor, the joint bookrunners and joint lead managers, the co-lead managers and the public offer underwriters, as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses — The Public Offer — Public Offer Underwriting Agreement” in the Prospectus;

- (g) a placing underwriting agreement dated 10 October 2017 entered into by, among others, the Company, the controlling shareholders, the executive directors, the sole sponsor, the joint bookrunners and joint lead managers, the co-lead managers and the placing underwriters, as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses — The Placing — Placing Underwriting Agreement” in the Prospectus;
- (h) the Provisional Agreement A;
- (i) the Provisional Agreement B;
- (j) the Formal Agreement A; and
- (k) the Formal Agreement B.

## 10. EXPERTS QUALIFICATIONS AND CONSENTS

The following are the qualifications of the experts whose names, opinions and/or reports are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu	Certified Public Accountants
Asset Appraisal Limited	Property valuer and consultant

As at the Latest Practicable Date, the above experts (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 March 2018 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) had given and had not withdrawn their consents to the issue of this circular with the inclusion of their letters, opinions and/or reports and the reference to their names included herein in the form and context in which they respectively appear.

## 11. GENERAL

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is located at Unit B, 5/F, Goodwill Industrial Building, 36-44 Pak Tin Par Street, Tsuen Wan, Hong Kong.
- (c) The company secretary of the Company is Mr. Tsui Siu Hung Raymond. Mr. Tsui is admitted as a certified public accountant of the Hong Kong Institute of Certified Public Accountants.

- (d) The compliance officer of the Company is Ms. Tse Chun Ha Amy, who is an executive Director of the Company.
- (e) The audit committee of the Company 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 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 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.
- (f) The Cayman Islands principal share registrar and transfer office is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (g) The Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (h) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail over its Chinese text unless otherwise specified.

## 12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Unit B, 5/F, Goodwill Industrial Building, 36-44 Pak Tin Par Street, Tsuen Wan, Hong Kong during normal business hours on any business day (except Saturdays and public holidays) from the date of this circular up to 14 days thereafter:

- (a) the memorandum and articles of association of the Company;
- (b) the Prospectus of the Company dated 29 September 2017;
- (c) the 2018 annual report of the Company containing audited consolidated financial statements of the Company for the two years ended 31 March 2018;
- (d) the accountants' report on the Target Company issued by Deloitte Touche Tohmatsu as set out in Appendix II to this circular;
- (e) the letter from Deloitte Touche Tohmatsu in respect of the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular;
- (f) the letter and valuation certificate prepared by Asset Appraisal Limited, the text of which is set out in Appendix IV to this circular;

- (g) the letters of consent referred to in the paragraph headed “Experts Qualifications and Consents” in this appendix;
- (h) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix; and
- (i) this circular.