Ocean One Holding Ltd.
大洋環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8476)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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.

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

HIGHLIGHTS

- The Group recorded revenue of approximately HK$163.8 million for the six months ended 30 September 2018, representing an increase of approximately HK$50.0 million or 43.9% as compared to the six months ended 30 September 2017.

- The Group recorded a net profit attributable to the owners of the Company of approximately HK$13.2 million for the six months ended 30 September 2018, representing an increase of approximately HK$13.9 million as compared to the Group's net loss of approximately HK$0.7 million for the six months ended 30 September 2017. Listing expenses amounted to approximately HK$9.1 million was recognized for the six months ended 30 September 2017, and no listing expenses was incurred for the same period in 2018. By excluding these one-off listing expenses, the profit attributable to the owners of the Company would have been approximately HK$8.4 million for the six months ended 30 September 2017, representing an increase of approximately HK$4.8 million or 57.7% in the net profit for the six months ended 30 September 2018. The increase was mainly attributable to the increases in revenue and gross profit earned.

- The Board does not recommend the payment of dividend for the six months ended 30 September 2018.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

	NOTES	Three months ended 30.9.2018 HK$'000 (unaudited)	30.9.2017 HK$'000 (unaudited)	Six months ended 30.9.2018 HK$'000 (unaudited)	30.9.2017 HK$'000 (unaudited)
Revenue	4	**83,757**	60,445	**163,838**	113,850
Cost of goods sold		**(72,498)**	(52,592)	**(142,374)**	(98,959)
Gross profit		**11,259**	7,853	**21,464**	14,891
Other income		**268**	1	**389**	6
Other gain		**161**	119	**339**	67
Selling and distribution costs		**(1,387)**	(1,140)	**(2,596)**	(2,210)
Administrative expenses		**(1,970)**	(1,206)	**(3,422)**	(2,456)
Finance costs		**(66)**	(146)	**(171)**	(287)
Listing expenses		**–**	(4,027)	**–**	(9,080)
Profit before taxation	5	**8,265**	1,454	**16,003**	931
Taxation	6	**(1,492)**	(908)	**(2,831)**	(1,659)
Profit (loss) and total comprehensive income (expense) for the period		**6,773**	546	**13,172**	(728)
Earnings (loss) per share — basic (HK cents)	8	**2.42**	0.26	**4.70**	(0.35)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2018

	NOTES	**At 30.9.2018 *HK$'000* (unaudited)**	At 31.3.2018 *HK$'000* (audited)
Non-current asset			
Property, plant and equipment	*9*	**59,841**	5,780
Current assets			
Inventories		**28,339**	32,929
Trade and other receivables	*10*	**45,392**	33,412
Pledged bank deposits		**1,001**	1,826
Bank deposits with original maturity of more than three months		**18,000**	53,101
Bank balances and cash		**3,634**	2,033
		96,366	123,301
Current liabilities			
Trade and other payables	*12*	**7,017**	10,184
Contract liabilities		**356**	–
Taxation payable		**3,485**	1,428
Bank overdrafts		**5,501**	1,705
Bank borrowings	*13*	**23,174**	6,042
Obligation under a finance lease		**119**	119
		39,652	19,478
Net current assets		**56,714**	103,823
Total assets less current liabilities		**116,555**	109,603
Non-current liabilities			
Obligation under a finance lease		**150**	210
Net assets		**116,405**	109,393
Capital and reserves			
Share capital	*14*	**2,800**	2,800
Reserves		**113,605**	106,593
Total equity		**116,405**	109,393

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

	Share capital	Share premium	Special reserve	Other reserve	Accumulated profits	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
			(Note 1)	*(Note 2)*		
At 1 April 2018 (audited)	**2,800**	**72,851**	**3,000**	**12,000**	**18,742**	**109,393**
Profit and total comprehensive income for the period	**–**	**–**	**–**	**–**	**13,172**	**13,172**
Dividend recognised as distribution *(note 7)*	**–**	**–**	**–**	**–**	**(6,160)**	**(6,160)**
At 30 September 2018 (unaudited)	**2,800**	**72,851**	**3,000**	**12,000**	**25,754**	**116,405**
At 1 April 2017 (audited)	–	–	3,000	–	12,088	15,088
Loss and total comprehensive expense for the period	–	–	–	–	(728)	(728)
Capitalisation of amount due to a director	–	–	–	12,000	–	12,000
At 30 September 2017 (unaudited)	–	–	3,000	12,000	11,360	26,360

Notes:

(1) The special reserve of the Group represents the difference between the nominal amount of the share capital of Quality Products (H.K.) Limited and the nominal amount of share capital of Ocean One (BVI) Holding Ltd. ("Ocean One (BVI)") pursuant to the group reorganisation.

(2) The other reserve represents the capitalisation of amount due to a director of HK$12,000,000 pursuant to a written resolution passed by the sole shareholder of Quality Products on 5 June 2017.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

	Six months ended	
	30.9.2018	30.9.2017
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Net cash from operating activities	**5,376**	4,844
Net cash (used in) from investing activities		
Withdrawal of bank deposits with original maturity of more than three months	**55,101**	–
Withdrawal of pledged bank deposits	**51,464**	110,674
Interest received	**210**	–
Net cash outflow on acquisition of assets and liabilities through acquisition of a subsidiary	**(47,184)**	–
Placement of pledged bank deposits	**(50,639)**	(110,076)
Placement of bank deposits with original maturity of more than three months	**(20,000)**	–
Purchases of property, plant and equipment	**(7,264)**	(4)
	(18,312)	594
Net cash from (used in) financing activities		
New bank borrowings raised	**18,120**	21,135
Dividend paid	**(6,160)**	–
Repayments of bank borrowings	**(988)**	(21,207)
Interest paid	**(171)**	(287)
Repayments of obligation under a finance lease	**(60)**	(60)
Advances from a director	**–**	16,643
Repayments to a related company	**–**	(9,460)
Repayments to a director	**–**	(9,230)
	10,741	(2,466)
Net (decrease) increase in cash and cash equivalents	**(2,195)**	2,972
Cash and cash equivalents at beginning of the period	**328**	1,130
Cash and cash equivalents at end of the period	**(1,867)**	4,102
Cash and cash equivalents at end of the period, represented by		
Bank balances and cash	**3,634**	4,102
Bank overdrafts	**(5,501)**	–
	(1,867)	4,102

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

1. GENERAL

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

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

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

2A SIGNIFICANT TRANSACTION IN THE CURRENT INTERIM PERIOD

During the six months ended 30 September 2018, the Group has acquired a subsidiary which is engaged in property holding business. The warehouse held by that subsidiary can strengthen the warehouse storage capacity of the Group to cater for future business growth. Details of the acquisition are set out in note 15.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than the application of accounting policy for acquisition of a subsidiary not constituting a business and changes in accounting policies resulting from application of new Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2018.

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price to individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction does not give rise to goodwill or bargain purchase gain.

Application of new HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs and interpretation issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) — Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 "Financial Instruments" with HKFRS 4 "Insurance Contracts"
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards which results in changes in accounting policies, amounts reported and/or disclosures as described below.

3.1 Impacts and changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group recognises revenue from trading of frozen seafood products.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening accumulated profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018.

3.1.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met.

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

3.1.2 Summary of effects from initial application of HKFRS 15

The revenue of the Group is recognised at a point in time. Under the transfer-of-control approach in HKFRS 15, revenue from trading of frozen seafood products is generally recognised represented the point of time when goods delivered and title passed. A receivable is recognised by the Group when the goods are delivered to the customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

The application of HKFRS15 has had no material impact on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments"

In the current period, the Group has applied HKFRS 9 "Financial Instruments" and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("ECL") for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening accumulated profits, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

3.2.1 Key changes in accounting policies resulting from application of HKFRS 9

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, pledged bank deposits, bank deposits with original maturity of more than three months and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balance.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

As at 1 April 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of the assessment and the impact thereof are detailed in note 3.2.2.

3.2.2 Summary of effects arising from initial application of HKFRS 9

Impairment under ECL model

In the current period, the Group has applied HKFRS 9 simplified approach to measure ECL using lifetime ECL for trade receivables. To measure the ECL, trade receivables have been assessed individually based on credit risk characteristics, and there had been no significant increase in credit risk since initial recognition.

There had been no significant increase in credit risk since initial recognition.

As at 1 April 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. No additional impairment allowance was recognised at 1 April 2018 and further assessment process is set out in note 11.

4. REVENUE AND SEGMENT INFORMATION

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

Revenue represents the net amount received and receivable from sales of frozen seafood products which are recognised at a point of time.

Entity wide information is as follows:

Revenue from major products

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

	Three months ended		**Six months ended**	
	30.9.2018	30.9.2017	**30.9.2018**	30.9.2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Crabs and roe	**6,484**	2,739	**12,227**	5,044
Fishes	**10,817**	10,024	**20,632**	16,513
Octopuses and cuttlefishes	**6,162**	2,455	**13,834**	4,562
Prawn	**26,850**	20,665	**52,054**	41,603
Processed seafood products	**11,836**	11,664	**23,466**	20,038
Scallops, oysters and surf clams	**15,754**	9,441	**30,558**	19,769
Miscellaneous products	**5,854**	3,457	**11,067**	6,321
	83,757	60,445	**163,838**	113,850

Revenue by types of customers

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

	Three months ended		Six months ended	
	30.9.2018	30.9.2017	**30.9.2018**	30.9.2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Frozen seafood resellers	**77,969**	57,251	**153,877**	106,804
Frozen seafood catering services providers	**5,788**	3,194	**9,961**	7,046
	83,757	60,445	**163,838**	113,850

Geographical information

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

	Three months ended		Six months ended	
	30.9.2018	30.9.2017	**30.9.2018**	30.9.2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Hong Kong	**69,716**	54,079	**137,118**	101,448
Macau	**7,555**	6,366	**13,064**	12,402
Mainland China	**3,731**	–	**6,297**	–
Taiwan	**2,755**	–	**7,359**	–
	83,757	60,445	**163,838**	113,850

5. PROFIT BEFORE TAXATION

	Three months ended		Six months ended	
	30.9.2018	30.9.2017	**30.9.2018**	30.9.2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Profit before taxation has been arrived at after charging (crediting):				
Staff costs, including directors' emoluments	**1,219**	1,080	**2,366**	2,126
Cost of inventories recognised as expenses	**72,498**	52,592	**142,374**	98,959
Depreciation of property, plant and equipment	**185**	247	**387**	495
Operating lease rentals in respect of rented premises				
— Minimum lease payments	**213**	223	**426**	447
— Contingent rent *(Note)*	**277**	66	**461**	150
	490	289	**887**	597
Interests on:				
— bank borrowings	**47**	143	**99**	279
— bank overdrafts	**16**	–	**66**	2
— a finance lease	**3**	3	**6**	6
	66	146	**171**	287
Interest income	**(90)**	–	**(211)**	–
Net exchange gain	**(161)**	(119)	**(339)**	(67)

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

6. TAXATION

	Three months ended		Six months ended	
	30.9.2018	30.9.2017	**30.9.2018**	30.9.2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Hong Kong Profits Tax				
Current tax	**1,492**	932	**2,831**	1,706
Deferred taxation	**–**	(24)	**–**	(47)
	1,492	908	**2,831**	1,659

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2017: 16.5%) of the estimated assessable profit for the periods.

7. DIVIDENDS

During the current interim period, the Company declared a final dividend of HK2.2 cents per share in respect of the year ended 31 March 2018 (six months ended 30 September 2017: nil). The aggregate amount of the final dividend in respect of the year ended 31 March 2018 declared in the current interim period amounted to HK$6,160,000 (six months ended 30 September 2017: nil). The directors of the Company do not recommend payment of an interim dividend for the interim period.

8. EARNINGS (LOSS) PER SHARE

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

	Three months ended		**Six months ended**	
	30.9.2018	30.9.2017	**30.9.2018**	30.9.2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Profit (loss) for the period attributable to the owners of the Company	**6,773**	546	**13,172**	(728)

	Three months ended		**Six months ended**	
	30.9.2018	30.9.2017	**30.9.2018**	30.9.2017
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Weighted average number of ordinary shares in issue	**280,000,000**	210,000,000	**280,000,000**	210,000,000

No diluted earnings (loss) per share is presented as there are no potential ordinary shares during the six months ended 30 September 2018 and 2017, respectively.

The calculation of the basic loss per share for the six months ended 30 September 2017 is based on the consolidated loss attributable to owners of the Company and on the assumption that the group reorganisation and the capitalisation issue of 209,999,998 ordinary shares of HK$0.01 each has been effective on 1 April 2017.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2018, the Group spent HK$7,264,000 (six months ended 30 September 2017: HK$4,000) on purchase of property, plant and equipment. In addition, the Group spent HK$47,184,000 on purchase of property, plant and equipment through acquisition of a subsidiary.

10. TRADE AND OTHER RECEIVABLES

	At **30.9.2018** ***HK$'000*** **(unaudited)**	At 31.3.2018 *HK$'000* (audited)
Trade receivables	**37,504**	31,012
Other receivables	**278**	–
Prepayments	**7,490**	2,297
Deposits	**120**	103
	45,392	33,412

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

	At **30.9.2018** ***HK$'000*** **(unaudited)**	At 31.3.2018 *HK$'000* (audited)
Within 30 days	**23,593**	20,023
31 to 60 days	**11,670**	10,047
61 to 90 days	**1,768**	940
Over 90 days	**473**	2
	37,504	31,012

11. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO ECL MODEL

The Group assessed the ECL for the trade receivables and other receivables with significant balance individually as at 1 April 2018 and 30 September 2018. No impairment allowance for trade receivables and other receivables were provided since the loss given default and exposure at default are low based on historical credit loss experience. The directors of the Company has also assessed all available forward looking information, including but not limited to expected growth rate of the industry and subsequent settlement, and concluded that there is no significant increase in credit risk.

For pledged bank deposits, bank deposits with original maturity of more than three months and bank balances, no allowance for impairment was made since the directors of the Company consider the probability of default is negligible as such amounts are receivable from or placed in banks in Hong Kong having good reputation.

12. TRADE AND OTHER PAYABLES

	At **30.9.2018** *HK$'000* (unaudited)	At 31.3.2018 *HK$'000* (audited)
Trade payables	**5,516**	6,987
Accruals	**1,479**	3,193
Receipts in advance	**22**	4
	7,017	10,184

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

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

	At **30.9.2018** *HK$'000* (unaudited)	At 31.3.2018 *HK$'000* (audited)
Within 30 days	**5,086**	6,987
31–60 days	**430**	–
	5,516	6,987

13. BANK BORROWINGS

	At **30.9.2018** *HK$'000* (unaudited)	At 31.3.2018 *HK$'000* (audited)
Revolving loans	**15,000**	–
Import invoice financing loans	**3,120**	–
Term loans *(Note)*	**5,054**	6,042
	23,174	6,042

Note: The term loans contained a repayment on demand clause and are classified as current liabilities as at 30 September 2018 and 31 March 2018.

14. SHARE CAPITAL

	Number of shares	Amount HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2018 and 30 September 2018	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2018 and 30 September 2018	280,000,000	2,800

15. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF A SUBSIDIARY

Acquisition of Billiant Bright Properties Limited ("Billiant Bright")

On 27 September 2018, Ocean One Property (H.K.) Limited ("Ocean One Property"), a wholly-owned subsidiary of the Company, and Dragon Access Holdings Limited, an independent third party to the Group, entered into a share transfer agreement, pursuant to which Ocean One Property acquired 100% equity interests in Billiant Bright for a total consideration of HK$47,184,000. Billiant Bright is engaged in property holding business.

	Amount recognised at the date of acquisition HK$'000
Net identifiable assets of the subsidiary acquired:	
Property, plant and equipment	47,176
Other receivables	16
Other payables	(8)
Net assets acquired	47,184
Consideration transferred, satisfied by:	
Cash consideration paid	47,184
Less: Net assets acquired	(47,184)
	–
Analysis of net outflow of cash and cash equivalents in respect of acquisition of the subsidiary:	
Cash consideration paid	47,184

16. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group entered into the following related party transactions:

Name of related party	Nature of transaction	Three months ended		Six months ended	
		30.9.2018	30.9.2017	**30.9.2018**	30.9.2017
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Eastern Mark Limited ("**Eastern Mark**")	Rental expense	**198**	198	**396**	396
Mr. Chan	Carpark rental expense	**15**	15	**30**	30

Mr. Chan and Ms. Tse Chun Ha Amy provide unlimited personal guarantees to banks and Eastern Mark provides unlimited corporate guarantee to banks in respect of the bank borrowings granted to the Group and Eastern Mark as at 30 September 2017. The personal guarantees and corporate guarantee have been released during the year ended 31 March 2018.

Mr. Chan, Ms. Tse Chun Ha Amy and Eastern Mark also pledged properties owned by them to secure the bank borrowings granted to the Group and Eastern Mark as at 30 September 2017. The pledge of assets have been released during the year ended 31 March 2018.

Ms. Tse Chun Ha Amy is a director of the Company and the spouse of Mr. Chan. Eastern Mark is a related company controlled by Mr. Chan.

Compensation of key management personnel

The remuneration of key management of the Group during the periods was as follows:

	Three months ended		Six months ended	
	30.9.2018	30.9.2017	**30.9.2018**	30.9.2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Salaries and allowances	**420**	420	**840**	779
Performance related incentive payments	**–**	33	**–**	67
Retirement benefit schemes contributions	**14**	13	**27**	22
	434	466	**867**	868

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established frozen seafood importer and wholesaler in Hong Kong with over 16 years of experience in the frozen seafood import and wholesale industry. It supplies a diverse and wide range of frozen seafood products with more than 100 product varieties to over 280 customers which are mainly frozen seafood resellers and frozen seafood catering service providers.

For the six months ended 30 September 2018, the Group recorded a net profit of approximately HK$13.2 million as compared to a net loss of approximately HK$0.7 million for the same period in 2017. The increase in net profit was mainly attributable to the increases in revenue and gross margin earned, and with non-recurring listing expenses incurred in 2017. Set aside the listing expenses, the Group's net profit for the six months ended 30 September 2017 would be HK$8.4 million. In view of the steady revenue growth and relatively stable gross profit margin achieved for the six months ended 30 September 2018 as compared to the same period in 2017, the Directors are cautiously optimistic about the Group's future business outlook.

OUTLOOK

The Directors believe that the Listing status of the Group enhances the Group's profile and further strengthens the Group's reputation in the industry, which in turn helps maintaining the business relationship with the existing suppliers and customers, and exploring potential business opportunities with new suppliers and customers.

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

The Group has obtained 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 Group shall continue to strive and achieve the business objectives as stated in the prospectus issued by the Company dated 29 September 2017 ("Prospectus").

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 43.9% from approximately HK$113.9 million for the six months ended 30 September 2017 to approximately HK$163.8 million for the six months ended 30 September 2018, primarily attributable to the introduction of new products such as Russia ama-ebi, frozen crab flavored fish cake, fried sesame chicken wings and chicken fillets, China processed scallop, king crab legs, China frozen boiled octopus and giant squid fillets, and increase in the sales of existing products such as MAR Brand red shrimp, Clearwater Brand arctic clams, Hiroshima oyster, roasted eel and soft shell crab, all with strong demand from our customers.

Cost of goods sold

Our cost of goods sold mainly represents the costs of products sold net of purchases discounts, shipping handling charges and transportation costs. The Group's cost of goods sold for the six months ended 30 September 2018 was approximately HK$142.4 million, representing an increase of approximately 43.9% from approximately HK$99.0 million for the six months ended 30 September 2017, such increase was generally in line with the increase in our revenue.

Gross profit and gross profit margin

The Group's gross profit for the six months ended 30 September 2018 was approximately HK$21.5 million, representing an increase of approximately 44.1% from approximately HK$14.9 million for the six months ended 30 September 2017. The Group's gross profit margin for the six months ended 30 September 2018 was approximately 13.1%, which was about the same as the gross profit margin for the six months ended 30 September 2017 of approximately 13.1%. The increase in gross profit was mainly attributable to the increase in revenue while the gross profit margin remained stable.

Selling and distribution costs

Our selling and distribution costs mainly comprise of warehouse rental, staff costs of our logistics and warehouse team, depreciation in our warehouse, warehouse utilities and transportation expenses. The Group's selling and distribution costs for the six months ended 30 September 2018 was approximately HK$2.6 million, representing an increase of approximately 17.5% from approximately HK$2.2 million for the six months ended 30 September 2017. The increase in selling and distribution costs of the Group was mainly due to the increase in usage of external warehouse and increase in warehouse and logistic staffs. The selling and distribution costs accounted for approximately 1.6% and 1.9% of the total revenue for the six months ended 30 September 2018 and 2017 respectively.

Administrative expenses

For the six months ended 30 September 2018, the Group's administrative expenses primarily comprised of staff costs for administrative and management personnel, directors' remuneration, auditor's remuneration, rent rates and management fee for office, office utilities, depreciation and insurance. Administrative expenses increased from approximately HK$2.5 million for the six months ended 30 September 2017 to approximately HK$3.4 million for the six months ended 30 September 2018. The increase in administrative expenses of the Group was mainly due to increase in legal and professional fees to cope with the needs of compliance work as a result of the listing status.

Listing expenses

Listing expenses comprised professional and other expenses in relation to the Listing. The listing expenses amounted to approximately HK$9.1 million for the six months ended 30 September 2017, and no listing expenses incurred for the six months ended 30 September 2018 as the listing process completed in the third quarter of 2017.

Finance costs

Finance costs represented interests on bank borrowings, obligation under a finance lease, and bank overdrafts. Finance costs decreased from approximately HK$287,000 for the six months ended 30 September 2017 to approximately HK$171,000 for the six months ended 30 September 2018.

Taxation

For the six months ended 30 September 2018 and 2017, our taxation was approximately HK$2,831,000 and HK$1,659,000 respectively, increased by approximately HK$1,172,000 or 70.6%, which was consistent with the increase in estimated assessable profits of Quality Products.

Profit (loss) for the period

For the six months ended 30 September 2018, the Group's profit and total comprehensive income attributable to the owners of the Company was approximately HK$13.2 million as compared to a net loss of approximately HK$0.7 million for the six months ended 30 September 2017. The increase was mainly attributable to the increases in revenue and gross profit earned in 2018, and due to the non-recurring listing expenses incurred during the period in 2017. By excluding the listing expenses, the Group's net profit for the six months ended 30 September 2017 would be HK$8.4 million, representing an increase of approximately HK$4.8 million or 57.7% in the net profit for the six months ended 30 September 2018.

Completion of major transaction

On 27 July 2018, the Group entered into a provisional agreement to purchase a property holding company with the property 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 1/F, at a total consideration of HK$47 million for enhancing the Group's warehouse storage capacity and the new premises is close to the existing warehouse facility to ensure efficiency. The consideration was financed by approximately HK$25.9 million from the Share Offer (as defined in the Prospectus) and approximately HK$21.1 million from the Group's own operating cash flow. The vendor is an independent third party, and the consideration was determined under arm's length negotiation. The formal sale and purchase agreement was entered on 31 August 2018, with completion of the acquisition took place on 27 September 2018.

On 27 July 2018, the Group also entered into a provisional agreement to purchase a property 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, at a total consideration of HK$5.3 million for facilitating the Group's logistics capability with the new warehouse premises. The consideration was financed from the Group's own operating cash flow. The vendor is an independent third party, and the consideration was determined under arm's length negotiation. The formal sale and purchase agreement was entered on 23 August 2018, with completion of the acquisition took place on 27 September 2018.

The Directors considered that the terms of the acquisitions are on normal commercial terms and are fair and reasonable, and the acquisitions are in the interests of the Shareholders and the Company as a whole.

USE OF NET PROCEEDS FROM THE SHARE OFFER

The net proceeds from the Listing (after deducting the underwriting fees and other listing expenses borne by the Company) amounted to approximately HK$63.0 million which will be used for the intended purposes as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus. Set out below is the actual utilisation of net proceeds up to 30 September 2018:

	Net proceeds	**Utilised**	**Unutilised**
	HK$'000	*HK$'000*	*HK$'000*
Strengthening our warehouse storage capability	29,632	25,866	3,766
Enhancing our logistics capability	8,376	3,427	4,949
Broadening our product offerings by entering into exclusive agency agreements and/or sale agency agreements	21,504	8,602	12,902
General working capital of our Group	3,494	692	2,802
Total	63,006	38,587	24,419

CAPITAL STRUCTURE

As at 30 September 2018, the Group's total equity attributable to the owners of the Company amounted to approximately HK$116.4 million (31 March 2018: HK$109.4 million).

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

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

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the six months ended 30 September 2018, other than the major transaction as abovementioned, the Group did not have any significant investment, material acquisition or disposal of subsidiaries and affiliated companies.

DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 September 2018 (six months ended 30 September 2017: Nil).

OTHER INFORMATION

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the date of this announcement, 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

Name	Capacity/nature	No. of Shares held	Approximate % of Shareholding
Chan Kin Fung ("Mr. Chan")	Interest of controlled corporation	210,000,000 *(Note 1)*	75%
Tse Chun Ha Amy ("Ms. Tse")	Interest of spouse	210,000,000 *(Note 2)*	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 date of this announcement, 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 date of this announcement, 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.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the date of this announcement, 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 date of this announcement, 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 "Other Information — 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2018.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the Controlling Shareholders or substantial shareholders of the Company or any of its respective close associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with Group during the six months ended 30 September 2018.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the Shares. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct for securities transactions by the Directors from the Listing Date up to the date of this announcement.

SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to recognize and acknowledge the contributions of the eligible participants to the Group by granting options to them as incentives or rewards. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. The Company has adopted a Share Option Scheme on 21 September 2017. Further details of the Share Option Scheme are set in the section headed "Statutory and General Information — 5. Share Option Scheme" in Appendix V to the Prospectus.

For the six months ended 30 September 2018, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

INTERESTS OF THE COMPLIANCE ADVISER

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

CORPORATE GOVERNANCE PRACTICE

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

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

AUDIT COMMITTEE

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

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

The audit committee has reviewed the unaudited condensed consolidated financial statements and the results for the six months ended 30 September 2018 with the management, and are of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 12 November 2018

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

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