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Ocean One Holding Ltd.

大洋環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8476)

**ANNOUNCEMENT OF ANNUAL RESULTS FOR
THE YEAR ENDED 31 MARCH 2021**

**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\$327.7 million for the year ended 31 March 2021, representing an increase of approximately HK\$4.0 million or 1.3% as compared to the year ended 31 March 2020.
- The Group recorded a net profit attributable to the owners of the Company of approximately HK\$27.3 million for the year ended 31 March 2021, as compared to the Group's net profit of approximately HK\$18.7 million for the year ended 31 March 2020. The increase was mainly attributable to the increase in gross profit and gross profit margin, and the decrease in expenses incurred for the proposed transfer of listing during the period. By excluding the expenses incurred for the proposed transfer of listing, the Group's net profit for the year would be HK\$27.8 million for the year ended 31 March 2021 and HK\$22.2 million for the year ended 31 March 2020, representing an increase of approximately HK\$5.6 million or 25.5%.
- The Board recommends the payment of a final dividend of HK2.5 cents per ordinary share for the year ended 31 March 2021.

ANNUAL RESULTS

The board of directors (the “Board”) of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2021, together with the comparative audited figures for the year ended 31 March 2020, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	NOTES	2021 HK\$'000	2020 HK\$'000
Revenue	3	327,746	323,673
Cost of goods sold		<u>(279,071)</u>	<u>(281,439)</u>
Gross profit		48,675	42,234
Other income	4	930	186
Other (loss) gain	5	(53)	(305)
Selling and distribution costs		(7,957)	(7,012)
Administrative expenses		(8,173)	(11,353)
Finance costs	6	<u>(89)</u>	<u>(364)</u>
Profit before taxation	7	33,333	23,386
Taxation	8	<u>(5,987)</u>	<u>(4,686)</u>
Profit and total comprehensive income for the year		<u>27,346</u>	<u>18,700</u>
Earnings per share — basic (HK cents)	10	<u>9.8</u>	<u>6.7</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2021

	<i>NOTES</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		60,960	58,118
Right-of-use assets		1,695	2,542
Deposit paid for property, plant and equipment		–	2,600
Investment property		1,372	1,423
		64,027	64,683
Current assets			
Inventories		27,316	32,740
Trade and other receivables	<i>11</i>	51,865	38,405
Bank balances and cash		35,592	16,228
		114,773	87,373
Current liabilities			
Trade and other payables	<i>12</i>	13,305	6,657
Taxation payable		2,444	875
Bank borrowings	<i>13</i>	796	2,545
Lease liabilities		848	917
		17,393	10,994
Net current assets		97,380	76,379
Total assets less current liabilities		161,407	141,062
Non-current liabilities			
Lease liabilities		867	1,715
Deferred tax liabilities		28	21
		895	1,736
Net assets		160,512	139,326
Capital and reserves			
Share capital		2,800	2,800
Reserves		157,712	136,526
Total equity		160,512	139,326

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL

Ocean One Holding Ltd. (the “Company”) is 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 and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate and ultimate holding company is Karlson Holding Limited which was incorporated in the British Virgin Islands (“BVI”) and controlled by Mr. Chan Kin Fung.

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

The Company acts as an investment holding company and the subsidiaries are principally engaged in importing and wholesaling of frozen seafood products.

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

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

Impacts on application of Amendments to HKAS 1 and HKAS 8 “Definition of Material”

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group recognises revenue from trading of frozen seafood products.

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 when goods are delivered, which is the point of time when the customer has the ability to direct the use of products and obtain substantially all of the remaining benefits of the products. 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 Group is engaged in importing and wholesaling of frozen seafood products. Information reported to the members of executive directors of the Company, being the chief operating decision makers (the “CODM”), for the purposes of resources allocation and assessment of performance focuses on revenue analysis by products and by geographic locations of customers. In addition, the CODM reviews the results of the Group as a whole to make decisions. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

All sales contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The disaggregated information of revenue is as follows:

Revenue from major products

The following is an analysis of the Group’s revenue from its major products which is recognised at a point of time:

	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Crabs and roe	39,116	29,325
Fishes	48,575	48,800
Octopuses and cuttlefishes	11,056	15,618
Prawns	79,474	90,940
Processed seafood products	56,929	60,108
Scallops, oysters and surf clams	67,779	59,932
Miscellaneous products	24,817	18,950
	<u>327,746</u>	<u>323,673</u>

Revenue by types of customers

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

	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Frozen seafood resellers	314,544	300,785
Frozen seafood catering service providers	13,202	22,888
	<u>327,746</u>	<u>323,673</u>

Geographical information

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong	263,361	255,157
Macau	27,620	29,335
Mainland China	36,618	37,495
Taiwan	75	1,686
Japan	72	–
	<u>327,746</u>	<u>323,673</u>

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

4. OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest income	60	137
Rental income (with negligible outgoings)	48	48
Government grants (<i>note</i>)	822	–
Others	–	1
	<u>930</u>	<u>186</u>

Note: During the current year, the Group recognised government grants of HK\$822,000 in respect of COVID-19-related subsidies, of which HK\$802,000 and HK\$20,000 relates to Employment Support Scheme and one-off subsidy provided by Hong Kong Government.

5. OTHER LOSS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Exchange loss, net	53	302
Loss on disposal of property, plant and equipment	–	3
	<u>53</u>	<u>305</u>

6. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interests on		
— bank borrowings	62	309
— bank overdrafts	5	43
— lease liabilities	22	12
	<u>89</u>	<u>364</u>

7. PROFIT BEFORE TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Directors' remuneration	1,701	1,722
Other staff costs	4,021	4,192
Retirement benefit scheme contributions for other staff	169	180
	<u>5,891</u>	<u>6,094</u>
Total staff costs		
	5,891	6,094
Auditor's remuneration	1,030	1,220
Cost of inventories recognised as expenses	279,071	281,439
Depreciation of property, plant and equipment	1,615	748
Depreciation of right-of-use assets	847	–
Depreciation of investment property	51	51
	<u>51</u>	<u>51</u>

8. TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
The charge comprises:		
Hong Kong Profits Tax:		
Current tax	5,992	4,725
Overprovision in prior year	(12)	(39)
	<u>5,980</u>	<u>4,686</u>
Deferred taxation	7	–
	<u>7</u>	<u>–</u>
	<u>5,987</u>	<u>4,686</u>

Hong Kong Profits Tax for both years is calculated at 16.5% of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rates regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

9. DIVIDENDS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Dividend recognised as distribution during the year:		
Final dividend paid for 2020 of HK2.2 cents per share (2020: paid for 2019 of HK2.7 cents per share)	<u>6,160</u>	<u>7,560</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2021 of HK2.5 cents (2020: HK2.2 cents) per share, in an aggregate amount of HK\$7,000,000 (2020: HK\$6,160,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

10. EARNINGS PER SHARE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Earnings for the purpose of basic earnings per share (profit for the year)	<u>27,346</u>	<u>18,700</u>
	2021	2020
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>280,000,000</u>	<u>280,000,000</u>

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

11. TRADE RECEIVABLES

The Group usually allows a credit period ranging from 0 to 90 days to its trade customers. The following is an aging analysis of the trade receivables presented based on the invoices dates at the end of the reporting period:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 30 days	28,814	20,059
31 to 60 days	10,277	4,736
61 to 90 days	3,008	6,824
Over 90 days	<u>3,914</u>	<u>2,706</u>
	<u>46,013</u>	<u>34,325</u>

12. TRADE PAYABLES

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 the invoice dates at the end of each reporting period:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 30 days	8,240	4,339
31–60 days	1,185	–
	<u>9,425</u>	<u>4,339</u>

13. BANK BORROWINGS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Term loans	<u>796</u>	<u>2,545</u>
Carrying amount of term loans that contain a repayment on demand clause (shown under current liabilities) but repayable		
Within one year	796	1,749
Within a period of more than one year, but not exceeding two years	<u>–</u>	<u>796</u>
Amounts due within one year shown under current liabilities	<u>796</u>	<u>2,545</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established frozen seafood importer and wholesaler in Hong Kong with over 18 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 390 customers which are mainly frozen seafood resellers and frozen seafood catering service providers.

For the year ended 31 March 2021, the Group recorded a net profit of approximately HK\$27.3 million as compared to a net profit of approximately HK\$18.7 million for the year ended 31 March 2020. Set aside the expenses incurred for the proposed transfer of listing, the Group's net profit for the year ended 31 March 2021 would be HK\$27.8 million, and HK\$22.2 million for the year ended 31 March 2020. The Directors are of the view that the increase in net profit was mainly attributable to the increase in gross profit and gross profit margin while the operating expenses were relatively stable during the period.

In view of the relatively stable revenue generated and steady increases in net profit for the year ended 31 March 2021, despite the downturn in the Hong Kong economy caused by the uncertainties due to the outbreak of Novel Corona Virus ("COVID-19") since early 2020, the Directors are cautiously optimistic on the Group's business outlook.

OUTLOOK

Looking forward, the Directors expect that next year will remain to be challenging to the Group's business. The Group will continue to assess the impact of COVID-19 on the Group's operations and financial performance, closely monitor the Group's exposure to the risks and uncertainties in connection with COVID-19 on an ongoing basis, and will strengthen the cost savings initiatives in view of the challenging conditions.

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 have been providing financial resources to the Group to meet and achieve its business opportunities and strategies which will further strengthen the Group's market position in the frozen seafood import and wholesale industry in Hong Kong.

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

FINANCIAL REVIEW

Revenue

The Group's revenue slightly increased by approximately 1.3% from approximately HK\$323.7 million for the year ended 31 March 2020 to approximately HK\$327.7 million for the year ended 31 March 2021, primarily attributable to the increase in sales of Clearwater Brand arctic clams, king crab legs and seasoned salmon fish roe, but partially offset by the decrease in sales of various prawns products.

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 year ended 31 March 2021 was approximately HK\$279.1 million, representing a decrease of approximately 0.8% from approximately HK\$281.4 million for the year ended 31 March 2020.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 March 2021 was approximately HK\$48.7 million, representing an increase of approximately 15.3% from approximately HK\$42.2 million for the year ended 31 March 2020. The Group's gross profit margin for the year ended 31 March 2021 was approximately 14.9%, representing an increase of approximately 1.9 percentage points as compared to approximately 13.0% for the year ended 31 March 2020. The increase in gross profit and gross profit margin was mainly due to the selling of various high margin products such as roasted eel, swordfish belly, China frozen boiled octopus, octopus sushi slice and various prawns products according to the latest market conditions.

Selling and distribution costs

Our selling and distribution costs mainly comprise of warehouse rental, staff costs of our logistics and warehouse team, warehouse utilities, depreciation of our warehouse facilities and transportation expenses. The Group's selling and distribution costs for the year ended 31 March 2021 was approximately HK\$8.0 million, representing an increase of approximately 13.5% from approximately HK\$7.0 million for the year ended 31 March 2020. The increase in selling and distribution costs of the Group was mainly due to the increase in depreciation charges with the commencement of usage of the new warehouse. The selling and distribution costs accounted for approximately 2.4% and 2.2% of the total revenue for the year ended 31 March 2021 and 2020 respectively.

Administrative expenses

For the year ended 31 March 2021, the Group's administrative expenses primarily comprised of staff costs for administrative and management personnel, directors' remuneration, auditor's remuneration, listing compliance expenses, rent rates and management fee for office, office utilities, depreciation and insurance. Administrative expenses decreased from approximately HK\$11.4 million for the year ended 31 March 2020 to approximately HK\$8.2 million for the year ended 31 March 2021. The decrease in administrative expenses of the Group was mainly

due to decrease in legal and professional fees to cope with the proposed transfer of listing from GEM to Main Board.

Finance costs

Finance costs represented interests on bank borrowings, lease liabilities and bank overdrafts. Finance costs decreased from approximately HK\$0.4 million for the year ended 31 March 2020 to approximately HK\$0.1 million for the year ended 31 March 2021.

Taxation

For the year ended 31 March 2021 and 2020, our tax expenses was approximately HK\$6.0 million and HK\$4.7 million, respectively, increased by approximately HK\$1.3 million or 27.8%, which was consistent with the increase in estimated assessable profits.

Profit for the year

For the year ended 31 March 2021, the Group's profit and total comprehensive income attributable to the owners of the Company was approximately HK\$27.3 million as compared to approximately HK\$18.7 million for the year ended 31 March 2020. The increase was mainly due to the increase in gross profit and gross profit margin, and the decrease in expenses incurred for the proposed transfer of listing during the period. By excluding the expenses incurred for the proposed transfer of listing, the Group's net profit for the year would be HK\$27.8 million for the year ended 31 March 2021, and HK\$22.2 million for the year ended 31 March 2020.

USE OF NET PROCEEDS FROM THE SHARE OFFER

The net proceeds from the Listing (after deducting the underwriting fees and other listing expenses borne by the Company) amounted to approximately HK\$63.0 million which will be used for the intended purposes as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus. Set out below is the actual utilization of net proceeds up to 31 March 2021:

	Net proceeds <i>HK\$'000</i>	Utilized <i>HK\$'000</i>	Unutilized <i>HK\$'000</i>	Expected timeline of full utilization of net proceeds
Strengthening our warehouse storage capability	29,632	28,970	662	End of 2021
Enhancing our logistics capability	8,376	6,141	2,235	End of 2021
Broadening our product offerings by entering into exclusive agency agreements and/or sale agency agreements	21,504	21,504	–	
General working capital of our Group	3,494	3,494	–	
Total	63,006	60,109	2,897	

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

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

As at 31 March 2021, the Group had cash and cash equivalents of approximately HK\$35.6 million (31 March 2020: HK\$16.2 million).

As at 31 March 2021, the Group's total equity attributable to the owners of the Company amounted to approximately HK\$160.5 million (31 March 2020: HK\$139.3 million). As of the same date, the Group's total debt, comprising bank borrowings and lease liabilities, amounted to approximately HK\$2.5 million (31 March 2020: HK\$5.2 million).

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

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

BORROWINGS AND GEARING RATIO

As at 31 March 2021, the Group had total bank borrowings of approximately HK\$0.8 million (31 March 2020: HK\$2.6 million). The Group's bank borrowings were primarily used in financing the working capital requirement of its operations.

As at 31 March 2021, the gearing ratio of the Group, calculated by dividing total bank borrowings and lease liabilities with total equity and multiplied by 100%, was approximately 1.6% (31 March 2020: 3.7%).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the year ended 31 March 2021, the Group did not have any significant investment, material acquisition or disposal of subsidiaries and affiliated companies.

FOREIGN EXCHANGE EXPOSURE

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

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

TREASURY POLICIES

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

PLEDGE OF GROUP ASSETS

As at 31 March 2021, the Group has pledged its leasehold land and buildings total amounted to approximately HK\$54.8 million (31 March 2020: HK\$55.7 million) to secure the bank borrowings and banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2021 and 31 March 2020, the Group did not have any material contingent liabilities.

SEGMENT INFORMATION

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

INFORMATION ON EMPLOYEES

As at 31 March 2021, the Group had 19 employees working in Hong Kong (31 March 2020: 20). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of trainings were provided to the employees. The total staff cost (including remuneration of Directors and mandatory provident funds contributions) for the year ended 31 March 2021 amounted to approximately HK\$5.9 million (31 March 2020: HK\$6.1 million).

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICE

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

The Company was listed on the GEM of the Stock Exchange on 19 October 2017 (the “Listing Date”). To the best knowledge of the Board, the Company has complied with the code provisions in the CG Code from the Listing Date up to the date of this announcement, with the exception for the deviation from paragraph A.2.1 of the CG Code as stated below.

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Mr. Chan Kin Fung (“Mr. Chan”) is the chairman and the chief executive officer of our Group. Considering that Mr. Chan has been operating and involved in the management of our Group since 2002, our Directors believe that it is in the best interests of our Group to have Mr. Chan taking up both roles for the purpose of ensuring consistent leadership of our Group and for effective management, business development and overall strategic planning for our Group. Therefore, the Board considers that the deviation from paragraph A.2.1 of the CG Code is appropriate in such circumstances. From a corporate governance point of view, the decisions

of the Board are made collectively by way of voting and therefore the chairman should not be able to monopolise the voting of the Board. The Board considers that the balance of power between the Board and our senior management can still be maintained under the current structure. The Board shall review the structure from time to time to ensure appropriate action is taken should the need arise.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code for dealing in securities of the Company by the Directors (the "Model Code"). Having made specific enquiry, all the Directors have confirmed that they have complied with the Model Code from the Listing Date to 31 March 2021.

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

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

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

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

COMPETING INTEREST

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

EVENT AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2021 and up to the date of this announcement.

DIVIDENDS AND CLOSURE OF REGISTER OF MEMBERS IN RELATION TO THE DIVIDENDS

The Directors recommend a payment from the distributable reserves of the Company a final dividend of HK2.5 cents per share in respect of the year ended 31 March 2021 to the shareholders whose names appear on the Register of Members of the Company at the close of business on Friday, 27 August 2021. The final dividend, payable on Friday, 10 September 2021, is subject to the approval of the shareholders of the Company at the 2021 Annual General Meeting to be held on Thursday, 19 August 2021.

The Register of Members of the Company will be closed from Thursday, 26 August 2021 to Friday, 27 August 2021 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 25 August 2021.

REVIEW OF ANNUAL RESULTS

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in this announcement have been agreed by the Group's auditor, Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Deloitte Touche Tohmatsu on this announcement.

AUDIT COMMITTEE

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

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

The audit committee has reviewed the audited consolidated financial statements and the results for the year ended 31 March 2021 with the management, and are of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Thursday, 19 August 2021 (the “2021 AGM”). A notice convening the 2021 AGM will be published and despatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the 2021 AGM, the register of members of the Company will be closed from Monday, 16 August 2021 to Thursday, 19 August 2021, both days inclusive, during which period no transfer of the shares of the Company can be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Friday, 13 August 2021.

By order of the Board
Ocean One Holding Ltd.
Chan Kin Fung

Chairman of the Board, Chief Executive Officer and Executive Director

Hong Kong, 15 June 2021

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 Listed Company Information” 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.