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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 2023**

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\$467.3 million for the year ended 31 March 2023, representing an increase of approximately HK\$58.7 million or 14.4% as compared to the year ended 31 March 2022.
- The Group recorded a net profit attributable to the owners of the Company of approximately HK\$50.2 million for the year ended 31 March 2023, as compared to the Group's net profit of approximately HK\$37.4 million for the year ended 31 March 2022, representing an increase of approximately HK\$12.7 million or 34.1%. The increase was mainly attributable to the increases in revenue and gross profits generated, and partially offset by the increase in administrative expenses for the year.
- The Board recommends the payment of a final dividend of HK4 cents per ordinary share for the year ended 31 March 2023.

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 2023, together with the comparative audited figures for the year ended 31 March 2022, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	467,349	408,617
Cost of goods sold		(388,612)	(343,944)
Gross profit		78,737	64,673
Other income	4	1,198	97
Other gain (loss)	5	362	(447)
Selling and distribution costs		(10,991)	(11,096)
Administrative expenses		(8,672)	(7,781)
Finance costs	6	(93)	(70)
Profit before taxation	7	60,541	45,376
Taxation	8	(10,389)	(7,971)
Profit and total comprehensive income for the year		50,152	37,405
Earnings per share — basic (<i>HK cents</i>)	10	17.9	13.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2023

	<i>NOTES</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		52,913	58,298
Right-of-use asset		2,168	847
Investment properties		3,647	1,321
		<u>58,728</u>	<u>60,466</u>
Current assets			
Inventories		51,321	46,453
Trade and other receivables	<i>11</i>	60,707	51,340
Bank deposit with original maturity of more than three months		20,000	–
Cash and cash equivalents		59,371	48,765
		<u>191,399</u>	<u>146,558</u>
Current liabilities			
Trade and other payables	<i>12</i>	11,729	11,495
Taxation payable		4,320	3,673
Lease liability		1,038	867
		<u>17,087</u>	<u>16,035</u>
Net current assets		<u>174,312</u>	<u>130,523</u>
Total assets less current liabilities		<u>233,040</u>	<u>190,989</u>
Non-current liabilities			
Lease liability		1,130	–
Deferred tax liabilities		81	72
		<u>1,211</u>	<u>72</u>
Net assets		<u>231,829</u>	<u>190,917</u>
Capital and reserves			
Share capital	<i>13</i>	2,800	2,800
Reserves		229,029	188,117
Total equity		<u>231,829</u>	<u>190,917</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

Ocean One Holding Ltd. (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 18 April 2017 under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the 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 (“Mr. Chan”). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

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 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 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 Group’s annual period beginning on 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1	Non-current Liabilities with Covenants ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2024.

The directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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 to the places designated by customers, 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 in time:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Crabs and roe	53,599	40,398
Fishes	62,432	55,988
Octopuses and cuttlefishes	15,005	16,113
Prawns	118,719	105,423
Processed seafood products	51,754	56,818
Scallops, oysters and surf clams	143,651	107,132
Miscellaneous products	22,189	26,745
	467,349	408,617

Revenue by types of customers

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

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Frozen seafood resellers	452,907	396,438
Frozen seafood catering service providers	14,442	12,179
	467,349	408,617

Geographical information

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	368,100	322,543
Macau	41,012	39,036
Mainland China	57,837	41,146
Taiwan	–	5,631
Japan	400	261
	<u>467,349</u>	<u>408,617</u>

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

Information about major customers

No customers contributed over 10% of total revenue of the Group for both years.

4. OTHER INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest income	695	24
Rental income (with negligible outgoings)	145	48
Government grants (<i>note</i>)	349	–
Others	9	25
	<u>1,198</u>	<u>97</u>

Note: During the year ended 31 March 2023, the Group recognised government grants of HK\$349,000 in respect of COVID-19-related subsidies, which relates to Employment Support Scheme provided by the government of Hong Kong Special Administrative Region.

5. OTHER GAIN (LOSS)

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Exchange gain (loss), net	<u>362</u>	<u>(447)</u>

6. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interests on		
— bank borrowings	–	14
— bank overdrafts	15	12
— lease liability	78	44
	<u>93</u>	<u>70</u>

7. PROFIT BEFORE TAXATION

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Directors' remuneration	1,842	1,788
Other staff costs	4,943	4,384
Retirement benefit scheme contributions for other staff	163	178
	<u>6,948</u>	<u>6,350</u>
Total staff costs		
	<u>6,948</u>	6,350
Auditor's remuneration	1,000	1,000
Cost of inventories recognised as expenses	388,612	343,944
Depreciation of property, plant and equipment	3,095	3,315
Depreciation of right-of-use asset	847	848
Depreciation of investment properties	148	51
	<u>148</u>	<u>51</u>

8. TAXATION

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
The charge comprises:		
Hong Kong Profits Tax:		
Current tax	10,379	8,069
Under(over)provision in prior year	1	(142)
	<u>10,380</u>	<u>7,927</u>
Deferred taxation	9	44
	<u>10,389</u>	<u>7,971</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

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend recognised as distribution during the year:		
Final dividend for 2022 of HK3.3 cents per share (2022: final dividend for 2021 of HK2.5 cents per share)	<u>9,240</u>	<u>7,000</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2023 of HK4.0 cents (2022: HK3.3 cents) per share, in an aggregate amount of HK\$11,200,000 (2022: HK\$9,240,000), 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:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings for the purpose of basic earnings per share	<u>50,152</u>	<u>37,405</u>
	2023	2022
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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	29,078	23,538
31 to 60 days	21,864	9,371
61 to 90 days	66	8,686
Over 90 days	61	992
	<u>51,069</u>	<u>42,587</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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	8,626	7,797
Over 60 days	78	–
	<u>8,704</u>	<u>7,797</u>

13. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2021, 31 March 2022 and 31 March 2023	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2021, 31 March 2022 and 31 March 2023	<u>280,000,000</u>	<u>2,800</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established frozen seafood importer and wholesaler in Hong Kong with over 20 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 400 customers which are mainly frozen seafood resellers and frozen seafood catering service providers.

For the year ended 31 March 2023, the Group recorded a net profit of approximately HK\$50.2 million as compared to a net profit of approximately HK\$37.4 million for the year ended 31 March 2022. The Directors are of the view that the increase in net profit was mainly attributable to the increase in revenue and with higher gross profit margin.

In view of the steady increases in revenue and net profit generated for the year ended 31 March 2023, despite the sluggish economy in Hong Kong due to the recurring outbreak of Novel Corona Virus (“COVID-19”), the Directors are cautiously optimistic on the Group’s business outlook.

OUTLOOK

Looking forward, while the COVID-19 may continue to bring uncertainties to the economy as a whole, but with high vaccination rate and less severe virus variant, people has accustomed to the virus and resuming to normal lives with relaxed quarantine measures; the Directors anticipate that the food service industry will gradually be recovered from the pandemic.

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 increased by approximately 14.4% from approximately HK\$408.6 million for the year ended 31 March 2022 to approximately HK\$467.3 million for the year ended 31 March 2023, primarily attributable to the increase in sales of Canada spot prawn, Argentina red prawn, Maruha red shrimp, Japan boiled scallop, Clearwater arctic clam, akagai sushi slice, Canada snow crab sections and flying fish roe.

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 2023 was approximately HK\$388.6 million, representing an increase of approximately 13.0% from approximately HK\$343.9 million for the year ended 31 March 2022.

Gross profit and gross profit margin

The Group’s gross profit for the year ended 31 March 2023 was approximately HK\$78.7 million, representing an increase of approximately 21.7% from approximately HK\$64.7 million for the year ended 31 March 2022. The Group’s gross profit margin for the year ended 31 March 2023 was approximately 16.8%, representing an increase of approximately 1.0 percentage points as compared to approximately 15.8% for the year ended 31 March 2022. The increase in gross profit and gross profit margin was mainly due to the selling of various high margin products such as amaebi, headless cold water shrimp, Argentina red prawn, tamagoyaki, cream puff and king crab legs, 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 2023 was approximately HK\$11.0 million, representing a slight decrease of approximately 1.0% from approximately HK\$11.1 million for the year ended 31 March 2022. The selling and distribution costs accounted for approximately 2.4% and 2.7% of the total revenue for the year ended 31 March 2023 and 2022 respectively.

Administrative expenses

For the year ended 31 March 2023, 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 increased from approximately HK\$7.8 million for the year ended 31 March 2022 to approximately HK\$8.7 million for the year ended 31 March 2023. The increase in administrative expenses of the Group was mainly due to increases in staff messing, overseas travelling and listing compliance expenses.

Finance costs

Finance costs represented interests on bank borrowings, lease liability and bank overdrafts. Finance costs increased from approximately HK\$70,000 for the year ended 31 March 2022 to approximately HK\$93,000 for the year ended 31 March 2023.

Taxation

For the year ended 31 March 2023 and 2022, our tax expenses was approximately HK\$10.4 million and HK\$8.0 million, respectively, increased by approximately HK\$2.4 million or 30.3%, which was consistent with the increase in estimated assessable profits.

Profit for the year

For the year ended 31 March 2023, the Group's profit and total comprehensive income attributable to the owners of the Company was approximately HK\$50.2 million as compared to approximately HK\$37.4 million for the year ended 31 March 2022. The increase was mainly attributable to the increases in revenue and gross profits generated, and partially offset by the increase in administrative expenses for the year.

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.

As disclosed in the Company's announcement dated 24 August 2021, the Board has resolved to reallocate the remaining balance of the unutilized net proceeds to strengthening our warehouse storage capability, for details please refer to the announcement dated 24 August 2021.

Set out below is the actual utilization of net proceeds up to 31 March 2023:

	Use of net proceeds per Prospectus <i>HK\$'000</i>	Revised utilization as disclosed in 24 August 2021 announcement <i>HK\$'000</i>	Utilized up to 31 March 2023 <i>HK\$'000</i>
Strengthening our warehouse storage capability	29,632	31,809	31,809
Enhancing our logistics capability	8,376	6,199	6,199
Broadening our product offerings by entering into exclusive agency agreements and/or sale agency agreements	21,504	21,504	21,504
General working capital	3,494	3,494	3,494
	<u>63,006</u>	<u>63,006</u>	<u>63,006</u>
Total	<u>63,006</u>	<u>63,006</u>	<u>63,006</u>

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 2023, the Group had bank deposit and cash and cash equivalents of approximately HK\$79.4 million (31 March 2022: HK\$48.8 million).

As at 31 March 2023, the Group's total equity attributable to the owners of the Company amounted to approximately HK\$231.8 million (31 March 2022: HK\$190.9 million). As of the same date, the Group's total debt, comprising bank borrowings and lease liability, amounted to approximately HK\$2.2 million (31 March 2022: HK\$0.9 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 2023, the Group had no bank borrowings (31 March 2022: Nil). The Group's bank borrowings were primarily used in financing the working capital requirement of its operations.

As at 31 March 2023, the gearing ratio of the Group, calculated by dividing total bank borrowings and lease liability with total equity and multiplied by 100%, was approximately 0.9% (31 March 2022: 0.5%).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the year ended 31 March 2023, 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, Canada 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 2023, the Group has pledged its leasehold land and buildings total amounted to approximately HK\$50.7 million (31 March 2022: HK\$52.8 million) to secure the bank borrowings and banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2023 and 31 March 2022, 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 2023, the Group had 18 employees working in Hong Kong (31 March 2022: 19). 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 2023 amounted to approximately HK\$6.9 million (31 March 2022: HK\$6.4 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 and the code provisions as set out in the Corporate Governance Code 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 code provision C.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 code provision C.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 code provision C.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 2023.

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 2023 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 HK4.0 cents per share in respect of the year ended 31 March 2023 to the shareholders whose names appear on the Register of Members of the Company at the close of business on Friday, 25 August 2023. The final dividend, payable on Friday, 8 September 2023, is subject to the approval of the shareholders of the Company at the 2023 Annual General Meeting to be held on Thursday, 17 August 2023.

The Register of Members of the Company will be closed from Thursday, 24 August 2023 to Friday, 25 August 2023 (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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 23 August 2023.

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 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary 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 code provision D.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 2023 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, 17 August 2023 (the "2023 AGM"). A notice convening the 2023 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 2023 AGM, the register of members of the Company will be closed from Monday, 14 August 2023 to Thursday, 17 August 2023, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 11 August 2023.

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

*Chairman of the Board, Chief Executive Officer
and Executive Director*

Hong Kong, 13 June 2023

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 Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company’s website at www.oceanoneholding.com.