

OCEAN ONE HOLDING LTD:
THIS MAMA-AND-PAPA ‘SHOP’ NEEDED MONEY
FOR A NEW WAREHOUSE – AND IT HIT PAY DIRT !

The Net Profit Attributable to Shareholders in respect of the Financial Year, ended March 31, 2017, rose by about 90 percent, Year-On-Year, and, for a company in the business of selling fishes and frozen seafood in the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC), there is, absolutely, nothing fishy about this seeming success story.

The company to which **TARGET** () is referring is Ocean One Holding Ltd () (Code: 8476, The Growth Enterprise Market [the **GEM**], The Stock Exchange of Hongkong Ltd).

Ocean One is a Company, controlled and managed by a husband-and-wife team. It has been in business for the past 15 years, having been founded by Mr Chan Kin Fung ().

The Company pitched its story in a Share Offer Prospectus, dated September 29, 2017.

Trading in the shares of this Company commenced on Thursday, October 19, 2017.

Since share trading commenced, the share price has gone in just one direction – down – with the price, yesterday, at about noon, being about 88 cents that is about 28 percent below the Offer Price Per Share of \$HK1.22.

The Initial Public Offering (IPO) Of Ocean One Holding Ltd

Ocean One Holding Ltd Offered 70 million, one-cent Shares at the Indicative Offer Price Per Share, ranging

from a low of \$HK1.08 to a high of \$HK1.28.

Investors of the HKSAR were Offered seven million Shares and 63 million Shares were reserved for special investors – with deep pockets, no doubt – by way of Share Placements.

The Share Price was, eventually, struck at \$HK1.22.

The Company netted about \$HK61.20 million from this IPO, it was announced, and this sum of money was anticipated to be utilised as follows:

- Approximately, \$HK20.89 million, that is about 34.13 percent of the net proceeds, *‘will be used to strengthen our ability in obtaining exclusive contracts and/or sale agency contracts on new products and fulfilling the minimum purchase amounts under such contracts so as to broaden our frozen seafood product offerings’*;
- Approximately, \$HK28.77 million, that is about 47.01 percent of the net proceeds, *‘will be used to strengthen our warehouse storage capability, among which:*
 - *Approximately HK\$23.68 million or approximately 38.70% of the net proceeds will be used to settle the down payment for the acquisition of a new warehouse in Hong Kong;*
 - *Approximately HK\$0.73 million or approximately 1.19% of the net proceeds will be used to renovate and furnish the new warehouse in accordance with the requirements of HACCP (the Hazard Analysis Critical Control Point) and ISO 9001:2015;*
 - *Approximately HK\$1.44 million or approximately 2.36% of the net proceeds will be used to settle the stamp duty arising from the acquisition of the new warehouse in Hong Kong;*
 - *approximately HK\$1.05 million or approximately 1.71% of the net proceeds will be used to renovate and maintain our existing warehouses; and*
 - *Approximately HK\$1.87 million or approximately 3.05% of the net proceeds will be used to recruit three new staff for the operation of the new warehouse (being two stock keepers and one warehouse supporting staff)’*;
- Approximately, \$HK8.15 million, that is about 13.31 percent of the net proceeds, *‘will be used to enhance our logistics capability, among which:*
 - *Approximately HK\$5.22 million or approximately 8.53% of the net proceeds will be used to purchase two car park lots located in the building where our new warehouse situates;*
 - *Approximately HK\$1.05 million or approximately 1.71% of the net proceeds will be used to purchase one cold storage truck; and*

- *Approximately HK\$1.88 million or approximately 3.07% of the net proceeds will be used to recruit three new logistics staff (being two drivers and delivery workers and one logistics supporting staff)'; and,*
- *Approximately, \$HK3.39 million, that is about 5.55 percent of the net proceeds, 'will be used as the general working capital of our Group'.*

The Business Of Ocean One Holding Ltd

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