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## **KEEN OCEAN INTERNATIONAL HOLDING LIMITED**

### **僑洋國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8070)**

#### **CLARIFICATION ANNOUNCEMENT IN RELATION TO FIRST QUARTERLY REPORT AND FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2016**

Reference is made to the first quarterly results announcement (the “Results Announcement”) and the first quarterly report (the “First Quarterly Report”) of Keen Ocean International Holding Limited (the “Company”) for the three months ended 31 March 2016 (collectively known as the “Announcements”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements. Due to the misinterpretation and classification errors, certain unaudited figures in the administrative expenses, listing expenses and share premium were mis-stated. The Company wishes to correct the inadvertent errors disclosed in the Announcements as follows:

On page 2 of the Results Announcement and page 8 of the First Quarterly Report (in both English and Chinese versions), the administrative expenses and listing expenses were stated as “HK\$5,326,000” and “HK\$6,203,000” respectively. The correct amounts should be “HK\$5,516,000” and “HK\$3,168,000” respectively.

On page 3 of the Results Announcement and page 9 of the First Quarterly Report (in both English and Chinese versions), the transaction costs attributable to issue of shares, the share premium and the “total equity attributable to owners of the Company” were stated as “HK\$5,147,000”, “HK\$25,853,000” and “HK\$67,567,000” respectively. The correct amounts should be “HK\$6,027,000”, “HK\$24,973,000” and “HK\$69,532,000” respectively.

On page 10 of the Results Announcement and page 6 of the First Quarterly Report (in both English and Chinese versions), the sentence “Administrative expenses increased by approximately HK\$0.4 million from approximately HK\$4.9 million for the three months ended 31 March 2015 to approximately HK\$5.3 million for the three months ended 31 March 2016. The increase was mainly due to the increase in expenditures as a result of increase in headcount of senior management during the three months ended 31 March 2016.” should be stated as “Administrative expenses increased by approximately HK\$0.6 million from approximately HK\$4.9 million for the three months ended 31 March 2015 to approximately HK\$5.5 million for the three months ended 31 March 2016. The increase was mainly due to the increase in expenditures as a result of increase in headcount of senior management and compliance expenses after listing during the three months ended 31 March 2016.”

On page 10 of the Results Announcement and page 6 of the First Quarterly Report (in both English and Chinese versions), the sentence “The Group has recognised non-recurring listing expenses of approximately HK\$6.2 million as expenses for the three months ended 31 March 2016 (three months ended 31 March 2015: HK\$3.6 million).” should be stated as “The Group has recognised non-recurring listing expenses of approximately HK\$3.2 million as expenses for the three months ended 31 March 2016 (three months ended 31 March 2015: HK\$3.6 million).”

As a result of the changes, the loss and other comprehensive expense of the Company and its subsidiaries for the three months ended 31 March 2016 was reduced from approximately HK\$6.8 million to approximately HK\$3.9 million and the basis loss per share was reduced from HK cents 4.13 to HK cents 2.39.

The reconciliation of the unaudited condensed consolidated statement of profit or loss and other comprehensive expense before and after the changes together with comparative figures for the corresponding period in 2015 and the adjusted unaudited condensed consolidated statement of changes in equity are attached to this announcement for clarification purpose.

Save as disclosed in this announcement, all other information contained in the Announcements is correct and remains unchanged.

By order of the Board  
**Keen Ocean International Holding Limited**  
**Chung Tin Shing**  
*Executive Director*

Hong Kong, 25 May 2016

*As at the date of this announcement, the executive Directors are Mr. Chung Chi Hang, Larry, Mr. Chung Tin Shing and Mr. Wong Shek Fai, Johnson; and the independent non-executive Directors are Mr. Wong Choi Chak, Mr. Li Chung Pong, Stephen and Mr. Tang Sze Wo.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited 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.*

*This announcement will remain on the “Latest Company Announcements” page on the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at [www.keenocean.com.hk](http://www.keenocean.com.hk).*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE EXPENSE**

*For the three months ended 31 March 2016*

	Three months ended 31 March			2015 HK\$'000 (Unaudited)
	2016 HK\$'000 (Unaudited) Before adjustment	HK\$'000 (Unaudited) Adjustment	2016 HK\$'000 (Unaudited) After adjustment	
Revenue	28,859		28,859	41,906
Cost of sales	(22,795)		(22,795)	(33,881)
Gross profits	6,064		6,064	8,025
Other income	289		289	148
Foreign exchange gain (loss), net	(70)		(70)	10
Selling and distribution expenses	(1,217)		(1,217)	(1,347)
Administrative expenses	(5,326)	c (190)	(5,516)	(4,861)
Listing expenses	(6,203)	a 880 b 1,965 c 190	(3,168)	(3,642)
Finance costs	(306)		(306)	(388)
Loss before tax	(6,769)		(3,924)	(2,055)
Income tax expenses	(14)		(14)	(376)
Loss and total comprehensive expense for the period	(6,783)		(3,938)	(2,431)
Loss per share				
– Basis (HK cents)	(4.13)		(2.39)	(1.74)

*Notes:*

Due to misinterpretation and classification errors, the following items are being reallocated:

- (a) approximately HK\$0.88 million of underwriting commission were reclassified to transaction costs attributable to issue of share under share premium from listing expenses.
- (b) approximately HK\$1.97 million of listing expenses were previously recorded as provision. As such, the inclusion of additional amount of HK\$1.97 million was duplicate in calculation and should be removed.
- (c) approximately HK\$0.19 million of professional fees (primarily for compliance after listing) were reclassified to administrative expenses from listing expenses.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2016

	Attributable to owners of the Company					Total
	Share capital	Share premium	Special reserve (note a)	Retained profits	Translation reserve	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2015 (Audited)	-	-	3,000	44,136	(110)	47,026
Loss and total comprehensive income for the period	-	-	-	(2,431)	-	(2,431)
At 31 March 2015 (unaudited)	-	-	3,000	41,705	(110)	44,595
At 1 January 2016 (audited)	-	-	3,000	43,607	(110)	46,497
Loss and total comprehensive expense for the period	-	-	-	(3,938)	-	(3,938)
Issue of shares (note b)	600	32,400	-	-	-	33,000
Capitalisation Issue (note c)	1,400	(1,400)	-	-	-	-
Transaction costs attributable to issue of shares	-	*(6,027)	-	-	-	(6,027)
At 31 March 2016 (unaudited)	<u>2,000</u>	<u>24,973</u>	<u>3,000</u>	<u>39,669</u>	<u>(110)</u>	<u>69,532</u>

\* After taken up additional underwriting commission of approximately HK\$0.88 million transferred from listing expenses.