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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)

MAJOR TRANSACTION
ACQUISITION OF PROPERTIES

THE ACQUISITIONS

The Board is pleased to announce that on 23 February 2023, the Company entered into the Provisional Agreements with the Vendor, pursuant to which, among others, the Company agreed to purchase, and the Vendor agreed to sell, the Properties at the aggregate Consideration of HK\$21,680,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisitions is more than 25% but is less than 100%, the Acquisitions constitute a major transaction for the Company and is therefore subject to the announcement, reporting and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Acquisitions and is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Acquisitions.

The Company has obtained an irrevocable and unconditional written approval for the Acquisitions from Cyber Goodie Limited, the controlling shareholder of the Company holding 126,000,000 Shares, representing 63.0% of the issued share capital of the Company as at the date of this announcement.

Accordingly, in accordance with Rule 19.44 of the GEM Listing Rules, the shareholders' approval requirement in respect of the Acquisitions under Chapter 19 of the GEM Listing Rules has been satisfied in lieu of a general meeting of the Company. A circular containing, inter alia, further details of the Acquisitions will be despatched to the Shareholders for information as soon as practicable and not later than 15 business days from the publication of this announcement.

THE ACQUISITIONS

The Board is pleased to announce that on 23 February 2023, the Company entered into the Provisional Agreements with the Vendor, pursuant to which, among others, the Company agreed to purchase, and the Vendor agreed to sell, the Properties at the aggregate Consideration of HK\$21,680,000.

The principal terms of the respective Provisional Agreements are set out below:

1. Provisional Agreement I

Date:	23 February 2023
Vendor:	Jip Cheong Industrial Limited
Purchaser:	The Company
Property I:	Room 01, 37/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong
Purchase price and payment terms:	<p>The purchase price of Property I is HK\$9,380,000, which shall be paid by the Purchaser to the Vendor in the following manner:</p> <ul style="list-style-type: none">(a) a sum of HK\$469,000, being the initial deposit, was paid upon signing of Provisional Agreement I;(b) a sum of HK\$469,000, being the further deposit, shall be paid upon the signing of the formal agreement for sale and purchase on or before 10 March 2023; and(c) a sum of HK\$8,442,000, being the balance of the purchase price, shall be paid upon Completion.

The above-mentioned initial deposit and further deposit shall be paid to the Vendor's solicitors as stakeholder who may release the same to the Vendor provided that the balance of the purchase price is sufficient to discharge the existing legal charge/mortgage.

Should the Purchaser fail to completion the purchase, the initial deposit shall be forfeited to the Vendor.

Existing tenancy agreement: It is currently expected that Completion will take place on or before 15 June 2023 upon which Property I shall be delivered to the Purchaser on an “as-is” basis subject to a tenancy agreement (“**Tenancy Agreement I**”) with a monthly rental income of HK\$28,000 (inclusive of management fees, government rates and rent) for a term of three years from 16 March 2021 to 15 March 2024.

2. Provisional Agreement II

Date: 23 February 2023

Vendor: Jip Cheong Industrial Limited

Purchaser: The Company

Property II: Room 02, 37/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong

Purchase price and payment terms: The purchase price of Property II is HK\$12,300,000, which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) a sum of HK\$615,000, being the initial deposit, was paid upon signing of Provisional Agreement II;
- (b) a sum of HK\$615,000, being the further deposit, shall be paid upon the signing of the formal agreement for sale and purchase on or before 10 March 2023; and
- (c) a sum of HK\$11,070,000, being the balance of the purchase price, shall be paid upon Completion.

The above-mentioned initial deposit and further deposit shall be paid to the Vendor’s solicitors as stakeholder who may release the same to the Vendor provided that the balance of the purchase price is sufficient to discharge the existing legal charge/mortgage.

Should the Purchaser fail to complete the purchase, the initial deposit shall be forfeited to the Vendor.

Existing tenancy agreement: It is currently expected that Completion will take place on or before 15 June 2023 upon which Property II shall be delivered to the Purchaser on an “as-is” basis subject to a tenancy agreement (“**Tenancy Agreement II**”) with a monthly rental income of HK\$38,500 (inclusive of management fees, government rates and rent but exclusive of air-conditioning charges) for a term of two years from 1 September 2022 to 31 August 2024.

The Properties are non-residential properties. Property I has a total gross floor area of about 2,161 square feet and Property II has a total gross floor area of about 2,883 square feet.

The aggregate Consideration was determined after arm’s length negotiations between the parties with reference to the prevailing market value of comparable properties available in the vicinity and the recent transactions of property market in Hong Kong. It is intended that the Consideration will be funded by internal resources and banking facilities available to the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group currently rents premises for use as office in Hong Kong. The space provided by the leased premises has become insufficient for the Group’s operation and has restricted business expansion. The Directors intend to utilise the Properties as its principal business office in Hong Kong. Having considered, among others, (i) the rental cost of the existing leased premises; (ii) the risk of relocation upon expiration or termination of the existing lease as the Group may not be able to renew the lease with comparable and/or commercially acceptable terms and conditions; (iii) the removal and renovation expenses and time costs that would have incurred by the Group for relocation and looking for replacement and/or additional premises to lease; and (iv) the additional space to be provided by the Properties for use of its business expansion, the Directors consider that it is in the interests of the Group to acquire the Properties as its self-owned premises, thus saving rental, administrative costs and removal and renovation expenses in the long run, improving the efficiency of the Group’s operations and enabling business expansion. The Directors (including the independent non-executive Directors) consider that the Acquisition and the terms of the Provisional Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Consideration represents the aggregate of the purchase prices of Property I and Property II. As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisitions is more than 25% but is less than 100%, the Acquisitions constitute a major transaction for the Company and is therefore subject to the announcement, reporting and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Acquisitions and is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Acquisitions.

The Company has obtained an irrevocable and unconditional written approval for the Acquisitions from Cyber Goodie Limited, the controlling shareholder of the Company holding 126,000,000 Shares, representing 63.0% of the issued share capital of the Company as at the date of this announcement.

Accordingly, in accordance with Rule 19.44 of the GEM Listing Rules, the shareholders' approval requirement in respect of the Acquisitions under Chapter 19 of the GEM Listing Rules has been satisfied in lieu of a general meeting of the Company.

A circular containing, inter alia, further details of the Acquisitions will be despatched to the Shareholders for information as soon as practicable and not later than 15 business days from the publication of this announcement.

INFORMATION ON THE GROUP AND THE PARTIES TO THE PROVISIONAL AGREEMENTS

The principal business activity of the Company is investment holding. The Group principally engages in the design, development, production and sale of transformers, switching mode power supplies, electric healthcare products, other electronic parts and components.

The Vendor is a company incorporated in Hong Kong with limited liability, which is principally engaged in property investment.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and the ultimate beneficial owner(s) of the Vendor are Independent Third Parties.

DEFINITIONS

In this announcement, unless the context otherwise required, the following expressions shall have the following meanings:

“Acquisitions”	the acquisitions of the Properties by the Purchaser from the Vendor pursuant to the Provisional Agreements
“Board”	the board of Directors
“Company”	Keen Ocean International Holding Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange (stock code: 8070)
“Completion”	completion of the Acquisitions
“Consideration”	the aggregate consideration of HK\$21,680,000 paid or payable by the Purchaser in respect of the Acquisitions in accordance with the Provisional Agreements
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, is/are not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	The People’s Republic of China
“Properties”	collectively, Property I and Property II
“Property I”	Room 01, 37/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong

“Property II”	Room 02, 37/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong
“Provisional Agreement I”	the provisional agreement for sale and purchase dated 23 February 2023 entered into between the Vendor and Purchaser in relation to the sale and purchase of Property I
“Provisional Agreement II”	the provisional agreement for sale and purchase dated 23 February 2023 entered into between the Vendor and Purchaser in relation to the sale and purchase of Property II
“Provisional Agreements”	collectively, Provisional Agreement I and Provisional Agreement II
“Purchaser”	the Company
“Share(s)”	the ordinary shares of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Jip Cheong Industrial Limited
“%”	per cent.

By Order of the Board
Keen Ocean International Holding Limited
Chung Chi Hang, Larry
Chairman

Hong Kong, 24 February 2023

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. Cheung Yee Tak, Jonathan, Mr. Li Chung Pong, Stephen and Mr. Lam Chon Loi.

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 GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, 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 Listed Company Information” page on the Stock Exchange’s website at www.hkexnews.hk 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.