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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)**

**THIRD QUARTERLY RESULTS ANNOUNCEMENT**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 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 Keen Ocean International Holding Limited (the “**Company**” or “**our**”) collectively and individually accept full responsibility, include particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively refer to as the “**Group**”). 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.*

### THIRD QUARTERLY FINANCIAL RESULTS

The board of Directors (the “**Board**”) hereby announces the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2023, together with the comparative unaudited figures for the corresponding periods in 2022 as follows:

#### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2023

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>62,282</b>	101,944	<b>279,553</b>	260,870
Cost of sales		<b>(48,192)</b>	(87,003)	<b>(238,658)</b>	(225,611)
<b>Gross profit</b>		<b>14,090</b>	14,941	<b>40,895</b>	35,259
Other income	4	<b>373</b>	319	<b>2,248</b>	950
Other gains	5	<b>526</b>	1,391	<b>4,098</b>	2,409
Selling and distribution expenses		<b>(1,501)</b>	(2,567)	<b>(5,402)</b>	(6,359)
Administrative expenses		<b>(7,297)</b>	(7,061)	<b>(22,961)</b>	(18,043)
Finance costs	6	<b>(635)</b>	(766)	<b>(2,151)</b>	(2,007)
Profits before tax	7	<b>5,556</b>	6,257	<b>16,727</b>	12,209
Income tax expense	8	<b>(164)</b>	(1,927)	<b>(1,471)</b>	(3,165)
<b>Profits for the period</b>		<b>5,392</b>	4,330	<b>15,256</b>	9,044
<b>Other comprehensive expenses after tax:</b>					
<i>Items that may be reclassified to (loss) or profit:</i>					
Exchange differences on translating foreign operations		<b>–</b>	–	<b>(1,310)</b>	(2,431)
<b>Total comprehensive income for the period</b>		<b>5,392</b>	4,330	<b>13,946</b>	6,613
<b>Profits for the period attributable to:</b>					
Equity holders of the Company		<b>5,392</b>	4,330	<b>15,255</b>	9,044
Non-controlling interests		<b>–</b>	(2)	<b>1</b>	(2)
		<b>5,392</b>	4,328	<b>15,256</b>	9,042
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the Company		<b>5,392</b>	4,330	<b>13,945</b>	6,613
Non-controlling interests		<b>–</b>	(2)	<b>1</b>	(2)
		<b>5,392</b>	4,328	<b>13,946</b>	6,611
<b>Earnings per share</b>	10				
Basic and diluted (HK cents)		<b>2.70</b>	2.17	<b>7.63</b>	4.52

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2023

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share Premium	Special reserve	Retained profits	Translation reserve	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2022 (audited)	2,000	24,973	3,000	35,071	4,514	69,558	(7)	69,551
Profit/(Loss) and total comprehensive expense for the period (unaudited)	–	–	–	9,044	(2,431)	6,613	(2)	6,611
At 30 September 2022 (unaudited)	<u>2,000</u>	<u>24,973</u>	<u>3,000</u>	<u>44,115</u>	<u>2,083</u>	<u>76,171</u>	<u>(9)</u>	<u>76,162</u>
At 1 January 2023 (audited)	2,000	24,973	3,000	51,876	(30)	81,819	(14)	81,805
Profit/(Loss) and total comprehensive expense for the period (unaudited)	–	–	–	15,255	(1,310)	13,945	1	13,946
At 30 September 2023 (unaudited)	<u>2,000</u>	<u>24,973</u>	<u>3,000</u>	<u>103,131</u>	<u>(1,340)</u>	<u>95,764</u>	<u>(13)</u>	<u>95,751</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 30 September 2023*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. With effect from 26 September 2023, the Company's principal place of business in Hong Kong has been changed to Room 3702, 37/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. The Company's shares are listed on GEM of the Stock Exchange.

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

As at 30 September 2023, Cyber Goodie Limited ("**Cyber Goodie**"), a company incorporated in the British Virgin Islands (the "**BVI**"), is the immediate holding company of the Company and Mr. Chung Chi Hang Larry is the ultimate controlling party of the Company.

The functional currency of the Company is United States dollars ("**US\$**") and the presentation currency of the Group is Hong Kong dollars ("**HK\$**") as the Directors consider that it is easier to monitor the financial performance of the Group.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2023 and 30 September 2022 have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosures required by the GEM Listing Rules.

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior year.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

The unaudited condensed consolidated financial statements have been prepared under historical cost basis and not been reviewed by the Company's auditor. Adjustments may be identified during the course of annual audit to be performed by the Company's auditor.

### 3. REVENUE AND SEGMENTAL INFORMATION

The Group's operation is solely derived from the manufacture and sale of transformers, switching mode power supplies, electronic parts and components, and electric healthcare products during the reporting periods. For the purpose of resource allocation and performance assessment, the chief operating decision maker (i.e. the chief executive officer of the Company) reviewed the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies as those adopted in the financial statements for the year ended 31 December 2022. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

An analysis of the Group's revenue from its major products is as follows:

	For the three months ended 30 September		For the nine months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Sales of transformers	23,150	66,304	127,455	144,728
Sales of switching mode power supplies	867	1,082	2,493	2,451
Sales of electronic parts and components	36,619	33,612	146,918	112,548
Sales of electric healthcare products	1,646	946	2,687	1,143
Revenue from contracts with customers	<u>62,282</u>	<u>101,944</u>	<u>279,553</u>	<u>260,870</u>

Disaggregation of revenue from contracts with customers:

#### Geographical information

The Group's operation is located in the People's Republic of China (the "PRC") (country of domicile). Information about the Group's revenue is presented based on the location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customer				Non-current assets	
	For the three months ended 30 September		For the nine months ended 30 September		For the nine months period ended	For the twelve months year ended
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	30 September 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Hong Kong	4,946	9,942	15,893	19,319	21,807	560
PRC	12,660	14,662	32,573	38,509	13,210	14,465
Europe	31,491	28,911	159,307	94,636	-	-
United States	7,725	7,286	19,755	24,371	-	-
India	1,920	39,774	41,895	73,772	-	-
Others	3,540	1,369	10,130	10,263	-	-
	<u>62,282</u>	<u>101,944</u>	<u>279,553</u>	<u>260,870</u>	<u>35,017</u>	<u>15,025</u>

All timing of revenue is at a point in time for the nine months ended 30 September 2023 and 2022.

#### 4. OTHER INCOME

	For the three months ended 30 September		For the nine months ended 30 September	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Bank interest	369	4	449	12
Government incentive	19	166	1,776	383
Sales of scrap materials	396	–	396	319
Gain on deregistration of a subsidiary	–	–	–	87
Profit/(Loss) on disposal of property, plant and equipment	(478)	149	(478)	149
Other income	67	–	105	–
	<u>373</u>	<u>319</u>	<u>2,248</u>	<u>950</u>

#### 5. OTHER GAINS

	For the three months ended 30 September		For the nine months ended 30 September	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Fair value gain on investments at fair value through profit or loss	369	525	3,434	525
Net exchange gain	157	866	664	1,884
	<u>526</u>	<u>1,391</u>	<u>4,098</u>	<u>2,409</u>

#### 6. FINANCE COSTS

	For the three months ended 30 September		For the nine months ended 30 September	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Lease interest	10	36	51	128
Interest on bank borrowings	625	730	2,100	1,879
	<u>635</u>	<u>766</u>	<u>2,151</u>	<u>2,007</u>

## 7. PROFITS BEFORE TAX

	For the three months ended 30 September		For the nine months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Profits before tax has been arrived at after charging:				
Auditor's remuneration	132	111	397	384
Cost of inventories sold	48,191	87,003	238,657	225,611
Depreciation of plant and equipment	714	605	1,971	1,645
Depreciation of right of use asset	513	513	1,539	1,539
Research and development expenses	2,452	2,266	7,684	3,903
Directors' emoluments				
– Salaries and other benefits	452	399	1,307	1,139
– Retired benefit contributions	11	12	34	35
	<u>463</u>	<u>411</u>	<u>1,341</u>	<u>1,174</u>
Staff salaries and other benefits	7,933	9,962	29,528	28,966
Staff retirement benefit contributions	1,392	2,282	4,408	4,816
	<u>9,325</u>	<u>12,244</u>	<u>33,936</u>	<u>33,782</u>
Total staff costs (including directors' emoluments)	<u>9,788</u>	<u>12,655</u>	<u>35,277</u>	<u>34,956</u>

## 8. INCOME TAX EXPENSES

	For the three months ended 30 September		For the nine months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current tax:				
Hong Kong Profits Tax	(30)	991	326	1,830
PRC Enterprise Income Tax	194	936	1,145	1,335
	<u>164</u>	<u>1,927</u>	<u>1,471</u>	<u>3,165</u>

Hong Kong Profits Tax has been provided at the rate of 8.25% on assessable profits up to HK\$2,000,000 and 16.5% on any part of assessable profits over HK\$2,000,000 for the nine months ended 30 September 2023 and 2022.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the nine months ended 30 September 2023 and 2022.

## 9. DIVIDENDS

No dividend was paid, declared or proposed for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: nil).

## 10. EARNINGS PER SHARE

Basis earnings per share is calculated by dividing the earnings attributable to shareholders of the Company by the weighted average number of ordinary shares in issue for the nine months ended 30 September 2023 and 2022.

	For the three months ended 30 September		For the nine months ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Earnings for the period attributable to owners of the Company (HK\$'000)	<u>5,392</u>	<u>4,330</u>	<u>15,255</u>	<u>9,044</u>
Number of shares:				
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share ( <i>Note</i> )	<u>2.70</u>	<u>200,000,000</u>	<u>7.63</u>	<u>200,000,000</u>

*Note:*

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share for the nine months ended 30 September 2023 and 2022 has been determined on the assumption that the capitalisation issue had been effective on 1 January 2015.

No diluted earnings per share is presented for the nine months ended 30 September 2023 and 2022 since there are no potential diluted ordinary shares in issue during both periods.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the period under review, the Group was principally engaged in the design, development, production and sale of transformers, switching mode power supplies, electric healthcare products, and other electronic parts and components. The Group sells its products domestically as well as overseas. Customers are mainly manufacturers and trading entities.

Most of the transformers and power supply products were manufactured and sold under the Group's brand name called "Keen Ocean", while all electronic parts and components as well as electric healthcare products were sold on an original equipment manufacturer (OEM) basis. Among the products manufactured and sold, transformers remained the Group's flagship products and represented approximately 45.6% of the Group's sales for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: approximately 55.5%). The switching mode power supplies represented approximately 0.9% of the Group's sales for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: approximately 0.9%). The electronic parts and components represented approximately 52.6% of the Group's sales for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: approximately 43.1%). The electric healthcare products accounted for approximately 1.0% of the Group's sales for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: approximately 0.5%).

Revenue generated by the Group increased during the period under review as compared to the corresponding period in 2022. This was mainly due to the increase in purchase orders for electronic healthcare products, and electronic parts and components from several existing customers during the period under review to meet the continuing surge in demand of clean energy appliances.

Cost of sales has increased during the period under review in line with the increase in sales.

The operating margin has increased during the period under review as compared to the corresponding period in 2022. This was mainly attributable to efficiencies made in reducing production waste and overall costs of production during the period under review.

During the period under review, the management of the Group stayed connected with existing customers and closely followed up on the revised delivery schedule in order to maintain and solidify business relationships. The Group continued to place advertisements in renowned industrial magazines. To further promote its products the Group has been attending trade exhibitions, physical marketing events and face to face meetings with existing and potential customers.

## FINANCIAL REVIEW

The Group's revenue increased by approximately HK\$18.7 million, or 7.2%, from approximately HK\$260.9 million for the nine months ended 30 September 2022 to approximately HK\$279.6 million for the nine months ended 30 September 2023. Such increase was primarily due to increase in the placement of purchase orders for electronic healthcare products, and electronic parts and components from existing customers, which engaged in the production of components for clean energy appliances.

Cost of sales increased by approximately HK\$13.1 million, or 5.8%, from approximately HK\$225.6 million for the nine months ended 30 September 2022 to approximately HK\$238.7 million for the nine months ended 30 September 2023. The increase was in line with the increase in revenue and was primarily due to the increase in the costs of raw materials and production costs during the period under review.

As a result, the Group's gross profit increased by approximately HK\$5.6 million, or 16.0%, from approximately HK\$35.3 million for the nine months ended 30 September 2022 to approximately HK\$40.9 million for the nine months ended 30 September 2023, while gross profit margin increased from 13.5% for the nine months ended 30 September 2022 to 14.6% for the nine months ended 30 September 2023. Such increase was mainly attributable to efficiencies made in reducing production waste and overall costs of production during the period under review.

Other income increased by approximately HK\$1.3 million, or 136.8%, from approximately HK\$0.9 million for the nine months ended 30 September 2022 to approximately HK\$2.2 million for the nine months ended 30 September 2023. Such increase was mainly attributable to the receipt of tax incentives provided by the Government of Heyuan City of the People's Republic of China for development costs related to sustainable products and the increase in interest income received during the period under review.

Other gains increased by approximately HK\$1.7 million, or 70.1%, from approximately HK\$2.4 million for the nine months ended 30 September 2022 to approximately HK\$4.1 million for the nine months ended 30 September 2023. Such increase was mainly attributable to the implementation of the Group's hedging policy in copper option contracts, resulting in investment income during the period under review. Foreign exchange gains decreased compared with the corresponding period in 2022 due from no exchange gain on intercompany funds transfers.

Selling and distribution expenses decreased by approximately HK\$1.0 million, or 15.1%, from approximately HK\$6.4 million for the nine months ended 30 September 2022 to approximately HK\$5.4 million for the nine months ended 30 September 2023. Such decrease was mainly attributable to the reduced staff costs as a result of a drive to control costs and reduction in costs for Covid-19 staff inspections during the period under review.

Administrative expenses increased by approximately HK\$4.9 million, or 27.3%, from approximately HK\$18.0 million for the nine months ended 30 September 2022 to approximately HK\$22.9 million for the nine months ended 30 September 2023. The increase was mainly attributable to the increase in research and development expenses of approximately HK\$3.8 million compared to the same period in 2022. Such increase is due to the development of new products and upgrade of existing products to meet the global trend in clean energy, as well as the development to improve existing production processes to reduce costs. In addition, there were one-off fees and stamp duty expenses incurred in relation to the purchase of two non-residential properties for self-owned premises in Hong Kong. The acquisition of two non-residential properties has completed on 15 June 2023 and the Group has utilized the premises as its principal business office and warehouse in Hong Kong in September 2023. For details, please refer to the announcements dated 24 February 2023, 17 March 2023, 20 April 2023, 3 May 2023 and 11 September 2023 of the Company and the circular dated 11 May 2023 of the Company.

Finance costs increased by approximately HK\$0.1 million, or 7.2%, from approximately HK\$2.0 million for the nine months ended 30 September 2022 to approximately HK\$2.1 million for the nine months ended 30 September 2023. Such increase was mainly attributable to increase of interest rates during the period under review.

Income tax expenses decreased by HK\$1.7 million or 53.5%, from approximately HK\$3.2 million for the nine months ended 30 September 2022 to approximately HK\$1.5 million for the nine months ended 30 September 2023. Such decrease was mainly attributable to the decrease of taxable profit for profit tax for the period under review.

As a result of the above, the Group recorded a profit of approximately HK\$15.3 million for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: approximately HK\$9.0 million).

## **PROSPECT**

The Group had experienced business challenges including volatile demand patterns, inconsistent shipment timeline as well as inflated delivery costs.

The management of the Group is determined to rise to these challenges. The production team maintains sufficient inventory buffer to cope with the demand and supply chain uncertainties. The management also strives to sustain the Group's competitive advantages through solidifying business relationships. Further, the Board has adopted a new set of hedging policy regarding dealings in copper option contracts for better control on the material costs of the Group.

In addition, the management spotted a rising demand of clean energy appliances, particularly the electronic parts and components of the Group, as the global policies leaned more towards renewability and sustainability. Besides, due to the Group's continuous delivery of products with satisfactory quality control, as well as the strong demographics and growing consumption trends, the Group recorded increasing orders from the developed customer base. Furthermore, in order to meet the changing demands and expectations from our customers, the resources used in electric healthcare products are likely to be reallocated to other products in our Group. The management foresees demand to continue to slowdown in the next quarter and expects a corresponding downward trend in the number of orders placed.

The Group has built up surplus cash funds from its business operations and to improve the Group's overall capital efficiency, the management has deemed it appropriate to modify the Group's existing treasury policy by allowing it to invest more in short-term and low-risk investments in listed securities in Hong Kong as well as other related investment products offered by banks and other financial institutions subject to certain conditions. Such conditions include, but are not limited to, all securities invested by the Group should not exceed an investment period of twelve months; the aggregate amount to funds to be invested in any securities should not exceed the cashflow needs of the Group for the next six months at any material time and detailed descriptions of the securities should be submitted for consideration and prior approval at the meetings of the Board. As funding for these investments will come from idle funds, there will not be an impact to the Group's operational liquidity and fund security.

In the meantime, the Group pays careful attention to the development of the pandemic and accordingly evaluates the impact on its financial position and performance. Also, the management of the Group monitors any changes to regulations and instructions in compliance with industrial safety and public health policies; and deploys appropriate preventive measures to enhance protection of the Group's employees by providing healthy and hygienic environment both in the office and at the sites.

The Group's management is aware of and is closely monitoring the development of the Russia-Ukraine conflict and Israel-Hamas war and accordingly evaluates any possible impact to its financial position and performance. The Group's management believes that the impact of these two conflicts to its current operations, supply chain and financial performance is minimal. The Group's management is also aware of the US restrictions on the export of chips and chipmaking equipment to the PRC and believes that the impact of such restrictions to its current operations, supply chain and financial performance is minimal.

Meanwhile, the Group's management is aware of the recent uptick in US federal rates. During the period under review, as the US interest rate increased, it had a corresponding effect on interest rates in Hong Kong, leading to higher lending rates. Given that the Group's bank borrowings have been steadily increasing, any resulting increase in loan interest rates could have an impact on the Group's profits and financial results.

In the long run, the Group is confident that it shall seize the opportunity after the pandemic and lay the foundations for a durable and sustainable growth with its continuous effort and solid customer base.

## **OTHER INFORMATION**

### **DIVIDENDS**

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: nil).

### **SHARE OPTION SCHEME**

The share option scheme of the Company was adopted under the written resolutions of the shareholders of the Company passed on 2 February 2016 (the “**Share Option Scheme**”). No share options were granted, exercised or cancelled by the Company under the Share Option Scheme for the nine months ended 30 September 2023 and there were no outstanding share options under the Share Option Scheme as at 30 September 2023 and up to the date of this announcement.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the period from 1 January 2023 to 30 September 2023, the Company did not redeem any of its shares, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company’s shares.

### **CAPITAL COMMITMENTS**

The Group did not have any significant capital commitment for the nine months ended 30 September 2023 and 2022.

### **CONTINGENT LIABILITIES**

The Group did not have any material contingent liabilities for the nine months ended 30 September 2023 and 2022.

### **EVENTS AFTER THE REPORTING PERIOD**

The Group has no significant event after the end of the reporting period and up to the date of this announcement.

### **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company, having made specific enquiry of all Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the period from 1 January 2023 to 30 September 2023.

## **DEED OF NON-COMPETITION**

A deed of non-competition dated 2 February 2016 (the “**Deed of Non-competition**”) was entered into by Cyber Goodie, a limited liability company incorporated in the BVI, and Mr. Chung Chi Hang, Larry in favour of the Company (for the benefit of the Company and its subsidiaries) regarding non-competition undertakings. The details of the Deed of Non-competition have been disclosed in the prospectus of the Company dated 17 February 2016 under the section headed “Relationship with our Controlling Shareholders” and the non-competition undertakings have become effective from the listing date of the Company.

## **COMPETITION AND CONFLICT OF INTERESTS**

As far as the Directors are aware, none of the Directors nor the controlling shareholders nor any of their respective associates (as defined in the GEM Listing Rules) had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group or had any other conflict of interests with the Group during the nine months ended 30 September 2023.

## **AUDIT COMMITTEE**

The Board has established an audit committee (the “**Audit Committee**”) on 2 February 2016, which operates under terms of reference approved by the Board. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Cheung Yee Tak, Jonathan, Mr. Li Chung Pong, Stephen and Mr. Lam Chon Loi. Mr. Cheung Yee Tak, Jonathan is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group for the nine months ended 30 September 2023. There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

## **RISK MANAGEMENT COMMITTEE**

The risk management committee of the Board (the “**Risk Management Committee**”) was established on 2 February 2016, with specific written terms of reference for assisting the Board in overseeing (i) risk governance structure; and (ii) hedging policies including its activities in forward purchases of copper and entering into the relevant contracts. The Risk Management Committee currently comprises a total of three members, being two executive Directors, namely Mr. Chung Tin Shing and Mr. Wong Shek Fai, Johnson, and one independent non-executive Director, namely Mr. Lam Chon Loi. Following the adoption of a new set of hedging policy on 29 September 2021, the Risk Management Committee is responsible for reviewing and approving the hedging policies as formulated by the hedging team of the Company and reporting to the Board as to whether the hedging policies have been duly followed by the management of the Company.

## **CORPORATE GOVERNANCE PRACTICES**

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help to balance the interest of the shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the “CG Code”) to ensure that the Group’s business activities and decision making processes are regulated in a proper and prudent manner.

The Directors, to the best of their knowledge, consider that during the nine months ended 30 September 2023, the Company has complied with the CG Code.

## **CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE GEM LISTING RULES**

Save as disclosed in this announcement, as of 30 September 2023, the Directors have confirmed that they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

## **PUBLICATION OF THIRD QUARTERLY RESULTS AND THIRD QUARTERLY REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.keenoocean.com.hk](http://www.keenoocean.com.hk)). The third quarterly report of the Company for the nine months ended 30 September 2023 containing all the information required by the GEM Listing Rules will be dispatched to the Company’s shareholders and posted on the above websites in due course.

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

Hong Kong, 9 November 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 will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting and will also be published on the Company’s website at [www.keenoocean.com.hk](http://www.keenoocean.com.hk).*