Great Harvest Maeta Holdings Limited
榮豐億控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3683)

UNAUDITED FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

The board (the "**Board**") of directors (the "**Directors**") of Great Harvest Maeta Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated final results (the "**Unaudited Final Results**") of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2022 together with the comparative audited figures for the year ended 31 March 2021 as follows. The Unaudited Final Results have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**").

As disclosed in the announcements of the Company dated 20 June 2022 and 24 June 2022, it is expected that there will be a delay in publishing the annual results agreed by the auditor as required under the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). As the Company prepares for the process of the audited annual results of the Group for the year ended 31 March 2022 (the "**Audited Final Results**"), it is anticipated that the audit field works would include, among other things, physical inspection of two parcels of land located at Meidian Slope, Hongqi Town, Qiongshan District, Haikou, Hainan Province, the PRC held by the Group (the "**Hainan Land**"), obtaining bank confirmations by physically visiting bank branches in Hainan Province and physically visiting the office of the subsidiary of the Company in Hainan for the vouching process.

However, work suspension and strict travel restrictions in force in the PRC to combat the outbreak of the coronavirus (COVID-19) epidemic (the "**Epidemic**") over the past few months has caused delays and difficulty for the Company in performing on-site internal control review for the subsidiary of the Company in Hainan, and in planning timeline for and/or facilitating such audit field works. For example, all travellers from Hong Kong to Mainland China, including Hainan Province, are subject to compulsory quarantine for 21 days. Recently, travel restrictions in Shanghai, where auditing firms base most of their staff in the PRC, are even more stringent and those located in Shanghai are facing difficulties to travel outside the city. The travelling restrictions have led to increase in time and cost for audit and made it more difficult for the Company to agree on the audit fee with its auditors. Besides, given that the Company has not been able to agree on the audit fees with its auditors prior to 20 June 2022, the Company has not been able to finalise a concrete timeline for and resulting in the delay in the preparation of the Audited Final Results. Furthermore, given the resignation of PricewaterhouseCoopers as the auditor of the Company on 20 June 2022, the Board requires time to engage a new auditor to fill the vacancy and the Company will need to work with its new auditor upon its appointment to facilitate audit works on the Audited Final Results.

The Unaudited Final Results for the year ended 31 March 2022, which have been reviewed by the Audit Committee of the Company but have not been fully reviewed or audited by and has not been agreed with the Company's auditors, are published in accordance with Rule 13.49(3) of the Listing Rules. The relevant financial information is subject to changes and adjustments by the Company's auditors. As such, the preliminary unaudited figures disclosed in this announcement are subject to change and may differ from those appear in the Audited Final Results.

Following the completion of the auditing process in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants, the Company will issue further announcement(s) in relation to (i) the Audited Final Results and the material differences (if any) as compared with the Unaudited Final Results contained herein, (ii) the proposed date on which the forthcoming annual general meeting will be held, and (iii) the period during which the register of members holding ordinary shares will be closed in order to ascertain shareholders' eligibility to attend and vote at the said meeting. In addition, the Company will issue further announcement as and when necessary if there are other material developments in the completion of the auditing process. It is expected that the Audited Final Results will be agreed by the Company's auditors and published on or before 31 August 2022, subject to the timing of the appointment of the new auditors and any future development of the Epidemic. The Company will make further announcement(s) as and when appropriate.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2022

	Note	**2022** **US$'000** **(Unaudited)**	2021 US$'000 (Audited)
Revenue	3(a)	**21,562**	12,454
Cost of services	5	**(10,988)**	(11,307)
Gross profit		**10,574**	1,147
Other gains	4	**—**	2,215
Other income		**17**	77
General and administrative expenses	5	**(2,752)**	(2,332)
Reversal of impairment losses on property, plant and equipment		**12,490**	2,447
Operating profit		**20,329**	3,554
Finance income	6	**1**	—
Finance costs	6	**(2,306)**	(5,961)
Finance costs — net		**(2.305)**	(5,961)
Profit/(loss) before income tax		**18,024**	(2,407)
Income tax expense	7	**(7)**	(725)
Profit/(loss) for the year		**18,017**	(3,132)
Profit/(loss) attributable to			
— Owners of the Company		**18,043**	(3,258)
— Non-controlling interest		**(26)**	126
		18,017	(3,132)

	Note	**2022**	2021
		US$'000	*US$'000*
		(Unaudited)	(Audited)
Other comprehensive income for the year			
Item that may be reclassified to profit or loss			
Currency translation differences		**1,740**	3,533
Total comprehensive income for the year		**19,757**	401
Total comprehensive income/(loss) attributable to:			
— Owners of the Company		**19,626**	(43)
— Non-controlling interest		**131**	444
		19,757	401
Earnings/(loss) per share attributable to owners of the Company			
— Basic earnings/(loss) per share	8(a)	**US1.89 cents**	(US0.34 cents)
— Diluted earnings/(loss) per share	8(b)	**US1.89 cents**	(US0.34 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	Note	**2022** **US$'000** **(Unaudited)**	2021 US$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**61,836**	52,126
Investment properties		**76,482**	73,806
Pledged deposit	10	**—**	500
Pledged bank deposits		**501**	1,472
		138,819	127,904
Current assets			
Trade receivables, deposits, prepayments and other receivables	10	**4,156**	2,393
Pledged deposit	10	**500**	—
Pledged bank deposits		**889**	515
Cash and cash equivalents		**2,688**	218
		8,233	3,126
Total assets		**147,052**	131,030
EQUITY			
Equity attributable to owners of the Company			
Share capital		**1,221**	1,221
Reserves		**39,242**	19,616
		40,463	20,837
Non-controlling interest		**4,594**	4,463
Total equity		**45,057**	25,300

	Note	**2022**	2021
		US$'000	*US$'000*
		(Unaudited)	(Audited)
LIABILITIES			
Non-current liabilities			
Borrowings and loans	11	**9,492**	20,459
Deferred income tax liabilities		**18,241**	17,621
		27,733	38,080
Current liabilities			
Other payables and accruals		**9,242**	7,487
Borrowings and loans	11	**13,789**	7,008
Convertible bonds	12	**51,230**	53,154
Tax payables		**1**	1
		74,262	67,650
Total liabilities		**101,995**	105,730
Total equity and liabilities		**147,052**	131,030

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Great Harvest Maeta Holdings Limited (formerly known as "**Great Harvest Maeta Group Holdings Limited**") (the "**Company**") and its subsidiaries (together, the "**Group**") are principally engaged in chartering of dry bulk vessels and property investment and development. The principal activity of the Company is investment holding.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

These financial statements are presented in United States dollars ("**US$**"), and rounded to nearest thousand US$ unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") and the disclosure requirements of Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the consolidated financial statements.

2.1.1 Going concern basis

As at 31 March 2022, the Group's current liabilities exceeded its current assets by US$66,029,000, which included borrowings and loans of US$13,789,000 repayable within one year and convertible bonds of US$51,230,000 that were matured and due for settlement in May 2021 (the "**Convertible Bonds**"), while the Group's cash and cash equivalents balance was US$2,688,000.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Going concern basis (Continued)

During the year ended 31 March 2022, the Group was in default under the terms and conditions of the relevant convertible bonds agreement for an aggregate principal amount of US$54,000,000 that were not settled in full on the maturity date of 10 May 2021. The Group has repaid principal amounts of US$2,000,000 in May 2021 and US$770,000 in February 2022.

This event of default also resulted in cross-default of (i) a bank borrowing with an amount of US$1,364,000 with original contractual repayment dates of within one year and amount of US$10,811,000 with original contractual repayment dates after one year from 31 March 2022 which has been reclassified as current liabilities as at 31 March 2022; and (ii) loan from a financial institution with an amount of US$1,522,000. Such cross-defaults may cause the relevant borrowings to become immediately due and payable should the relevant lenders exercise their rights under the loan agreements.

These events and conditions indicate the existence of multiple uncertainties which may cast significant doubt over the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(i) As disclosed in the announcement of the Company dated 24 November 2021, on 24 November 2021, the Company, Mr. Yan Kim Po ("**Mr. Yan**"), Ms. Lam Kwan ("**Ms. Lam**"), Ablaze Rich Investments Limited ("**Ablaze Rich**" or the "**ultimate holding company**"; collectively with Mr. Yan and Ms. Lam, the "**Guarantors**") and the holder of the Convertible Bonds (the "**Bondholder**") have entered into a settlement agreement (the "**Settlement Agreement**") to extend the settlement date of the remaining principal amount of the Convertible Bonds US$52,000,000. Pursuant to the Settlement Agreement, the Company will settle the outstanding redemption amount of the Convertible Bonds (which amounted to US$52,000,000 as at the date of the Settlement Agreement) by repaying the Bondholder (i) US$25,000,000 in cash within two months from the date of the Settlement Agreement; (ii) US$15,000,000 in cash on or before 28 February 2022; and (iii) US$12,000,000 by issuing corporate bonds to the Bondholder for the principal amount of US$12,000,000 with a maturity date of two years on or before 28 February 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Going concern basis (Continued)

(i) (Continued)

As disclosed in the announcement of the Company dated 31 December 2021, the Company and an independent investor in Hong Kong (the "**Subscriber**") entered into a subscription agreement (the "**Subscription Agreement**") in which the Company has agreed to issue, and the Subscriber has agreed to subscribe for, corporate bond in the principal amount of USD50 million (the "**Corporate Bond**"). The Company intended to use the net proceeds from the issuance of Corporate Bond for the partial repayment of the above outstanding Convertible Bonds, and the partial usage for development of its vessel chartering business and general working capital purposes. Under the Subscription Agreement, completion of the Subscription Agreement should take place on 17 January 2022 or such other date as the Company and the Subscriber may agree in writing.

As disclosed in the announcement of the Company dated 25 February 2022, completion of the Subscription Agreement has not taken place and the subscription price thereof has not been received by the Company. Given the delay in the completion of the Subscription Agreement, the Company had not paid part of the outstanding redemption amount of the Convertible Bonds of USD25 million which was due and payable on 24 January 2022 pursuant to the terms of the Settlement Agreement. On 24 February 2022, a winding-up petition (the "**Petition**") was filed by the Bondholder (the "**Petitioner**") with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "**High Court of Hong Kong**") for the winding-up of the Company under the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

The Petition is in relation to the Petitioner's claim for an outstanding debt in the sum of USD51,230,000, which is in relation to the Convertible Bonds in the principal amount of USD54 million that matured on 10 May 2021. As at 31 March 2022, USD51,230,000 in the redemption amount of the Convertible Bonds remained outstanding.

As disclosed in the announcement of the Company dated 12 May 2022, the Subscriber notified the Company that it would not proceed with the completion of the Subscription Agreement for the issue of the Corporate Bond. The Company is in the course of seeking advice from its legal advisors to determine the next steps and possible actions in respect of the breach of the Subscription Agreement by the Subscriber.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Going concern basis (Continued)

(i) (Continued)

As disclosed in the announcement of the Company dated 15 June 2022, at the hearing of the Petition on 15 June 2022 (the "**Hearing**"), direction was given to adjourn the Hearing to be heard before the High Court of Hong Kong on 20 July 2022.

As disclosed in the announcement of the Company dated 29 June 2022, on 29 June 2022, the Company, Mr. Yan, Ms. Lam, Ablaze Rich (as the Guarantors) and the Bondholder entered into a supplemental agreement to the Settlement Agreement (the "**Supplemental Settlement Agreement**") in which the Bondholder has agreed, among others, to conditionally withdraw the Petition and withhold taking any further litigation or claims against the Company in respect of the default. Pursuant to the Supplemental Settlement Agreement, the Company will settle the outstanding redemption amount of the Convertible Bonds (which amounted to USD51,230,000 as at the date of this announcement) by repaying the Bondholder (i) USD5,000,000 in cash in 10 quarterly instalments of USD500,000 each with the first instalment to be paid within 7 business days from the date the High Court of Hong Kong grant an order for the withdrawal of the Petition; and (ii) the remaining balance of USD46,230,000 and all accumulated interest (calculated at an interest rate of 8% per annum), both to be paid in cash in one lump sum on 31 December 2024.

The withdrawal of the Petition is conditional upon, among others, the Company having delivered the security documents for the pledge/mortgage over certain assets of the Group in favour of the Bondholder as security for the Company's performance of its repayment obligations under the Settlement Agreement (as supplemented by the Supplemental Settlement Agreement). Please refer to the announcement of the Company dated 29 June 2022 for further details. The management believes the supplemental settlement plan will get the Bondholder to withdraw the Petition and will give the Group sufficient time to execute the plan. The Group is planning to raise funds through the capital market, such as placement or issue of corporate bonds and/or other sources, to finance the settlement of the outstanding redemption amount of the Convertible Bonds.

(ii) The Group will also continue to negotiate with other relevant financial institutions to waive their rights arising from the events of cross-default. The directors are confident that agreements with the financial institutions will be reached in due course. Up to the date of approval of these unaudited financial statements, the Group has not received any formal demand letters from the relevant financial institutions. Management is confident that these financial institutions will not enforce their rights of requesting for immediate repayment of the outstanding loans as such loans were fully secured by the Group's vessels and pledged deposits.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Going concern basis (Continued)

(iii) The ultimate holding company of the Group, together with the Company's two directors, Mr. Yan Kim Po ("**Mr. Yan**") and Ms. Lam Kwan ("**Ms. Lam**"), (collectively, the "**Guarantors**"), entered into a deed of funding undertakings to provide funding to the Group on 30 September 2020. The funding notice request could be issued at the discretion of the Company to the ultimate holding company and the Guarantors and the total amount of funding undertakings shall not exceed US$30,000,000. The deed was renewed on 30 September 2021 to extend the period of funding notice to 30 September 2023 with other major terms and conditions remaining unchanged.

The funding when provided shall be treated as an advance to the Company and be repayable by the Company at a suitable time to be agreed among the Company, the ultimate holding company and the Guarantors, but in any event shall only be repaid after at least twelve months from the funding draw down date.

The undertakings shall cease to have effect after twenty four months from 30 September 2021 or upon the Company or any member of the Group having obtained additional long-term external bank borrowings or other sources of long-term financing with a principal amount of not less than US$30,000,000, whichever is the earlier.

As at 31 March 2022, the Group had obtained a total principal amount of loans totaling US$8,000,000 from the ultimate holding company (of which US$5,000,000 was obtained under the terms of the deed). On 30 March 2022, the ultimate holding company extended the maturity of the loan of US$8,000,000 for 2 years with its maturity on 30 March 2024 and amended the terms to allow prepayment prior to maturity date provided that (unless otherwise agreed by the lender) the payment shall be either for (i) the entire outstanding amount of the loan together with all interest accrued thereon; or (ii) any partial amount of the loan in relation to the principal only, and any interest accrued thereon shall be repaid on maturity date; and to allow the prepayment amount to be re-borrowed.

As at 31 March 2022, the amount of funding available under the deed of funding undertakings was US$25,000,000. Immediately upon the cross-default event mentioned above, the ultimate holding company has granted a waiver of its rights arising from the events of cross-default to the Group. The directors consider that the loans from the ultimate holding company will continue to be available to the Group and the Group will continue be able to draw down the amount of US$25,000,000 from the deed of funding undertaking.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Going concern basis (Continued)

(iv) The Group continues its efforts to enhance its operation of chartering of dry bulk vessels to improve its cash flow from operations, and further control capital and operating expenditures to strength its working capital and mitigate the potential negative impact of Epidemic.

(v) The Group is also actively seeking for other alternative financing and bank borrowings, such as obtaining bank loan with one of the Group's vessels as security for borrowings, to finance the settlement of its existing financial obligations and future operating and capital expenditures.

The directors of the Company have reviewed the Group's cash flow projections. This projection covers a period of not less than twelve months from 31 March 2022. The directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 March 2022. Accordingly, the directors are satisfied that it is appropriate to prepare the unaudited consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Group is able to achieve its plans and measures as described above which have incorporated assumptions about future events and conditions that are subject to inherent uncertainties. Whether the Group will be able to continue as a going concern would depend upon the following:

(i) Whether the Group will deliver the following security documents for the pledge/ mortgage over the following assets of the Group in favour of the Bondholder as security for the Company's performance of its repayment obligations under the Settlement Agreement (as supplemented by the Supplemental Settlement Agreement) to withdraw the Petition:

(a) the mortgage over a vessel owned by the Group;

(b) the mortgage over the land use right of a parcel of land of approximately 95.9 mu out of a total of near 200 mu located at Haikou, Hainan Province, the PRC held by a non-wholly owned subsidiary of the Company in the PRC (the "**PRC Subsidiary**");

(c) the pledge over the equity interests in the PRC Subsidiary held by a wholly owned subsidiary of the Company in Hong Kong (the "**Hong Kong Subsidiary**"); and

(d) the corporate guarantees from the PRC Subsidiary and the Hong Kong Subsidiary.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Going concern basis (Continued)

(ii) whether the Group can raise sufficient funds through capital market or from other sources to finance the settlement of the remaining principal amount of the Convertible Bonds in accordance with the supplemental settlement plan;

(iii) Whether the Group can successfully negotiate with the relevant financial institutions to waive their rights arising from the events of cross-default; and that these financial institutions will not enforce their rights of requesting for immediate repayment of the outstanding borrowings and loans;

(iv) Whether the ultimate holding company will be able to provide further funding of up to US$25,000,000 to the Group under the above deed of funding undertakings, as and when needed, to meet the Group's working capital and scheduled loan repayments;

(v) Whether the Group can successfully improve its operation of chartering of dry bulk vessels and further control capital and operating expenditures to mitigate the potential negative impact of Epidemic and generate sufficient operating cash inflow; and

(vi) Whether the Group can obtain additional sources of financing or bank borrowings as and when needed.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the unaudited consolidated financial statements.

2.1.2 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing on 1 April 2021:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2
Amendment to HKFRS 16	COVID-19-Related Rent Concessions
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021

Except for the amendments to HKFRSs mentioned below, the amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.2 New and amended standards adopted by the Group (Continued)

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform — phase 2

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates ("**IBOR reform**").

As at 1 April, 2021, the Group has a bank borrowing and a loan from a financial institution, the interests of which are indexed to benchmark rates that will be subject to interest rate benchmark reform. The following table shows the total amounts of outstanding contracts. The amounts of financial liabilities are shown at their carrying amounts.

	USD London Interbank Offered Rate *("USD LIBOR")*
Financial liabilities	
Bank borrowing	US$12,175,000
Loan from a financial institution	US$1,522,000

The amendments have had no impact on the unaudited consolidated financial statements as none of the above contracts has been transitioned to the relevant replacement rates during the year.

The Group will apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank borrowing and loan from a financial institution measured at amortised cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.3 New and amended standards and guidelines not yet effective for the financial year beginning on 1 April 2021 and had not been early adopted by the Group

HKFRS 17	Insurance Contracts and related Amendments[2]
Amendments to HKFRS 3	Reference to Conceptual Framework[1]
Amendments to HKFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to HKAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to HKAS 8	Definition of Accounting Estimates[2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]
Amendments to HKAS 16	Property, plant and equipment: Proceeds before Intended Use[1]
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract[1]
Amendment to HKFRSs	Annual improvement to IFRSs 2018–2020 cycle[1]
Initial Application of HKFRS 17 and HKFRS 9	Comparative Information (Amendment to IFRS 17)[2]

1 Effective for annual periods beginning on or after 1 January 2022.
2 Effective for annual periods beginning on or after 1 January 2023.
3 Effective for annual periods beginning on or after a date to be determined.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-marker ("**CODM**") (i.e. executive directors), that are used to make strategic decisions and allocate resources.

The operating segments comprise:

— Chartering of vessels

— Property investment and development

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by CODM in order to allocate resources to segments and to assess their performance.

The performance of the operating segments was assessed based on their segment profit or loss before income tax, which is measured in a manner consistent with that in the consolidated financial statements.

Segment assets are those operating assets that are employed by a segment in its operating activities. Segment assets exclude corporate assets, which are managed on a central basis.

Segment assets reported to the executive directors are measured in a manner consistent with that in the consolidated financial statements. No analysis of segment liabilities is presented as it is not regularly provided to the executive directors.

3 SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue, results and other information

	Chartering of vessels *US$'000*	Property investment and development *US$'000*	Others *US$'000*	Total *US$'000*
Year ended 31 March 2022 (unaudited)				
Revenue recognised over time	**21,562**	**—**	**—**	**21,562**
Depreciation of property, plant and equipment	**(4,462)**	**(13)**	**—**	**(4,475)**
Reversal of impairment losses on property, plant and equipment	**12,490**	**—**	**—**	**12,490**
Finance costs	**(1,020)**	**(846)**	**(440)**	**(2,306)**
Segment profit/(loss) before income tax	**20,248**	**(1,142)**	**(1,082)**	**18,024**
Income tax expense				**(7)**
Profit for the year				**18,017**
Year ended 31 March 2021 (audited)				
Revenue recognised over time	12,454	—	—	12,454
Depreciation of property, plant and equipment	(3,386)	(36)	—	(3,422)
Reversal of impairment losses on property, plant and equipment	2,447	—	—	2,447
Finance costs	(651)	(4,807)	(503)	(5,961)
Segment profit/(loss) before income tax	1,550	(2,853)	(1,104)	(2,407)
Income tax expense				(725)
Loss for the year				(3,132)

3 SEGMENT INFORMATION (CONTINUED)

(b) Segment assets

	Chartering of vessels *US$'000*	Property investment and development *US$'000*	Others *US$'000*	Total *US$'000*
As at 31 March 2022 (unaudited)				
Segment assets	**68,635**	**77,104**	**1,313**	**147,052**
As at 31 March 2021 (audited)				
Segment assets	56,567	74,272	191	131,030

(c) Geographical information

Due to the nature of the provision of vessels chartering services, which are carried out internationally, the directors consider that it is not meaningful to provide the financial information by geographical segment. For property investment and development business, the investment properties are still under development. Accordingly, geographical segment revenue is not presented.

(d) Information about major customers

Revenue arising from the provision of vessels chartering and other related services for individual customers during the year contributing over 10% of total revenue of the Group is as follows:

	2022 ***US$'000*** **(Unaudited)**	2021 *US$'000* (Audited)
Customer A	**8,043**	8,136
Customer B	**7,225**	2,574
Customer C	**6,879**	1,165*
	22,147	11,875

* Revenue arising from the provision of vessels chartering services for Customer C in 2021 contributed less than 10% of total revenue of the Group.

(e) Contract liabilities related to the contracts with customers

As at 31 March 2022, there was no contract liabilities included in other payables and accruals (2021: US$81,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 OTHER GAINS

	2022	2021
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Fair value gains on investment properties	**—**	2,215

5 EXPENSES BY NATURE

Profit/(loss) before income tax is stated after charging the following:

	2022	2021
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Depreciation of property, plant and equipment	**4,475**	3,422
Crew expenses (included in cost of services)	**3,526**	3,186
Operating lease rental for land and buildings	**139**	246
Auditor's remuneration — audit services	**199**	200
Employee benefit expense (including directors' emoluments)	**1,244**	1,321

6 FINANCE COSTS — NET

	2022	2021
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Finance income		
— Interest income	**1**	—
Finance costs		
— Arrangement fee on borrowings and loans	**30**	66
— Interest expense on borrowings and loans	**1,223**	1,088
— Interest expense on convertible bonds — non-cash	**846**	4,807
— Write-off of unamortised loan originating fee	**207**	—
	2,306	5,961
Finance costs — net	**2,305**	5,961

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2021: same) on the estimated assessable profit for the year. The subsidiary established in the PRC is subject to corporate income tax rate of 25% (2021: same). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

In the opinion of the directors, there is no taxation arising in other jurisdictions.

	2022 ***US$'000*** **(Unaudited)**	2021 *US$'000* (Audited)
Current income tax		
— Hong Kong profits tax	**7**	6
Under provision in prior years		
— Hong Kong profits tax	**—**	165
Deferred income tax	**—**	554
Income tax expense	**7**	725

8 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2022 ***US$'000*** **(Unaudited)**	2021 *US$'000* (Audited)
Profit/(loss) attributable to owners of the Company	**18,043**	(3,258)
	Number	Number
Weighted average number of ordinary shares in issue (thousands)	**952,614**	952,535

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options and convertible bonds which may result in dilutive potential ordinary shares. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share prices of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and convertible bonds. The number of shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options and convertible bonds.

Diluted profit/(loss) per share for the years ended 31 March 2022 and 31 March 2021 equal basic profit/(loss) per share as the potential ordinary shares are anti-dilutive.

9 DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 March 2022 (2021: Same).

10 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2022	2021
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Trade receivables	**2,527**	1,161
Less: Provision for impairment of trade receivables	**(31)**	(31)
Trade receivables, net	**2,496**	1,130
Prepayments	**857**	716
Deposits	**688**	598
Other receivables	**607**	441
Other receivables due from related companies	**8**	8
	4,656	2,893
Less: non-current pledged deposit	**—**	(500)
Less: pledged deposit	**(500)**	—
	4,156	2,393

Note:

As at 31 March 2022, a cash deposit of US$500,000 (2021: same) was pledged as security for loan from a financial institution of US$1,522,000 (2021: US$2,512,000). The deposit bears interest at 1.5% per annum.

As at 31 March 2022 and 2021, the ageing analysis of the trade receivables based on invoice date were as follows:

	2022	2021
	US$'000	*US$'000*
	(Unaudited)	(Audited)
0–30 days	**1,370**	1,106
31–60 days	**1,060**	3
61–90 days	**—**	—
91–365 days	**66**	2
Over 365 days	**31**	50
	2,527	1,161

The carrying amounts of trade receivables, deposits and other receivables approximate their fair values and are mainly denominated in US$.

10 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Time charter income is prepaid every 15 days in advance of the time charter hire.

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. As at 31 March 2022, trade receivables of US$31,000 (2021: same) were impaired.

11 BORROWINGS AND LOANS

	2022	2021
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Non-current		
— Bank borrowings *(Note i)*	**619**	8,275
— Loan from a financial institution *(Note ii)*	**—**	1,522
— Loan from the ultimate holding company *(Note iii)*	**8,873**	10,662
	9,492	20,459
Current		
— Bank borrowings *(Note i)*	**12,267**	2,251
— Loan from a financial institution *(Note ii)*	**1,522**	990
— Loan from the ultimate holding company *(Note iii)*	**—**	3,767
	13,789	7,008

Notes:

(i) The Group's bank borrowings comprise of a bank borrowing of US$12,175,000 and another bank borrowing obtained under the SME Financing Guarantee Scheme launched by the Government of HKSAR of US$711,000. The carrying amounts of these bank borrowings were denominated in US$ and HK$ respectively. These bank borrowings bear interest at floating rates that is market dependent, and their fair values approximate the carrying amounts.

(ii) The loan from a financial institution bears interest at floating rate that is market dependent. The carrying amount of the Group's loan from a financial institution is denominated in US$. The fair value of the loan from a financial institution approximates its carrying amounts.

(iii) The loan from the ultimate holding company is unsecured and bears interest at 4% per annum. The carrying amount of the Group's loan from the ultimate holding company is denominated in US$. The fair value of the loan from the ultimate holding company approximates its carrying amount.

11 BORROWINGS AND LOANS (CONTINUED)

As at 31 March 2022, the Group's bank borrowings (other than the bank borrowing obtained under the SME Financing Guarantee Scheme) and loan from a financial institution were secured by the Group's property, plant and equipment of approximately US$61,830,000 (31 March 2021: US$52,108,000); and the bank borrowing obtained under the SME Financing Guarantee Scheme is secured fully by personal guarantees executed by Mr. Yan and Ms. Lam and the Government of HKSAR (31 March 2021: nil).

The Group's borrowings and loans were repayable as follows:

	Bank borrowings		Loan from a financial institution		Loan from the ultimate holding company	
	2022	2021	**2022**	2021	**2022**	2021
	US$'000	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
	(Unaudited)		**(Unaudited)**		**(Unaudited)**	
Within 1 year	**12,267**	2,251	**1,522**	990	**—**	3,767
Between 1 and 2 years	**103**	8,187	**—**	1,522	**8,873**	10,662
Between 2 and 5 years	**516**	88	**—**	—	**—**	—
	12,886	10,526	**1,522**	2,512	**8,873**	14,429

12 CONVERTIBLE BONDS

	2022	2021
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Top Build Convertible Bonds *(Note)*		
— Current	**51,230**	53,154

The movements of the liability component of Top Build Convertible Bonds for the year are set out below:

	Liability component	**Total**
	US$'000	*US$'000*
As at 1 April 2020	48,347	48,347
Interest expense *(Note 6)*	4,807	4,807
At 31 March 2021	53,154	53,154
As at 1 April 2021	53,154	53,154
Interest expense *(Note 6)*	846	846
Redemption	(2,770)	(2,770)
At 31 March 2022	51,230	51,230

Note:

On 10 May 2016, the Group issued convertible bonds with principal amount of US$54,000,000 ("**Top Build Convertible Bonds**") which were due on 10 May 2021. The Top Build Convertible Bonds were interest-free and may be converted in full or in part (multiples of US$100,000) at the initial conversion price of HK$1.096 per conversion share (subject to anti-dilutive adjustment) any time within five years from the date of issue to 7 business days prior to maturity date. At initial recognition, the Top Build Convertible Bonds comprised two elements and were accounted for as follows:

- The debt element was treated as a financial liability and measured at amortised cost and interest expense was recognised in the consolidated statement of comprehensive income using the effective interest method.

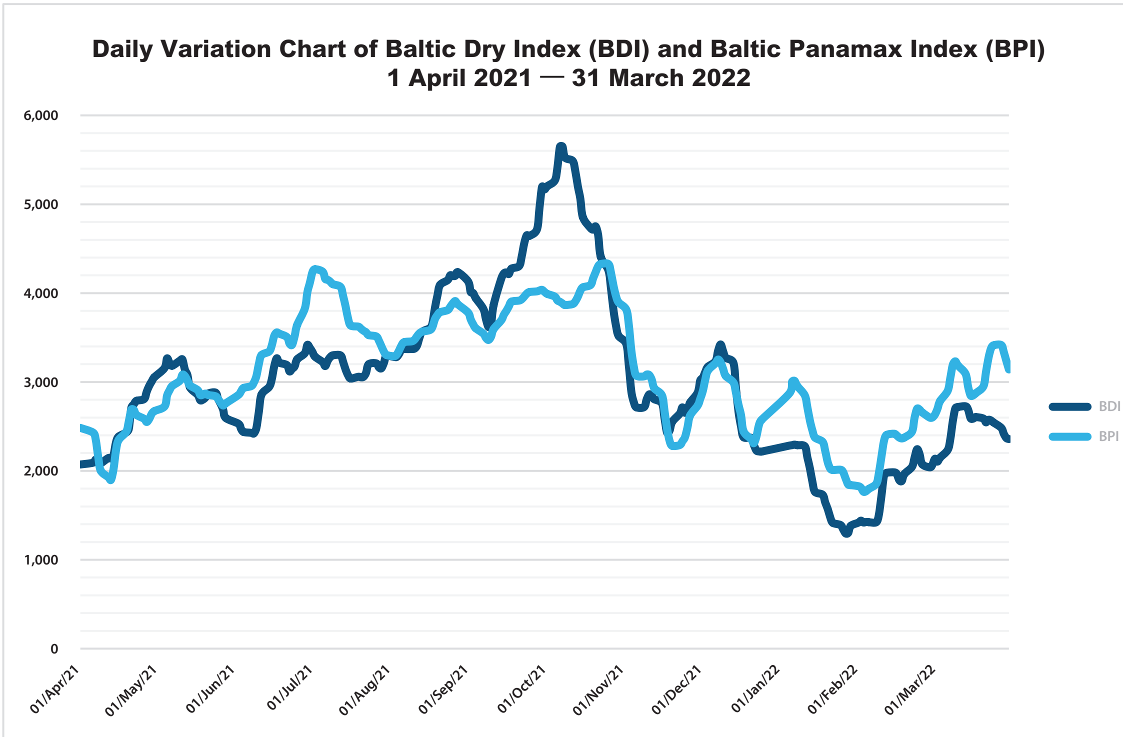
- The share conversion option element was treated as an equity component and was measured at cost.

The fair value of the liability component of Top Build Convertible Bonds approximates its carrying amount.

During the year ended 31 March 2022, the share conversion option of Top Build Convertible Bonds became expired after the 7th Business day prior to the Maturity date of 10 May 2021. The Group was in default under the terms and conditions of the relevant agreement the Top Build Convertible Bonds for the aggregate principal amount of US$54,000,000 that were not settled in full on the maturity date.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review



BDI high at 5,650 in October 2021, low at 1,296 in January 2022, average at 3,021.

BPI high at 4,328 in October 2021, low at 1,765 in February 2022, average at 3,122.

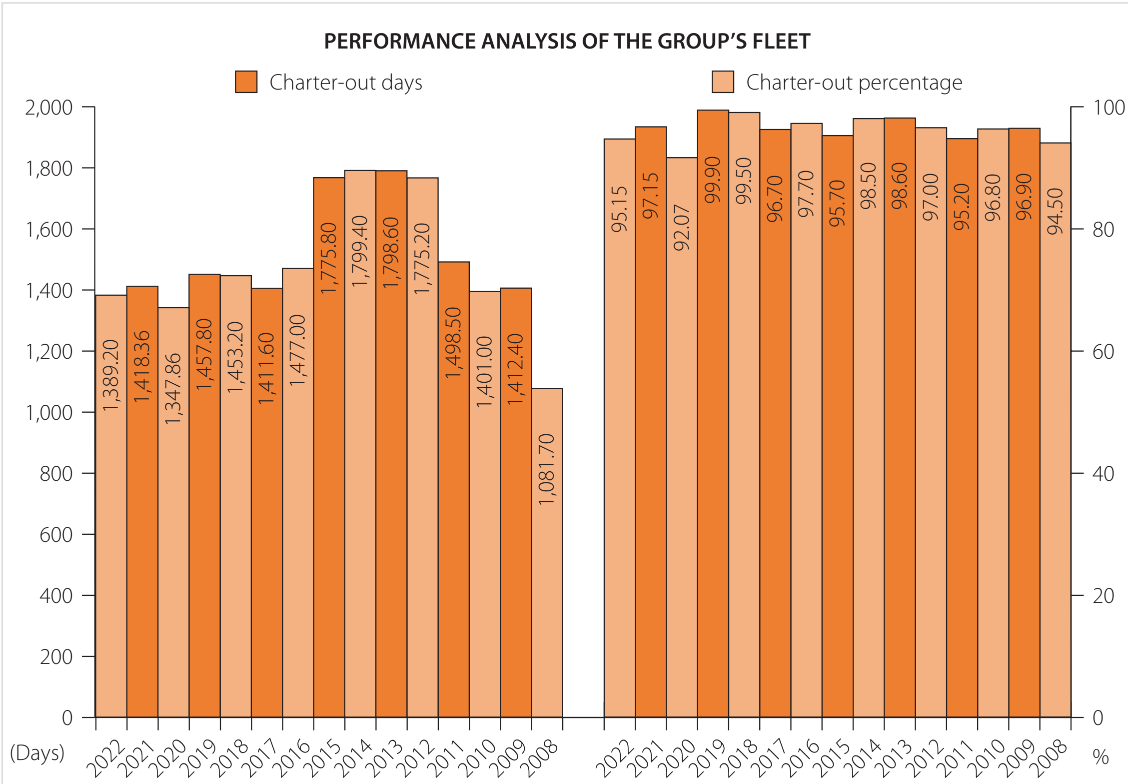
Driven by quantitative easing monetary policies and the reopening of economies across the world, the shipping market bounced back as global demand for dry bulk shipping recovered in 2021. The Baltic Dry Index (BDI) reached 5,650, which was the highest point since 2012, in early October, and then went down staggeringly again. Prices of bulk commodities kept on rising and downstream sectors were actively replenishing their stocks. Add to that the severe port congestion around the world, and the market saw intermittent tight vessel availability from time to time. As the PRC tightened its production curbs, prices of bulk commodities declined from their peaks, speculative demand receded rapidly and the sentiment in the dry bulk shipping market cooled down in the fourth quarter. In terms of major commodities, the global demand for shipping iron ore went up and then down as the prices of iron ore peaked and then fell sharply; international coal trade picked up in the second half of the year due to the cold winter of 2021 in spite of the fact that the world was still undergoing the lengthy decarbonisation process; and demand for food imports rebounded attributable to the unstable weather across the globe.

Notwithstanding the impacts of Epidemic, the Russo-Ukrainian War and the Lunar New Year break in China, the dry bulk shipping market maintained a relatively positive outlook during the low season in the first quarter of 2022.

The average BDI for the year was 3,021, representing a significant year-on-year increase of 123%. The charter rates of all types of vessels jumped. In particular, the average Baltic Panamax Index (BPI) was 3,122, surged by 119.3%.

In respect of supply, the capacity of the global dry bulk shipping market as at the end of 2021 reached 945 million dwt, representing a year-on-year increase of approximately 3.6%. New orders of vessel building represented approximately 7.1% of the volume of the existing fleet. The capacity of new vessels delivered during the year was 35.19 million dwt, representing a year-on-year drop of 28.1%. New orders for vessels amounted to 36.417 million dwt, representing a year-on-year leap of 53.5%. Decommissioned capacity fell to 5.15 million dwt, representing a year-on-year reduction of 66.3%. According to the statistics of Clarksons, the international fleet of dry bulk shipping vessels had a low throughput due to longer waiting time at ports caused by escalating port congestion levels, firstly at ports in Southern America in the first half of the year, then at ports in the Far East in the second half of the year as a result of typhoons and pandemic control measures.

Business Review



The Group's vessels were in sound operation between 1 April 2021 and 31 March 2022. Currently, the fleet has a size of 319,923 dwt and an average age of 16 years, and maintained a relatively high operating rate with an average vessel charter-out percentage of 95.15% for the year. In view of the global efforts to restart the economy from the Epidemic, supply chain demand was on the rise and charter hire charges in the international shipping market were surging. As such, the average daily charter hire income of each vessel in the fleet was US$15,194 per day, which is US$6,448 or 73.7% higher as compared to the level last year.

In view of a good track record of safe operation with no adverse incident and limited downtime, the fleet managed to maintain a relatively high operating rate during the year. Meanwhile, plans and arrangements for dock repair have been duly made to minimise repair time. Two vessels were under dock repair in shipyards for 58 days during the year. As Epidemic continued to wreak havoc around the world, the Company had made its efforts to take an effective cost control measures during the year. All freight rates and charter hires were basically received in full. The Group was able to exert stringent control over costs and expenses in the management of its fleet and strived to minimise voyage expenses. Thus the management expenses of its vessels were basically within budget. Nevertheless, the time and costs of arranging crew change rose to a certain extent as a result of the difficulties caused by Epidemic.

In order to reduce operational risks and improve operational performance, the Group will continue to uphold its proactive and prudent operating strategies and seek to charter out its vessels to reputable charterers while endeavouring to offer them the best services, so as to maintain a favourable market image for the fleet.

Market Outlook

The development of the pandemic across the globe remains uncertain for 2022. As the virus mutated, the Omicron variant emerged and spread around the world. It is causing troubles to, and will continue to affect, the recovery and restart of the global economy in 2022. The armed conflict between Russia and Ukraine since February 2022 severely hampered the export of coal, wheat, corn and other goods from these two countries via the Black Sea. It triggered the energy and food crisis in Europe and may have a long-term impact on global energy and food security and supply. Changes in the trading system and the increase in shipping distance will boost turnover as opposed to the increase in shipping volume.

Following the strong rebound in 2021, the global economy is expected to maintain its recovery momentum in 2022. However, uncertainties about the economic upswing are also on the rise. The United States is gradually ending its quantitative easing policy. The expected interest rate hikes for 2022 will also bring relatively huge shocks and impact to the international financial market and, particularly, the development of emerging markets. The economic recovery in Europe and Japan in general is still fragile. As for emerging economies, energy exporting countries such as Brazil and Russia will be affected by changes in monetary policies and prices of bulk commodities around the world while China focuses on maintaining stable growth. It is expected that the PRC will witness a 5% economic growth, further recovery of the manufacturing industry, a mild slowdown in the real estate sector, steady infrastructure investment, a marginal improvement in consumer spending and a gradual increase in consumer demand in 2022.

Therefore, demand in the international dry bulk shipping market is expected to resume a normal growth rate of approximately 1.8% in 2022. In terms of iron ore shipment, it is anticipated that the price of this bulk commodity will go down in general as the United States shrinks its balance sheet and plans to hike interest rates. As to supply and demand, the iron ore market will experience weak growth as both demand from major countries and supply from most of the major mining companies (except Vale S.A., whose annual production capacity will increase by 20 million tons) across the globe are expected to remain stable. On the other hand, food exports from South America exhibit a relatively strong momentum for 2022.

As for major importing countries, the PRC is expected to witness a decrease in crude steel production, a drop in demand for imported iron ore, stable coal imports and a relatively rapid growth in food imports. The United States, India and Southeast Asia, among other places, may continue to improve their infrastructures and thus expand their iron ore and coal imports in 2022.

In respect of supply, the capacity of the world dry bulk shipping fleet is predicted to increase by approximately 2% in 2022 based on the current orders for new vessels and expected decommissioning of ships. In anticipation of the launch of the Energy Efficiency Existing Ship Index (EEXI) in 2023, the growth in shipping capacity will stay relatively low and in tandem with the increase in demand. Other matters of concern include when dry bulk terminals around the world can resume previous operational efficiency, as well as subsequent market trends as affected by weather and geopolitics.

All in all, we expect the global dry bulk shipping market to sustain relatively favourable freight rates in 2022. Average BDI will reach 2,000, which will be lower than that of 2021 but better than those for 2020 and 2019. With a reduced growth in shipping capacity, freight rates in the international dry bulk shipping market will be particularly prone to the sway and boost of unexpected events.

Given the fluctuation in spot freight rates, the Group will maintain its prudent operating strategies by enhancing its daily management of vessels, providing better transportation services to its customers and chartering out its vessels to reputable and reliable charterers at higher rates, thus generating more operating income for the Company. Meanwhile, the Group will strictly control its operating costs and curb all unnecessary expenses.

Since May 2016, Top Build Group Ltd. ("**Top Build**"), a direct wholly-owned subsidiary of the Company, has held, indirectly through its subsidiaries, 91% equity interest in a company in the PRC which holds the Hainan Land. Driven by the strong economic growth and development in the PRC, the increase in population in Hainan and the limited supply of residential property due to government policy, the land premium and prices of real estates in Hainan increase substantially in recent years. To capture the opportunities prompted by the increase in demand of residential property, the Group plans to develop its property development project into a "cultural and tourism real estate" project for the development of villas, high/low density apartments, retail stores and SOHO with an area of approximately 130,000 square meters.

President Xi Jinping issued an instruction in May 2020 that the Hainan Free Trade Port should perform system innovation and build Hainan Free Trade Port with high quality and standards. In the government work report issued on 22 May 2020, Premier Li Keqiang announced that the Pilot Free Trade Zone will be given greater autonomy for reform and opening up to accelerate the construction of Hainan Free Trade Port. On 1 June 2020, the Central Committee of the Communist Party of China and the State Council issued the "Hainan Free Trade Port Construction Master Plan", which is a major favourable policy, with highlights as follows: (1) facilitating the free flow of cross-border funds, expanding the opening up of domestic and foreign financial industry, and realising free exchange of Renminbi; (2) introducing low tax for the entire Hainan, with corporate income tax of 15% and personal income tax of 15%, signifying unprecedented incentives; (3) adopting closed operation system for the entire Hainan, with the first tier being opened and the second tier being controlled while zero-tariff goods can be traded freely in Hainan and is not subject to the supervision of the customs; (4) significantly increasing the tax allowance for tourists to RMB100,000 per person. The above policies will have a huge impact on various industries such as finance, investment, tourism and trade, thereby promoting real estate development.

In 2020, Hainan Province actively responded to Epidemic with successful pandemic prevention, ensuring successful development and construction of its major engineering projects. There have been seven batches of major projects started collectively in Hainan, among which 793 projects had started and a further 393 projects were contracted, with a total project investment of approximately RMB435.2 billion. Recently, 11 major projects such as Haikou Jiangdong New District, the Haikou Integrated Free Trade Zone, High-tech Industrial Parks and Ecological Software Parks have been opened for tendering. A number of Fortune Global 500 companies and leading companies in various industries such as China Shipping, China Merchants, Sinopec, China Railway, Alibaba, Tencent and Tesla have established their presence in Hainan and started substantial development and construction.

In 2020, the Hainan Provincial Government has completed, at a consideration of RMB4.44 billion, the acquisition of 4,000 mu of land parcel, which is used for the construction of infrastructure in the Jiangdong Free Trade New Zone. Particularly, the construction of energy trading centre would push the gross domestic product (GDP) and the property price in Hainan Province. It is clear that many Chinese energy giants tend to make investment in Haikou Jiangdong New District. For example, the energy trading centre in the Jiangdong Free Trade Zone has housed Shandong Energy Group, Yankuang Group, Huaneng Group and Datang Corporation, successively. According to the record of land transactions in 2021, land premium is rising and registering record highs by auction.

The Hainan Provincial Government has proposed to urbanise the whole province and speed up the construction of highway transportation to facilitate the development of the lands at the vicinity of the city. All-in-one land use planning has been completed in Haikou City, emphasising the sustainable development of ecological environment protection. Improvement of the public construction directly related to the project has been achieved. Jiangdong New District has been opened for tendering, and the value of land in Jiangdong District has rapidly increased. The second airport terminal of the Haikou Meilan Airport is about to come into service and has the capacity to accommodate 60 million passengers per year. The Haikou City Binjiang Road River Cross Tunnel is about to open for use, the Jiangdong New District Road has been completed, and Haikou Ring Expressway has been extended to Yunlong Town. The traffic conditions around the lands of the Company are expected to be improved, which will unleash the possible appreciation of the lands.

In 2021, Feng Fei, the deputy secretary of Hainan Province, stated in his Report on the Work of the Government that Hainan Province will devise a preliminary policy framework for the free trade port during the period covered by the 14th Five-Year Plan. To complete its tasks of formulating systems and arrangements for the first phase of the free trade port, the province aims at having the hardware for its border closure ready by the end of 2023, finishing all preparations for the border closure by the end of 2024, and realising duty-free treatment of 99% of goods in 2025 after border closure. The closure of the border means closing the whole Hainan Island up to form an independent economy. Afterwards, the transportation of goods from other cities in the PRC to Hainan Island will be deemed exportation while the transportation of goods from Hainan Island to other cities in the PRC will be deemed importation. On this basis, the central government has granted duty-free status to Hainan Island so that foreign goods can be directly imported into Hainan Island without customs duty. Customs duty will only be required when the foreign goods are re-exported from Hainan Island to other cities in the PRC.

Hainan has opened up the incoming policy of urban residency and revoked the restrictions on incoming residency to speed up talent introduction, allowing introduced talents to purchase commodity housings in Hainan. Talents who have incoming residency in Hainan without ownership of residential property may enjoy the 30% down-payment mortgage policy for their first-time home purchase. These measures will facilitate real estate transactions and promote value appreciation of real estate. The recent relaxation of restriction on real estate purchase and loan policy together with an overall opening up of incoming residency restriction in Hainan Province has come into effect on 23 April 2021, after which Hong Kong residents may buy properties with a certificate of no home ownership from the housing administration bureau. This arrangement is substantially beneficial to the real estate market in Hainan. It is expected that the real estate market will develop at a high speed in the next few years.

According to a report issued by Hainan Foreign Enterprise Service Corporation on 2 June 2022, the Hainan Free Trade Port accelerated the development of its export-oriented economy with a steady but relatively rapid year-on-year increase of 92.64% in the number of newly-established foreign-owned enterprises in 2021. The "Hainan Free Trade Port Construction Master Plan" stipulated that the Hainan Free Trade Port shall commence border closure procedures by 2025. Hainan Province has classified this as its first priority, and has already started all-round preparation for the closure of the island's border. To duly complete the stress tests on border closure, Hainan Province has extended the "opening the first tier, controlling the second tier" pilot supervision area from Yangpu Bonded Port Area to two other comprehensive bonded zones in Haikou. The extension of policies such as the waiver of duty on the domestic sales of goods with added value from processing will also be studied.

The coming year will be critical for the preparation for the closure of the entire island's border. Li Yufei, the deputy director of the office of the working committee for the Pilot Free Trade Zone (Free Trade Port) under the party committee of Hainan Province, explained that Hainan Province has already completed key tasks such as the planning and construction of ports, taxation policies and arrangements, and the major risk prevention and management systems. In terms of hardware construction, the construction of several planned border closure projects with a planned total investment of approximately RMB18 billion has commenced or will commence very soon. The building of software, design of overarching policies and systems, such as taxation arrangements, financial systems, laws and regulations and system security, will be sped up. In particular, reforms to simplify the tax system represent the key to the preparation for border closure. "Making every effort to perfect the preparations for border closure, the general targets for the coming phases will be having the hardware ready by the end of 2023 and completing all preparations for border closure by the end of 2024." said Li Yufei.

Currently, despite adjustment to and control over the real estate industry in the PRC, in view of the unique natural resources and favourable policies in Hainan Province, coupled with the demands from vast markets across the country in relation to investment in Hainan, real estate supply will continue to be in a shortage in the coming five years. Now the development plan of Hainan Land is still subject to the PRC Government's approval due to the continuous change on Free Trade Port's policy.

On 26 September 2019, Great Harvest Realty Investment Company Limited, an indirect wholly owned subsidiary of the Company, and an investment company (the "**Investor**"), an indirect non-wholly owned subsidiary of a company named in the Fortune Global 500 list of corporations, entered into a memorandum of understanding in relation to the proposed investment by the Investor in Hainan Huachu Industrial Co., Ltd.* (海南華儲實業有限公司), an indirect non-wholly owned subsidiary of the Company. The cooperation between the Group and the Investor is conducive to the accurate positioning of products, improving and controlling the quality of products, making full use of the Investor's brands to increase revenue, accelerating team building, and comprehensively improving service quality. For further details, please refer to the announcement of the Company dated 27 September 2019. As at the date of this announcement, the proposed investment is still in the process of due diligence review and formal agreement negotiation.

In light of the growth potential in Hainan, on 11 October 2018, the Company entered into a memorandum of understanding with two individuals in relation to the proposed investment by the Group in the online hospitality services, online travel transaction services and real estate agency services business in Hainan, the PRC. As at the date of this announcement, the proposed investment is still under feasibility study and negotiation.

Financial Review

Revenue

Under the complicated impact of Epidemic and the Russo-Ukrainian War, the dry bulk shipping market irregularly fluctuated. the Group's revenue experienced a significant pick up and was then moderated and increased from about US$12.5 million for the year ended 31 March 2021 to about US$21.6 million for the year ended 31 March 2022. The full year average daily charter hire income of the Group's vessels recorded approximately US$15,194 for the year ended 31 March 2022 compared to that for the year ended 31 March 2021 of approximately US$8,746. During the year ended 31 March 2022, two of the Group's vessels had completed dry dock maintenance (for the year ended 31 March 2021: two vessels). The sharp increase in revenue was due to (i) the newly signed chartering agreements with favourable daily charter hire income between July and August 2021 as disclosed in the voluntary business update announcement of the Company dated 1 September 2021; (ii) the continuous and steady increment on freight rate during 2021 and second hand vessel price rebound during 2021 as disclosed in inside information announcement of the Company for business update and positive profit alert dated 21 September 2021; and (iii) during the second half of the year ended 31 March 2022, market performance maintained positive, the Group's vessels were able to sustain relatively favourable charter rates.

Cost of services

Cost of services of the Group decreased from about US$11.3 million for the year ended 31 March 2021 to about US$11.0 million for the year ended 31 March 2022, representing a decrease of approximately US$0.3 million. Fuel cost steadily growing upward during the year such that the fuel cost of the Group changed from a charge of US$1.4 million to a credit of about US$1.4 million which reflected the marked-to-market gain in bunker inventory. Depreciation of vessels increased by around US$1.1 million after the reversal of impairment recorded in the year ended 31 March 2021 and 30 September 2021. Due to the continuous impact of Epidemic, direct operation costs increased significantly by around US$1.4 million.

Gross profit

The Group recorded a gross profit of about US$10.6 million for the year ended 31 March 2022 as compared to about US$1.1 million for the year ended 31 March 2021, representing a growth of approximately US$9.5 million, while the gross profit margin rocketed from approximately 9.2% for the year ended 31 March 2021 to approximately 49.0% for the year ended 31 March 2022. The improvement in gross profit was due to the sharp increase in revenue and also the recovery in fuel value.

General and administrative expenses

General and administrative expenses of the Group increased from approximately US$2.3 million for the year ended 31 March 2021 to approximately US$2.7 million for the year ended 31 March 2022, representing an increase of approximately US$0.4 million or approximately 18.1%. It was mainly due to the restructure of shipping loan of the Group's two vessels which resulted in extra legal and professional fees and bank service charges.

Finance costs

Finance costs of the Group decreased to about US$2.3 million for the year ended 31 March 2022 (for the year ended 31 March 2021: approximately US$6.0 million). The interest expense of the convertible bonds in the principal amount of US$54 million issued in May 2016 (the "**Top Build Convertible Bonds**") ceased accrual at maturity and therefore decreased by about US$4.0 million as compared to the year ended 31 March 2021. Loan from the ultimate holding company decreased and hence the related interest decreased by about US$0.1 million. The reduction in finance costs from Top Build Convertible Bonds and loan from ultimate holding company were offset by increase in finance costs from a restructuring of loans with two vessels.

Profit/(loss) for the year

The Group generated profit for the year of approximately US$18.0 million for the year ended 31 March 2022 as compared with the loss for the year of approximately US$3.1 million for the year ended 31 March 2021. As disclosed in the profit alert and business update announcements of the Company dated 1 September 2021, 21 September 2021 and 19 November 2021, the turn from loss to profit for the period from 1 April 2021 to 30 September 2021 was mainly attributable to following factors: (i) the sharp increase in revenue due to the newly signed chartering agreements with favourable daily charter hire income between July and August 2021; (ii) the continuous and steady increment on freight rate during 2021 and second hand vessel price rebound during 2021; and (iii) the reversal of impairment losses on property, plant and equipment resulting from the increase in fair value of the vessels owned by the Group after taking into account the second hand vessel price rebound as at 30 September 2021. For the period from 1 October 2021 to 31 March 2022, relatively favourable charter rates sustained, the marked-to-market gain in bunker inventory, and the decrease in finance cost all contributed to the continuing improvement in profit.

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

The Group's EBITDA has increased from US$4.5 million for the year ended 31 March 2021 to US$12.3 million for the year ended 31 March 2022 due to the significant increase in gross profit during the year.

Liquidity, financial resources, capital structure and gearing ratio

As at 31 March 2022, the Group's cash and cash equivalents amounted to approximately US$2.7 million (as at 31 March 2021: approximately US$0.2 million), of which approximately 97.6% were denominated in US$, approximately 2.2% were denominated in HK$ and approximately 0.2% were denominated in RMB. Outstanding bank borrowings amounted to approximately US$12.9 million (as at 31 March 2021: approximately US$10.5 million) and other loans (including convertible bonds) amounted to approximately US$61.6 million (as at 31 March 2021: approximately US$70.1 million), of which 99.0% were denominated in US$ and 1.0% were denominated in HK$.

As at 31 March 2022 and 31 March 2021, the Group had a gearing ratio (being bank borrowings and other borrowings (including convertible bonds) of the Group divided by the total assets of the Group) of about 50.7% and 61.5% respectively. The decrease in gearing ratio as at 31 March 2022 was mainly due to the reversal of impairment loss of vessels, increase in bank deposits, and the reduction in Top Build Convertible Bonds and loan from the ultimate holding company.

The Group recorded net current liabilities of about US$66.0 million as at 31 March 2022 and approximately US$64.5 million as at 31 March 2021. It was mainly due to (i) the increase in bank balance after the improvement in turnover; (ii) the event of default of Top Build Convertible Bonds resulted in the cross-defaults in a bank loan and a loan from a financial institution which may cause the bank loan to become immediately due and hence the non-current portion of bank loan amounted to around US$10.8 million were reclassified to current liabilities; (iii) the repayment of loan from the ultimate holding company amounted to approximately US$5.5 million and the principal redemption of approximately US$2.8 million of Top Build Convertible Bonds during the year ended 31 March 2022.

On 29 March 2019, Bryance Group Limited, a wholly-owned subsidiary of the Company, has entered into a term loan for the principal amount of US$4.27 million for refinancing a vessel owned by the Group, namely GH POWER (the "**GH POWER Loan**"). The principal amount of the GH POWER Loan shall be repaid by 14 quarterly instalments commencing three months from the drawdown date. The GH POWER Loan is subject to compliance of certain restrictive financial undertakings which the Group will continue to monitor.

On 30 April 2021, United Edge Holdings Limited and Way Ocean Shipping Limited, each being a wholly-owned subsidiary of the Company, have entered into a term loan for the principal amount of US$14.75 million for refinancing of the Group's bank borrowings in relation to two vessels owned by the Group, namely GH GLORY and GH HARMONY (the "**GH GLORY/HARMONY Loan**"). The principal amount of the GH GLORY/HARMONY Loan shall be repaid by quarterly instalments commencing 30 June 2021. The GH GLORY/HARMONY Loan is also subject to compliance of certain restrictive financial undertakings which the Group will continue to monitor.

A breach of the restrictive financial undertaking requirements will constitute an event of default under the loan agreement, and as a result, the facility is liable to be declared immediately due and payable. The occurrence of such circumstance may trigger the cross default provisions of other banking or credit facilities available to the Group and, as a possible consequence, these other facilities may also be declared to be immediately due and payable. This event of the default also resulted in cross-default of the GH POWER Loan and the GH GLORY/HARMONY Loan.

The management maintains continuous relationship with the banks and financial institutions and the Directors are of the opinion that bank borrowings and loan from financial institutions will continue to be available to the Group for the next twelve months from 31 March 2022.

The Group monitors the current and expected liquidity requirements regularly to mitigate the effects of fluctuations in cash flows. The Company has entered into six loan facility agreements with Ablaze Rich Investment Limited, a controlling shareholder of the Company (as defined in the Listing Rules), ("**Ablaze Rich**") on 19 January 2017, 12 April 2017, 15 January 2018, 17 April 2019, 28 February 2020 and 23 June 2020 for six loan facilities (collectively, the "**Facilities**") in the amounts of US$3.0 million (the "**First Facility**"), US$3.0 million (the "**Second Facility**"), US$1.5 million (the "**Third Facility**"), US$2.0 million (the "**Fourth Facility**"), US$2.0 million (the "**Fifth Facility**") and US$3.0 million (the "**Sixth Facility**") respectively. The First Facility, the Second Facility and the Fourth Facility were extended on 15 January 2021. The full loan amount had been drawn down by the Company under the First Facility, the Second Facility, the Third Facility, the Fourth Facility and the Fifth Facility. As at 31 March 2022, US$2.0 million of the loan amount had been drawn down by the Company under the Sixth Facility.

The First Facility will be repayable on an extended repayment date which is on or before 15 January 2023, the Second Facility will be repayable on an extended repayment date which is on or before 15 January 2023, the Third Facility was due and repayable on 15 January 2022, the Fourth Facility will be repayable on or before 15 January 2023, the Fifth Facility will be repayable on or before 12 March 2022 and the Sixth Facility would be due and payable repayable on or before 22 June 2022, subject to any extension of the respective repayment dates. On 30 March 2022, the ultimate holding company extended the repayment date of each of the First Facility, the Second Facility and the Sixth Facility for two years from the date of extension, i.e. up to 30 March 2024. These loan facilities are unsecured and carry an interest of 4% per annum. As at the date of this announcement, the drawn amount under the Third Facility, the Fourth Facility, and the Fifth Facility have been repaid in full and the Sixth Facility was partial repaid by US$650,000. The drawn amount under each of the other two Facilities had not been repaid. The disinterested members of the Board (including the independent non-executive Directors) consider that as each of the Facilities is on normal commercial terms or better and is not secured by the assets of the Group, the receipt of financial assistance by the Group thereunder are fully exempt under Rule 14A.90 of the Listing Rules.

On 30 September 2020, the Company entered into a deed of funding undertakings. Ablaze Rich, Mr. Yan and Ms. Lam have undertaken to provide funding to the Group when funding notice shall be issued by the Company within twenty four months of the date of the deed. The undertakings shall cease to have effect after twenty four months from the date of the deed or upon the Company or any member of the Group having obtained long-term external bank borrowings or other sources of long-term financing with a principal amount of not less than US$30 million, whichever is the earlier. The deed of fund undertakings entered on 31 March 2019 was superseded by this deed, and had ceased to be effective from 30 September 2020.

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The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations.

The Group's liquidity requirements will be satisfied by a combination of cash flow generated from working capital arising from operating activities, bank loans and other financing means which the Company may from time to time consider appropriate.

Convertible Bonds

As announced by the Company on 10 May 2016, completion of the acquisition of the entire issued share capital of Top Build took place on 10 May 2016 and the Top Build Convertible Bonds were issued in May 2016.

As announced by the Company on 14 May 2021, 24 June 2021, 24 November 2021, 31 December 2021 and 25 February 2022, the Top Build Convertible Bonds matured on 10 May 2021 and the Company defaulted in the redemption of the Top Build Convertible Bonds in full in accordance with the terms and conditions thereof (the "**Default**"). On 24 November 2021, the Company and the holder of the Top Build Convertible Bonds (the "**Bondholder**"), among others, entered into a settlement agreement (the "**Settlement Agreement**"), pursuant to which the Bondholder has agreed to withhold taking any further litigation or claims against the Company in respect of the Default provided that the Company settled the outstanding redemption amount in the Top Build Convertible Bonds by, among others, repaying the Bondholder USD25 million in cash within two months from the date of the Settlement Agreement (i.e. 24 January 2022). On 31 December 2021, the Company entered into a subscription agreement with an independent investor in Hong Kong on 31 December 2021, pursuant to which the Company has agreed to issue, and the investor has agreed to subscribe for, corporate bond in the principal amount of USD50 million, but the completion of such subscription did not take place. As a result, the Company did not pay in full the USD25 million which was due and payable on 24 January 2022 pursuant to the terms of the Settlement Agreement. On 24 February 2022, the Bondholder filed a winding-up petition (the "**Petition**") with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region for the winding-up of the Company in relation to the outstanding redemption amount in the Top Build Convertible Bonds, which amounted to USD51,230,000 as at the date of the Petition.

On 29 June 2022, the Company and the Bondholder, among others, entered into a supplemental agreement to the Settlement Agreement (the "**Supplemental Settlement Agreement**"), pursuant to which the Bondholder has agreed, among others, to conditionally withdraw the Petition and withhold taking any further litigation or claims against the Company in respect of the Default. Pursuant to the Supplemental Settlement Agreement, the Company will settle the outstanding redemption amount of the Convertible Bonds (which amounted to USD51,230,000 as at the date of this announcement) by repaying the Bondholder (i) USD5,000,000 in cash in 10 quarterly instalments of USD500,000 with the first instalment to be paid within 7 business days from the date the High Court of Hong Kong grant an order for the withdrawal of the Petition; and (ii) the remaining balance of USD46,230,000 and all accumulated interest (calculated at an interest rate of 8% per annum), both to be paid in cash in one lump sum on 31 December 2024. The withdrawal of the Petition is further conditional upon, among others, the Company having delivered security documents for the pledge/mortgage over certain assets of the Group in favour of the Bondholder as security for the Company's performance of its repayment obligations under the Settlement Agreement (as supplemented by the Supplemental Settlement Agreement). Please refer to the announcement of the Company dated 29 June 2022 for further details.

Exposure to fluctuations in exchange rate risk and related hedges

The Group's transactions and monetary assets were primarily denominated in US$. Operating expenses of the Group's Hong Kong subsidiaries were primarily denominated in HK$ and that of the Group's PRC subsidiary was primarily denominated in RMB, while the borrowings and loans of the Group were denominated in US$ and HK$. As the Group does not have significant foreign currency transactions or balances, the Directors consider that the level of foreign currency exposure for the Group is relatively minimal.

The Group has not entered into any arrangements to hedge for the future fluctuations of London Interbank Offered Rate or Hong Kong Dollars Best Lending Rate or cost of fund arising from the Group's variable-rate borrowings.

Bank borrowings and loan from a financial institution and disclosure under Rules 13.13 to 13.19 of the Listing Rules

Pursuant to Rule 13.18 of the Listing Rules, a general disclosure obligation will arise where an issuer or any of its subsidiaries enters into a loan agreement that includes a condition imposing specific performance obligations on any controlling shareholders, such as a requirement to maintain a specified minimum holding in the share capital of the issuer. As at 31 March 2022, the Group recorded outstanding bank borrowings and loan from a financial institution of about US14.4 million and all these borrowings and loans carried interest at floating rate.

The GH POWER Loan was entered into on 29 March 2019 and the GH GLORY/HARMONY Loan was entered into on 30 April 2021. These loans, namely the GH POWER Loan and the GH GLORY/HARMONY Loan, were for financing the acquisition costs of vessels of the Group and were secured by, inter alia, the following:

- Corporate guarantee from the Company (in respect of the GH POWER Loan);
- First preferred mortgages over the vessels held by the Group;
- Assignment of charter-hire income and insurance in respect of the vessels held by the Group; and
- Charges over shares of each of the Group companies holding those vessels.

The above bank loans were provided to the Group on the conditions that, inter alia, (a) (in respect of the GH POWER Loan) Mr. Yan, Ms. Lam and/or any company controlled by them shall jointly hold at least 51% shareholding interests in the Company; and (b) (in respect of the GH GLORY/HARMONY Loan) the investment vehicle(s) owned or controlled by Mr. Yan and Ms. Lam shall hold or control at least 30% shareholding interests in the Company.

Charges on assets

As at 31 March 2022, the Group had pledged the following assets to a bank and a financial institution as securities against the bank borrowing and loan facilities granted to the Group:

	31 March 2022	31 March 2021
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**61,830**	52,108
Pledged deposits	**500**	500
Pledged bank deposits	**1,390**	1,987
	63,720	54,595

Contingent liabilities

There were no material contingent liabilities for the Group as at 31 March 2022.

Employees' remuneration and retirement scheme arrangements

As at 31 March 2022, the Group had a total of 88 employees (as at 31 March 2021: 97 employees). For the year ended 31 March 2022, the total salaries and related costs (including Directors' fees) amounted to approximately US$4.8 million (as at 31 March 2021: US$4.5 million). It is the Group's policy to remunerate its employees with reference to the relevant market situation, and accordingly the remuneration level of the Group's employees remains at a competitive level and is adjusted in accordance with the employees' performance. Other benefits offered by the Group include mandatory provident fund scheme and medical insurance.

PROSPECTS

Looking forward to 2022, the Company expects that 2022 will continue to be a challenging year. The development of the Epidemic remains uncertain and the global spread of the Omicron variant will have a certain impact on the recovery of the global economy in 2022. Also, the war between the Russia and Ukraine has caused serious obstacles to the exports of coal, wheat and corn and is expected to continue affecting the worldwide supply chain structure for these goods.

The Company will closely monitor the market situation and evaluate the impact of the Epidemic, and continuously adopt a cautious approach for exploring any potential investment or business opportunities to enhance our income source. Furthermore, the Group will uphold its proactive and prudent operating strategies in order to reduce operational risks and improve operational performance. The Company will keep its shareholders updated of its business development as and when appropriate.

ACQUISITION AND DISPOSAL

The Group had no material acquisition or disposal during the year ended 31 March 2022.

CHANGE IN INFORMATION OF DIRECTOR

In accordance with Rule 13.51B(1) of the Listing Rules, changes of the information of the Directors required to be disclosed are set out below:

Mr. Cheung Kwan Hung has resigned as independent non-executive director of NewOcean Energy Holdings Limited (listed on the Main Board of the Stock Exchange, stock code: 342) with effect from 17 December 2021.

Save as disclosed above, there is no other change in information regarding the Directors or chief executives of the Company that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE

The Company has adopted the principles and code provisions of the Corporate Governance Code ("**CG Code**") contained in Appendix 14 to the Listing Rules as the Company's code on corporate governance practices. Throughout the year ended 31 March 2022 and up to the date of this announcement, the Company has been in compliance with the code provisions set out in the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("MODEL CODE")

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions.

The Directors have confirmed that, following specific enquiry by the Company, they have complied with the required standards as set out in the Model Code for the year ended 31 March 2022 and up to the date of this announcement.

DIVIDEND

The Directors did not recommend the payment of any final dividend to the shareholders of the Company for the year ended 31 March 2022.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares of the Company (the "**Shares**") on a pro-rata basis to existing shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Shares for the year ended 31 March 2022.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, there is sufficient public float of more than 25% of the Company's issued Shares as required under the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established in accordance with Rule 3.21 of the Listing Rules and has reviewed the accounting principles and practices adopted by the Group. The Unaudited Final Results have been reviewed by the Audit Committee. The Audit Committee comprises three members, namely Mr. Cheung Kwan hung, Dr. Chan Chung Bun, Bunny and Mr. Wai Kwok Hung.

SUBSEQUENT EVENT

The Company and Bondholder, among others, entered into the Supplemental Settlement Agreement on 29 June 2022 in relation to the Default regarding the Top Build Convertible Bonds. Details of the Top Build Convertible Bonds, the Default and the Supplemental Settlement Agreement have been disclosed in the section headed "Convertible Bonds" in this announcement.

Save as disclosed above, there is no material subsequent event undertaken by the Company or by the Group after 31 March 2022 and up to the date of this announcement.

UPDATE ON REMEDIAL MEASURES

The consolidated financial statements of the Group for the year ended 31 March 2021 was subject to the disclaimer of audit opinion by the auditor of the Company as detailed in the 2021 annual report of the Company ("**2021 Annual Report**"). Further to the management's response and relevant remedial measures taken and to be taken by the management as set out in Note 2.1.1 to the consolidated financial statements in the 2021 Annual Report, the management of the Company wishes to provide the latest update on the relevant remedial measures taken or to be taken, details of which are set out in note 2.1.1 to the unaudited consolidated financial statements. Such remedial measures have been considered, recommended and agreed by the Audit Committee after its critical review of the management's position for the year ended 31 March 2022.

PUBLICATION OF THE UNAUDITED FINAL RESULTS ANNOUNCEMENT

This Unaudited Final Results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.greatharvestmg.com) respectively.

The unaudited financial information contained herein in respect of the Unaudited Final Results have not been audited and have not been agreed with the Company's auditors but have been reviewed by the Audit Committee. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

For and on behalf of the Board
Great Harvest Maeta Holdings Limited
Yan Kim Po
Chairman

Hong Kong, 30 June 2022

As at the date of this announcement, the executive Directors are Mr. Yan Kim Po, Ms. Lam Kwan; and the independent non-executive Directors are Mr. Cheung Kwan Hung, Dr. Chan Chung Bun, Bunny and Mr. Wai Kwok Hung.