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)**

# AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

## FINANCIAL HIGHLIGHTS

- Revenue of US$13.5 million was recorded for the year ended 31 March 2024, a 26.2% decrement as compared to US$18.2 million for the year ended 31 March 2023.

- Operating loss of US$0.5 million was recognised for the year ended 31 March 2024, compared with the operating loss made of US$6.2 million for the year ended 31 March 2023.

- Earnings before interest, taxes, depreciation, amortisation and reversal of/(provision for) impairment losses ("**EBITDA**") decreased from US$8.8 million for the year ended 31 March 2023 to US$3.1 million for the year ended 31 March 2024.

- Loss attributable to owners of the Company of US$17.1 million for the year ended 31 March 2023 dropped to US$7.1 million for the year ended 31 March 2024.

- The basic and diluted loss per share of US1.79 cents for the year ended 31 March 2023 dropped to US0.75 cents for the year ended 31 March 2024.

The board (the "**Board**") of directors (the "**Directors**") of Great Harvest Maeta Holdings Limited (the "**Company**") hereby announces the audited consolidated final results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2024 as follows:

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

*For the year ended 31 March 2024*

| | *Notes* | **2024** **US$'000** | 2023 *US$'000* |
|---|---|---|---|
| Revenue | *3(a)* | **13,452** | 18,233 |
| Cost of services | *5* | **(12,942)** | (16,187) |
| **Gross profit** | | **510** | 2,046 |
| Other gains, net | *4* | **600** | 2,634 |
| Other income | | **173** | 116 |
| General and administrative expenses | *5* | **(2,685)** | (2,827) |
| Reversal of/(provision for) impairment losses on property, plant and equipment | | **872** | (8,218) |
| **Operating loss** | | **(530)** | (6,249) |
| Finance income | *6* | **37** | 45 |
| Finance costs | *6* | **(5,053)** | (10,896) |
| **Finance costs – net** | | **(5,016)** | (10,851) |
| Loss before income tax | | **(5,546)** | (17,100) |
| Income tax expense | *7* | **(1,256)** | (9) |
| **Loss for the year** | | **(6,802)** | (17,109) |
| **Loss attributable to:** | | | |
| Owners of the Company | | **(7,126)** | (17,093) |
| Non-controlling interest | | **324** | (16) |
| | | **(6,802)** | (17,109) |

| | Notes | **2024** | 2023 |
|---|---|---|---|
| | | ***US$'000*** | *US$'000* |
| **Other comprehensive expense for the year** | | | |
| *Item that may be reclassified subsequently to profit or loss* | | | |
| Currency translation differences | | **(1,467)** | (3,890) |
| **Total comprehensive expense for the year** | | **(8,269)** | (20,999) |
| **Total comprehensive expense attributable to:** | | | |
| Owners of the Company | | **(8,461)** | (20,632) |
| Non-controlling interest | | **192** | (367) |
| | | **(8,269)** | (20,999) |
| **Loss per share attributable to owners of the Company** | | | |
| Basic loss per share | *8* | **(US0.75 cents)** | (US1.79 cents) |
| Diluted loss per share | *8* | **(US0.75 cents)** | (US1.79 cents) |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2024*

| | | 2024 | 2023 |
|---|---|---|---|
| | *NOTES* | ***US$'000*** | *US$'000* |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **37,273** | 55,175 |
| Investment properties | | **73,474** | 70,655 |
| Right-of-use assets | | **328** | 285 |
| Pledged bank deposits | | **–** | 516 |
| | | **111,075** | 126,631 |
| **Current assets** | | | |
| Trade receivables, deposits, prepayments and other receivables | *10* | **3,080** | 4,320 |
| Cash and cash equivalents | | **1,058** | 2,041 |
| | | **4,138** | 6,361 |
| **Total assets** | | **115,213** | 132,992 |
| **EQUITY** | | | |
| **Equity attributable to owners of the Company** | | | |
| Share capital | | **1,221** | 1,221 |
| Reserves | | **16,828** | 25,289 |
| | | **18,049** | 26,510 |
| **Non-controlling interest** | | **4,419** | 4,227 |
| **Total equity** | | **22,468** | 30,737 |

| | Notes | 2024 US$'000 | 2023 US$'000 |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Borrowings and loans | *11* | **6,730** | 8,533 |
| Lease liabilities | | **84** | 127 |
| Deferred tax liabilities | | **17,571** | 16,851 |
| | | **24,385** | 25,511 |
| **Current liabilities** | | | |
| Other payables and accruals | | **12,101** | 12,913 |
| Borrowings and loans | *11* | **105** | 10,913 |
| Convertible bonds | *12* | **55,900** | 52,739 |
| Lease liabilities | | **248** | 174 |
| Tax payables | | **6** | 5 |
| | | **68,360** | 76,744 |
| **Total liabilities** | | **92,745** | 102,255 |
| **Total equity and liabilities** | | **115,213** | 132,992 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Great Harvest Maeta 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. Its parent is Ablaze Rich Investments Limited ("**Ablaze Rich**") (incorporated in British Virgin Islands) and the ultimate controlling parties are Mr. Yan Kim Po ("**Mr. Yan**") and Ms. Lam Kwan ("**Ms. Lam**").

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.

These consolidated financial statements are presented in United States dollars ("**US$**") which is also the functional currency of the Company and rounded to nearest thousand US$, unless otherwise stated.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

The material 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**") issued by Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except for investment properties that are measured at fair value, at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.1 Basis of preparation (Continued)

#### *2.1.1 Going concern basis*

The Group reported a net loss of approximately US$6,802,000 for the year ended 31 March 2024. As at 31 March 2024, the Group's current liabilities exceeded its current assets by approximately US$64,222,000, which included borrowings and loans of approximately US$105,000 and convertible bonds of approximately US$55,900,000 that are repayable within one year, while the Group's cash and cash equivalents balance was approximately US$1,058,000. In addition, the Group has entered into agreements which will involve capital commitments of approximately US$250,000 in respect of investment properties project as at 31 March 2024.

Pursuant to the Supplemental Settlement Agreement (as defined in Note 12), the Company shall settle the outstanding redemption amount of the convertible bonds (which amounted to approximately US$55,900,000 as at 31 March 2024) and all accumulated interest, both to be paid in cash in one lump sum on 31 December 2024 (the "**Settlement**").

As the financial resources available to the Group as at 31 March 2024 and up to the date of approval of these consolidated financial statements for issuance may not be sufficient to satisfy operating and financing requirements together with the payment of capital expenditure when they fall due, the Group is actively pursuing additional financing including, but not limited to, debt financing and bank borrowings.

In view of such circumstances, certain plans and measures have been taken by the Group to improve their liquidity position, which include:

*(i) Extension of the repayment in relation to the Settlement under the Supplemental Settlement Agreement*

The Group is actively negotiating with the holder of the Top Build Convertible Bonds (the "**Bondholder**") for an extension of the repayment date in relation to the Settlement. The directors of the Company currently expect that agreements with the Bondholder will be reached in due course and negotiation process is ongoing with the Bondholder. Up to the date of approval of these consolidated financial statements, the Group has not reached any formal agreements with the Bondholder.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.1 Basis of preparation (Continued)

#### *2.1.1 Going concern basis (Continued)*

*(ii) Various settlement proposals*

The Group is actively negotiating with the Bondholder for various settlement proposals including asset offer in lieu to finance the Settlement. Negotiation with the Bondholder is ongoing as at the date of this announcement.

*(iii) Financing through ultimate holding company*

On 30 September 2023, the Company entered into a deed of funding undertakings that Ablaze Rich, Mr. Yan and Ms. Lam have undertaken to provide funding to the Group when funding notice issue 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. As at 31 March 2024, US$2.9 million was obtained under the terms of the deed.

In addition, Ablaze Rich granted a loan amounted to US$3 million in 2017 which is still outstanding as at 31 March 2024.

On 30 March 2023, Ablaze Rich extended the maturity of all these outstanding principal balance, together with related interest payable balance, to 30 June 2026 with other major terms and conditions remaining unchanged.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.1 Basis of preparation (Continued)

#### *2.1.1 Going concern basis (Continued)*

*(iv) Financing through banks and capital market*

The Group is actively seeking for other alternative financing and bank borrowings, to finance the settlement of its existing financial obligations and future operating and capital expenditures. Additionally, the Group is planning to raise funds through the capital market, such as placement or issue of corporate bonds and/or other sources, and to negotiate with the Bondholder for various settlement proposals and solution to finance the Settlement. Negotiation with the Bondholder and potential investor(s) is ongoing as at the date of this announcement.

*(v) Enhancement of operation of chartering business*

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 market fluctuation.

The directors of the Company have reviewed the Group's cash flow projection for a period covering not less than twelve months from 31 March 2024. Assuming that agreement on an extension of the repayment date under the Supplemental Settlement Agreement or other solutions would be reached and the plans and measures as described above would be successfully implemented by the Group, the directors of the Company accordingly consider it is appropriate that the Group will have sufficient working capital to meet its cash flow requirements in the next twelve months. The directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.1 Basis of preparation (Continued)

#### *2.1.1 Going concern basis (Continued)*

Notwithstanding the above, material uncertainties exist as to whether the Group can achieve the plans and measures described above to generate adequate cash inflow as scheduled. The sufficiency of the Group's working capital to satisfy its present requirements for at least the next twelve months from the date of approval of these consolidated financial statements for issuance is dependent on the followings:

(i) Whether the Group can successfully negotiate an extension of the repayment date under the Supplemental Settlement Agreement;

(ii) Whether the Group can liquidate its assets on time to finance needed funding requirements;

(iii) Whether the ultimate holding company will be able to provide further funding to the Group under the above-mentioned deed of funding undertakings, as and when needed, to meet the Group's working capital and scheduled loan repayments;

(iv) Whether the Group can successfully obtain financing through banks, capital market, or agree on alternative sources to finance the Settlement with the Bondholder; and

(v) Whether the Group can successfully improve its operation of chartering of dry bulk vessels under market fluctuation, and whether the Group can exercise stringent control on capital and operating expenditures in order to generate sufficient operating cash inflow.

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 realisable values, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.1 Basis of preparation (Continued)

#### *2.1.2 Application of new and amendment to HKFRSs*

In the current year, the Group has applied mandatorily the following new and amendments to HKFRSs issued by the HKICPA for the first time which are effective for the Group's annual periods beginning on 1 April 2023 for the preparation of the consolidated financial statements:

| | |
|---|---|
| HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17) | Insurance Contracts |
| Amendments to HKAS 8 | Definition of Accounting Estimates |
| Amendments to HKAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to HKAS 12 | International Tax Reform-Pillar Two model Rules |
| Amendments to HKAS 1 and HKFRS Practice Statement 2 | Disclosure of Accounting Policies |

Except as disclosed below, the application of the other new and amendments to HKFRSs in the current year had no material impact on the Group's performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

*Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies.*

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.1 Basis of preparation (Continued)

#### *2.1.2 Application of new and amendment to HKFRSs (Continued)*

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's material accounting policy information set out in note to the consolidated financial statements.

In accordance with the guidance set out in the amendments, accounting policy information that is standardized information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.1 Basis of preparation (Continued)

#### *2.1.3 Amendments to HKFRSs issued but not yet effective*

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

| | |
|---|---|
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1] |
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback[2] |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2] |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants[2] |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements[2] |
| Amendments to HKAS 21 | Lack of Exchangeability[3] |

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2024.

[3] Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all the amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

## 3. REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("**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.

### (a) Segment revenue, results and other information

| | Chartering of vessels | Property investment and development | Unallocated | Total |
|---|---|---|---|---|
| | *US$'000* | *US$'000* | *US$'000* | *US$'000* |
| **Year ended 31 March 2024** | | | | |
| Revenue recognised over time | **13,452** | **–** | **–** | **13,452** |
| Depreciation of property, plant and equipment | **(4,944)** | **–** | **–** | **(4,944)** |
| Reversal of impairment losses on property, plant and equipment | **872** | **–** | **–** | **872** |
| (Loss)/gain on disposal of property, plant and equipment | **(4,390)** | **4** | **–** | **(4,386)** |
| Fair value gains on investment properties | **–** | **4,986** | **–** | **4,986** |
| Finance costs | **(831)** | **(3,961)** | **(261)** | **(5,053)** |
| Segment (loss)/profit before income tax | **(5,759)** | **880** | **(667)** | **(5,546)** |
| Income tax expense | | | | **(1,256)** |
| Loss for the year | | | | **(6,802)** |

## 3. REVENUE AND SEGMENT INFORMATION (Continued)

### (a) Segment revenue, results and other information (Continued)

| | Chartering of vessels | Property investment and development | Unallocated | Total |
|---|---|---|---|---|
| | *US$'000* | *US$'000* | *US$'000* | *US$'000* |
| **Year ended 31 March 2023** | | | | |
| Revenue recognised over time | 18,233 | – | – | 18,233 |
| Depreciation of property, plant and equipment | (6,764) | (1) | – | (6,765) |
| Provision for impairment losses on property, plant and equipment | (8,218) | – | – | (8,218) |
| Gain on modification of convertible bonds | – | 2,588 | – | 2,588 |
| Finance costs | (918) | (9,686) | (292) | (10,896) |
| Segment loss before income tax | (8,532) | (7,293) | (1,275) | (17,100) |
| Income tax expense | | | | (9) |
| Loss for the year | | | | (17,109) |

Segment profit/(loss) represents the profit/(loss) from each segment without allocation of central general and administrative expenses and finance costs. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

The accounting policies of the operating segments are the same as the Group's accounting policies.

## 3. REVENUE AND SEGMENT INFORMATION (Continued)

### (b) Segment assets

| | Chartering of vessels US$'000 | Property investment and development US$'000 | Unallocated US$'000 | Total US$'000 |
|---|---|---|---|---|
| **As at 31 March 2024** | | | | |
| Segment assets | **41,143** | **74,007** | **63** | **115,213** |
| **As at 31 March 2023** | | | | |
| Segment assets | 61,690 | 71,221 | 81 | 132,992 |

All assets are allocated to operating segments other than certain deposits, prepayments, other receivables and certain cash and cash equivalents as these assets are managed on group basis.

### (c) Revenue from major services

During the years ended 31 March 2024 and 2023, revenue is recognised over time when the Group transfers control of the services over time, based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously.

All unsatisfied vessel chartering service contracts are for periods of less than one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

### (d) Geographical information

Due to the nature of the provision of vessels chartering services, which are carried out internationally, the directors of the Company consider that it is not meaningful to provide the revenue information by geographical segment. For property investment and development business, the investment properties are still under development. Accordingly, geographical segment revenue is not presented. Information about the Group's non-current assets (other than chartering of vessels) is presented based on the geographical location of the assets.

| | **2024** *US$'000* | 2023 *US$'000* |
|---|---|---|
| The People's Republic of China (the "**PRC**") | **73,474** | 70,656 |

**3. REVENUE AND SEGMENT INFORMATION (Continued)**

**(e) Information about major customers**

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

| | **2024** | 2023 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| Customer A | **–*** | 2,649 |
| Customer B | **–*** | 3,800 |
| Customer C | **–*** | 5,090 |
| Customer D | **3,053** | 3,256 |
| Customer E | **3,746** | –# |
| Customer F | **2,500** | –# |
| | **9,299** | 14,795 |

* *Revenue arising from the provision of vessels chartering services for Customer A, B and C in 2024 contributed less than 10% of total revenue of the Group.*

\# *Revenue arising from the provision of vessels chartering services for Customer E and F in 2023 contributed less than 10% of total revenue of the Group.*

**(f) Contract liabilities related to the contracts with customers**

As at 31 March 2024, contract liabilities included in other payables and accruals amounted to approximately US$221,000 (2023: US$610,000).

**4. OTHER GAINS, NET**

| | **2024** | 2023 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| Gain on modification of convertible bonds | **–** | 2,588 |
| (Loss)/gain on disposal of property, plant and equipment | **(4,386)** | 46 |
| Fair value gains on investment properties | **4,986** | – |
| | **600** | 2,634 |

## 5. EXPENSES BY NATURE

Loss before income tax is stated after charging the following:

| | **2024** | 2023 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| Depreciation of property, plant and equipment | **4,944** | 6,765 |
| Depreciation of right-of-use assets | **176** | 87 |
| Crew expenses (included in cost of services) | **3,765** | 4,560 |
| Short-term operating lease payments for buildings | **–** | 102 |
| Auditor's remuneration – audit services | **58** | 117 |
| Employee benefit expense (including directors' emoluments) | **1,650** | 1,452 |

## 6. FINANCE COSTS – NET

| | **2024** | 2023 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| Finance income | | |
| Interest income | **37** | 45 |
| Finance costs | | |
| Interest expense on borrowings and loans | **1,085** | 1,204 |
| Interest expense on convertible bonds – non-cash | **3,961** | 5,597 |
| Interest expense on lease liabilities | **7** | 6 |
| Other finance charge | **–** | 4,089 |
| | **5,053** | 10,896 |

## 7. INCOME TAX EXPENSE

Under the two-tiered profits tax rates regime of Hong Kong profits tax, the first HK$2 million of assessable profits of qualifying corporation under Hong Kong profits tax will be taxed at 8.25%, and assessable profits above HK$2 million will be taxed at 16.5%. For the years ended 31 March 2024 and 2023, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The assessable profits of other entities of the Group not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%. The subsidiaries established in the PRC are subject to corporate income tax rate of 25% for both years.

| | **2024** | 2023 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| Current income tax | | |
| Hong Kong profits tax | **9** | 9 |
| Deferred tax | **1,247** | – |
| Income tax expense | **1,256** | 9 |

## 8. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

| | **2024** | 2023 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| **Loss** | | |
| Loss for the year attributable to the owners of the Company for the purposes of basic loss per share | **(7,126)** | (17,093) |

| | **2024** | 2023 |
|---|---|---|
| | ***'000*** | *'000* |
| **Number of shares** | | |
| Weighted average number of ordinary shares for the purposes of basic loss per share | **952,614** | 952,614 |

For the years ended 31 March 2024 and 2023, the computation of diluted loss per share does not assume the exercise of the Company's share options and the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in a decrease in loss per share.

## 9. DIVIDENDS

The directors of the Company do not recommend the payment of a final dividend for the year ended 31 March 2024 (2023: same).

## 10. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| | **2024** | 2023 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| Trade receivables | **886** | 3,520 |
| Prepayments | **889** | 172 |
| Deposits | **45** | 21 |
| Other receivables | **1,234** | 580 |
| Other receivables due from related companies | **26** | 27 |
| | **3,080** | 4,320 |

As at 31 March 2024 and 2023, the ageing analysis of the trade receivables based on invoice date were as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| 0-30 days | **562** | 3,422 |
| 31-60 days | **152** | – |
| 61-90 days | **43** | – |
| 91-365 days | **49** | 18 |
| Over 365 days | **80** | 80 |
| | **886** | 3,520 |

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

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 2024 and 2023, no provision of expected credit loss allowance are made on trade receivables.

## 11. BORROWINGS AND LOANS

| | **2024** | 2023 |
|---|---|---|
| | ***US$'000*** | *US$'000* |
| Non-current | | |
| – Bank borrowings *(Note i)* | **414** | 518 |
| – Loans from the ultimate holding company *(Note ii)* | **6,316** | 8,015 |
| | **6,730** | 8,533 |
| Current | | |
| – Bank borrowings *(Note i)* | **105** | 10,913 |

*Notes:*

(i) As at 31 March 2024, the Group's bank borrowings comprise of a bank borrowing of Nil (2023: US$10,812,000) and another bank borrowing obtained under the SME Financing Guarantee Scheme launched by the Government of HKSAR of US$519,000 (2023: US$619,000). The carrying amounts of these bank borrowings were denominated in US$ and HK$, respectively. These bank borrowings bear interest at London Interbank Offered Rate or Prime rate minus 2.25% and their fair value approximate the carrying amounts. As at 31 March 2023, out of the above said US$10,812,000 bank borrowings included an amount of US$9,420,000 with original contractual repayment dates after one year from 31 March 2023 that has been reclassified as current liabilities as a result of cross-default. Details of the pledged assets are set out in Note 13 of this announcement.

(ii) The loans from the ultimate holding company are unsecured and bears interest at 4% per annum. On 30 March 2023, the ultimate holding company extended the maturity of the outstanding balance to 30 June 2026. The carrying amount of the Group's loans from the ultimate holding company are denominated in US$.

## 11. BORROWINGS AND LOANS (Continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings and loans are as follows:

| | 2024 | 2023 |
|---|---|---|
| **Effective interest rate:** | | |
| Fixed-rate borrowings | **4%** | 4% |
| Variable-rate borrowings | **4% to 6.56%** | 2.75% to 9.43% |

Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):

| | Bank borrowings *(Note)* | | Loans from the ultimate holding company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | ***US$'000*** | *US$'000* | ***US$'000*** | *US$'000* |
| Within 1 year | **105** | 1,493 | **–** | – |
| Between 1 and 2 years | **108** | 1,465 | **–** | – |
| Between 2 and 5 years | **296** | 8,396 | **6,316** | 8,015 |
| Over 5 years | **10** | 77 | **–** | – |
| | **519** | 11,431 | **6,316** | 8,015 |

*Note:*

The event of default of convertible bonds resulted in cross-default of a bank borrowing with an amount of US$9,420,000 (2024: Nil) with original contractual repayment dates after one year from 31 March 2023 which has been reclassified as current liabilities as at 31 March 2023 for financial reporting purpose. The amounts shown in the table above represents amounts repayable in accordance with the original repayment dates set out in the loan agreements.

## 12. CONVERTIBLE BONDS

On 10 May 2016, the Company issued a convertible bond with principal amount of US$54,000,000 ("**Top Build Convertible Bonds**") that due on 10 May 2021. The Top Build Convertible Bonds is 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 profit or loss and other 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 Company was in default under the terms and conditions of the relevant agreements of 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 of 10 May 2021 and a 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) on 24 February 2022.

On 29 June 2022, the Company, Mr. Yan, Ms. Lam, Ablaze Rich (as the Guarantors) and the Bondholder entered into supplemental settlement agreement ("**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 Top Build Convertible Bonds by repaying the Bondholder (i) US$5,000,000 in cash in 10 quarterly instalments of US$500,000 each with the first instalment to be paid within 7 business days from the date of the order granted by the High Court of Hong Kong for the withdrawal of the Petition; and (ii) the remaining balance of US$46,230,000 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. Pursuant to the Supplemental Settlement Agreement, if payment is not made in full by the schedule due date, additional finance charge will be imposed.

Upon the signing of Supplemental Settlement Agreement, a gain on modification of convertible bonds of US$2,588,000 was recognised in the profit or loss during the year ended 31 March 2023.

**12. CONVERTIBLE BONDS (Continued)**

On 15 July 2022, the Company received the order of the High Court of Hong Kong dated 14 July 2022 which ordered, among other things, that the Petition be withdrawn.

During the year ended 31 March 2023, the Company has made repayment to Bondholder for the first three quarterly instalements of a total of US$1,500,000. However, the Company has not repaid to the Bondholder the fourth quarterly instalment due on 31 March 2023, and as at such date, US$49,730,000 in the outstanding redemption amount of the convertible bonds remained outstanding.

The Company applied for an extension on its fourth quarterly instalment payment and a consent letter was issued by the Bondholder to the Company on 8 May 2023 pursuant to which the Bondholder has agreed to extend the date for the repayment of the fourth quarterly instalment and the Company shall repay the fourth quarterly instalment in three instalments whereby (i) US$100,000 before 30 April 2023; (ii) US$200,000 before 31 May 2023; and (iii) US$200,000 before 15 June 2023. During the year ended 31 March 2024, all the above said instalments have been repaid as scheduled.

On 3 July 2023, the Bondholder acknowledged receipt of the Company's payment of US$100,000 made on 30 June 2023 being partial payment of the fifth quarterly instalment due on 30 June 2023.

On 22 November 2023, the Bondholder confirmed to the Company that the Company shall repay (i) the remaining balance of US$400,000 of the fifth quarterly instalment before 31 December 2023; and (ii) the sixth quarterly instalment of US$500,000 (due on 30 September 2023) on or before 31 December 2023.

On 8 February 2024, the Bondholder acknowledged receipt of the Company's payment of US$200,000 made on 7 February 2024 being partial payment of the fifth quarterly instalment due on 30 June 2023.

On 7 May 2024, the Bondholder confirmed to the Company that the Company shall repay (i) the remaining balance of US$200,000 of the fifth quarterly instalment; (ii) the sixth quarterly instalment of US$500,000 (due on 30 September 2023); (iii) the seventh quarterly instalment of US$500,000 (due on 31 December 2023); (iv) the eighth quarterly instalment of US$500,000 (due on 31 March 2024); and (v) the ninth quarterly instalment of US$500,000 (due on 30 June 2024) on or before 31 December 2024.

### 12. CONVERTIBLE BONDS (Continued)

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

| | **Liability component** *US$'000* |
|---|---|
| As at 1 April 2022 | 51,230 |
| Interest expense *(Note 6)* | 5,597 |
| Redemption | (1,500) |
| Gain on modification | (2,588) |
| At 31 March 2023 and 1 April 2023 | 52,739 |
| Interest expense *(Note 6)* | 3,961 |
| Redemption | (800) |
| At 31 March 2024 | 55,900 |

Details of the pledged assets are set out in Note 13 of this announcement.

## 13. PLEDGE OF ASSETS

As at 31 March 2023, the Group's vessels of US$34,388,000 were pledged as securities for bank borrowings *(Note 11)*. During the year ended 31 March 2024, the bank borrowings pledged with vessels were fully repaid and the vessels were released.

As at 31 March 2023, the Group's bank deposits of US$516,000 (2024: Nil) were pledged as security for bank borrowings. Among the pledged bank deposits, none of the deposits are of restricted use for daily operation subject to the approval from a bank. In case of default under the loan agreements, the bank has the right to seize the pledged bank deposits. During the year ended 31 March 2024, the bank borrowings pledged with bank deposits were fully repaid and the bank deposits were released.

As at 31 March 2024, the bank borrowings obtained under the SME Financing Guarantee Scheme is secured fully by guarantees executed by Mr. Yan, Ms. Lam and the Government of HKSAR (2023: same).

On 29 June 2022, the Group entered into Supplemental Settlement Agreement with its Bondholder and pursuant to which the withdrawal of the petition is conditional upon, among others, the Company having delivered 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).

As at 31 March 2024, the convertible bonds were secured by the following:

(i) the mortgage over a vessel of the Group amounting to US$8,722,000 as at 31 March 2024 (31 March 2023: US$10,378,000);

(ii) 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**") (31 March 2023: same);

(iii) 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**") (31 March 2023: same); and

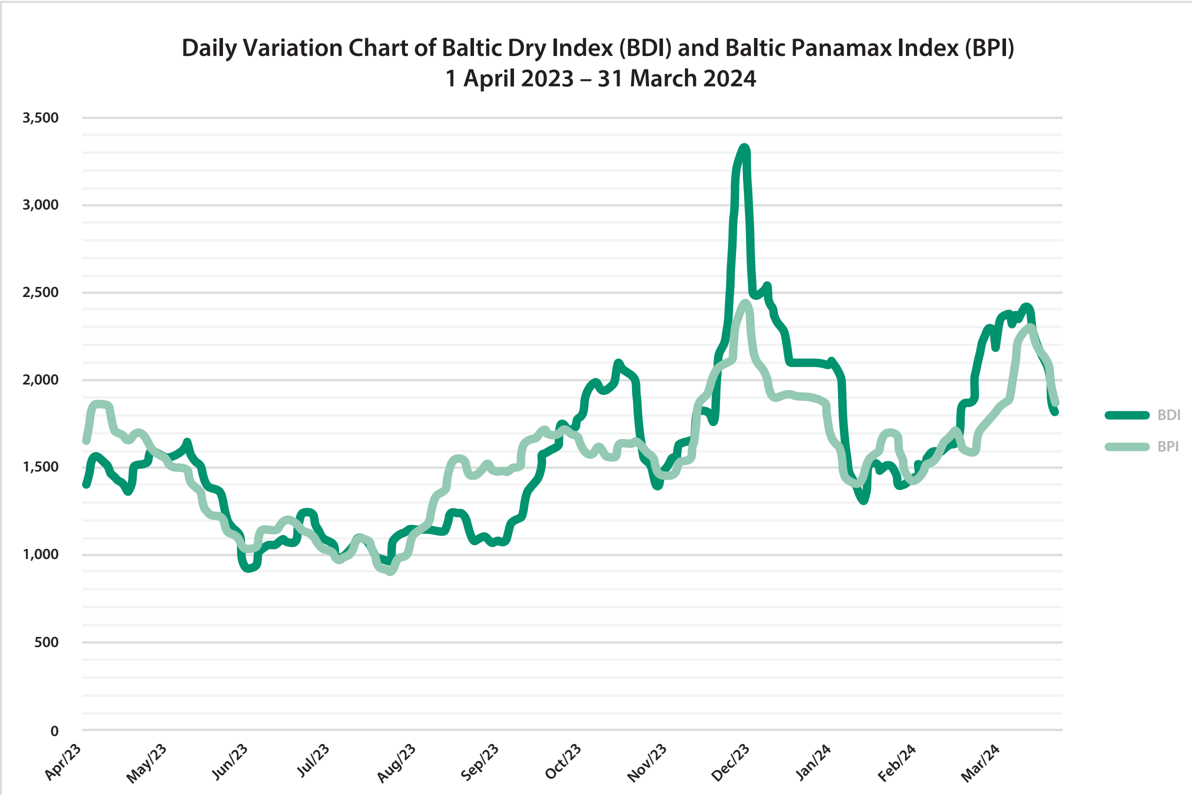
(iv) the corporate guarantees from the PRC Subsidiary and the Hong Kong Subsidiary (31 March 2023: same).

## 14. EVENT AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this announcement, no other significant events were required to be disclosed.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Market Review




In 2023, the international dry bulk shipping market saw "recovering demand, improving supply and falling freight rate pivot" as the world economic recovery continued to slow down, and geopolitical conflicts, interest rate hikes in Europe and the U.S. and other factors frequently disturbed the market. The demand for dry bulk shipping has resumed its growth, with a significant increase in the import volume of China's main dry bulk shipping. Port congestion has further eased, and the supply of dynamic shipping capacity has rebounded. International dry bulk freight rates were low at the beginning and high at the end of the year, with a decline in freight rate pivot. Driven by the demand of industry hedging, the trading volume and holding position of overseas dry bulk shipping derivatives reached a record high, with the trading volume of Panamax vessels ranking top of the market.

In 2023, in terms of the BDI index which reflects the general level of dry bulk freight rate, the annual average value was 1,378, representing a decrease of 28.7% as compared to the average value of 2022, and slightly higher than the average value of 2019 (1,353). The level of freight rate volatility remained high, with the 60-day annualized volatility rate of the BDI index averaging 61.5%.

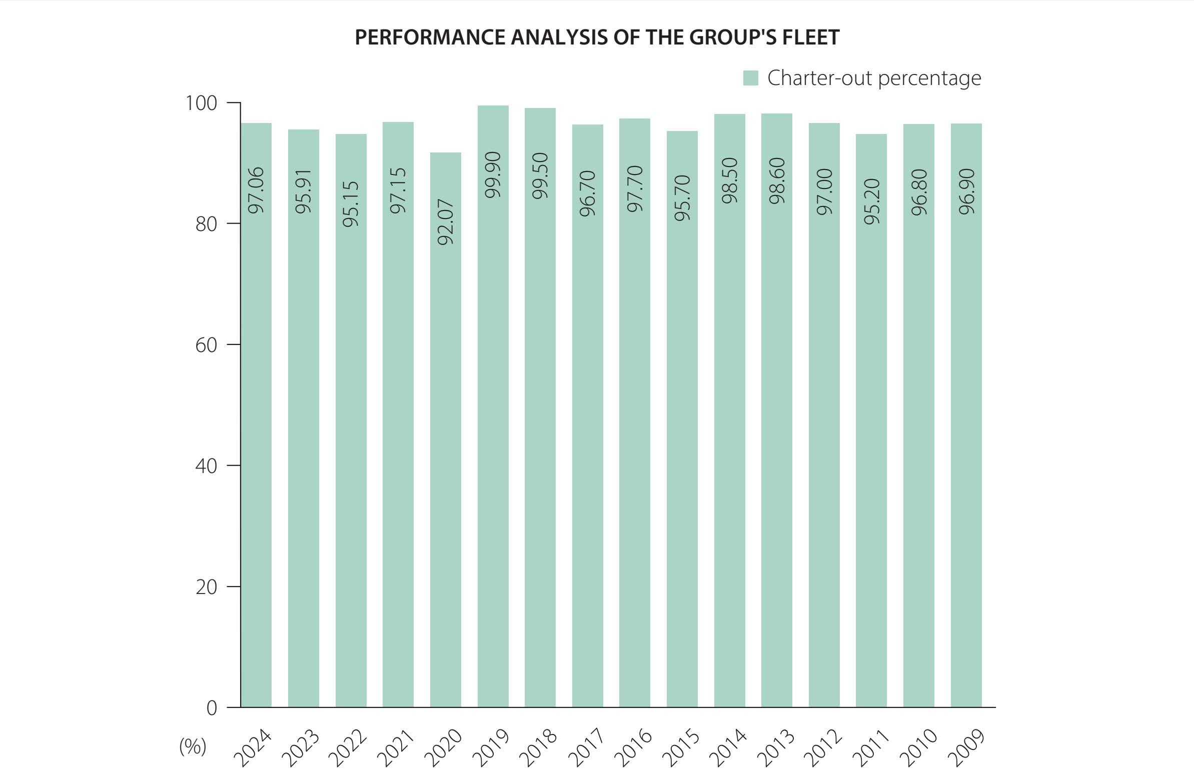
In 2023, the growth rate of global economy further slowed down, however, the demand for China's import of major commodities such as coal, iron ores and food increased, leading to the growth resumption of the total volume of international dry bulk shipping. According to the statistics of a market research institution (the "**Market Research Institution**"), in 2023, global dry bulk shipping volume was 5.498 billion tons in total, representing an increase of 3.7% as compared to 2022, with the growth rate turning from negative to positive. The shipping trading volumes of different cargo categories all achieved positive growth, with soybeans and nickel ores even reaching growth rates of over 10%, however, the shipping volume of cement and clinker saw a significant decline. The demand for iron ores, food, bauxite and grains showed particularly strong performance.

According to the statistics of the Market Research Institution, as at the end of December 2023, there were 13,566 dry bulk shipping vessels globally, with a total shipping capacity of 1.003 billion dwt, representing a year-on-year increase of 3.1% in capacity, which indicates a growth rate that is 0.2 percentage point higher than that of 2022, and slightly lower than the average level of the past three years (3.2%).

In order to maintain the balance between supply and demand and to meet the requirements for energy saving and emission reduction, dry bulk fleet saves fuel consumption by lowering speed. According to the statistics of the Market Research Institution, the average speed of dry bulk fleet has declined from 11.18 knots (where 1 knot corresponds to 1.852 kilometres per hour) in 2022 to 10.96 knots in 2023, representing a year-on-year decrease of 2.0%, which is substantially the same decrease as that from 2021 to 2022.

In 2023, the prices of crude oil and marine fuel oil generally maintained a weak fluctuating trend after falling from the previous year of 2022. The annual average price of Brent crude oil futures on the Intercontinental Exchange for the year of 2023 fell to US$82.02/barrel, representing a year-on-year decrease of 16.7%. According to the statistics of the Market Research Institution, the annual average price of Singapore's low-sulfur fuel oil (with a sulfur content of less than 0.5%) for the year of 2023 was US$621.63/ton, representing a year-on-year decrease of 22.7%.

## Business Review




The Group's vessels were in sound operation from 1 April 2023 to 31 March 2024. Currently, the fleet has a size of 226,608 dwt and an average age of 18 years, and maintained a relatively high operating rate with an average vessel charter-out percentage of 97% for the year. The international dry bulk shipping market saw "recovering demand, improving supply and falling freight rate pivot" as the world economic recovery continued to slow down, and geopolitical conflicts, interest rate hikes in Europe and the U.S. and other factors frequently disturbed the market. As such, the average daily charter hire income of each vessel in the fleet was US$10,269 per day, which is US$2,891 or 22% lower as compared to 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 33 days during the year. The Company had made its efforts to minimise the actual loss during the year. All freight rates and charter hires were received in full without any huge amounts of account receivables. 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 within budget.

The Group disposed of a vessel named "GH Harmony" in January 2024, which further reduced its finance costs. For further details, please refer to the announcement of the Company dated 12 January 2024 and the circular of the Company dated 23 February 2024.

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**

According to the forecasts for economic growth in 2024 from major global economic institutions, it is estimated that, in 2024, the global economy will maintain its growth momentum and continue to recover moderately at a growth rate ranging from 2.4% to 2.9%, retarded slightly, which is significantly lower than the average level of 3.6% over the 20 years prior to the COVID-19 pandemic.

In recent years, the global shipping volume maintained a growth momentum. According to the statistics of a price and market information provider, the international dry bulk shipping volume was approximately 5.137 billion tons in 2023, representing a year-on-year increase of 3.9%, 3.4 percentage points higher as compared to 0.5% in 2022.

According to the market forecast, the volume of global trade will grow by 2.3% in 2024, better than the 0.2% growth in 2023, and it is expected to grow by 3% in 2025. Shipping demand will continue to grow steadily as the global economy recovers moderately. Following a significant increase in imports in 2023, China will also face pressure from marginal slowdown in 2024. However, demand in Southeast Asia and India will grow steadily, and with China's commodity inventories maintaining at low levels in general, the restocking cycle will provide some support for commodity trade. As the inventory level of finished products from domestic industrial enterprises has dropped to a historical low, and the time for destocking has approached the cyclical level, it is widely anticipated that domestic industrial enterprises will enter a new round of restocking cycle. The restocking cycle typically lasts for 1.5 to 2 years, which, together with more economic stimulus policies being introduced, driving up the prices of commodities, will provide support for the demand in dry bulk shipping.

It is generally expected that the international dry bulk shipping demand will grow by 2.0% to 5.638 billion tons in 2024, representing a decline of 2.3 percentage points in growth rate as compared to 2023.

It is expected that in 2024, the global trade volumes of iron ores and grain will grow by 2.0% and 2.0% to 1,568 million tons and approximately 550 million tons, respectively, the shipping volume of coking coal will grow by 3% to approximately 274 million tons, while the global trade volume of small dry bulk commodity will grow by 2.9%.

In terms of capacity supply, green transformation is disrupting such supply, leading to an overall decline in capacity growth. According to current orders, it is expected that in 2024, the capacity of newly delivered dry bulk vessels will be 31.8 million tons and that of old vessels disassembled will be 7.2 million tons. The growth rate of capacity is expected to be around 2.5%, representing a decrease of 0.4 percentage point as compared to 2023.

According to the forecasts from major global economic institutions, the ratio of the growth rate of international shipping demand to capacity supply is approximately 2.0% to 2.5%, indicating that the fundamentals and structure of weak supply-demand balance will continue. The European Union's regulations on levying carbon tax on shipping companies, which are set to take effect in 2024, will disrupt the regional market to a certain effect, leading to increased market volatility. Overall, the international dry bulk market is expected to be marginally better in 2024 than in 2023, and supported by the relatively lower capacity supply, the market will remain generally optimistic in the next few years.

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.

## Financial Review

### Revenue

Revenue of the Group decreased from approximately US$18.2 million for the year ended 31 March 2023 to approximately US$13.5 million for the year ended 31 March 2024, representing a decrease of approximately US$4.7 million, or approximately 26.2%.

The decrease in revenue was due to drop in average daily charter hire income of the Group's fleet, as well as the disposal of vessel GH Harmony in January 2024. Following the disposal, the Group's remaining fleet has 3 vessels. The average daily charter hire income of the Group's fleet decreased from approximately US$13,160 for the year ended 31 March 2023 to approximately US$10,269 for the year ended 31 March 2024.

### Cost of services

Cost of services of the Group decreased by US$3.3 million from about US$16.2 million for the year ended 31 March 2023 to about US$12.9 million for the year ended 31 March 2024, representing a decrease of approximately 20.0%. The decrease in cost of services was mainly due to decrease in depreciation in current year after impairment losses of vessels recognized in the year ended 31 March 2023, as well as the disposal of vessel GH Harmony in January 2024 leading to drop in the Group's cost of ship operation, including but not limited to crew expenses and other management costs.

### Gross profit

The Group recorded a gross profit of about US$0.5 million for the year ended 31 March 2024 as compared to about US$2.0 million for the year ended 31 March 2023 while the gross profit margin decreased from approximately 11.2% for the year ended 31 March 2023 to approximately 3.8% for the year ended 31 March 2024. The significant drop in gross profit was due to the 26.2% drop in revenue but only 20.0% decrease in cost of services.

**General and administrative expenses**

General and administrative expenses of the Group decreased slightly by US$0.1 million or 5.0% from approximately US$2.8 million for the year ended 31 March 2023 to approximately US$2.7 million for the year ended 31 March 2024. The variations of administrative expense were due to reduction in audit fee and legal and professional fees and the Group's continued stringent expenditure control.

**Reversal of/(Provision for) impairment losses on property, plant and equipment**

The Group principally engages in chartering of dry bulk vessels and the Group's fleet has 3 (31 March 2023: 4) vessels with carrying capacity of 226,608 (31 March 2023: 319,923) dwt and an average age of 18 (31 March 2023: 17) years. The Group maintained a fleet occupancy rate of approximately 97.06% (31 March 2023: 95.91%) for the year ended 31 March 2024.

The Group's management regards each individual vessel as a separate identifiable cash-generating unit ("**CGU**").

As at 31 March 2024, the Group reviewed the carrying amounts of its property, plant and equipment (including the 3 vessels) to determine whether there is any indication that those assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased. The Group estimated the recoverable value, representing the greater of the vessels' fair value less cost to disposal ("**FVLCTD**") or its value in use ("**VIU**") and internal and external sources of information are considered in the estimation assessment.

***Impairment Assessment:***

**VIU:** The VIU of the vessels is assessed based on management's assumptions and estimates of vessels' future earnings and appropriate pre-tax discount rates to derive the present value of those earnings. The Group usually enters charter hire contracts for periods of 3 to 6 months in the spot market. The discount rates used to the VIU calculation on owned vessels was 11.0% (31 March 2023: 9.1%), which are based on the industry sector risk premium relevant to the CGUs and the applicable gearing ratio of the CGUs.

**FVLCTD:** As at 31 March 2024, the aggregate FVLCTD of the vessels amounted to US$37,272,000. The fair value is based on valuations performed by a leading international company specialised in vessels valuation.

The fair value of the vessels was an estimate of fair market price based on the price the valuer estimates as its opinion in good faith that the vessels would obtain in a hypothetical transaction between a willing buyer and a willing seller on the basis of prompt charter free delivery at an acceptable worldwide delivery port, for cash payment on standard sale terms.

The fair value of the vessels were primarily determined based on the direct comparison method with reference to recent sales of comparable vessels. In particular, the vessel's market value is estimated using five factors:

– Type: Each vessel type is modelled independently.

– Features: Relative scores are assigned to all features recorded in the vessel database.

– Age and Cargo Capacity: The nonlinear dependences of value on age and cargo capacity are modelled using mathematical functions with adjustable parameters which allow them to assume a variety of shapes. Constraints are imposed on these parameters by application of economic principles and broking expertise.

– Freight Earnings: Time charters, spot freight rates and forward freight agreements are used to create indicators of freight market sentiment for each vessel type. Signal processing techniques are applied to these indicators to maximise their correlation with vessel values.

The market approach was consistently adopted in both years ended 31 March 2023 and 2024. The market approach was adopted as the Company considered it to be the most suitable valuation method as it is universally considered as the most accepted valuation approach for valuing a vessel because it is based on publicly available data on comparable transactions. In the marketplace, buyers and sellers often have different perceptions of the value of the asset in disposal. The market approach, which valuation is based on and with reference to actual transaction prices by direct comparison to recent actual sales of comparable vessels, needs fewer subjective assumptions as compared to the other alternative approaches and provides a concrete method that eliminates ambiguity or uncertainty for determining the value of the vessel's worth. There were no subsequent changes in the valuation method used.

As at 31 March 2024, the aggregate recoverable amounts of vessels amounting to US$37,272,000, which were determined by FVLCTD. Since the recoverable amounts of each of the 3 vessels were higher than their respective carrying amounts resulted from the rebound of the dry bulk market, reversal of impairment losses of US$872,000 was recognised in the consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 March 2024. Such reversal of impairment loss is non-cash in nature and does not have impact on the operating cash flows of the Group.

**Finance costs**

Net finance costs of the Group decreased from about US$10.9 million for the year ended 31 March 2023 to about US$5.0 million for the year ended 31 March 2024, representing a decrease of US$5.9 million or 53.8%. During the year ended 31 March 2023, the Company had not repaid the fourth quarterly instalment of US$500,000 due on 31 March 2023 to the Bondholder of the Top Build Convertible Bonds (as defined below) and therefore gave rise to the provision for additional finance costs of approximately US$6.2 million made for the year ended 31 March 2023. There was no such provision required for the year ended 31 March 2024.

**Loss for the year**

The Group incurred a loss of approximately US$17.1 million for the year ended 31 March 2023 and a loss of approximately US$6.8 million for the year ended 31 March 2024, representing a decrease in loss of approximately US$10.3 million or 60.2% improvement. The significant decrease in loss for the year was mainly attributable to the following factors:

(i) decrease in revenue of approximately US$4.7 million due to drop in average daily charter hire income of the Group's fleet, as well as the disposal of vessel GH Harmony in January 2024. Following the disposal, the Group's remaining fleet has 3 vessels;

(ii) decrease in cost of services by US$3.3 million due to decrease in depreciation in current year after impairment losses of vessels recognized in the year ended 31 March 2023, as well as the disposal of vessel GH Harmony in January 2024 leading to drop in the Group's cost of ship operation, including but not limited to crew expenses and other management costs;

(iii) reversal of impairment losses on property, plant and equipment of US$0.9 million resulting from the rebound of the dry bulk market and hence increase in the recoverable amount of the vessels owned by the Group as at 31 March 2024, as compared to provision for impairment losses on property, plant and equipment of US$8.2 million for the year ended 31 March 2023;

(iv) loss on disposal of US$4.4 million was recognized as a result of the disposal of vessel GH Harmony in January 2024; and

(v) fair value gain in investment properties of US$5.0 million was recognized during current year.

**EBITDA**

The Group's EBITDA has decreased by US$5.7 million from US$8.8 million for the year ended 31 March 2023 to US$3.1 million for the year ended 31 March 2024. It was due to (i) decrease in gross profit of US$1.5 million mainly caused by drop in revenue; and (ii) a gain on modification of convertible bonds of US$2.6 million was recognized for the year ended 31 March 2023 while there was no such gain recognized during the year ended 31 March 2024.

**Liquidity, financial resources, capital structure and gearing ratio**

As at 31 March 2024, the Group's cash and cash equivalents amounted to approximately US$1.1 million (as at 31 March 2023: approximately US$2.0 million), of which approximately 93.4% were denominated in US$, approximately 6.6% were denominated in HK$ and the amount denominated in RMB were insignificant. Outstanding bank borrowings amounted to approximately US$0.5 million (as at 31 March 2023: approximately US$11.4 million) and other loans (including convertible bonds) amounted to approximately US$62.2 million (as at 31 March 2023: approximately US$60.8 million), of which 99.1% were denominated in US$ and 0.9% were denominated in HK$.

As at 31 March 2024 and 31 March 2023, 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 54.5% and 54.3% respectively. The slight increase in gearing ratio as at 31 March 2024 was mainly due to the following factors: (i) the increase in fair value of the investment properties as at 31 March 2024; (ii) the reversal of impairment loss of vessels owned by the Group; and (iii) the repayment of borrowings and loans during the year, in particular the GH Glory/Harmony Loan (as defined below) has been fully repaid after the disposal of vessel GH Harmony in January 2024.

The Group recorded net current liabilities of about US$64.2 million as at 31 March 2024 and approximately US$70.4 million as at 31 March 2023. The slight decrease was mainly due to (i) decrease in bank balance after the decline in revenue; (ii) full repayment of the GH Glory/ Harmony Loan amounted to US$9.8 million after the disposal of vessel GH Harmony in January 2024; and (iii) accrual of interest for Top Build Convertible Bonds offsetting by the repayment of the principal of US$0.8 million during the year ended 31 March 2024.

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. On 19 January 2024, the GH Glory/Harmony Loan has been fully repaid out of the proceeds from the disposal of vessel GH Harmony.

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 Investments Limited ("**Ablaze Rich**"), a controlling shareholder of the Company (as defined in the Listing Rules), 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 Sixth Facility were extended on 30 March 2023.

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 2024, 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 30 June 2026, the Second Facility will be repayable on an extended repayment date which is on or before 30 June 2026 and the Sixth Facility will be repayable on or before 30 June 2026. 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, the Fifth Facility and the Sixth Facility have been repaid in full and US$0.1 million of the Second Facility has been repaid. The drawn amount under the First Facility 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 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 2023, 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 funding undertakings entered on 30 September 2022 was superseded by this deed, and had ceased to be effective from 30 September 2023. As at the date of this announcement, US$2.9 million was obtained under the terms of the deed.

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 Group Ltd. took place on 10 May 2016 and a convertible bond with principal amount of US$54,000,000 ("**Top Build Convertible Bonds**") was 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 US$25 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, pursuant to which the Company has agreed to issue, and the investor has agreed to subscribe for, corporate bond in the principal amount of US$50 million, but the completion of such subscription did not take place. As a result, the Company did not pay in full the US$25 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 (the "**High Court of Hong Kong**") for the winding-up of the Company in relation to the outstanding redemption amount in the Top Build Convertible Bonds, which amounted to US$51,230,000 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 Top Build Convertible Bonds (which amounted to US$51,230,000 as at the date of the Supplemental Settlement Agreement) by repaying the Bondholder (i) US$5,000,000 in cash in 10 quarterly instalments of US$500,000 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 US$46,230,000 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.

As disclosed in the announcement of the Company dated 15 July 2022, pursuant to the Supplemental Settlement Agreement, the Petitioner and the Company have executed and filed a consent summons to the High Court of Hong Kong for the withdrawal of the Petition. On 15 July 2022, the Company received the order of the High Court of Hong Kong dated 14 July 2022 which ordered, among other things, that the Petition be withdrawn.

As disclosed in the insider information announcement dated 31 March 2023, the Company has not repaid to the Bondholder the fourth quarterly instalment of US$500,000 due on 31 March 2023. The Company and the Bondholder have made further arrangements in relation to the settlement of the unpaid instalment and the US$500,000 was fully repaid in 3 instalments on or before 15 June 2023.

On 3 July 2023, the Bondholder acknowledged receipt of the Company's payment of US$100,000 made on 30 June 2023 being partial payment of the fifth quarterly instalment due on 30 June 2023.

On 22 November 2023, the Bondholder confirmed to the Company that the Company shall repay (i) the remaining balance of US$400,000 of the fifth quarterly instalment before 31 December 2023; and (ii) the sixth quarterly instalment of US$500,000 (due on 30 September 2023) on or before 31 December 2023.

On 8 February 2024, the Bondholder acknowledged receipt of the Company's payment of US$200,000 made on 7 February 2024 being partial payment of the fifth quarterly instalment due on 30 June 2023.

On 7 May 2024, the Bondholder confirmed to the Company that the Company shall repay (i) the remaining balance of US$200,000 of the fifth quarterly instalment; (ii) the sixth quarterly instalment of US$500,000 (due on 30 September 2023); (iii) the seventh quarterly instalment of US$500,000 (due on 31 December 2023); (iv) the eighth quarterly instalment of US$500,000 (due on 31 March 2024); and (v) the ninth quarterly instalment of US$500,000 (due on 30 June 2024) on or before 31 December 2024.

**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 and 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 Hong Kong Dollars Best Lending Rate or cost of fund arising from the Group's variable-rate borrowings.

**Charges on assets**

As at 31 March 2024, the Group had pledged the following assets to the Bondholder (31 March 2023: the Bondholder and a bank) as securities against the convertible bonds (31 March 2023: the convertible bonds and bank borrowing) to the Group:

| | **31 March 2024** *US$'000* | 31 March 2023 *US$'000* |
|---|---|---|
| Investment properties | **35,356** | 34,002 |
| Property, plant and equipment | **8,722** | 44,766 |
| Pledged bank deposits | **–** | 516 |
| | **44,078** | 79,284 |

**Contingent liabilities**

There were no material contingent liabilities for the Group as at 31 March 2024.

**Employees' remuneration and retirement scheme arrangements**

As at 31 March 2024, the Group had a total of 79 employees (as at 31 March 2023: 103 employees). For the year ended 31 March 2024, the total salaries and related costs (including Directors' fees) amounted to approximately US$5.6 million (2023: US$6.0 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.

The Group operates defined contribution plans by paying contributions to pension insurance plans. The Group's contributions to such defined contribution plans vest fully and immediately with the employees. Accordingly, there are no forfeited contributions under such plans which may be used by the Group as employer to reduce its existing level of contributions for the year ended 31 March 2024.

**Material acquisitions and disposals**

Except for the disposal of vessel GH Harmony in January 2024, the Group had no other material acquisitions or disposals during the year ended 31 March 2024.

**Significant investment**

The Group did not have any significant investment which accounted for more than 5% of the Group's total assets as at 31 March 2024.

**Future plans for material investments or capital assets**

The Group did not have any future plans for material investments or capital assets as at the date of this announcement.

## PROSPECTS

The Group expects a moderately improving global economic outlook for 2024, with the international dry bulk shipping market expected to maintain a robust state. Despite the ongoing impacts of the war in Ukraine and conflicts in the Middle East on global security and the economy, the world economy is projected to resume growth, albeit through a potentially uneven and gradual process.

The Company will closely monitor market changes, continuously and prudently exploring any potential investment or business opportunities to diversify its revenue streams. The Company will keep the shareholders of the Company updated of any business development as and when appropriate. Additionally, the Company will enhance safety management, reduce carbon emissions, and lower operating costs.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules (the "**CG Code**") as the Company's code on corporate governance practices throughout the year ended 31 March 2024 except for the deviations as stated below.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Ms. Lam is the chairperson and chief executive officer of the Company. In view of Ms. Lam is one of the co-founder of the Company and has been operating and managing the Group since 2010, the Board considered that the roles of chairperson and chief executive officer being performed by Ms. Lam enables more effective overall business planning and implementation by the Group. In order to maintain good corporate governance and fully comply with the provisions of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of chairperson and chief executive officer separately.

Save as disclosed above, the Company had complied with all the other code provisions set out in the CG Code during the year ended 31 March 2024.

## 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 C3 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 2024.

## DIVIDEND

The Directors did not recommend the payment of any final dividend to the shareholders of the Company for the year ended 31 March 2024.

## 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 2024.

## 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.

## EXTRACT OF INDEPENDENT AUDITOR'S REPORT

Below is an extract of the report by CL Partners CPA Limited ("**CL Partners**"), the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 March 2024.

### Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

**Basis for Disclaimer of Opinion**

***Scope limitation relating to the going concern basis in the preparation of the consolidated financial statements***

As described in Note 2.1.1, the Group reported a net loss of approximately US$6,802,000 for the year ended 31 March 2024. As at 31 March 2024, the Group's current liabilities exceeded its current assets by approximately US$64,222,000, which included borrowings and loans of approximately US$105,000 and convertible bonds of approximately US$55,900,000, that are repayable within one year, while the Group's cash and cash equivalents balances was approximately US$1,058,000. In addition, the Group has entered into agreements which will involve capital commitments of approximately US$250,000 in respect of investment properties project as at 31 March 2024.

Pursuant to the Supplemental Settlement Agreement, the Company shall settle the outstanding redemption amount of the convertible bonds (which amounted to approximately US$55,900,000 as at 31 March 2024) and all accumulated interest, both to be paid in cash in one lump sum on 31 December 2024 (the "**Settlement**").

The above conditions, along with other matters as set forth in Note 2.1.1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As detailed in Note 2.1.1 to the consolidated financial statements, in view of the above circumstances, the directors of the Company have prepared a cash flow forecast of the Group which takes into account certain plans and measures covering a period of not less than twelve months from 31 March 2024. The validity of the going concern assumption is dependent on the successful and favourable outcomes of these plans and measures, as mentioned in Note 2.1.1 to the consolidated financial statements, being undertaken by the management of the Group. The directors of the Company are of the opinion that, assuming the materialization of those plans and measures and most importantly the success in seeking solution with the Bondholder for an extension of the repayment date under the Supplemental Settlement Agreement or other solution proposals described in Note 2.1.1 which improve the liquidity and financial position of the Group, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 March 2024 and would be able to continue as a going concern. Accordingly, the directors of the Company prepare the consolidated financial statements on a going concern basis.

The appropriateness of the preparation of the consolidated financial statements on the going concern basis depends on whether the plans and measures, as mentioned in Note 2.1.1 to the consolidated financial statements, taken into account by the directors of the Company in the going concern assessment are achievable.

However, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves that the events or conditions underpinning the cash flow forecast of the Group for going concern assessment are reasonable and supportable because of the lack of sufficient appropriate audit evidence from the management on the success and feasibility of:

(i) the extension of the repayment in relation to the Settlement under the Supplemental Settlement Agreement with the Bondholder;

(ii) the assets realisation as and when needed;

(iii) the financing from ultimate holding company; and

(iv) the financing through banks and capital market, or alternative sources to finance the Settlement.

There were no other satisfactory audit procedures that we could adopt to conclude whether it is appropriate to use the going concern assumption to prepare these consolidated financial statements.

Should the Group fail to achieve the plans and measures, as mentioned in Note 2.1.1 to the consolidated financial statements, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effect of these adjustments has not been reflected in these consolidated financial statements.

**Management's View on the Disclaimer of Audit Opinion**

The fundamental reason for the disclaimer of audit opinion (the "**Disclaimer**") made by the auditor of the Company for the year ended 31 March 2024 is due to the fact that the Group reported a net loss of approximately US$6,802,000 for the year ended 31 March 2024. As at 31 March 2024, the Group's current liabilities exceeded its current assets by approximately US$64,222,000, which included borrowings and loans of approximately US$105,000 and convertible bonds of approximately US$55,900,000, respectively, repayable within one year, while the Group's cash and cash equivalents balances was approximately US$1,058,000. In addition, the Group has entered into agreements which will involve capital commitments of approximately US$250,000 in respect of investment properties project as at 31 March 2024. Pursuant to the Supplemental Settlement Agreement, the Company shall settle the outstanding redemption amount of the convertible bonds (which amounted to approximately US$55,900,000 as at 31 March 2024) and all accumulated interest, both to be paid in cash in one lump sum on 31 December 2024.

In view of the above circumstances, the Directors have prepared a cash flow forecast of the Group which takes into account certain plans and measures covering a period of not less than twelve months from 31 March 2024. The validity of the going concern assumption is dependent on the successful and favourable outcomes of these plans and measures, as mentioned in Note 2.1.1 to the consolidated financial statements of the Group, being undertaken by the management of the Group. The appropriateness of the preparation of the consolidated financial statements of the Group on the going concern basis depends on whether the plans and measures, as mentioned in Note 2.1.1 to the consolidated financial statements of the Group, taken into account by the Directors in the going concern assessment are achievable. Therefore, the auditor of the Company was unable to form an audit opinion on the consolidated financial statements of the Group. Please refer to Note 2.1.1 to the consolidated financial statements of the Group for details.

The management also highlights the Group's net equity position and the Group's investment properties, being commercial properties in the Hainan province, the PRC, are presently vacant which current fair value exceeds the amount of convertible bonds, believing the Group has adequate available assets to discharge its redemption obligation should the Bondholder call for it, either by way of asset realization or asset offer in lieu of payment to finance the Settlement, without causing too much disruption to the Group's current business activities and operations.

**Audit Committee's View on the Disclaimer of Audit Opinion**

The audit committee of the Company (the "**Audit Committee**") has reviewed the Disclaimer for the year ended 31 March 2024, and understood the Company's management (the "**Management**") position and basis as set out in the section headed "Management's View on the Disclaimer of Audit Opinion" above. Having considered the circumstances and plans and measures of the Group, the Audit Committee agrees with the Management's position and basis.

The Audit Committee is of the view that the Management should continue its efforts in implementing the plans and measures described in Note 2.1.1 to the consolidated financial statements of the Group with the intention of addressing the Disclaimer.

The plans and measures of the Group to address the Disclaimer, as at the date of this announcement, are set out in Note 2.1.1 to the consolidated financial statements of the Group.

## AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the audited consolidated financial statements for the year ended 31 March 2024 and discussed auditing, internal control and financial reporting matters with the Group's external auditors. There were no disagreements from the auditors or the Audit Committee in respect of the accounting policies adopted by the Company. The Audit Committee comprise three members, namely Mr. Cheung Kwan Hung, Dr. Chan Chung Bun, Bunny and Ms. Wong Tsui Yue Lucy.

## SCOPE OF WORK OF AUDITORS ON THE AUDITED FINAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in this announcement have been agreed by the Group's auditors, CL Partners, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by CL Partners in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by CL Partners on this announcement.

## PUBLICATION OF AUDITED FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This audited final results announcement is published on the websites of the Company (www.greatharvestmg.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 March 2024 will be available on the above websites in due course.

For and on behalf of the Board
**Great Harvest Maeta Holdings Limited**
**Lam Kwan**
*Chairperson*

Hong Kong, 26 June 2024

*As at the date of this announcement, the executive Directors are Ms. Lam Kwan and Mr. Pan Zhongshan; and the independent non-executive Directors are Mr. Cheung Kwan Hung, Dr. Chan Chung Bun, Bunny and Ms. Wong Tsui Yue Lucy.*