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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Great Harvest Maeta Group Holdings Limited (the “**Company**”), you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**Great Harvest Maeta Group Holdings Limited**

**榮 豐 聯 合 控 股 有 限 公 司**

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

**(Stock Code: 3683)**

**MAJOR TRANSACTION:  
DISPOSAL OF A VESSEL**

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This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Group. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement herein or this circular misleading.

19 September 2014

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## DEFINITIONS

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*In this circular, the following expressions shall, unless the context requires otherwise, have the following meanings:*

“Ablaze Rich”	Ablaze Rich Investments Limited (耀豐投資有限公司), a company incorporated in the British Virgin Islands, the controlling Shareholder of the Company holding about 74.26% of the entire issued share capital of the Company as at the Latest Practicable Date
“Banking Day(s)”	any day(s) on which banks are open in Singapore, London, New York and Hong Kong
“Board”	the board of Directors
“capesize”	dry bulk vessel with size of 100,000 dwt or above
“Company”	Great Harvest Maeta Group Holdings Limited (榮豐聯合控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Convertible Bonds”	the First Convertible Bonds and, where appropriate, the Second Convertible Bonds
“Conversion Shares”	the Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds
“Directors”	the directors of the Company
“Disposal”	the disposal of the Vessel by the Vendor under the MOA
“dwt”	deadweight tonnage, a measure expressed in metric tons or long tons of a ship’s carrying capacity, including cargoes, bunker, fresh water, crew and provisions
“First Convertible Bonds”	the first tranche of convertible bonds in the principal amount of US\$3,000,000 issued by the Company for subscription by Ablaze Rich pursuant to the terms and conditions of the Subscription Agreement
“Group”	the Company and its subsidiaries
“Guarantor”	Wirana Shipping Corporation, the guarantor of the Purchaser’s performance of its obligations under the MOA
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	15 September 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOA”	the written memorandum of agreement dated 11 August 2014 and entered into between the Vendor, the Purchaser and the Guarantor for the Disposal
“panamax”	dry bulk vessel with size ranging from 60,000 to 99,999 dwt
“Purchaser”	Venus Shipping Inc., the purchaser of the Vessel pursuant to the MOA
“Second Convertible Bonds”	the second tranche of the convertible bonds in the principal amount of US\$5,000,000 to be issued by the Company for subscription by Ablaze Rich pursuant to the terms and conditions of the Subscription Agreement. As disclosed in the Company’s announcement dated 2 September 2014, the issue of the Second Convertible Bonds did not proceed to completion and had lapsed accordingly
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of the Company of HK\$0.01 each
“Share Option Scheme”	the share option scheme of the Company approved and adopted by an ordinary resolution of the Shareholders at the annual general meeting held on 19 August 2011
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 5 July 2013 and entered into between the Company as issuer and Ablaze Rich as subscriber in respect of the subscription of the Convertible Bonds at the total principal amount of US\$8,000,000
“US\$”	United States dollars, the lawful currency of the United States of America

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## DEFINITIONS

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“Vendor”	Great Ocean Shipping Limited, a wholly-owned subsidiary of the Company
“Vessel”	“GH Resources”, a capesize dry bulk vessel built in 1990 with a carrying capacity of about 123,503 dwt and registered in Hong Kong
“%”	per cent.

*In this circular, for illustration purpose only and unless otherwise specified, amounts quoted in US\$ have been converted into HK\$ at the rate of US\$1 to HK\$7.75. Such exchange rate has been used, where applicable, for illustration purpose only and does not constitute a representation that any amounts were or may have been exchanged at these or any other rates or at all.*

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LETTER FROM THE BOARD

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Great Harvest Maeta Group Holdings Limited  
榮豐聯合控股有限公司  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 3683)

*Executive Directors:*

Mr. Yan Kim Po  
Ms. Lam Kwan  
Mr. Cao Jiancheng

*Independent non-executive Directors:*

Mr. Cheung Kwan Hung  
Dr. Chan Chung Bun, Bunny  
Mr. Wai Kwok Hung

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Headquarters and principal place of  
business in Hong Kong:*

12th Floor  
200 Gloucester Road  
Wanchai  
Hong Kong

19 September 2014

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION:  
DISPOSAL OF A VESSEL**

**1. INTRODUCTION**

On 11 August 2014, the Board announced that the Vendor, a wholly-owned subsidiary of the Company, entered into the MOA with the Purchaser and the Guarantor for disposal of the Vessel at a consideration of about US\$7.00 million (equivalent to about HK\$54.29 million).

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to approval by the Shareholders. So far as the Directors are aware of after making reasonable enquiries, none of the Shareholders would have been required to abstain from voting if the Company were to convene a general meeting for the approval for the Disposal. As such, written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44(2) of the Listing Rules. On 11 August

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## LETTER FROM THE BOARD

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2014, Ablaze Rich, a Shareholder holding 616,322,500 Shares, representing about 74.26% of the issued share capital of the Company, has given its written approval on the Disposal. Accordingly, no extraordinary general meeting of the Company will be convened for the purpose of approving the Disposal as a major transaction.

The purpose of this circular is to give you further information regarding the Disposal, and financial and other information of the Group.

### **2. THE DISPOSAL AND THE MOA**

On 11 August 2014, the Vendor entered into the MOA with the Purchaser and the Guarantor for disposal of the Vessel at a consideration of about US\$7.00 million (equivalent to about HK\$54.29 million). The principal terms of the MOA are set out below.

**Date of the MOA:**

11 August 2014

**Parties to the MOA:**

Vendor: Great Ocean Shipping Limited, a wholly-owned subsidiary of the Company

Purchaser: Venus Shipping Inc.

Guarantor: Wirana Shipping Corporation, as guarantor for the Purchaser to guarantee the performance by the Purchaser of its obligations under the MOA

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of the Purchaser, the Guarantor and their respective ultimate beneficial owners are third parties independent of the Company and the connected persons (as defined in the Listing Rules) of the Company; (ii) the Purchaser is nominated by the Guarantor as the buyer of the Vessel and the Guarantor negotiates the commercial terms of the transaction on behalf of the Purchaser; (iii) the principal business activities of the Purchaser include ship owning; and (iv) the principal business activities of the Guarantor are the sale and purchase of ships for recycling.

**Asset to be disposed:**

The subject transaction is a one-off disposal of the Vessel by the Group in the open market through shipbroker who identified the potential buyer on behalf of the Group. The Vessel is a capesize dry bulk vessel built in 1990 with a carrying capacity of about 123,503 dwt. Under the MOA, the Vendor shall deliver the Vessel to the Purchaser charter free, cargo free and free of mortgages, debts, claims and liens. Subject to the terms of the MOA, the Vessel shall be due for delivery during the period from 15 August 2014 to 30 August 2014. Pursuant to the MOA, the Vessel was delivered to the Purchaser on 22 August 2014.

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## LETTER FROM THE BOARD

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### **Consideration:**

The consideration for the Vessel is about US\$7.00 million (equivalent to about HK\$54.29 million) and is payable by the Purchaser in the following manner:

- (1) a deposit for the sum of about US\$2.10 million (equivalent to about HK\$16.29 million), representing 30% of the consideration, shall be payable by the Purchaser to a bank account nominated by the Vendor within three Banking Days from the date of signing of the MOA by the parties; and
- (2) the balance of the consideration for the sum of about US\$4.90 million (equivalent to about HK\$38.00 million), representing 70% of the consideration, shall be payable by the Purchaser to a bank account nominated by the Vendor within three Banking Days after the Vendor's tendering of the notice of readiness to deliver the Vessel pursuant to the MOA.

The consideration for the Vessel has been determined by the parties after arm's length negotiations between the parties, taking into account the recently concluded sale and purchase transactions of vessels of comparable size and year of build in the market.

As of the Latest Practicable Date, the Vendor had received all of the consideration payable to it pursuant to the MOA in full.

### **Performance guarantee:**

The Guarantor shall guarantee the performance of the Purchaser of its obligations under the MOA, including the payment of compensation to the Vendor for losses and all expenses incurred together with interest as a result of the Purchaser's default under the MOA. Based on market intelligence and assurances obtained and enquiries made by the Company, the Company understands that the Guarantor is a reputable purchaser/intermediary in the ship demolition market with good standing, creditworthiness and an established track record of vessel transactions and is a proper party for providing the guarantee.

### **3. GENERAL INFORMATION ON THE GROUP**

The Group is principally engaged in chartering out its own dry bulk vessels.



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## LETTER FROM THE BOARD

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The Vendor is a wholly-owned subsidiary of the Company and a special purpose company for holding the Vessel. Set out below is the net profit or loss (both before and after taxation) of the Vendor for the financial years ended 31 March 2013 and 2014:

	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2014</b>
	<i>US\$ million</i>	<i>US\$ million</i>
Net profit/(loss) before and after taxation	(5.56)	0.06

#### **4. FINANCIAL EFFECT OF THE DISPOSAL**

Upon closing of the Disposal, it is expected that (i) on the basis of the net book value of the Vessel of about US\$7.68 million as at 31 March 2014, a loss before taxation (if any) of about US\$0.68 million would be recognized by the Group as a result of the Disposal; and (ii) the total assets of the Group will decrease by approximately US\$0.68 million which reflects the consideration of about US\$7.00 million for the Disposal less the net book value of the Vessel of about US\$7.68 million as at 31 March 2014. The actual book loss and change in total assets which the Group would realize upon completion of the Disposal will depend on the actual costs of Disposal being incurred as at the date of delivery of the Vessel. It is expected that following closing of the Disposal and as a result of the Disposal, the Group's revenue, cost of services and depreciation expenses will decrease.

Save as described above, the Disposal is not expected to have any material impact on the earnings and assets and liabilities of the Group.

#### **5. REASONS FOR AND BENEFITS OF THE DISPOSAL**

Following its recent acquisitions of two panamax dry bulk vessels, the Group has the intention to sell the Vessel in light of its relative old age and inefficiency as compared with other vessels in the Group's fleet. The Directors consider that the Vessel can be sold at a reasonable price and the Disposal will enable the Group to strengthen its working capital position and optimize its fleet composition. The Directors believe that the Disposal will not have any material adverse effect on the operations of the Group.

The Group intends to use the net sale proceeds received pursuant to the Disposal for general working capital of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors would recommend Shareholders to vote in favour of the relevant resolutions put to vote at a general meeting of the Company if a general meeting were required to be convened to approve the transactions contemplated under the MOA and the Disposal.

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## LETTER FROM THE BOARD

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### 6. LISTING RULES IMPLICATION

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to approval by the Shareholders.

Under Rule 14.44 of the Listing Rules, Shareholders' approval for the Disposal may be obtained by written Shareholders' approval without the need of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal; and (b) written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% in nominal value of the issued share capital of the Company giving the right to attend and vote at that general meeting to approve the Disposal.

So far as the Directors are aware of after making reasonable enquiries, none of the Shareholders would have been required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal. As such, written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44(2) of the Listing Rules.

On 11 August 2014, Ablaze Rich, a Shareholder holding 616,322,500 Shares, representing about 74.26% of the issued share capital of the Company, has given its written approval on the Disposal. Accordingly, no extraordinary general meeting of the Company will be convened for the purpose of approving the Disposal as a major transaction.

### 7. ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,  
By order of the board of  
**Great Harvest Maeta Group Holdings Limited**  
**Yan Kim Po**  
*Chairman*

**1. INDEBTEDNESS****Bank borrowings and convertible bonds**

As at 31 July 2014, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement, the outstanding borrowings of the Group were shown as below:

	<i>US\$'million</i>
Current bank borrowings, secured	8.52
Non-current bank borrowings, secured	51.78
Non-current convertible bonds, unsecured	<u>3.71</u>
	<u><u>64.01</u></u>

The above bank borrowings were guaranteed by the Company and secured by (i) first preferred mortgages over five vessels owned by the Group; (ii) assignment of the charter-hire income and insurance in respect of these five vessels; (iii) charges over shares of five ship owning subsidiaries, being members of the Group; and (iv) pledged bank deposits of the Group.

The above outstanding convertible bonds were unguaranteed and unsecured.

**Interest rate swap**

The Group has entered into interest rate swap contract to manage its interest rate risk arising from bank borrowings with floating interest rate, which is considered as indebtedness. It was initially measured at fair value on the date when it was entered into, and was subsequently re-measured at their fair value at the indebtedness statement date. Changes in the fair value of the interest rate swap are recognised immediately in the income statement. As at 31 July 2014, the notional amount and the fair value of the interest rate swap were US\$13.35 million and US\$0.13 million respectively.

**Pledge of assets**

As at the close of business on 31 July 2014, the Group had pledged the following amounts:

	<i>US\$'million</i>
Pledged bank deposits	6.49
Pledged property, plant and equipment	<u>135.10</u>
	<u><u>141.59</u></u>

Save for the aforesaid and apart from intra-group liabilities, the Group did not have, at the close of business on 31 July 2014, any debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans or other borrowings or indebtedness in the nature of borrowing such as bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, or mortgages, charges, guarantees, or other material contingent liabilities.

## **2. FINANCIAL AND TRADING PROSPECTS**

The Group has continued to offer worldwide marine transportation services to its customers through chartering out its vessels for transportation of dry bulk cargoes during the current financial year. The Group aims to maintain its established market presence in the marine transportation industry by continuously capitalising on opportunities to leverage its competitive strengths and implementing its business strategies as summarised below:

- expand and optimise the size and composition of the Group's fleet by acquisition and disposal of secondhand vessels in accordance with the demand for the Group's marine transportation services from time to time;
- strengthen the Group's ability to adapt to market changes by operating the Group's vessels in the spot market and, where appropriate, under long term charter contracts; and
- enhance profitability through high quality services and stringent cost-efficient policy by delegating the operation, management and maintenance of the Group's vessels to experienced and professional ship manager under the close supervision of the Group's management.

The Directors consider that competition in the marine transportation industry will continue to present challenges for the Group. However, the Directors believe that the Group has its strengths to maintain competitiveness in the industry. The Group has an experienced management team so as to adopt suitable long term and short term strategies to cater for market challenges and risks, and relatively young and stringently maintained and managed vessels to offer high standard, safe and reliable marine transportation services to its customers. The Group will continue to uphold its prudent operating strategies and seek to charter out vessels to more reputable charterers. The Directors expect that with the financial resources available to the Group, including cash generated from operating activities and bank loans and means available to raise funds in the capital market and from banks and financial institutions, the Group's financial position remains strong for the current financial year. The Directors view the future prospects with confidence and believe the Group is well placed to continue its business in line with its strategies.

## **3. WORKING CAPITAL**

The Directors, after due and careful consideration, are of the opinion that, in the absence of unforeseeable circumstances and after taking into account of financial resources available to the Group including internally generated funds, available banking facilities, proceeds from the Disposal and existing convertible bonds, the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of this circular.

## 1. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she was taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

### Interests in Shares, underlying Shares and debentures of the Company:

Name of Director	Capacity and nature of interest	Number of Shares (Note 1)	Number of underlying Shares (Note 1)	Approximate percentage of interest (%) (Note 6)
Mr. Yan Kim Po ("Mr. Yan")	Interest of controlled corporation (Note 2)	616,322,500 (L)	—	74.26
	Beneficial owner (Note 3)	—	2,100,000 (L)	0.25
	Family interest (Note 3)	—	2,100,000 (L)	0.25
	Interest of controlled corporation (Note 4)	—	19,763,513 (L)	2.38
Ms. Lam Kwan ("Ms. Lam")	Interest of controlled corporation (Note 2)	616,322,500 (L)	—	74.26
	Beneficial owner (Note 3)	—	2,100,000 (L)	0.25
	Family interest (Note 3)	—	2,100,000 (L)	0.25
	Interest of controlled corporation (Note 4)	—	19,763,513 (L)	2.38
Mr. Cao Jiancheng	Beneficial owner (Note 5)	—	6,000,000 (L)	0.72

#### Notes:

- The letter "L" denotes the long position in the Shares and underlying Shares of the Company.
- These 616,322,500 Shares were held by Ablaze Rich, the entire issued share capital of which was owned as to 51% by Mr. Yan and 49% by Ms. Lam, who were also directors of Ablaze Rich. Each of Mr. Yan and Ms. Lam was deemed to be interested in the Shares held by Ablaze Rich by virtue of the SFO.
- On 21 October 2011, each of Mr. Yan and Ms. Lam was granted share options of the Company in respect of 2,100,000 Shares pursuant to the Share Option Scheme. All these share options remained outstanding as at the Latest Practicable Date. As they have a spousal relationship, each of Mr. Yan and Ms. Lam was deemed to be interested in such number of Shares beneficially held by each other by virtue of the SFO.

4. These 19,763,513 Shares represented the Conversion Shares which may be allotted and issued to Ablaze Rich upon the exercise of the conversion rights attached to the First Convertible Bonds in the principal amount of US\$3,000,000, at a conversion price of HK\$1.184 per Conversion Share, at the exchange rate of HK\$7.8 to US\$1.0. The First Convertible Bonds were issued by the Company and subscribed by Ablaze Rich on 2 September 2013. Ablaze Rich had not yet exercised the conversion rights attached to the First Convertible Bonds as at the Latest Practicable Date. Pursuant to the Subscription Agreement, Ablaze Rich would only convert the Convertible Bonds in a manner that would not cause the Company to be in breach of the public float requirement of the Shares under Rule 8.08 of the Listing Rules. As the entire issued share capital of Ablaze Rich was owned as to 51% by Mr. Yan and 49% by Ms. Lam, each of Mr. Yan and Ms. Lam was deemed to be interested in these 19,763,513 Shares by virtue of the SFO.
5. On 21 October 2011, Mr. Cao Jiancheng was granted share options of the Company in respect of 6,000,000 Shares pursuant to the Share Option Scheme. All these share options remained outstanding as at the Latest Practicable Date.
6. The percentage is calculated on the basis of 830,000,000 Shares in issue as at the Latest Practicable Date.

#### Interests in shares and underlying shares of associated corporation:

Name of Director	Name of associated corporation	Capacity and nature of interest	Number of ordinary shares (Note)	Approximate percentage of interest (%)
Mr. Yan Kim Po	Ablaze Rich	Beneficial owner	10,200 (L)	51.00
Ms. Lam Kwan	Ablaze Rich	Beneficial owner	9,800 (L)	49.00

*Note:* The letter “L” denotes the person’s long position in the shares and underlying shares of the associated corporation.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

## 2. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WITH INTERESTS IN THE COMPANY WHICH ARE DISCLOSEABLE UNDER SECTION 336 OF PART XV OF THE SFO

As at the Latest Practicable Date, so far as is known to the Directors and chief executives of the Company, the following persons (other than a Director or chief executive of the Company) had or was deemed or taken to have an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was,

directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

**Interests in Shares and underlying Shares of the Company:**

<b>Name of shareholder</b>	<b>Capacity and nature of interest</b>	<b>Number of Shares (Note 1)</b>	<b>Number of underlying Shares (Note 1)</b>	<b>Approximate percentage of interest (%) (Note 3)</b>
Ablaze Rich	Beneficial owner	616,322,500 (L)	—	74.26
	Beneficial owner (Note 2)	—	19,763,513 (L)	2.38

*Notes:*

1. The letter “L” denotes the long position in the Shares and underlying Shares of the Company.
2. These 19,763,513 Shares represented the Conversion Shares which may be allotted and issued to Ablaze Rich upon the exercise of the conversion rights attached to the First Convertible Bonds in the principal amount of US\$3,000,000, at a conversion price of HK\$1.184 per Conversion Share, at the exchange rate of HK\$7.8 to US\$1.0. The First Convertible Bonds were issued by the Company and subscribed by Ablaze Rich on 2 September 2013. Ablaze Rich had not yet exercised the conversion rights attached to the First Convertible Bonds as at the Latest Practicable Date. Pursuant to the Subscription Agreement, Ablaze Rich would only convert the Convertible Bonds in a manner that would not cause the Company to be in breach of the public float requirement of the Shares under Rule 8.08 of the Listing Rules.
3. The percentage is calculated on the basis of 830,000,000 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors and chief executives of the Company, there was no other person (other than a Director or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

### 3. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group that would have a material adverse effect on the Group’s results of operations or financial condition.

#### 4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation other than statutory compensation.

#### 5. DIRECTORS' INTEREST IN ASSETS

Mr. Yan Kim Po and Ms. Lam Kwan, being two of the executive Directors, were interested in the following asset which have been leased by the Group since 31 March 2014, being the date to which the latest published audited financial information of the Company was made up:

- (a) the lease by Toprich (Asia) Limited (a company owned and controlled by them) to the Group for the use of the office premises at 12th Floor, 200 Gloucester Road, Wanchai, Hong Kong for a term of two years from 1 April 2014 to 31 March 2016 (both dates inclusive) at a monthly rental of HK\$217,208 (exclusive of Government rates and management fee but inclusive of electricity, water and air-conditioning), with an option to renew for a further term of two years from 1 April 2016 to 31 March 2018 (both dates inclusive) at the market rent, pursuant to a lease agreement entered into between the Company and Toprich (Asia) Limited dated 28 March 2014.

Save as disclosed above, none of the Directors has since 31 March 2014, being the date to which the latest published audited financial information of the Company were made up, any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

#### 6. DIRECTORS' INTEREST IN CONTRACTS

As at the Latest Practicable Date, the Directors were interested in their respective service contracts and appointment letters entered into between their respective self with the Group as set out below:

- (a) Mr. Yan Kim Po, an executive Director, has entered into a service contract with the Company for a term of three years commencing on 13 September 2013 which may be terminated by not less than six months' notice in writing served by either party on the other;
- (b) each of Ms. Lam Kwan and Mr. Cao Jiancheng, two of the executive Directors, has entered into a service contract with the Company for a term of three years commencing on 11 October 2013 which may be terminated by not less than six months' notice in writing served by either party on the other;



- (c) each of the independent non-executive Directors has entered into a letter of appointment with the Company for their respective appointment as independent non-executive Director for a term of three years commencing from 13 September 2013 and may be terminated by not less than two months' notice in writing served by either party on the other;
- (d) Mr. Cao Jiancheng, an executive Director, entered into an employment contract with Union Apex Mega Shipping Limited, a wholly-owned subsidiary of the Company, on 10 June 2010, which commenced on the same date and shall be continuing unless terminated by not less than six months' notice in writing served by either party to the other; and
- (e) Mr. Yan Kim Po and Ms. Lam Kwan, two of the executive Directors and the chairman and chief executive officer of the Company respectively, entered into employment contracts with Union Apex Mega Shipping Limited, a wholly-owned subsidiary of the Company, which commenced on 1 August 2010 and shall be continuing unless terminated by not less than three months' notice in writing served by either party on the other.

Save for the lease agreement as set out in item (a) of the paragraph headed "5. Directors' interest in assets" in this appendix and the respective service contracts and appointment letters entered into between the Group and each of the Directors as set out above, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date, and which was significant in relation to the business of the Group as a whole.

## **7. COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors and their respective close associates (as defined in the Listing Rules) has (i) any business or interest which competes or may compete with the business of the Group and (ii) any other conflict of interest which any such person has or may have with the Group.

## **8. COMPANY SECRETARY**

The company secretary of the Company is Mr. Lau Ying Kit. He is a fellow member of the Hong Kong Institute of Certified Public Accountants.

## **9. MATERIAL CONTRACTS**

Saved as disclosed below, no other contract (not being contracts in the ordinary course of business) had been entered into by any member of the Group within two years immediately preceding the issue of this circular which are or may be material:

- (a) the MOA;

- (b) the written memorandum of agreement dated 20 May 2014 entered into between United Edge Holdings Limited, a wholly-owned subsidiary of the Company, as purchaser and New Sea Star Steamships (Hong Kong) Co., Limited as vendor for the acquisition of a panamax dry bulk vessel built in 2010 with a carrying capacity of about 93,315 dwt at a consideration of US\$22.8 million;
- (c) the written memorandum of agreement dated 6 November 2013 entered into between Prosperity Plus Enterprises Limited, a wholly-owned subsidiary of the Company, as purchaser and Ocean Poseidon Shipholding S.A. as vendor for the acquisition of a panamax dry bulk vessel built in 1997 with a carrying capacity of about 70,257 dwt at a consideration of US\$9.36 million; and
- (d) the Subscription Agreement.

#### 10. MISCELLANEOUS

- (a) The Hong Kong share registrar and transfer office of the Company is Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (b) In the event of inconsistency, the English version of this circular shall prevail over its Chinese version.

#### 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9:00 a.m. to 6:00 p.m. (except Saturdays and public holidays) at the headquarters and principal place of business of the Company in Hong Kong at 12th Floor, 200 Gloucester Road, Wanchai, Hong Kong from the date of this circular up to and including 3 October 2014:

- (a) the memorandum of association and articles of association of the Company;
- (b) each of the material contracts referred to in the paragraph headed "9. Material contracts" in this appendix;
- (c) the annual reports of the Company for the financial years ended 31 March 2013 and 31 March 2014 respectively; and
- (d) this circular.