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 2025

FINANCIAL HIGHLIGHTS

- Revenue of US$14.0 million was recorded for the year ended 31 March 2025, a 4.4% increment as compared to US$13.5 million for the year ended 31 March 2024.

- Operating loss of US$6.4 million was recognised for the year ended 31 March 2025, compared with the operating loss made of US$0.5 million for the year ended 31 March 2024.

- Earnings before interest, taxes, depreciation, amortisation and provision for/reversal of impairment losses ("**EBITDA**") increased from US$3.1 million for the year ended 31 March 2024 to US$7.9 million for the year ended 31 March 2025.

- Loss attributable to owners of the Company of US$7.1 million for the year ended 31 March 2024 increased to US$10.4 million for the year ended 31 March 2025.

- The basic and diluted loss per share of US0.75 cents for the year ended 31 March 2024 increased to US1.09 cents for the year ended 31 March 2025.

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 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	**2025** *US$'000*	2024 *US$'000*
Revenue	*3(a)*	**14,038**	13,452
Cost of services	*5*	**(15,134)**	(12,942)
Gross (loss)/profit		**(1,096)**	510
Other gains, net	*4*	**3,972**	600
Other income		**86**	173
General and administrative expenses	*5*	**(2,405)**	(2,685)
(Provision for)/reversal of impairment losses on property, plant and equipment		**(6,944)**	872
Operating loss		**(6,387)**	(530)
Finance income	*6*	**9**	37
Finance costs	*6*	**(3,996)**	(5,053)
Finance costs – net		**(3,987)**	(5,016)
Loss before income tax		**(10,374)**	(5,546)
Income tax expense	*7*	**(9)**	(1,256)
Loss for the year		**(10,383)**	(6,802)
Loss attributable to:			
Owners of the Company		**(10,375)**	(7,126)
Non-controlling interest		**(8)**	324
		(10,383)	(6,802)

	Notes	**2025** *US$'000*	2024 *US$'000*
Other comprehensive expense for the year			
Item that may be reclassified subsequently to profit or loss			
Currency translation differences		**(1,268)**	(1,467)
Total comprehensive expense for the year		**(11,651)**	(8,269)
Total comprehensive expense attributable to:			
Owners of the Company		**(11,529)**	(8,461)
Non-controlling interest		**(122)**	192
		(11,651)	(8,269)
Loss per share attributable to owners of the Company			
Basic loss per share	*8*	**(US1.09 cents)**	(US0.75 cents)
Diluted loss per share	*8*	**(US1.09 cents)**	(US0.75 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	NOTES	2025 US$'000	2024 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**19,192**	37,273
Investment properties		**71,629**	73,474
Right-of-use assets		**82**	328
		90,903	111,075
Current assets			
Trade receivables, deposits, prepayments and other receivables	*10*	**1,669**	3,080
Cash and cash equivalents		**167**	1,058
		1,836	4,138
Total assets		**92,739**	115,213
EQUITY			
Equity attributable to owners of the Company			
Share capital		**1,221**	1,221
Reserves		**5,299**	16,828
		6,520	18,049
Non-controlling interest		**4,297**	4,419
Total equity		**10,817**	22,468

	Notes	**2025**	2024
	Notes	***US$'000***	*US$'000*
LIABILITIES			
Non-current liabilities			
Borrowings and loans	*11*	**1,296**	6,730
Convertible bonds	*12*	**53,088**	–
Lease liabilities		**–**	84
Deferred tax liabilities		**17,116**	17,571
		71,500	24,385
Current liabilities			
Other payables and accruals		**7,725**	12,101
Borrowings and loans	*11*	**109**	105
Convertible bonds	*12*	**2,500**	55,900
Lease liabilities		**84**	248
Tax payables		**4**	6
		10,422	68,360
Total liabilities		**81,922**	92,745
Total equity and liabilities		**92,739**	115,213

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 HKFRS Accounting Standards 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$10,383,000 for the year ended 31 March 2025. As at 31 March 2025, the Group's current liabilities exceeded its current assets by approximately US$8,586,000, which included borrowings and loans of approximately US$109,000 and convertible bonds of approximately US$2,500,000 that are repayable within one year, while the Group's cash and cash equivalents balance was approximately US$167,000. In addition, the Group has entered into agreements which will involve capital commitments of approximately US$243,000 in respect of investment properties project as at 31 March 2025.

Pursuant to the Supplemental Settlement Agreement (as defined in Note 12), the Company shall settle the outstanding redemption amount of the Top Build 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.

On 21 January 2025, the Second Supplemental Settlement Agreement (as defined in Note 12) was entered into by the Company, the Guarantors (as defined in Note 12) and the holder of the Top Build Convertible Bonds (the "**Bondholder**"). Pursuant to the Second Supplemental Settlement Agreement, the Company will settle:

(i) the outstanding principal of the redemption amount of the Top Build Convertible Bonds (which amounted to US$47,930,000 as at the date of the Second Supplemental Settlement Agreement) by repaying the Bondholder in cash of (a) not less than US$300,000 within each of the second and third quarter of 2025; (b) not less than US$1,400,000 within the fourth quarter of 2025; (c) not less than US$500,000 within each of the first, second and third quarter of 2026; and (d) the remaining balance within the fourth quarter of 2026 and on or before 31 December 2026;

(ii) the outstanding accrued interest on the outstanding principal of the redemption amount of the Top Build Convertible Bonds for the period between 1 July 2022 and 31 December 2024 of US$9,893,162 in cash on or before 31 December 2026;

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going concern basis (Continued)

(iii) interest over the outstanding principal of the redemption amount of the Top Build Convertible Bonds for the period between 1 January 2025 and 31 December 2026, calculated at an interest rate of 8% per annum, in cash on or before 31 December 2026; and

(iv) liquidated damages in respect of the default of US$87,405 in cash on or before 31 December 2026.

As the financial resources available to the Group as at 31 March 2025 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) Various settlement proposals

The Group has been actively negotiating with the Bondholder for various alternative settlement proposals for the Settlement (as defined in Note 12), including realisation of assets to finance the Settlement. Negotiation with the Bondholder is ongoing as at the date of this announcement.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going concern basis (Continued)

(ii) Financing through ultimate holding company

On 30 September 2024, 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 2025, no loan was obtained under the terms of the deed.

In addition, the outstanding principal amount of the shareholders' loan granted by Ablaze Rich in 2017 amounted to approximately US$1 million as at 31 March 2025.

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.

(iii) Financing through banks and capital market

The Group has been actively negotiating with banks and other financial institutions with a view of seeking for other alternative financing and bank borrowings to refinance its existing financial obligations (including but not limited to the redemption amount of the Top Build Convertible Bonds) and to fund the Group's future operating and capital expenditures. Additionally, the Group has been conducting feasibility study on, and has been negotiating with potential investors in connection with, fundraising opportunities through the capital market, such as placement or issue of corporate bonds and/or other sources. Negotiation with potential investor(s) is ongoing as at the date of this announcement.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going concern basis (Continued)

(iv) 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 2025. Assuming that 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.

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 liquidate its assets on time to finance needed funding requirements;

(ii) 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;

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going concern basis (Continued)

(iv) 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.

2.1.2 Application of new and amendment to HKFRS Accounting Standards

In the current year, the Group has applied mandatorily the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time which are effective for the Group's annual periods beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.1 Basis of preparation (Continued)

2.1.3 Amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards 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 HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity[3]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

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 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all the other new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group in the foreseeable future.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.1 Basis of preparation (Continued)

2.1.3 Amendments to HKFRS Accounting Standards issued but not yet effective (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standards, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

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 expense, 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 CODM 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 CODM.

3. REVENUE AND SEGMENT INFORMATION (Continued)

(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 2025				
Revenue recognised over time	**14,038**	**–**	**–**	**14,038**
Depreciation of property, plant and equipment	**(3,899)**	**–**	**–**	**(3,899)**
Provision for impairment losses on property, plant and equipment	**(6,944)**	**–**	**–**	**(6,944)**
Loss on disposal of property, plant and equipment	**(3,213)**	**–**	**–**	**(3,213)**
Gain on disposal of subsidiaries	**–**	**–**	**3**	**3**
Gain on modification of convertible bonds	**–**	**3,180**	**–**	**3,180**
Reversal of expected penalty interest for convertible bonds	**–**	**4,002**	**–**	**4,002**
Finance costs	**(22)**	**(3,868)**	**(106)**	**(3,996)**
Segment (loss)/profit before income tax	**(13,098)**	**3,210**	**(486)**	**(10,374)**
Income tax expense				**(9)**
Loss for the year				**(10,383)**

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 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)

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 2025				
Segment assets	**20,516**	**72,118**	**105**	**92,739**
As at 31 March 2024				
Segment assets	41,143	74,007	63	115,213

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 2025 and 2024, 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.

3. REVENUE AND SEGMENT INFORMATION (Continued)

(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.

	2025	2024
	US$'000	*US$'000*
The People's Republic of China (the "**PRC**")	**71,629**	73,474
Hong Kong	**83**	329
	71,712	73,803

(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:

	2025	2024
	US$'000	*US$'000*
Customer A	**–***	3,053
Customer B	**3,648**	3,746
Customer C	**3,269**	2,500

* *Revenue arising from the provision of vessels chartering services for Customer A in 2025 contributed less than 10% of total revenue of the Group.*

3. REVENUE AND SEGMENT INFORMATION (Continued)

(f) Contract liabilities related to the contracts with customers

As at 31 March 2025, contract liabilities included in other payables and accruals amounted to approximately US$80,000 (2024: US$221,000).

4. OTHER GAINS, NET

	2025	2024
	US$'000	*US$'000*
Gain on modification of convertible bonds	**3,180**	–
Reversal of expected penalty interest for convertible bonds	**4,002**	–
Loss on disposal of property, plant and equipment	**(3,213)**	(4,386)
Gain on disposal of subsidiaries *(Note)*	**3**	–
Fair value gains on investment properties	**–**	4,986
	3,972	600

Note: During the year ended 31 March 2025, the Group disposed of subsidiaries with nil net assets value to an independent third party with approximately US$3,000 cash consideration. A gain on disposal of approximately US$3,000 was recognised.

5. EXPENSES BY NATURE

Loss before income tax is stated after charging the following:

	2025	2024
	US$'000	*US$'000*
Depreciation of property, plant and equipment	**3,899**	4,944
Depreciation of right-of-use assets	**246**	176
Crew expenses (included in cost of services)	**2,221**	3,765
Auditor's remuneration – audit services	**53**	58
Employee benefit expenses (including directors' emoluments)	**1,380**	1,650

6. FINANCE COSTS – NET

	2025	2024
	US$'000	*US$'000*
Finance income		
Interest income	**9**	37
Finance costs		
Interest expense on borrowings and loans	**122**	1,085
Interest expense on convertible bonds – non-cash	**3,868**	3,961
Interest expense on lease liabilities	**6**	7
	3,996	5,053

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 2025 and 2024, 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.

	2025	2024
	US$'000	*US$'000*
Current income tax		
Hong Kong profits tax	**9**	9
Deferred tax	**–**	1,247
Income tax expense	**9**	1,256

8. LOSS PER SHARE

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

	2025	2024
	US$'000	*US$'000*
Loss		
Loss for the year attributable to owners of the Company for the purposes of basic loss per share	**(10,375)**	(7,126)

	2025	2024
	'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 2025 and 2024, 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 2025 (2024: same).

10. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025	2024
	US$'000	*US$'000*
Trade receivables	**1,070**	886
Prepayments	**60**	889
Deposits	**49**	45
Other receivables	**464**	1,234
Other receivables due from related companies	**26**	26
	1,669	3,080

As at 31 March 2025 and 2024, the ageing analysis of the trade receivables based on invoice date were as follows:

	2025	2024
	US$'000	*US$'000*
0-30 days	**1,069**	562
31-60 days	**1**	152
61-90 days	**–**	43
91-365 days	**–**	49
Over 365 days	**–**	80
	1,070	886

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 2025 and 2024, no provision of expected credit loss allowance are made on trade receivables.

11. BORROWINGS AND LOANS

	2025	2024
	US$'000	*US$'000*
Non-current		
– Bank borrowings *(Note i)*	**304**	414
– Loans from the ultimate holding company *(Note ii)*	**992**	6,316
	1,296	6,730
Current		
– Bank borrowings *(Note i)*	**109**	105

Notes:

(i) As at 31 March 2025, the Group's bank borrowings obtained under the SME Financing Guarantee Scheme launched by the Government of HKSAR of US$413,000 (31 March 2024: US$519,000). The carrying amounts of these bank borrowings were denominated in Hong Kong dollars ("**HK$**"). These bank borrowings bear interest at Prime rate minus 2.25% and their fair values approximate the carrying amounts.

(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:

	2025	2024
Effective interest rate:		
Fixed-rate borrowings	**4%**	4%
Variable-rate borrowings	**3% to 3.63%**	4% to 6.56%

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

	Bank borrowings		**Loans from the ultimate holding company**	
	2025	2024	**2025**	2024
	US$'000	*US$'000*	***US$'000***	*US$'000*
Within 1 year	**109**	105	**–**	–
Between 1 and 2 years	**112**	108	**992**	–
Between 2 and 5 years	**192**	296	**–**	6,316
Over 5 years	**–**	10	**–**	–
	413	519	**992**	6,316

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 was to be 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 instalments 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)

On 13 September 2024, the Bondholder acknowledged receipt of the Company's payment of US$1,000,000 being (i) the remaining balance of US$200,000 for the fifth quarterly instalment due on 30 June 2023; (ii) a payment of US$500,000 for the sixth quarterly instalment due on 30 September 2023; and (iii) a partial payment of US$300,000 for the seventh quarterly instalment due on 31 December 2023.

On 21 January 2025, the Company, Mr. Yan, Ms. Lam and Ablaze Rich (collectively as Guarantors) and the Bondholder have entered into the second supplemental agreement to the Settlement Agreement ("**Second Supplemental Settlement Agreement**") to adjust the repayment schedule of the outstanding redemption amount of the Top Build Convertible Bonds of US$47,930,000. Pursuant to the Second Supplemental Settlement Agreement, the Company will settle the outstanding principal of the redemption amount of the Top Build Convertible Bonds (which amounted to US$47,930,000 as at the date of the Second Supplemental Settlement Agreement) by repaying the Bondholder in cash of (i) not less than US$300,000 within each of the second and third quarter of 2025; (ii) not less than US$1,400,000 within the fourth quarter of 2025; (iii) not less than US$500,000 within each of the first, second and third quarter of 2026; (iv) the remaining balance within the fourth quarter of 2026 and on or before 31 December 2026; (v) the outstanding accrued interest on the outstanding principal of the redemption amount of the Top Build Convertible Bonds for the period between 1 July 2022 and 31 December 2024 of US$9,893,162 on or before 31 December 2026; (vi) interest over the outstanding principal of the redemption amount of the Top Build Convertible Bonds for the period between 1 January 2025 and 31 December 2026 (calculated at an interest rate of 8% per annum), on or before 31 December 2026; and (vii) liquidated damages in respect of the default of US$87,405 on or before 31 December 2026 (the "**Settlement**").

	2025	2024
	US$'000	*US$'000*
Top Build Convertible Bonds		
– Non-current	**53,088**	–
– Current	**2,500**	55,900
	55,588	55,900

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 2023	52,739
Interest expense *(Note 6)*	3,961
Redemption	(800)
At 31 March 2024 and 1 April 2024	55,900
Interest expense *(Note 6)*	3,868
Gain on modification *(Note 4)*	(3,180)
Redemption	(1,000)
At 31 March 2025	**55,588**

Details of the pledged assets are set out in Note 13 to the consolidated financial statements.

13. PLEDGE OF ASSETS

As at 31 March 2025, the bank borrowing obtained under the SME Financing Guarantee Scheme is secured fully by guarantees executed by Mr. Yan, Ms. Lam and the Government of HKSAR (2024: same).

On 29 June 2022, the Group entered into the 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).

13. PLEDGE OF ASSETS (Continued)

On 21 January 2025, the Group entered into the Second Supplemental Settlement Agreement with its Bondholder to adjust the repayment schedule of the outstanding redemption amount of the Top Build Convertible Bonds and the interests accrued therefrom, pursuant to which the Company will provide or procure to be provided the following additional 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 and the Second Supplemental Settlement Agreement):

(i) the mortgage over the land use right of a parcel of land of approximately 103.4 mu located at Haikou, Hainan Province, the PRC held by the PRC Subsidiary (as defined below); and

(ii) the pledge over 41% of the equity interests in the PRC Subsidiary held by the Hong Kong Subsidiary (as defined below).

On 28 March 2025, the mortgage over a vessel of the Group was released.

As at 31 March 2025, the Top Build 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 2025: Nil);

(ii) the mortgage over the land use right of two parcels of land 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 2024: a parcel of land of approximately 95.9 mu out of a total of near 200 mu);

(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 2024: same); and

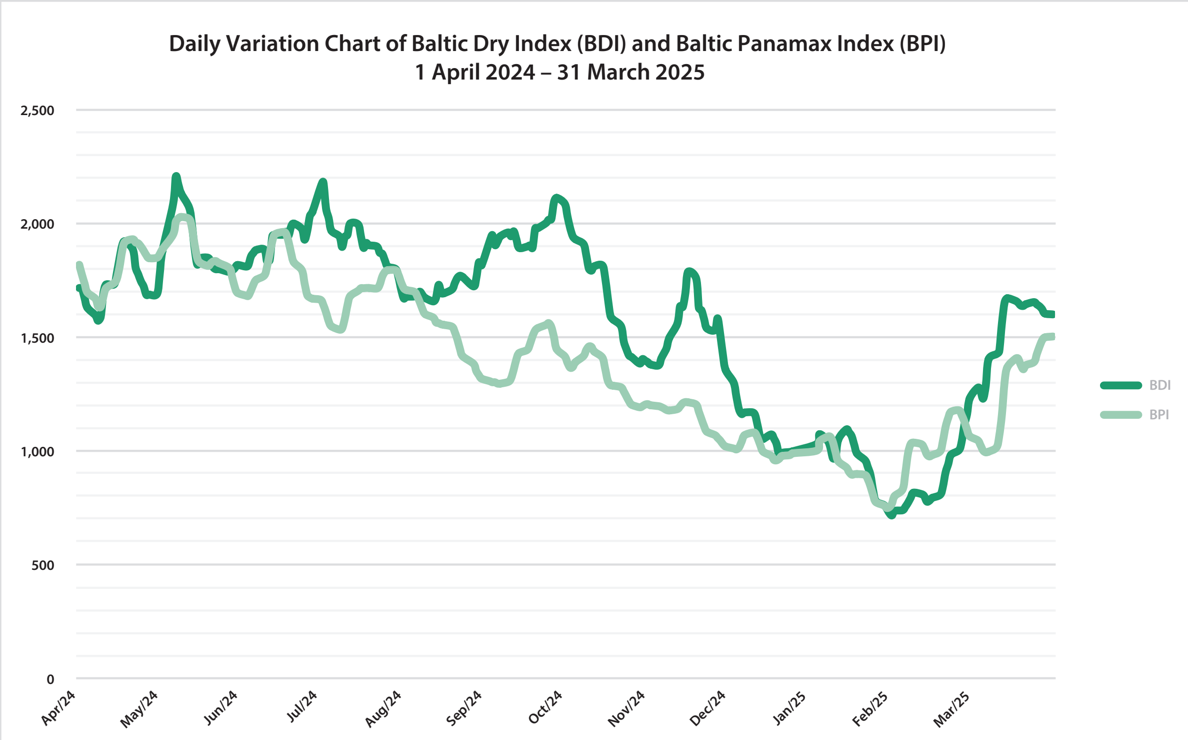
(iv) the corporate guarantees from the PRC Subsidiary and the Hong Kong Subsidiary (31 March 2024: same).

14. EVENT AFTER THE REPORTING PERIOD

On 19 June 2025, Joy Ocean Shipping Limited, a wholly owned subsidiary of the Company, entered into a memorandum of agreement with Migo Shipping Co., Limited (邁高航運有限公司) to dispose of a vessel at a consideration of US$4,500,000. Please refer to the announcement of the Company dated 19 June 2025 for further details.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review



I. Market Overview

In 2024, the international dry bulk shipping market showed a volatile trend of gradual decline from initially high levels, culminating in an average annual BDI of 1,754.7 points, representing a year-on-year increase of 27.3%. However, the BDI index continuously dropped to 1,445 points in December from the high points of 2,084 in September, due to the easing of the Red Sea crisis, the reopening of the Panama Canal and the expectation of weakening global trades in the fourth quarter. The Baltic Capesize Index (BCI) marked the most significant increase of 37.85%, which was primarily attributable to the demand for the transportation of iron ores; while the Baltic Panamax Index (BPI) showed weak performance with an increase of 9.69%, reflecting a slower growth rate of the coal trade. In the first quarter of 2025, the market continued its sluggish trend, with the average BDI dropping to 1,373 points, marking a historic low since 2023, highlighting fundamental weakness in both supply and demand.

The sluggish global economic recovery was a key factor driving market fluctuations. In 2024, the global economy's growth rate decreased to 3.2%, while conspicuous consumption divergence emerged between iron, steel and coal sectors across major demand markets including China and India. The production of crude steel recorded a slight year-on-year decrease in China due to a sluggish real estate market, while the steel used in manufacturing became the key support (for example, an increase of 12.3% recorded in automotive, shipping, wind power and other industries, and a breakthrough of 100 million tons recorded in steel exports, representing a year-on-year increase of 22.7%). The demand for steel in India remained at a high growth rate of 8%, with coal imports achieving 250 million tons, representing a year-on-year increase of 19.1%. This made India the fifth largest coal-importing economy, surpassing the EU.

II. Analysis of Capacity Supply and Demand

Supply side: In 2024, the growth rate of global dry bulk vessel capacity remained at low levels of 3%. The capacity of newly delivered dry bulk vessels was 33.84 million dwt with a year-on-year decrease of 4.19%, and the volume of disassembled decreased to 3.75 million dwt with a year-on-year decrease of 30.3%. The fleet aging issue has intensified, with an average dismantling age of 28.54 years. According to environmental regulations, such as the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII), speed reduction operation of old vessels has been promoted with a reduction in actual available capacity of approximately 5%, and the growth rate of small and medium-sized handymax and handysize capacities was 4.3% and 4.1%, respectively. Supply and demand mismatch resulted in the differentiation of vessel types and freight rates. In 2025, the orders for new vessels recorded a year-on-year decrease of 16.4%, and the expected growth rate of vessel capacity remained at 2.8% to 3.0%, coupled with production limitations at shipyards.

Demand side: The growth rate of global dry bulk shipping volume declined to 3.3% from 3.6% in 2023, with the tonne-mile demand growing by 5.2%.

Growth rates for various cargo types:

- **Iron ores:** The global shipping volume amounted to 1.59 billion tons, growing by 1.54%, and China's imports amounted to 1.237 billion tons, growing by 4.9%.

- **Coal:** The shipping volume amounted to 1.37 billion tons, growing by 2.4%, and China's imports amounted to 427 million tons, growing by 15.9%.

- **Food and minor bulks:** The shipping volume of soybean and corn increased by 3.6% due to a large harvest in South America, and China's imports of bauxite increased by 12% to 159 million tons. Transportation risk in Guinea increased due to the political turmoil.

III. Regional Market Performance

China: As the world's largest dry bulk importer, the import volume of iron ores and coal reached record highs in 2024. However, the real estate is dragging down domestic demand for iron and steel, and the manufacturing exports, such as automobile, shipbuilding and other industries, will be crucial variables.

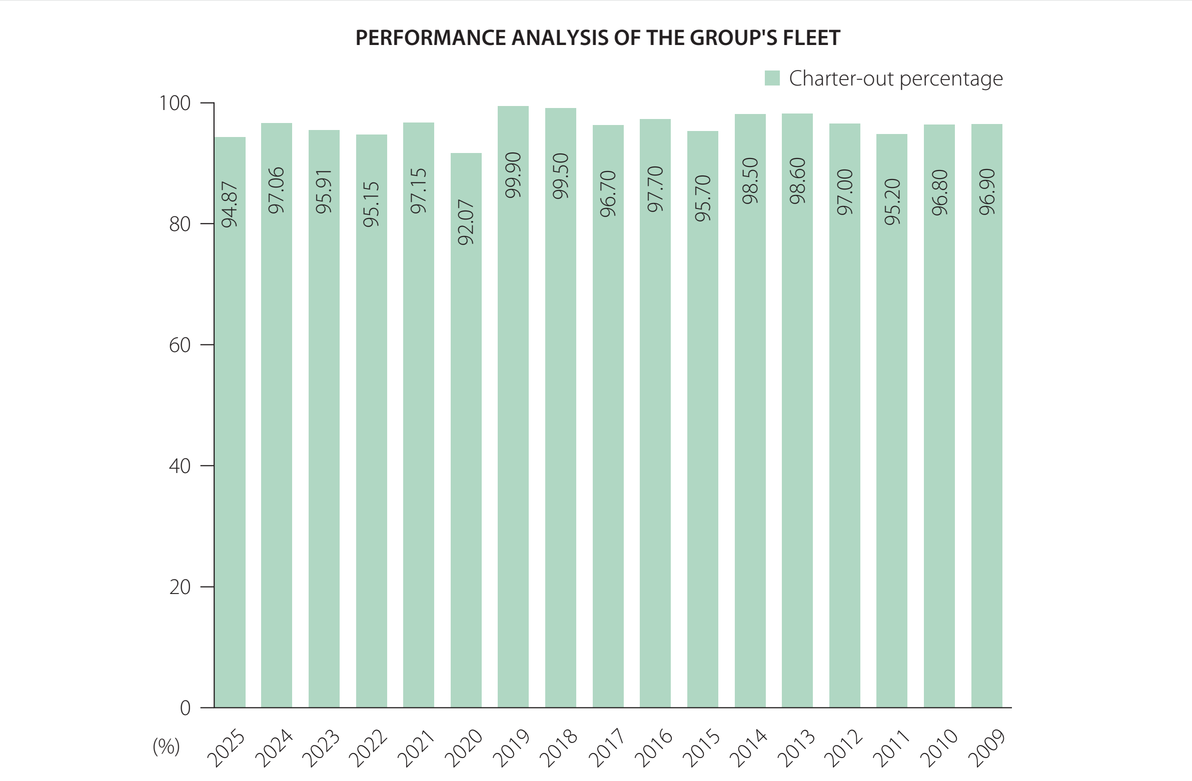
India: The iron and steel production capacity expansion drove the iron ore import to grow by 8.5%, with the coal import dependence rising to 70%. The higher regional freight rates was pushed by the normalized port congestion on the east coast.

Europe: The volume of coal imports decreased by 27.2% to 63.5 million tons as a result of the accelerating energy transition.

Red Sea and Panama Canal: The Red Sea crisis in the first half of 2024 led to detours around the Cape of Good Hope, with a 30% increase in voyage distances on the Asia-Europe routes, pushing up Capesize vessel freight rates. While canal water levels recovered in the fourth quarter, which depressed freight rates with a rebound in the supply of shipping capacity.

From 2024 to 2025, the market is at the stage of "grinding at the bottom", with short-term volatility intensifying, but in the long term, supported by green transformation and emerging market demand, the industry will gradually enter a structural recovery cycle. Shipowners are required to optimize their vessel fleet structure and strengthen their regional market deployment to cope with the challenges of uncertainty.

Business Review



The Group's vessels were in sound operation from 1 April 2024 to 31 March 2025. Currently, the fleet has a size of 150,187 dwt and an average age of 19 years, and maintained a relatively high operating rate with an average vessel charter-out percentage of 95% for the year ended 31 March 2025. The international dry bulk shipping market showed a volatile trend of gradual decline from initially high levels 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$9,245 per day, which is US$1,024 or 10% 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 21 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 repaid certain outstanding indebtedness after the disposal of a vessel named "GH Power" in July 2024, which further reduced its finance costs.

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

I. Market fundamentals: weak demand recovery coexists with tight supply constraints

In 2025, the international dry bulk shipping market will be shaped by moderate demand recovery and structural supply contraction. The growth of global economy is expected to recover to 3.3%, while heightened trade protectionism and geopolitical conflicts continue to weigh on actual demand resilience.

The market sees opposing forces in supply side – a surge in new vessel deliveries battling against faster retirement of older ships. In 2025, it is projected that 38.33 million dwt of new vessels will be delivered, marking a record high since 2016, but environmental regulations EEXI and CII may trigger disassembling of high-energy-consuming vessels by shipowners, with an annual scrapping volume of approximately 8 million dwt, representing a 113% year-on-year increase. The growth rate of actual available capacity may be below 2.5%. The intensified fleet aging issue and the CII rating pressures have led some shipowners to slow down their operations, further reducing the effective capacity.

II. Regional market: geopolitical conflicts reshape trading flows

The Red Sea and the Suez Canal: Resumed Houthi attacks caused a 70% year-on-year decline in Suez Canal traffic, forcing Asia-Europe routes to divert to the Cape of Good Hope, with an increasing voyage distance by 30%, which boosted Capesize ton-mile demand by approximately 15%. If U.S. military intervention fails to effectively suppress the attacks, sustained detours may continue through the second half of 2025, supporting Capesize freight rates at high levels.

China and India: China's coastal inter-provincial dry bulk fleet capacity decreased by 2.8%, with the proportion of aging vessels rising to 12.3%, indicating structural adjustments in the domestic market. The persistent congestion at East Indian ports resulted in the increase of iron ore import cost by 10%, but the capacity expansion has driven shipping demand to grow by 8.5%, resulting in freight rate volatility significantly exceeding global average.

Europe and Southeast Asia: The accelerated replacement of European renewable energy has reduced coal imports by 8.6% to 58 million tons, while the coal freight rates in Baltic Sea experienced intensified volatility due to winter demand fluctuations. The minor bulk shipments such as bauxite and fertilisers recorded 12% growth in Southeast Asia, and coal imports in Vietnam increased by 9.7% to 62 million tons, emerging as a new growth driver.

III. Policies and Technologies: dual forces driving the green transition and trade barriers

Environmental Policy: The full implementation of EEXI and CII is driving fleet renewal. In 2025, new vessel orders powered by green methanol and ammonia increased to 25% of total orders. It is expected that around 46% of ships will need to develop corrective plans due to substandard CII ratings, leading to a 5% to 8% increase in operating costs for shipowners.

Trade Policy: The U.S. government's imposition of tariffs on imported goods is indirectly reshaping the flow of iron ore and grain trade through the restructuring of global supply chains.

IV. Challenges and Risks

1. **Supply-Demand Imbalance Risk:** In 2025, demand is expected to grow by 2.5%, while capacity is projected to increase by 3%. The market may enter a phase of "tight balance", leading to increased freight rate volatility.

2. **Geopolitical Black Swan:** The volatile situation in the Red Sea, political instability in Guinea, and the U.S. trade protectionism constituted major sources of uncertainty.

3. **Rising Cost Pressures:** Fuel price volatility, the implementation of carbon taxes, and the costs of green vessel retrofitting are squeezing shipowners' profits. Cash flow risks are intensifying for the shipowners of small and medium-sized vessels.

In 2024, low order volumes led to a 16.4% year-on-year decrease in new vessel orders, and the implementation of EEXI and CII is expected to constrain supply expansion. The actual growth of available shipping capacity may fall below 2%. If the Red Sea situation continues to stabilize, freight rates may experience a moderate rebound in the second half of 2025 amid a rebalancing of supply and demand. However, caution is warranted regarding the risk of trade contraction triggered by the implementation of U.S. tariff policies.

In light of the volatile spot freight market, the Group will maintain a prudent operational strategy, focusing on daily vessel management and striving to provide high-quality transportation services to the users. We aim to charter our vessels at favorable rates to reputable and reliable charterers, thereby enhancing a better operating income for the Company. At the same time, we will exercise strict control over operating expenses and minimize all unnecessary expenditures.

Financial Review

Revenue

Revenue of the Group increased from US$13.5 million for the year ended 31 March 2024 to US$14.0 million for the year ended 31 March 2025, representing an increase of approximately US$0.5 million, or 4.4%.

Following the disposal of vessels GH Harmony and GH Power in January 2024 and July 2024 respectively, the Group's remaining fleet has 2 vessels as at 31 March 2025. Also, the average daily charter hire income of the Group's fleet decreased from US$10,269 for the year ended 31 March 2024 to US$9,245 for the year ended 31 March 2025.

On the other hand, besides chartering out owned vessels, the Group has also expanded into vessel sub-leasing business starting from April 2024 and 7 freights have been completed for the year ended 31 March 2025, generating over US$6.6 million freight revenue.

Cost of services

Cost of services of the Group increased from US$12.9 million for the year ended 31 March 2024 to US$15.1 million for the year ended 31 March 2025, representing an increase of approximately US$2.2 million, or 16.9%.

Following the disposal of vessels GH Harmony and GH Power in January 2024 and July 2024 respectively, the Group's remaining fleet has 2 vessels as at 31 March 2025, which led to the drop in the Group's cost of ship operation, including but not limited to vessel depreciation, crew expenses and other management costs.

On the other hand, the freight cost in relation to the new vessel sub-leasing business starting from April 2024 amounted to US$6.5 million for the year ended 31 March 2025.

Gross (loss)/profit

The Group recorded a gross profit drop from a gross profit of about US$0.5 million for the year ended 31 March 2024 to a gross loss of about US$1.1 million for the year ended 31 March 2025. This drop in gross profit was due to larger increase in cost of services of 16.9% as compared to the increase in revenue of only 4.4% for the year ended 31 March 2025.

General and administrative expenses

General and administrative expenses of the Group decreased from US$2.7 million for the year ended 31 March 2024 to US$2.4 million for the year ended 31 March 2025, representing a decrease of approximately US$0.3 million or 10.4%. The decrease was mainly due to the reduction in staff headcount and staff cost under the Group's continued stringent expenditure control for the year ended 31 March 2025.

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

The Group principally engages in chartering of dry bulk vessels and the Group's fleet has 2 vessels with carrying capacity of 150,187 dwt and an average age of 19 years as at 31 March 2025. The Group maintained a fleet occupancy rate of 94.9% for the year ended 31 March 2025.

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

As at 31 March 2025, the Group reviewed the carrying amounts of its property, plant and equipment (including the 2 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 for the VIU calculation on owned vessels was 8.6% (31 March 2024: 11.0%), 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 2025, the aggregate FVLCTD of the vessels amounted to US$19.2 million. 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 was 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 for the year ended 31 March 2025 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 2025, the aggregate recoverable amounts of vessels amounted to US$19.2 million, which were determined by FVLCTD. Since the recoverable amounts of each of the 2 vessels were lower than their respective carrying amounts, the carrying amount of the vessels is reduced to its recoverable amount, and impairment losses of US$6.9 million was recognised in the consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 March 2025. Such 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 US$5.0 million for the year ended 31 March 2024 to US$4.0 million for the year ended 31 March 2025, representing a decrease of US$1.0 million or 20.5%. The decrease in net finance costs was mainly due to the repayment of borrowings and loans, in particular the term loan for the principal amount of US$14.75 million for refinancing the Group's bank borrowings in relation to GH Glory and GH Harmony has been fully repaid after the disposal of vessel GH Harmony in January 2024.

Loss for the year

The Group incurred a loss of US$6.8 million for the year ended 31 March 2024 and a loss of US$10.4 million for the year ended 31 March 2025, representing an increase of approximately US$3.6 million or 52.6%.

The significant increase in loss for the year ended 31 March 2025 was mainly attributable to the following factors:

(i) the Group recorded a gross profit drop from a gross profit of about US$0.5 million for the year ended 31 March 2024 to a gross loss of about US$1.1 million for the year ended 31 March 2025;

(ii) provision for impairment losses on property, plant and equipment of approximately US$6.9 million was recognised for the year ended 31 March 2025, which resulted from the decrease in fair value of vessels owned by the Group as at 31 March 2025 as compared to the recognition of reversal of impairment losses on property, plant and equipment of approximately US$0.9 million for the year ended 31 March 2024; and

(iii) recognition of gain on modification of convertible bonds of US$3.2 million and reversal of expected penalty interest for convertible bonds of US$4.0 million for the year ended 31 March 2025 given the Second Supplemental Settlement Agreement was entered into by the Company and the Bondholder on 21 January 2025.

EBITDA

The Group's EBITDA has increased from US$3.1 million for the year ended 31 March 2024 to US$7.9 million for the year ended 31 March 2025. It was mainly due to recognition of gain on modification of convertible bonds of US$3.2 million and reversal of expected penalty interest for convertible bonds of US$4.0 million for the year ended 31 March 2025 which was offset by a gross profit drop from a gross profit of about US$0.5 million for the year ended 31 March 2024 to a gross loss of about US$1.1 million for the year ended 31 March 2025.

Liquidity, financial resources, capital structure and gearing ratio

As at 31 March 2025, the Group's cash and cash equivalents amounted to US$0.2 million (31 March 2024: US$1.1 million), of which 95.5% were denominated in US$, 4.4% were denominated in HK$ and 0.1% were denominated in RMB. Outstanding bank borrowings amounted to US$0.4 million (31 March 2024: US$0.5 million) and other loans (including convertible bonds) amounted to US$56.6 million (31 March 2024: US$62.2 million), of which 99.3% were denominated in US$ and 0.7% were denominated in HK$.

As at 31 March 2025 and 31 March 2024, 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 61.5% and 54.5% respectively. The increase in gearing ratio as at 31 March 2025 was mainly due to the decrease in assets arising from (i) the disposal of vessel GH Power in July 2024; and (ii) the impairment loss of vessels recognised as at 31 March 2025.

The Group recorded net current liabilities of about US$8.6 million as at 31 March 2025 and approximately US$64.2 million as at 31 March 2024. The significant decrease was mainly due to (i) the reclassification of the Top Build Convertible Bonds of US$53.1 million as at 31 March 2025 as non-current liabilities; and (ii) accrual of interest for Top Build Convertible Bonds offset by the repayment of the principal of US$1.0 million during the year ended 31 March 2025.

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, 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 2025, 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 Second Facility, the Third Facility, the Fourth Facility, the Fifth Facility and the Sixth Facility have been repaid in full and US$2,279,450 of the First Facility has 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

On 30 September 2024, 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 2023 was superseded by this deed, and had ceased to be effective from 30 September 2024. As at the date of this announcement, no loan 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 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 30 June 2023, the Company has made repayment of US$100,000 to the Bondholder for 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 due on 30 June 2023; and (ii) the sixth quarterly instalment of US$500,000 (due on 30 September 2023) on or before 31 December 2023.

On 7 February 2024, the Company has made repayment of US$200,000 to the Bondholder for partial payment of the fifth quarterly instalment.

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; (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.

On 13 September 2024, the Company has made repayment to the Bondholder for (i) the remaining balance of US$200,000 of the fifth quarterly instalment; (ii) the sixth quarterly instalment of US$500,000; and (iii) partial payment of US$300,000 of the seventh quarterly instalment.

On 21 January 2025, the Company, Mr. Yan, Ms. Lam, Ablaze Rich ("**Ablaze Rich**", collectively with Mr. Yan and Ms. Lam (the "**Guarantors**")) and the Bondholder, entered into the Second Supplemental Settlement Agreement, in which the Bondholder has agreed, among others, to adjust the repayment schedule of the outstanding redemption amount of the Top Build Convertible Bonds and the interests accrued therefrom.

Pursuant to the Second Supplemental Settlement Agreement, the Company will settle:

(i) the outstanding principal of the redemption amount of the Top Build Convertible Bonds (which amounted to US$47,930,000 as at the date of the Second Supplemental Settlement Agreement) by repaying the Bondholder in cash of (a) not less than US$300,000 within each of the second and third quarter of 2025; (b) not less than US$1,400,000 within the fourth quarter of 2025; (c) not less than US$500,000 within each of the first, second and third quarter of 2026; and (d) the remaining balance within the fourth quarter of 2026 and on or before 31 December 2026;

(ii) the outstanding accrued interest on the outstanding principal of the redemption amount of the Top Build Convertible Bonds for the period between 1 July 2022 and 31 December 2024 of US$9,893,162 in cash on or before 31 December 2026;

(iii) interest over the outstanding principal of the redemption amount of the Top Build Convertible Bonds for the period between 1 January 2025 and 31 December 2026, calculated at an interest rate of 8% per annum, in cash on or before 31 December 2026; and

(iv) liquidated damages in respect of the default of US$87,405 in cash on or before 31 December 2026.

Under the Second Supplemental Settlement Agreement, the Company will provide or procure to be provided the following pledge/mortgage over the Group's assets in favour of the Bondholder as additional security (the "**Additional Security**") for the Company's performance of its repayment obligations under the Settlement Agreement (as supplemented by the Supplemental Settlement Agreement and the Second Supplemental Settlement Agreement):

(i) the mortgage over the land use right of a parcel of land of approximately 103.4 mu located at Haikou, Hainan Province, the PRC held by the PRC Subsidiary; and

(ii) the pledge over 41% of the equity interests in the PRC Subsidiary held by the Hong Kong Subsidiary.

All existing security documents as provided under the Supplemental Settlement Agreement remained as security for the Settlement Agreement. Pursuant to the Second Supplemental Settlement Agreement, the Bondholder agrees to release the existing mortgage over a vessel (the "**Subject Vessel**") owned by the Group upon completion of the requisite registration procedures in respect of the Additional Security. Pursuant to the Second Supplemental Settlement Agreement, the Group has undertaken to the Bondholder that, after the release of the existing mortgage over the Subject Vessel, if the Group disposes of the Subject Vessel, 50% of such sale proceeds shall be applied towards settlement of the amount due under the Supplemental Agreement (as supplemented) and shall be paid to the Bondholder within 15 days after receipt by the Group of the sale proceeds.

The Group is planning to raise funds through the capital market, such as placement or issue of corporate bonds and/or other sources, to finance the settlement of the outstanding redemption amount of the Top Build Convertible Bonds, negotiation with potential investor(s) on which is ongoing as at the date of this announcement. Further announcement(s) in relation to, inter alia, any other material developments in connection with the redemption arrangement of the Top Build Convertible Bonds will be made as and when appropriate.

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 2025, the Group had pledged the following assets to the Bondholder as securities against the convertible bonds to the Group:

	31 March 2025 *US$'000*	31 March 2024 *US$'000*
Investment properties	**71,629**	35,356
Property, plant and equipment	**–**	8,722
	71,629	44,078

Contingent liabilities

There were no material contingent liabilities for the Group as at 31 March 2025.

Employees' remuneration and retirement scheme arrangements

As at 31 March 2025, the Group had a total of 54 employees (as at 31 March 2024: 79 employees). For the year ended 31 March 2025, the total salaries and related costs (including Directors' fees) amounted to approximately US$3.6 million (2024: US$5.6 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 2025.

Material acquisitions and disposals

Except for the disposal of vessel GH Power in July 2024, the Group had no other material acquisitions or disposals during the year ended 31 March 2025.

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 2025.

Investment properties

Particulars of property interests held by the Group as at 31 March 2025 are as follows:

Location	Existing use	Tenure	Attributable interest of the Group
Investment properties			
Two parcels of land located at Meidian Slope, Hongqi Town, Qiongshan District, Haikou, Hainan Province, the PRC	Vacant	Medium	91%

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

In view of the ongoing uncertainty of the Red Sea situation and regional conflicts, as well as the accelerated structural adjustment of the industry due to environmental regulations, the fundamentals of market supply and demand have shown weak demand growth and structural contraction on the supply side. It is expected that the international dry bulk shipping market will present a complex pattern of "weak demand and shrinking supply" in 2025. The overall market tends to be stable, but structural differentiation will become more pronounced.

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

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 2025 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 2025.

NON-COMPLIANCE AND RECOMPLIANCE WITH THE LISTING RULES

Following the retirement of Dr. Chan Chung Bun, Bunny as an independent non-executive Director on 30 August 2024, the Company fails to meet the following requirements of the Listing Rules:

1. the Board does not comprise of at least three independent non-executive directors as required under Rule 3.10(1) of the Listing Rules;

2. the audit committee (the "**Audit Committee**") of the Board does not comprise of a minimum of three members as required under Rule 3.21 of the Listing Rules;

3. the remuneration committee (the "**Remuneration Committee**") of the Board is not chaired by an independent non-executive director and does not comprise of a majority of independent non-executive directors as required under Rule 3.25 of the Listing Rules; and

4. the nomination committee (the “**Nomination Committee**”) of the Board does not comprise of a majority of independent non-executive directors as required under Rule 3.27A of the Listing Rules.

On 18 March 2025, Mr. Liu Yongshun has been appointed as an independent non-executive Director and a member of each of the Audit Committee and Nomination Committee, and a member and the chairperson of the Remuneration Committee. The Company has re-complied with (i) Rule 3.10(1) of the Listing Rules that the Board must comprise of at least three independent non-executive directors; (ii) Rule 3.21 of the Listing Rules that the Audit Committee must comprise of a minimum of three members; (iii) Rule 3.25 of the Listing Rules that the Remuneration Committee must be chaired by an independent non-executive director and must comprise of a majority of independent non-executive directors; and (iv) Rule 3.27A of the Listing Rules that the Nomination Committee must comprise of a majority of independent non-executive directors.

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 2025.

DIVIDEND

The Directors did not recommend the payment of any final dividend to the shareholders of the Company for the year ended 31 March 2025.

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 2025. The Company did not hold any treasury shares during the year ended 31 March 2025.

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 2025.

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$10,383,000 for the year ended 31 March 2025. As at 31 March 2025, the Group's current liabilities exceeded its current assets by approximately US$8,586,000, which included borrowings and loans of approximately US$109,000 and convertible bonds of approximately US$2,500,000, that are repayable within one year, while the Group's cash and cash equivalents balances was approximately US$167,000. In addition, the Group has entered into agreements which will involve capital commitments of approximately US$243,000 in respect of investment properties project as at 31 March 2025.

On 21 January 2025, the Company, Mr. Yan, Ms. Lam and Ablaze Rich (collectively as Guarantors) and the Bondholder have entered into the Second Supplemental Settlement Agreement to adjust the repayment schedule of the outstanding redemption amount of the Top Build Convertible Bonds of US$47,930,000. Pursuant to the Second Supplemental Settlement Agreement, the Company will settle the outstanding principal of the redemption amount of the Top Build Convertible Bonds (which amounted to US$47,930,000 as at the date of the Second Supplemental Settlement Agreement) by repaying the Bondholder in cash of (i) not less than US$300,000 within each of the second and third quarter of 2025; (ii) not less than US$1,400,000 within the fourth quarter of 2025; (iii) not less than US$500,000 within each of the first, second and third quarter of 2026; (iv) the remaining balance within the fourth quarter of 2026 and on or before 31 December 2026; (v) the outstanding accrued interest on the outstanding principal of the redemption amount of the Top Build Convertible Bonds for the period between 1 July 2022 and 31 December 2024 of US$9,893,162 on or before 31 December 2026; (vi) interest over the outstanding principal of the redemption amount of the Top Build Convertible Bonds for the period between 1 January 2025 and 31 December 2026 (calculated at an interest rate of 8% per annum), on or before 31 December 2026; and (vii) liquidated damages in respect of the default of US$87,405 on or before 31 December 2026.

The above conditions, along with other matters as set forth in Note 2.1.1 to the consolidated financial statements, indicate the existence of material uncertainties 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 2025. 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 materialisation of those plans and measures 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 2025 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.

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) whether the Group can improve its operation through streamlining its existing business and assets, so as to improve efficiency of assets utilisation and reducing operating costs;

(ii) the financing from ultimate holding company; and

(iii) 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 opinion (the "**Disclaimer**") made by the auditor of the Company (the "**Auditor**") for the year ended 31 March 2025 is due to the fact that the Group reported a net loss of approximately US$10,383,000 for the year ended 31 March 2025. As at 31 March 2025, the Group's current liabilities exceeded its current assets by approximately US$8,586,000, which included borrowings and loans of approximately US$109,000 and convertible bonds of approximately US$2,500,000, that are repayable within one year, while the Group's cash and cash equivalents balances was approximately US$167,000. In addition, the Group has entered into agreements which will involve capital commitments of approximately US$243,000 in respect of investment properties project as at 31 March 2025.

On 21 January 2025, the Company, the Guarantors and the Bondholder entered into the Second Supplemental Settlement Agreement, in which the Bondholder has agreed, among others, to adjust the repayment schedule of the outstanding redemption amount of the Top Build Convertible Bonds and the interests accrued therefrom. Please refer to the section headed "Management Discussion and Analysis – Convertible Bonds" in this announcement for further details of the Second Supplemental Settlement Agreement and the settlement terms contained therein.

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 2025. 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 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 of the outstanding redemption amount of the convertible bonds, all accumulated interest and liquidated damages, 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 has reviewed the Disclaimer for the year ended 31 March 2025, 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.

Furthermore, as disclosed in the announcement of the Company dated 19 June 2025, a member of the Group entered into a memorandum of agreement in respect of the disposal of the Group's vessel named "GH Fortune". The Group intends to use the net sale proceeds from such disposal for repayment of certain outstanding indebtedness and replenishing the general working capital of the Group. As such, 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 2025 and discussed auditing, internal control and financial reporting matters with the Group's external Auditor. There were no disagreements from the Auditor 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, Ms. Wong Tsui Yue Lucy and Mr. Liu Yongshun.

SCOPE OF WORK OF THE AUDITOR 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 2025 as set out in this announcement have been agreed by the Group's Auditor, 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 2025 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 2025

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, Ms. Wong Tsui Yue Lucy and Mr. Liu Yongshun.