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**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)**

## **MAJOR TRANSACTION DISPOSAL OF VESSEL**

### **THE DISPOSAL AND THE MOA**

The Board announces that on 12 January 2024 (after trading hours), the Seller (a wholly owned subsidiary of the Company) and the Buyer entered into the MOA, pursuant to which the Seller agreed to sell, and the Buyer agreed to purchase, the Vessel at a consideration of US\$11 million (equivalent to approximately HK\$85.80 million) according to the terms and conditions set out therein.

### **LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules, and therefore is subject to reporting, announcement and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the transaction contemplated under the MOA, and therefore none of them is required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction contemplated under the MOA. As such, written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44(2) of the Listing Rules. As at the date of this announcement, Ablaze Rich, a Shareholder holding approximately 64.58% of the issued share capital of the Company, has given its written approval on the transaction contemplated under the MOA. Accordingly, no extraordinary general meeting of the Company will be convened for the purpose of approving the transaction contemplated under the MOA as a major transaction.

A circular containing, among other information, further details of the Disposal is expected to be despatched to the Shareholders on or before 2 February 2024.

On 12 January 2024 (after trading hours), the Seller (a wholly owned subsidiary of the Company) and the Buyer entered into the MOA, pursuant to which the Seller agreed to sell, and the Buyer agreed to purchase, the Vessel at a consideration of US\$11 million (equivalent to approximately HK\$85.80 million) according to the terms and conditions set out therein.

## **THE DISPOSAL AND THE MOA**

The principal terms of the MOA are set out below.

### **Date:**

12 January 2024 (after trading hours)

### **Parties:**

Seller: United Edge Holdings Limited, a wholly owned subsidiary of the Company

Buyer: Fu Bang Shipping Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Buyer and its ultimate beneficial owners are independent third parties to the Company and its connected persons (as defined under the Listing Rules).

**Asset to be disposed:**

The Vessel, a bulk carrier built in 2010 with 50,697 gross tonnage and 30,722 net tonnage. Pursuant to the MOA, the Seller shall deliver the Vessel to the Buyer free from all charters, encumbrances, mortgages and maritime liens or any other debts whatsoever, and is not subject to Port State or other administrative detentions.

**Consideration:**

The consideration payable by the Buyer is US\$11 million (equivalent to approximately HK\$85.80 million) and is payable by the Buyer on delivery of the Vessel, but not later than three Banking Days after the date that a notice of readiness has been given in accordance with the terms and conditions of the MOA.

The consideration for the Vessel was determined after arm's length negotiations between the Seller and the Buyer on normal commercial terms with reference to, among other things:

- (i) the recently concluded sale and purchase transactions of second hand vessels of comparable type, size, condition of maintenance and year of build conducted in the market;
- (ii) the quotations for the Vessel provided by reputable brokers in the shipping industry; and
- (iii) the book value and market value of the Vessel.

**Delivery:**

The Vessel shall be delivered to the Buyer in Xiamen, the PRC between 12 January 2024 and 25 January 2024 (“**Cancellation Date**”).

**Inspection:**

The Buyer has inspected and accepted the Vessel's classification records. The Buyer has waived physical inspection of the Vessel and has accepted the Vessel without inspection and therefore, the sale is outright and definite, subject only to the terms and conditions of the MOA.

## **Cancellation and compensation:**

### ***Cancellation by the Seller***

Should the consideration not be paid by the Buyer in accordance with the terms and conditions of the MOA, the Seller has the right to cancel the MOA. The Seller shall be entitled to claim further compensation for its losses and for all expenses incurred.

### ***Cancellation by the Buyer***

If the Seller anticipates that the Vessel will not be ready for delivery by the Cancellation Date, it may notify the Buyer in writing stating the date when the Seller anticipates that the Vessel will be ready for delivery and proposing another new cancellation date. Upon receipt of such notification the Buyer shall have the option of either (1) cancelling the MOA in accordance with its terms and conditions within three Banking Days of receipt of the notice; or (2) accepting the new date as the new cancellation date. If the Buyer has not declared its option within three Banking Days of receipt of the Seller's notification or if the Buyer accepts the new cancellation date, the date proposed in the Seller's notification shall be deemed to be the new cancellation date, substituting the original Cancellation Date, but without prejudice to the Buyer's entitlement to any claim for damages the Buyer may have if the Vessel not being ready by the original Cancellation Date is due to Seller's proven negligence.

The Buyer may also at its option to cancel the MOA if the Seller fails to (1) give a notice of readiness; or (2) be ready to validly complete a legal transfer by the Cancellation Date. Under such circumstances, the Seller shall make due compensation to the Buyer for its loss and for all expenses if the Seller's failure is due to proven negligence and whether or not the Buyer cancels the MOA.

The Buyer may also at its option to cancel the MOA if after a notice of readiness has been given but before the Buyer has taken delivery, the Vessel ceases to be physically ready for delivery and is not made physically ready again by the Cancellation Date and a new notice of readiness is given.

## INFORMATION ABOUT THE GROUP AND THE PARTIES

The principal activity of the Company is investment holding, and through its subsidiaries, principally engaged in chartering of dry bulk vessels and property investment and development.

The Seller is a company incorporated in the British Virgin Islands and a direct wholly owned subsidiary of the Company. The Seller is a special purpose company for the holding and operation of the Vessel.

The Buyer is a company incorporated in Hong Kong and is principally engaged in ship operation and international route cargo ship transportation. As at the date of this announcement, to the best of the Directors' knowledge upon making all reasonable enquiries, the Buyer is ultimately beneficially owned as to 60% by Lin Feiyang (林斐颺) and 40% by Wu Zijian (吳子健), who are independent third parties to the Company and its connected persons (as defined under the Listing Rules).

## FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Set out below is the net profit or loss (both before and after taxation) of the Seller for the financial years ended 31 March 2022 and 2023:

	<b>For the year ended 31 March 2022 <i>US\$ million</i> (audited)</b>	<b>For the year ended 31 March 2023 <i>US\$ million</i> (audited)</b>
Net profit/(loss) before and after taxation	6.33	(2.24)

On the basis of the net book value of the Vessel of approximately US\$14.76 million as at 30 September 2023, it is expected that a loss after taxation and expenses of approximately US\$3.92 million would be recognized by the Group as a result of the Disposal, which is calculated on the basis of the difference between the net book value of the Vessel as at 30 September 2023 and the consideration for the Vessel (after deducting the associated cost and tax of the Disposal).

Shareholders should note that the actual amount of the gain or loss on the Disposal can only be ascertained when the net book value of the Vessel and the incidental transaction costs are determined upon completion of the Disposal. Therefore the actual amount of the gain or loss on the Disposal will be subject to audit and may be different from the amount mentioned above.

The Group intends to use the net sale proceeds received pursuant to the Disposal for repayment of certain outstanding indebtedness and replenishing the general working capital of the Group.

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

In light of the complex external operating environment and the market challenges in recent period, the Directors consider that the Disposal represent an opportunity to dispose of the Vessel at a reasonable price which will enable the Group to enhance its working capital position and further strengthen its liquidity and overall financial position. The consideration for the Vessel is considered reasonable with reference to the recently reported market sales of second hand bulk carriers with similar type, size, condition of maintenance and year of build in the international market. The Directors believe that the Disposal will not have any material adverse effect on the operations of the Group.

The Directors will continuously monitor the prevailing market conditions of the shipping industry as well as the operations of the Group going forward and look out for opportunities to maintain a reasonably modern and competitive fleet, not ruling out any potential disposal of existing vessels and replacement with newer vessels or chartering of vessels in the future. The Directors will make such decisions on a case-by-case basis to maintain financial flexibility and operational competitiveness.

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

## LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules, and therefore is subject to reporting, announcement and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

Under Rule 14.44 of the Listing Rules, Shareholders' approval for a major transaction may be obtained by way of written shareholders' approval in lieu of holding a general meeting if (a) no shareholder is required to abstain from voting if the issuer were to convene a general meeting for the approval of the transaction; and (b) the written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders (as defined under the Listing Rules) who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the transaction contemplated under the MOA, and therefore none of them is required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction contemplated under the MOA. As such, written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44(2) of the Listing Rules. As at the date of this announcement, Ablaze Rich, a Shareholder holding 615,160,000 Shares, representing approximately 64.58% of the issued share capital of the Company, has given its written approval on the transaction contemplated under the MOA. As at the date of this announcement, Ablaze Rich is owned as to 49% by Ms. Lam Kwan, the chairperson of the Board, the chief executive officer of the Company and an executive Director, and 51% by Mr. Yan Kim Po, the spouse of Ms. Lam Kwan. Accordingly, no extraordinary general meeting of the Company will be convened for the purpose of approving the transaction contemplated under the MOA as a major transaction.

A circular containing, among other information, further details of the Disposal is expected to be despatched to the Shareholders on or before 2 February 2024.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Ablaze Rich”	Ablaze Rich Investments Limited, a company incorporated in the British Virgin Islands, the controlling shareholder of the Company (as defined under the Listing Rules) holding approximately 64.58% of the issued share capital of the Company as at the date of this announcement
“Banking Day(s)”	any day(s) on which banks are open in Hong Kong, Singapore, London and New York
“Board”	the board of Directors
“Buyer”	Fu Bang Shipping Limited (富邦海運有限公司), the buyer of the Vessel pursuant to the MOA
“Company”	Great Harvest Maeta Holdings Limited (榮豐億控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Disposal”	the disposal of the Vessel by the Seller under the MOA
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“MOA”	the written memorandum of agreement dated 12 January 2024 and entered into between the Seller and the Buyer in respect of the Disposal
“PRC”	The People’s Republic of China
“Seller”	United Edge Holdings Limited, a wholly owned subsidiary of the Company
“Share(s)”	ordinary share(s) of the Company of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vessel”	a vessel named “GH Harmony”, brief particulars of which are set out in the paragraph headed “Asset to be disposed” in this announcement
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

*Note:* In this announcement, for the illustration purpose only, amounts quoted in US\$ have been converted into HK\$ at the rate of US\$1 to HK\$7.80. Such exchange rate has been used, where applicable, for illustration purpose only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 12 January 2024

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