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

Interim Report 2024

CONTENTS

GLOSSARY

"2011 Share Option Scheme"	the share option scheme of the Company approved and adopted by an ordinary resolution of the shareholders at the annual general meeting of the Company held on 19 August 2011 and expired on 18 August 2021
"2021 Share Option Scheme"	the share option scheme of the Company approved and adopted by an ordinary resolution of the shareholders at the annual general meeting of the Company held on 18 August 2021
"Ablaze Rich"	Ablaze Rich Investments Limited（耀豐投資有限公司）, a company incorporated in the BVI on 1 July 2008 and was owned as to 51% by Mr. Yan and 49% by Ms. Lam, and is the controlling shareholder of the Company (as defined under the Listing Rules)
"All Ages"	All Ages Holdings Limited（萬年控股有限公司）, a company incorporated in the BVI on 1 November 2011 and was owned as to 50% by Ms. Lam and as to 50% by Mr. Yan Yui Ham, the son of Mr. Yan and Ms. Lam
"Articles"	the articles of association of the Company
"Audit Committee"	the audit committee of the Board
"Baltic Dry Index" or "BDI"	an index of the daily average of international shipping prices of various dry bulk cargoes made up of 20 key dry bulk routes published by the Baltic Exchange in London
"Baltic Panamax Index" or "BPI"	an index of the shipping prices of panamax vessels made up of four daily panamax vessel assessments of time charter rates published by the Baltic Exchange in London
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"CG Code"	Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules
"Company"	Great Harvest Maeta Holdings Limited（榮豐億控股有限公司）, an exempted company incorporated in the Cayman Islands on 21 April 2010 under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands with limited liability
"Director(s)"	director(s) of the Company
"dwt"	an acronym for deadweight tonnage, a measure expressed in metric tons or long tons of a ship's carrying capacity, including cargoes, bunker, fresh water, crew and provisions

GLOSSARY

"EBITDA"	earnings before interest, tax, depreciation and amortisation, computed to exclude impairment losses on property, plant and equipment
"GH GLORY/ HARMONY Loan"	a term loan for the principal amount of US$14.75 million for refinancing of the Group's bank borrowings in relation to two vessels owned by the Group, namely GH GLORY and GH HARMONY. On 19 January 2024, the GH GLORY/HARMONY Loan has been fully repaid out of the proceeds from the disposal of vessel GH Harmony
"Group"	the Company and its subsidiaries
"Hainan Land"	two parcels of land located at Meidian Slope, Hongqi Town, Qiongshan District, Haikou, Hainan Province, the PRC
"HK$" and "HK cents"	Hong Kong dollars and cents, respectively, 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, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market operated by the Stock Exchange, which excludes the GEM of the Stock Exchange and the options market
"Management"	the Company's management
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Yan"	Mr. YAN Kim Po（殷劍波先生）, the husband of Ms. Lam
"Ms. Lam"	Ms. LAM Kwan（林群女士）, the chairperson of the Board, the chief executive officer of the Company, an executive Director and the wife of Mr. Yan
"Nomination Committee"	the nomination committee of the Board
"PRC" or "China"	the People's Republic of China which, for the purposes of this report only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Remuneration Committee"	the remuneration committee of the Board
"RMB"	Renminbi, the lawful currency of the PRC

GLOSSARY

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Sfund"	Sfund International Investment Fund Management Limited（廣州基金國際股權投資基金管理有限公司）, a company incorporated in Hong Kong on 11 August 2015, which is the holder of the Top Build Convertible Bonds
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Top Build"	Top Build Group Ltd.（高建集團有限公司）, a company incorporated in the BVI on 24 October 2014 and a wholly-owned subsidiary of the Company
"Top Build Convertible Bonds"	the convertible bonds in the total original principal amount of US$54,000,000 due on 10 May 2021 issued by the Company initially to Mr. Yan, Ms. Lam and Mr. Yin Hai and subsequently transferred to Sfund
"Union Apex"	Union Apex Mega Shipping Limited（聯合佳成船務有限公司）, a company incorporated in Hong Kong on 2 December 2009 and a wholly-owned subsidiary of the Company
"United States" and "US"	United States of America
"US$" and "US cents"	United States dollars and cents, respectively, the lawful currency of the United States

CORPORATE INFORMATION

Board of Directors

Executive Directors

Ms. LAM Kwan (林群)
(Chairperson and Chief Executive Officer)
Mr. PAN Zhongshan (潘忠善)

Independent non-executive Directors

Mr. CHEUNG Kwan Hung (張鈞鴻)
Ms. WONG Tsui Yue Lucy (黃翠瑜)
Dr. CHAN Chung Bun Bunny (陳振彬)
(retired on 30 August 2024)

Audit Committee

Mr. CHEUNG Kwan Hung (張鈞鴻)
(Chairperson of Audit Committee)
Ms. WONG Tsui Yue Lucy (黃翠瑜)
Dr. CHAN Chung Bun Bunny (陳振彬)
(retired on 30 August 2024)

Remuneration Committee

Dr. CHAN Chung Bun Bunny (陳振彬)
(Chairperson of Remuneration Committee)
(retired on 30 August 2024)
Ms. LAM Kwan (林群)
Mr. CHEUNG Kwan Hung (張鈞鴻)

Nomination Committee

Ms. LAM Kwan (林群)
(Chairperson of Nomination Committee)
Ms. WONG Tsui Yue Lucy (黃翠瑜)
Dr. CHAN Chung Bun Bunny (陳振彬)
(retired on 30 August 2024)

Company secretary

Mr. SZE Wing Kin Pierre (施永健)

Authorised representatives

Ms. LAM Kwan (林群)
Mr. SZE Wing Kin Pierre (施永健)

Registered office

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

Headquarters and principal place of business in Hong Kong

12th Floor
200 Gloucester Road
Wanchai
Hong Kong

Principal share registrar and transfer office in the Cayman Islands

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Hong Kong share registrar and transfer office

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

Independent auditor

CL Partners CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal adviser as to Hong Kong law

Chiu & Partners

Principal bankers

DBS Bank (Hong Kong) Limited
The Hong Kong and Shanghai Banking Corporation Limited

Stock code

3683

Website address

www.greatharvestmg.com

The English and Chinese version of this report can be downloaded from the Company's website and can be obtained from the Hong Kong share registrar, Union Registrars Limited. In the event of any difference, the English version prevails.

FINANCIAL HIGHLIGHTS

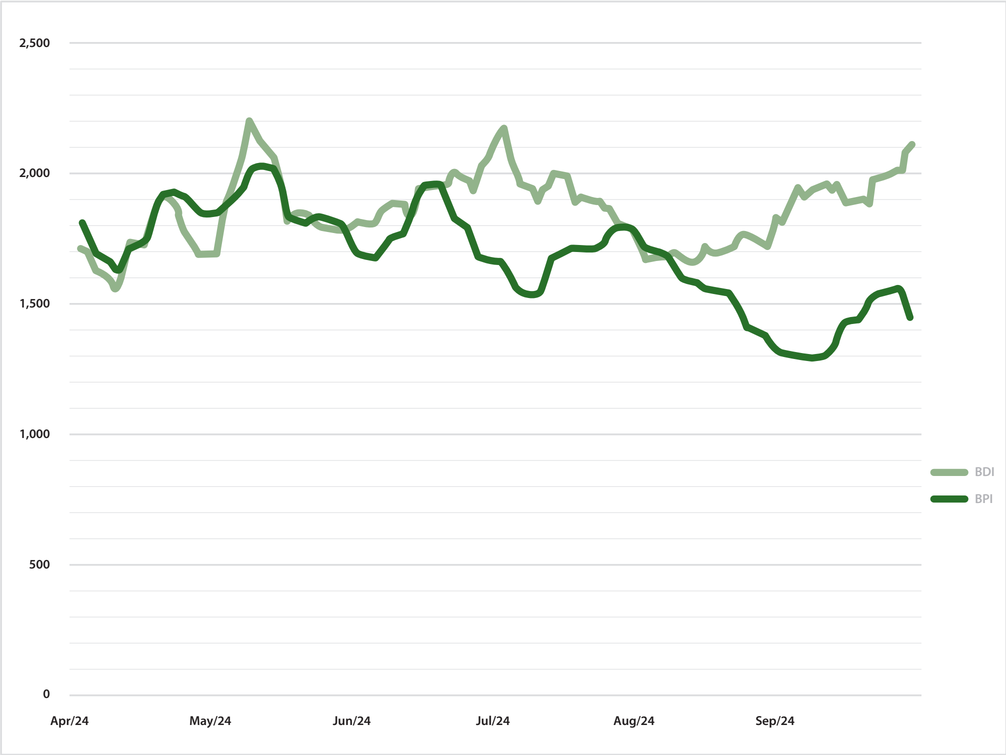
	Six months ended 30 September (Unaudited)	
	2024	2023
	US$'000	US$'000
Revenue	**11,560**	6,639
Gross profit/(loss)	**136**	(218)
Total comprehensive expense attributable to owners of the Company	**(7,483)**	(8,512)
EBITDA	**1,322**	1,374
Loss per share attributable to owners of the Company		
– Basic	**(US0.78 cents)**	(US0.70 cents)
– Diluted	**(US0.78 cents)**	(US0.70 cents)

	(Unaudited)	(Audited)
	30 September	31 March
	2024	2024
	US$'000	US$'000
Total assets	**103,163**	115,213
Total liabilities	**(88,185)**	(92,745)
Net assets	**14,978**	22,468

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

**Daily Variation Chart of Baltic Dry Index (BDI) and Baltic Panamax Index (BPI)
1 April 2024 – 30 September 2024**



In the first half of 2024, the international dry bulk shipping market maintained strong momentum, with the overall performance reaching the third highest level since 2011. Demands in China remained the biggest driver for the upward trend of the dry bulk market. Uncertainties such as the Red Sea tensions, the drought in the Panama Canal, and the Russo-Ukrainian conflict have also contributed to the upward trend of the market. Increased market demand and extended shipping distances have boosted the confidence in the industry, leading to a situation in the dry bulk shipping market where prices were easier to rise than to fall.

The international dry bulk shipping market showed a W-shaped growth trend in the first half of 2024. The average BDI index was 1,836 in the first half of the year, up by 58.7% year-on-year. It marks the third highest semi-annual average level since 2011, just below 2,057 in the first half of 2021 and 2,279 in the first half of 2022.

There was a significant year-on-year increase in the charter rates of all vessel types in the first half of 2024. In particular, the average charter rate per panamax vessel for 5TC reached US$15,910/day, representing a significant year-on-year increase of 35.2%.

MANAGEMENT DISCUSSION AND ANALYSIS

The global shipping volume has been growing year by year, except in 2020 when there was a slight decline due to the unexpected impact of COVID-19 pandemic. According to the statistics of a market research institution, the global dry bulk shipping volume was approximately 2.64 billion tons in the first half of 2024, representing a year-on-year increase of 5.8%, which was well above the global economic growth and industry expectation at the beginning of the year.

In the first half of 2024, a total of 245 new dry bulk vessels with a capacity of 18.47 million dwt were delivered, and 31 vessels with a capacity of 1.95 million dwt were disassembled, leading to a net increase of 214 vessels with a capacity of 16.52 million dwt.

In the first half of 2024, the Panamax market carried a dry bulk shipping volume of approximately 676.3 million tons, representing a year-on-year increase of approximately 8.4%. Among the main cargo types carried, the shipping volume of coal, agricultural products and minor bulks amounted to approximately 354.2 million tons, 151.7 million tons and 94.38 million tons, growing by approximately 7.5%, 5.2% and 9.8% year-on-year, respectively.

Business Review

The Group's vessels were in sound operation between 1 April 2024 and 30 September 2024. Currently, the fleet has a size of 150,187 dwt and an average age of 17 years.

The fleet maintained a relatively high operating performance with an average vessel charter-out percentage of 92.2% for the first half of the year. The average daily charter hire income of each vessel in the fleet was approximately US$11,132 per day, which was 18.3% higher as compared to the level for the corresponding period last year. All freight rates and charter hires were basically received in full without huge amounts of account receivables.

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 period.

Due to changes in the vessel age and the market demand, the Company made timely adjustments to the fleet's main shipping capacity to the Australian and Indonesian coal shipment routes. Benefiting from the substantial increase in China's coal imports this year, the fleet achieved better operating results. The Group was able to exert stringent control over costs and expenses in the management of its fleet and strived to minimize voyage expenses. Thus, the management expenses of its vessels were basically within budget.

During the six-month period ended 30 September 2024, the Group disposed of a vessel named "GH Power" in July 2024. For details, please refer to the announcement of the Company dated 12 July 2024 and the circular of the Company dated 23 August 2024.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Market Outlook

Looking ahead to the second half of the year, the U.S. election has introduced greater uncertainty to Sino-American relations, while the Russo-Ukrainian conflict and the tense situation in the Middle East both face new turning points. Despite the continued growth in global shipping demand and the relatively slow growth in supply of shipping capacity, the relatively strong growth momentum seen in the first half of the year has already honored most of the benefits in advance. With the overall market confidence declining, there is a higher probability that the dry bulk shipping market will enter an adjustment period in the second half of the year.

The second half of the year is the peak season for the production and export of iron ores, coal and other mineral products in the Southern Hemisphere. The production and trade of commodities are closely related to economic demand. Given the rapid growth in commodity trade in the first half of the year, a positive outlook is expected for the second half of the year.

The global iron and steel industry is currently facing challenges in expansion, with China's iron and steel production capacity barely maintaining its level. Due to the profit contraction across domestic steel mills coupled with the "carbon reduction actions", crude steel may face pressure for adjustment. Considering comprehensively the significant regulatory pressure on domestic crude steel production in the later stages, iron ore demand may be under pressure and is expected to decline in the second half of the year. China's iron ore import demand will continue to grow, yet at a decreasing growth rate. Overall, global iron ore demand in the second half of 2024 is expected to be under pressure, and the growth rate is expected to be significantly lower than that of the first half of the year.

The Russo-Ukrainian war has led to a shift in the global energy landscape, which, coupled with an increase in extreme weather conditions, has made global coal trade more active. Southeast Asia and India have experienced strong economic growth, and the energy structure of these countries and regions is relatively monotonous, with coal playing a dominant role and new energy developing slowly. Their electricity demand is mainly met by coal power, and the demand for coal in these countries is expected to remain strong.

While countries worldwide have set carbon reduction targets, given the significant disparities in economic structures of these countries, only a few of them adhere to their carbon abatement plans. Coal policy flip-flops can be found in some developed countries. Overall, the peak of global coal production, consumption and trade has yet to be reached. Coal trade is expected to remain optimistic in the second half of 2024, continuing to support the dry bulk shipping market.

Food production is closely intertwined with climate and national policies. Since the outbreak of the Russo-Ukrainian conflict, Ukraine's food exports have plummeted, altering the global food trade landscape. The ongoing US-China rivalry has led to a sharp decline in US soybean exports to China, while Brazilian soybeans have gained significant market traction. Driven by population growth and the increasing frequency of extreme weather events, the overall demand for global food trade is steadily rising. Adjustments in food trade patterns are likely to alter shipping mileage, such as Brazil, Argentina and the US substituting for Ukraine in food exports, which will substantially increase transportation mileage, benefiting the dry bulk shipping industry.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition to aforesaid primary commodities, the demand for the transportation of small dry bulk commodities such as fertilisers, cement, timber, nickel ore and manganese ore is also expected to continue its steady growth. Achieving consensus in the Russo-Ukrainian and Israeli-Palestinian conflicts remains fraught with difficulties, while risks associated with Houthi attacks on commercial vessels persist. The decline in shipping efficiency and the evolving transportation landscape will continue to underpin the market.

The dry bulk shipping market has historically experienced considerable fluctuations and is subject to a certain degree of cyclicity. Given the fluctuation in spot freight rates, the Group will maintain its prudent operating strategies by enhancing its daily management of vessels, providing better transportation services to its customers and chartering out its vessels to reputable and reliable charterers at higher rates, thus generating more operating income for the Group. Meanwhile, the Group will strictly control its operating costs and curb all unnecessary expenses.

Financial Review

Revenue

The revenue of the Group increased from US$6.6 million for the six months ended 30 September 2023 to US$11.6 million for the six months ended 30 September 2024, representing an increase of US$5.0 million, or 74.1%. Following the disposal of vessels GH Harmony and GH Power in January 2024 and July 2024 respectively, the Group's remaining fleet now has 2 vessels. On the other hand, the average daily charter hire income of the Group's fleet increased from US$9,407 for the six months ended 30 September 2023 to US$11,132 for the six months ended 30 September 2024. Also, 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 from April to September 2024, generating over US$6.6 million freight revenue. The Directors expect this freight chartering business would be another core revenue-generating business for the Group going forward.

Cost of services

Cost of services of the Group increased from US$6.9 million for the six months ended 30 September 2023 to US$11.4 million for the six months ended 30 September 2024, representing an increase of US$4.5 million, or 66.6%. Following the disposal of vessels GH Harmony and GH Power in January 2024 and July 2024 respectively, the Group's remaining fleet now has 2 vessels, 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 six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit/(loss)

The Group recorded a gross profit of US$0.1 million for the six months ended 30 September 2024 as compared to the gross loss of US$0.2 million for the six months ended 30 September 2023, representing a turnaround of US$0.3 million. It was due to the larger increase in revenue of 74.1% as compared to the increase in cost of services of 66.6% for the six months ended 30 September 2024.

General and administrative expenses

General and administrative expenses of the Group decreased from US$1.3 million for the six months ended 30 September 2023 to US$1.2 million for the six months ended 30 September 2024, representing a decrease of US$0.1 million or 2.9%. The slight decrease in administrative cost was mainly due to the reduction in legal and professional fees and staff cost under the Group's continued stringent expenditure control for the six months ended 30 September 2024.

Provision for impairment losses on property, plant and equipment

The Group principally engages in chartering of dry bulk vessels and the Group's fleet has 2 vessels with carrying capacity of 150,187 dwt and an average age of 17 years. The Group maintained a fleet occupancy rate of 92.2% for the six months ended 30 September 2024.

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

As at 30 September 2024, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 10.5% (30 September 2023: 8.8%), which are based on the industry sector risk premium relevant to the CGUs and the applicable gearing ratio of the CGUs.

FVLCTD: As at 30 September 2024, the aggregate FVLCTD of the vessels amounted to US$26.6 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 six months ended 30 September 2024 and 2023. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 September 2024, the aggregate recoverable amounts of vessels amounted to US$26.6 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$1.2 million was recognised in the condensed consolidated statement of profit or loss and other comprehensive income of the Group for the six months ended 30 September 2024. 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$2.6 million for the six months ended 30 September 2023 to US$2.1 million for the six months ended 30 September 2024, representing a decrease of US$0.5 million or 22.3%. The decrease in net finance costs was mainly due to the repayment of borrowings and loans, in particular the GH GLORY/HARMONY Loan has been fully repaid after the disposal of vessel GH Harmony in January 2024.

Loss for the period

Loss for the six months ended 30 September 2023 amounted to US$6.7 million and the Group recorded a loss of US$7.5 million for the six months ended 30 September 2024, representing an increase of US$0.8 million or 11.8%. The increase in loss for the six months ended 30 September 2024 was mainly attributable to the following factors: (i) loss on disposal of vessel GH Power in July 2024 by US$3.2 million, off-setting by the (ii) turnaround of gross loss to gross profit of US$0.3 million; (iii) decrease in impairment loss on property, plant and equipment of US$1.5 million; and (iv) decrease in net finance costs of US$0.5 million.

EBITDA

The Group's EBITDA has slightly decreased from US$1.4 million for the six months ended 30 September 2023 to US$1.3 million for the six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Convertible Bonds

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

As announced by the Company on 14 May 2021, 24 June 2021, 24 November 2021, 31 December 2021 and 25 February 2022, the Top Build Convertible Bonds matured on 10 May 2021 and the Company defaulted in the redemption of the Top Build Convertible Bonds in full in accordance with the terms and conditions thereof (the "Default"). On 24 November 2021, the Company and the holder of the Top Build Convertible Bonds (the "Bondholder"), among others, entered into a settlement agreement (the "Settlement Agreement"), pursuant to which the Bondholder has agreed to withhold taking any further litigation or claims against the Company in respect of the Default provided that the Company settled the outstanding redemption amount in the Top Build Convertible Bonds by, among others, repaying the Bondholder 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.

Liquidity, financial resources, capital structure and gearing ratio

As at 30 September 2024, the Group's cash and cash equivalents amounted to US$1.6 million (as at 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$0.5 million (as at 31 March 2024: US$0.5 million) and other loans (including convertible bonds) amounted to US$58.0 million (as at 31 March 2024: US$62.2 million), of which 99.2% were denominated in US$ and 0.8% were denominated in HK$.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 September 2024 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 56.7% and 54.5% respectively. The slight increase in gearing ratio as at 30 September 2024 was mainly due to the decrease in assets arising from (i) disposal of vessel GH Power in July 2024 and (ii) impairment loss of vessels recognised as at 30 September 2024.

The Group recorded net current liabilities of about US$66.2 million as at 30 September 2024 and approximately US$64.2 million as at 31 March 2024. The slight increase was mainly due to (i) decrease in trade receivables, prepayments and other receivables; and (ii) accrual of interest for Top Build Convertible Bonds offset by the repayment of the principal of US$1.0 million during the six months ended 30 September 2024.

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 30 September 2024, US$2.0 million of the loan amount had been drawn down by the Company under the Sixth Facility.

The First Facility will be repayable on an extended repayment date which is on or before 30 June 2026, the Second Facility will be repayable on an extended repayment date which is on or before 30 June 2026 and the Sixth Facility will be repayable on or before 30 June 2026. These loan facilities are unsecured and carry an interest of 4% per annum. As at the date of this report, 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$2,099,450 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 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 report, nil amount was obtained under the terms of the deed.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

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 30 September 2024, the Group had pledged the following assets to the Bondholder as securities against the convertible bonds to the Group:

	30 September 2024 US$'000 (Unaudited)	31 March 2024 US$'000 (Audited)
Investment properties	**35,347**	35,356
Property, plant and equipment	**8,939**	8,722
	44,286	44,078

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 six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant investment

The Group did not have any significant investment which accounted for more than 5% of the Group's total assets as at 30 September 2024.

Investment properties

Particulars of property interests held by the Group as at 30 September 2024 are as follows:

Location	Existing use	Tenure	Attributable interest of the Group
Investment properties			
The Hainan Land	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 report.

Contingent liabilities

There were no material contingent liabilities for the Group as at 30 September 2024.

Interim dividend

The Board does not recommend any interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Employees' remuneration and retirement scheme arrangements

As at 30 September 2024, the Group had a total of 79 employees (as at 30 September 2023: 103 employees). For the six months ended 30 September 2024, the total salaries and related costs (including Directors' fees) amounted to approximately US$2.0 million (six months ended 30 September 2023: US$2.8 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 six months ended 30 September 2024.

Disclaimer of Conclusion

CL Partners CPA Limited, the auditor ("Auditor") of the Company has issued a disclaimer of review conclusion (the "Disclaimer") on the Company's condensed consolidated financial statements for the six-month period ended 30 September 2024. For details of the Disclaimer, please refer to the Report on Review of Condensed Consolidated Financial Statements on pages 35 to 37 of this interim report.

Management's View on the Disclaimer of Review Conclusion

The fundamental reason for the Disclaimer made by the Auditor of the Company for the six-month period ended 30 September 2024 is due to the fact that the Group reported a net loss of approximately US$7,474,000 for the six-month period ended 30 September 2024. As at 30 September 2024, the Group's current liabilities exceeded its current assets by approximately US$66,196,000, which included borrowings and loans of approximately US$107,000 and convertible bonds of approximately US$56,857,000 that are repayable within one year, while the Group's cash and cash equivalents balances was approximately US$1,623,000. In addition, the Group has entered into agreements which will involve capital commitments of approximately US$250,000 in respect of investment properties project as at 30 September 2024.

Pursuant to the Supplemental Settlement Agreement, the Company shall settle the outstanding redemption amount of the convertible bonds (which amounted to approximately US$56,857,000 as at 30 September 2024) and all accumulated interest, both to be paid in cash in one lump sum on 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

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 30 September 2024. The validity of the going concern assumption is dependent on the successful and favourable outcomes of these plans and measures, as mentioned in Note 2.1 to the condensed consolidated financial statements of the Group, being undertaken by the Management. The appropriateness of the preparation of the condensed consolidated financial statements of the Group on the going concern basis depends on whether the plans and measures, as mentioned in Note 2.1 to the condensed consolidated financial statements of the Group, taken into account by the Directors in the going concern assessment are achievable. Therefore, the Auditor of the Company was unable to form a review conclusion on the condensed consolidated financial statements of the Group. Please refer to Note 2.1 to the condensed consolidated financial statements of the Group for details.

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

Audit Committee's View on the Disclaimer of Review Conclusion

The Audit Committee has reviewed the Disclaimer for the six-month period ended 30 September 2024, and understood the Management position and basis as set out in the section headed "Management's View on the Disclaimer of Review Conclusion" above. Having considered the circumstances and plans and measures of the Group, the Audit Committee agrees with the Management's position and basis.

The Audit Committee is of the view that the Management should continue its efforts in implementing the plans and measures described in Note 2.1 to the condensed 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 interim report, are set out in Note 2.1 to the condensed consolidated financial statements of the Group.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The updated biographies of the Directors and senior management of the Company are set out as below:

Board of Directors

Executive Directors

Ms. LAM Kwan (林群), aged 56, is the chairperson of the Board, the chief executive officer and an executive Director of the Company. She is one of the co-founders of the Group and has been serving as an executive Director since April 2010. Ms. Lam is the spouse of Mr. Yan, who is also one of the controlling shareholders of the Company (as defined under the Listing Rules) and has an interest in such number of Shares as disclosed in the section headed "Corporate Governance and Other Information – Directors' and Chief Executive's interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporation" of this report. Ms. Lam is responsible for the overall strategic planning, business development strategizing, daily operational management, as well as financial and administrative affairs of the Group. She is also a director of each of the subsidiaries of the Company. Ms. Lam has extensive experience in the marine transportation industry. Ms. Lam is currently a director of Adex Mining Inc. (TSXV stock code: ADE), a company listed on the TSX Venture Exchange in Canada. She has been appointed as chairman of Pok Oi Hospital from April 2022 to March 2023 and she has been appointed as permanent adviser of Pok Oi Hospital since 1 April 2023. She is currently a director of the Hong Kong Energy, Mining and Commodities Association, an honorary director of Hong Kong Baptist University Foundation, and a fellow of the Hong Kong Institute of Directors. She graduated from Dongbei University of Finance & Economics in 1990 with a bachelor's degree in English for Finance in the Department of Foreign Language for Finance. Ms. Lam is currently a director of Ablaze Rich, which along with Ms. Lam herself has an interest in such number of Shares under Part XV of the SFO as disclosed in the section headed "Corporate Governance and Other Information – Directors' and Chief Executive's interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporation" of this report.

Mr. PAN Zhongshan (潘忠善), aged 59, has been serving as an executive Director of the Company since 28 April 2023. Mr. PAN is responsible for the operation management of the Group's shipping business since January 2022. Mr. PAN has 37 years of experience in the maritime industry. Mr. PAN graduated from Dalian Maritime University* (大連海事大學) with a bachelor degree of ocean-going ship navigation* (航海系遠洋船舶駕駛專業). Before joining the Group, he had worked for China COSCO Shipping Corporation Limited in Qingdao Branch as third mate, second mate, chief mate and a captain of ocean-going vessels from 1986 to 2002. Mr. PAN had joined the Hong Kong Lihai International Shipping Limited as deputy general manager since 2002 and he had been appointed as managing director from 2006 to 2019. Mr. PAN has an interest in such number of Shares under Part XV of the SFO as disclosed in the section headed "Corporate Governance and Other Information – Directors' and Chief Executive's interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporation" of this report.

* For identification purposes only

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Independent non-executive Directors

Mr. CHEUNG Kwan Hung (張鈞鴻), aged 72, has been serving as an independent non-executive Director of the Company since September 2010. Mr. CHEUNG graduated from Hong Kong Polytechnic with a Higher Diploma in Accountancy in 1978 and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. CHEUNG has extensive experience in accounting, finance, corporate management and investment banking, specialising in equity/debt fund raising, mergers and acquisitions and corporate and debt restructuring, as well as private financial consultancy work. Mr. CHEUNG was an independent non-executive director of a company previously listed on the Main Board of the Stock Exchange, namely NewOcean Energy Holdings Limited (stock code: 342) (in liquidation) from August 2001 to December 2021. Mr. CHEUNG has an interest in such number of Shares under Part XV of the SFO as disclosed in the section headed "Corporate Governance and Other Information – Directors' and Chief Executive's interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporation" of this report.

Ms. WONG Tsui Yue, Lucy (黃翠瑜), aged 63, has been serving as an independent non-executive Director of the Company since 30 September 2022. Ms. WONG has extensive experience in commerce and accounting. Ms. WONG graduated with a Bachelor of Commerce and Administration from Victoria University of Wellington in New Zealand in May 1984 and further obtained a Master of Arts in Anthropology from the Chinese University of Hong Kong in November 2013. Ms. WONG has been a director of Advance Caterers Limited (formerly known as Hong Kong Catering Management Ltd.) since November 2009. She is a fellow member of the Hong Kong Institute of Certified Public Accountants and was formerly an associate member of the Institute of Chartered Accountants in Australia. Ms. WONG has over 20 years' experience working with companies listed on the Main Board of the Stock Exchange, including over 15 years as company secretary and over 10 years as finance director. Ms. WONG has also dedicated her time on women empowerment through her voluntary work for Zonta since 2003. Ms. WONG is not interested in any Shares within the meaning of Part XV of the SFO as at the date of this report.

Dr. CHAN Chung Bun, Bunny (陳振彬), *GBM, GBS, JP*, aged 66, has been serving as an independent non-executive Director of the Company since September 2010 and ceased to be an independent non-executive Director with effect from the conclusion of the annual general meeting of the Company held on 30 August 2024. Dr. CHAN has extensive experience in commerce and is currently the chairman of Prospectful Holdings Limited. Dr. CHAN is active in community affairs in Hong Kong. Dr. CHAN was appointed as Justice of Peace in 2002 and was awarded the Bronze, Silver and Gold Bauhinia Star medals in 2004, 2009 and 2014 respectively, and the Grand Bauhinia Medal in 2021 by the government of Hong Kong. Dr. CHAN was conferred Doctor of Business Administration, honoris causa, in December 2013 by the Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong). Dr. CHAN is currently also an independent non-executive director of three other companies listed on the Main Board of the Stock Exchange, namely Li Ning Company Limited (stock code: 2331), Glorious Sun Enterprises Limited (stock code: 393) and MTR Corporation Limited (stock code: 66). Dr. CHAN was an independent non-executive director of Speedy Global Holdings Limited (stock code: 540) from December 2012 to January 2023.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Senior management

Mr. SZE Wing Kin Pierre (施永健), aged 48, has been the chief financial officer and company secretary of the Company since 30 December 2022. Mr. SZE is responsible for the corporate finance, investor relations, financial management and company secretarial matters of the company. Mr. SZE graduated from The Hong Kong University of Science and Technology with a Bachelor of Business Administration (Hons) in Professional Accounting in 1998. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. SZE has extensive experience in corporate finance, investor relations, company secretarial, financial management, auditing, accounting, taxation, internal control, treasury and business advisory in Hong Kong and the PRC.

Prior to joining the Company, Mr. SZE has been the group chief financial officer of Great Harvest (Holdings) Limited, a conglomerate with investments in mining and steel industry, minerals trading, real estate development and big health industry since February 2022. Mr. SZE has also been appointed as a director of Adex Mining Inc. (TSXV stock code: ADE), a company listed on the TSX Venture Exchange in Canada since December 2022. Before then, Mr. SZE was the chief financial officer of a leading woodworking machinery manufacturer in the PRC from April 2019 to January 2022. Mr. SZE had also served as the corporate finance and investor relations director as well as company secretary and authorised representative of DreamEast Group Limited (stock code: 593), a company listed on the Main Board of the Stock Exchange from January 2016 to January 2019. Mr. SZE had been the chief financial officer, board secretary and company secretary of a pure play integrated gold company in the PRC focusing on exploration, mining, processing and smelting of gold from September 2011 to August 2015. Mr. SZE was the chief financial officer, qualified accountant and company secretary of SSY Group Limited (stock code: 2005), a company listed on the Main Board of the Stock Exchange from June 2008 to August 2011. Mr. SZE had worked for several international and local audit firms including KPMG, PricewaterhouseCoopers and Deloitte Touche Tohmatsu from September 1998 to June 2008.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors' and Chief Executive's interests and Short Positions in Shares, underlying Shares and debentures of the Company and its associated corporation

As at 30 September 2024, the interests and short positions of the Directors and/or the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she was taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register required to be kept by the Company under section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interest and Short Position in Shares, underlying Shares and debentures of the Company:

Name of Director	Capacity/ Nature of interest	Number of Shares held *(Note 1)*	Number of underlying Shares held *(Note 1)*	Approximate percentage of interest (%) *(Note 5)*
Ms. Lam	Interest of controlled corporation *(Note 2)*	638,535,000 (L)	–	67.03%
	Beneficial owner	11,370,000 (L)	–	1.19%
	Beneficial owner and interest of spouse *(Note 3)*	–	381,843,064 (S)	40.08%
Mr. PAN Zhongshan	Beneficial owner	602,500 (L)	–	0.06%
Mr. CHEUNG Kwan Hung	Beneficial owner *(Note 4)*	–	800,000 (L)	0.08%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

(1) The letter "L" denotes the person's long position and "S" denotes the person's short position in the Shares and underlying Shares of the Company.

(2) These 638,535,000 Shares were held as to 608,342,500 Shares by Ablaze Rich and as to 30,192,500 Shares by All Ages. The entire issued share capital of Ablaze Rich was owned as to 49% by Ms. Lam, who was also a director of Ablaze Rich. As such Ms. Lam was deemed to be interested in the Shares held by Ablaze Rich by virtue of the SFO. The entire issued share capital of All Ages was owned as to 50% by Ms. Lam. As such, Ms. Lam was deemed to be interested in the Shares held by All Ages by virtue of the SFO.

(3) These 381,843,064 Shares represented the total number of Shares which may be allotted and issued to Sfund upon the exercise of the conversion rights attaching to the Top Build Convertible Bonds for the aggregate principal amount of US$54,000,000 at the initial conversion price of HK$1.096 per Share and the exchange rate of HK$7.75 to US$1.00. Mr. Yan and Ms. Lam have granted the put option in favour of Sfund pursuant to which Sfund may request Mr. Yan and Ms. Lam to purchase these Top Build Convertible Bonds. On 15 July 2020, Sfund has exercised the put options. As at the date of this report, the completion of the put option has not taken place. The exercise of the conversion rights attaching to the Top Build Convertible Bonds is subject to the terms and conditions thereof, including the restriction against conversion which would cause the Company to be in breach of the minimum public float requirement under the Listing Rules.

(4) On 30 April 2015, Mr. CHEUNG Kwan Hung was granted share options of the Company in respect of 800,000 Shares pursuant to the 2011 Share Option Scheme. All these share options remained outstanding as at 30 September 2024.

(5) The percentage is calculated on the basis of 952,613,513 Shares in issue as at 30 September 2024.

Interest in shares and underlying shares of an associated corporation:

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Number of shares held *(Note)*	Approximate percentage of interest (%)
Ms. Lam	Ablaze Rich	Beneficial owner	9,800 (L)	49.00%
Ms. Lam	All Ages	Beneficial owner	5,000 (L)	50.00%

Note: The letter "L" denotes the person's long position in the shares and underlying shares of an associated corporation.

Save as disclosed above, as at 30 September 2024, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Substantial shareholders' interests and Short Positions in Shares and underlying Shares of the Company

As at 30 September 2024, the interests and short positions of each person, other than a Director or chief executive of the Company, in the Shares or underlying Shares of the Company as recorded in the register kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	**Capacity/ Nature of interest**	**Number of Shares held** *(Note 1)*	**Number of underlying Shares held** *(Note 1)*	**Approximate percentage of interest (%)** *(Note 8)*
Ablaze Rich	Beneficial owner	608,342,500 (L)	–	63.86%
Mr. Yan	Interest of controlled corporation *(Note 2)*	608,342,500 (L)	–	63.86%
	Family interest *(Note 3)*	11,370,000 (L)	–	1.19%
	Family Interest *(Note 4)*	30,192,500 (L)	–	3.17%
	Beneficial owner and interest of spouse *(Note 5)*	–	381,843,064 (S)	40.08%
廣州匯垠發展投資合夥企業(有限合夥)(for identification purpose only, Guangzhou Huiyin Development Investment Partnership Enterprise (Limited Partnership) ("Guangzhou Huiyin Development"))	Beneficial owner *(Note 6)*	74,265,000 (L)	–	7.80%
Sfund	Beneficial owner *(Note 7)*	–	381,843,064 (S)	40.08%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

(1) The letter "L" denotes the person's long position and "S" denotes the person's short position in the Shares and underlying Shares of the Company.

(2) These 608,342,500 Shares were held by Ablaze Rich. The entire issued share capital of Ablaze Rich was owned as to 51% by Mr. Yan and 49% by Ms. Lam, who were also directors of Ablaze Rich. As such, each of Mr. Yan and Ms. Lam was deemed to be interested in the Shares held by Ablaze Rich by virtue of the SFO.

(3) These 11,370,000 Shares were held by Ms. Lam. As Mr. Yan and Ms. Lam have a spousal relationship, Mr. Yan was deemed to be interested in the Shares in which Ms. Lam was interested by virtue of the SFO.

(4) These 30,192,500 Shares were held by All Ages. The entire issued share capital of All Ages was owned as to 50% by Ms. Lam and as to 50% by Mr. YAN Yui Ham, the son of Ms. Lam and Mr. Yan. As Mr. Yan and Ms. Lam have a spousal relationship, Mr. Yan was deemed to be interested in the Shares in which Ms. Lam was interested by virtue of the SFO.

(5) These 381,843,064 Shares represented the total number of Shares which may be allotted and issued to Sfund upon the exercise of the conversion rights attaching to the Top Build Convertible Bonds for the aggregate principal amount of US$54,000,000 at the initial conversion price of HK$1.096 per Share and the exchange rate of HK$7.75 to US$1.00. Mr. Yan and Ms. Lam have granted the put option in favour of Sfund pursuant to which Sfund may request Mr. Yan and Ms. Lam to purchase these Top Build Convertible Bonds. On 15 July 2020, Sfund has exercised the put options. As at the date of this report, the completion of the put option has not taken place. The exercise of the conversion rights attaching to the Top Build Convertible Bonds is subject to the terms and conditions thereof, including the restriction against conversion which would cause the Company to be in breach of the minimum public float requirement under the Listing Rules. As Mr. Yan and Ms. Lam have a spousal relationship, each of Mr. Yan and Ms. Lam was deemed to be interested in the Shares in which the other was interested by virtue of the SFO.

(6) These 74,265,000 Shares were held by Guangzhou Huiyin Development, which was controlled by 北京匯垠天然投資基金管理有限公司 (Beijing Huiyin Tianran Investment Fund Management Co., Ltd.*) ("Beijing Huiyin") as its general partner and was wholly owned by 廣州匯垠天粵股權投資基金管理有限公司 (Guangzhou Huiyin Tianyue Equity Investment Fund Management Co., Ltd*) ("Guangzhou Huiyin Tianyue") as its limited partner. Beijing Huiyin was owned as to 40% by Guangzhou Huiyin Tianyue.

Guangzhou Huiyin Tianyue was wholly owned by 廣州科技金融創新投資控股有限公司 (Guangzhou Technology Financial Innovation Investment Holdings Limited*) ("Guangzhou Technology Financial Holdings"). Guangzhou Technology Financial Holdings was wholly owned by 廣州產業投資基金管理有限公司 (Guangzhou Industry Investment Fund Management Co., Ltd*) ("Guangzhou Industry Investment"), which was wholly owned by 廣州市城市建設投資集團有限公司 (Guangzhou City Construction Investment Group Company Limited*) ("Guangzhou City Construction Investment").

Each of Guangzhou Huiyin Tianyue, Guangzhou Technology Financial Holdings, Beijing Huiyin, Guangzhou Industry Investment and Guangzhou City Construction Investment was deemed to be interested in all the Shares in which Guangzhou Huiyin Development is interested by virtue of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(7) Please refer to note 5 above in respect of these 381,843,064 Shares. The exercise of the conversion rights attaching to the Top Build Convertible Bonds is subject to the terms and conditions thereof, including the restriction against conversion which would cause the Company to be in breach of the minimum public float requirement under the Listing Rules.

The Top Build Convertible Bonds to which these 381,843,064 underlying Shares relate were held by Sfund, which was wholly owned by Guangzhou Huiyin Tianyue. Please refer to note 6 above in respect of the relationship between Guangzhou Huiyin Tianyue and its controlling companies. By virtue of the SFO, each of Guangzhou Huiyin Tianyue, Guangzhou Technology Financial Holdings, Guangzhou Industry Investment and Guangzhou City Construction Investment was deemed to be interested in all the Shares in which Sfund is interested.

(8) The percentage is calculated on the basis of 952,613,513 Shares in issue as at 30 September 2024.

Save as disclosed above, as at 30 September 2024, no person (other than a Director or chief executive of the Company) had an interest or short position in the Shares or the underlying Shares of the Company that were recorded in the register kept by the Company under Section 336 of the SFO.

* For identification purposes only

Share Option Scheme

The Company has previously adopted the 2011 Share Option Scheme on 19 August 2011, which has expired on 18 August 2021, being ten years from its commencement date. Accordingly, no further share options to subscribe for Shares may be granted or made under the 2011 Share Option Scheme from that date onwards. As at the date of this report, 800,000 share options were outstanding under the 2011 Share Option Scheme; the number of Shares available for issue under the 2011 Share Option Scheme was 800,000 Shares, representing approximately 0.1% of the issued Shares. For further details of the terms of the 2011 Share Option Scheme, please refer to the annual report of the Company for the year ended 31 March 2021.

The Company has adopted the 2021 Share Option Scheme on 18 August 2021 to enable the Group to grant share options to eligible participants as incentives or rewards for their contribution to the Group. A summary of the 2021 Share Option Scheme is set forth below.

Eligible participants of the 2021 Share Option Scheme includes: (a) any employee (whether full time or part time, including any executive Director but excluding any non-executive Director) of the Company, any subsidiary of the Company or any entity in which any member of the Group holds any equity interests ("Invested Entity"); (b) any non-executive Directors (including independent non-executive Directors) of the Company, any subsidiary of the Company or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of any member of the Group or any Invested Entity; (e) any person or entity that provides design, research, development or other technological support to any member of the Group or any Invested Entity; (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group; (i) any person seconded or nominated by the Group to represent the Group's interest in any of the Invested Entity or any other company or organisation; and (j) any company wholly owned by one or more eligible participants as referred to in (a) to (i) above.

The terms of the 2021 Share Option Scheme are in accordance with and subject to the provisions of Chapter 17 of the Listing Rules. Subject to the early termination of the 2021 Share Option Scheme in accordance with the rules thereof, the 2021 Share Option Scheme shall remain in force for a period of ten years commencing on 18 August 2021. As at the date of this report, the remaining life of the 2021 Share Option Scheme is approximately 7 years.

The maximum number of Shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the 2021 Share Option Scheme and any other share option scheme of the Group shall not exceed 30% of the Shares in issue from time to time (the "Overriding Limit"). No share options may be granted under the 2021 Share Option Scheme or any other share option scheme adopted by the Group if the grant of such share options will result in the Overriding Limit being exceeded.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The total number of Shares which may be allotted and issued upon exercise of all options (excluding for this purpose options which have lapsed in accordance with the terms of the 2021 Share Option Scheme and any other share option scheme of the Group) to be granted under the 2021 Share Option Scheme and any share option scheme of the Group must not in aggregate exceed 95,261,351 Shares, representing 10% of the Shares in issue as at 18 August 2021 (i.e. the date on which the 2021 Share Option Scheme was adopted by the Company) and approximately 10% of the Shares in issue as at the date of this report (the "General Scheme Limit"). The General Scheme Limit is also subject to the Overriding Limit, the refreshment of the General Scheme Limit (as described below) and the grant of share options beyond the General Scheme Limit (as described below).

Subject to the Overriding Limit and the grant of share options beyond the General Scheme Limit (as described below), the Company may refresh the General Scheme Limit at any time subject to shareholders' approval by ordinary resolution at a general meeting, and the General Scheme Limit as "refreshed" must not exceed 10% of the Shares in issue as at the date of the aforesaid shareholders' approval and for the purpose of calculating the "refreshed" limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the 2021 Share Option Scheme and any other share option scheme of the Group) previously granted under the 2021 Share Option Scheme and any other share option scheme of the Group will not be counted.

Subject to the Overriding Limit, the Company may also seek shareholders' approval by ordinary resolution at a general meeting to grant share options under the 2021 Share Option Scheme beyond the General Scheme Limit, or, if applicable, the General Scheme Limit as "refreshed", to eligible participants specifically identified by the Company before such approval is sought.

If the Company conducts a share consolidation or subdivision, the maximum number of Shares that may be issued upon exercise of all share options to be granted under the 2021 Share Option Scheme and any other share option scheme of the Group under the General Scheme Limit as a percentage of the total number of issued Shares as at the date immediately before and after such consolidation or subdivision (i.e. 10% of the Shares in issue) shall be the same.

The total number of Shares issued and which may fall to be issued upon the exercise of options granted under the 2021 Share Option Scheme and any other share option scheme adopted by the Group (including both exercised and outstanding options) to each grantee within any 12-month period shall not exceed 1% of the Shares in issue for the time being. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive Directors of the Company.

In addition, where any grant of share options to a substantial shareholder or an independent non-executive Director of the Company or any of their respective associates (as defined under the Listing Rules) would result in the Shares issued or to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (a) representing in aggregate over 0.1% of the Shares in issue and (b) having an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK$5 million, such further grant of share options must be approved by shareholders' in general meeting. The proposed grantee, his associates and all core connected persons (as defined in the Listing Rules) of the Company must abstain from voting in favour at such general meeting.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, which period may commence from the date of the offer of the share options, and ends on a date which is not later than ten years from the date of grant of the share options subject to the provisions for early termination thereof. The Directors will determine the minimum period, if any, for which share options must be held before such share options can be exercised (i.e. the vesting period).

The exercise price of the share options is determinable by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer; and (iii) the nominal value of a Share. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings of the Company.

No share option has been granted under the 2021 Share Option Scheme since its commencement date (i.e. 18 August 2021) and up to 30 September 2024. As at 30 September 2024 and the date of this report, the total number of Shares available for issue under the 2021 Share Option Scheme is 95,261,351 Shares, representing approximately 10% of the Shares in issue. As at 1 April 2024 and 30 September 2024, the number of options available for grant under the General Scheme Limit is 95,261,351 Shares.

The Company is aware that under the new rule 17.03A of the Listing Rules which came into effect on 1 January 2023, participants of share schemes shall only comprise of employee participants, related entity participants and service providers (as defined in the Listing Rules). The Company will only grant the share options under the 2021 Share Option Scheme to eligible participants in compliance with the new rule 17.03A and pursuant to the transitional arrangements for share schemes existing as at 1 January 2023 as specified by the Stock Exchange.

During the six months ended 30 September 2024, movements of the share options granted under the 2011 Share Option Scheme are summarised as follows:

					Number of share options					
List of grantees	Date of grant *(Note 1)*	Exercisable period	Closing price per Share immediately before the date of grant HK$	Exercisable price per share HK$	Outstanding as at 1 April 2024	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding as at 30 September 2024
Directors										
Mr. CHEUNG Kwan Hung	30 April 2015	30 April 2015 – 29 April 2025	$1.15	$1.20	800,000	–	–	–	–	800,000
Dr. CHAN Chung Bun Bunny *(Note 2)*	30 April 2015	30 April 2015 – 29 April 2025	$1.15	$1.20	800,000	–	–	800,000	–	–
Total					1,600,000	–	–	800,000	–	800,000

Notes:

(1) The share options granted were vested on the date of grant.

(2) Dr. CHAN Chung Bun, Bunny ("Dr. CHAN") retired as an independent non-executive Director on 30 August 2024. All remaining share options of Dr. CHAN lapsed on the same day under the terms of the 2011 Share Option Scheme.

NON-COMPLIANCE WITH THE LISTING RULES

Following the retirement of Dr. CHAN 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 does not comprise of a minimum of three members as required under Rule 3.21 of the Listing Rules;

3. the Remuneration Committee 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 does not comprise of a majority of independent non-executive directors as required under Rule 3.27A of the Listing Rules.

Since the retirement of Dr. CHAN, the Company has taken practicable steps to identify suitable candidates to fill the vacancy, but has yet to identify a suitable candidate to fill the vacancy as at the date of this report. As such, the Company fails to meet the requirement of Rule 3.11 of the Listing Rules. The Company will continue to use its best efforts to identify a suitable candidate and endeavours to fill the vacancies of independent non-executive Director and the Board committees as soon as practicable. Further announcement(s) will be made by the Company as and when appropriate.

Change in information of Directors

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

On 30 May 2024, Union Apex, a direct wholly-owned subsidiary of the Company, issued a Salary Adjustment Letter to Mr. PAN Zhongshan, executive Director and general manager of Union Apex. Pursuant to the Salary Adjustment Letter, Mr. PAN was entitled to (i) a fixed monthly salary of HK$88,000 per month for each month of the term of his appointment as general manager; and (ii) a year-end discretionary bonus for a fixed sum equivalent to his salary at the time of payment of such bonus for one month.

Dr. CHAN Chung Bun, Bunny ceased to be an independent non-executive Director and a member of each of the Audit Committee, Nomination Committee, and chairperson of the Remuneration Committee with effect from 30 August 2024.

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the CG Code

The Company has adopted the principles and code provisions set out in the CG Code. The Board also reviews and monitors the practices of the Company from time to time with an aim to maintain and improve the Company's standards of corporate governance practices.

During the six months ended 30 September 2024, the Company has complied with the CG Code except for the deviation as described below:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive 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-founders 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 code provisions set out in the CG Code during the six months ended 30 September 2024.

Compliance with the Model Code

The Company has adopted the Model Code 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 throughout the six months ended 30 September 2024.

Appreciation

The Board would like to sincerely thank all our staff for their hard work and all our business partners for their trust and support.

On behalf of the Board
LAM Kwan
Chairperson

Hong Kong, 27 November 2024

AUDIT COMMITTEE REPORT

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024, which has also been reviewed by the Group's auditor, CL Partners CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Members of the Audit Committee
Mr. CHEUNG Kwan Hung *(Chairperson)*
Ms. WONG Tsui Yue Lucy

Hong Kong, 27 November 2024

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CCL Partners

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF GREAT HARVEST MAETA HOLDINGS LIMITED
(incorporated in Cayman Islands with limited liability)

Introduction

We were engaged to review the condensed consolidated financial statements of Great Harvest Maeta Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 38 to 72, which comprise the condensed consolidated statement of financial position as at 30 September 2024, and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Basis for disclaimer of conclusion

Going concern

As described in Note 2.1 to the condensed consolidated financial statements, the Group reported a net loss of approximately US$7,474,000 for the six-month period ended 30 September 2024. As at 30 September 2024, the Group's current liabilities exceeded its current assets by approximately US$66,196,000, which included borrowings and loans of approximately US$107,000 and convertible bonds of approximately US$56,857,000 that are repayable within one year, while the Group's cash and cash equivalents balances was approximately US$1,623,000. In addition, the Group has entered into agreements which will involve capital commitments of approximately US$250,000 in respect of investment properties project as at 30 September 2024.

Pursuant to the Supplemental Settlement Agreement (as defined in Note 19 to the condensed consolidated financial statements), the Company shall settle the outstanding redemption amount of the convertible bonds (which amounted to approximately US$56,857,000, in which principal and interest payable are approximately US$47,930,000 and US$8,927,000 respectively, as at 30 September 2024) and all accumulated interest, both to be paid in cash in one lump sum which amount to approximately US$57,823,000, in which principal and interest payable are approximately US$47,930,000 and US$9,893,000 respectively on 31 December 2024 (the "Settlement").

The above conditions, along with other matters as set forth in Note 2.1 to the condensed consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As detailed in Note 2.1 to the condensed 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 30 September 2024. The validity of the going concern assumption is dependent on the successful and favourable outcomes of these plans and measures, as mentioned in Note 2.1 to the condensed consolidated financial statements, being undertaken by the management of the Group. The directors of the Company are of the opinion that, assuming the materialization of those plans and measures and most importantly the success in seeking solution with the Bondholder (as defined in Note 19 to the condensed consolidated financial statements) for an extension of the repayment date under the Supplemental Settlement Agreement or other solution proposals described in Note 2.1 to the condensed consolidated financial statements 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 30 September 2024 and would be able to continue as a going concern. Accordingly, the directors of the Company prepare the condensed consolidated financial statements on a going concern basis.

The appropriateness of the preparation of the condensed consolidated financial statements on the going concern basis depends on whether the plans and measures, as mentioned in Note 2.1 to the condensed consolidated financial statements, taken into account by the directors of the Company in the going concern assessment are achievable.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

However, we have not been able to obtain sufficient appropriate review 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 review evidence from the management on the success and feasibility of:

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

(ii) the assets realisation as and when needed;

(iii) the financing from ultimate holding company; and

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

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

As a result of these multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form a conclusion as to whether the going concern basis of preparation is appropriate.

Should the Group be unable to achieve the above mentioned plans and measures, as mentioned in Note 2.1 to the condensed 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 values 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, respectively. The effects of these adjustments have not been reflected in the condensed consolidated financial statements.

Because of the significance of the matters described in the "Basis for disclaimer of conclusion" section of our report, we had not been able to obtain sufficient and appropriate review evidence to provide a basis for conclusion on the condensed consolidated financial statements. Accordingly, we do not express a conclusion on these condensed consolidated financial statements.

CL Partners CPA Limited
Certified Public Accountants

Hong Kong
27 November 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Six Months ended 30 September 2024

		Six months ended 30 September	
	NOTES	**2024 US$'000 (Unaudited)**	2023 US$'000 (Unaudited)
Revenue	5	**11,560**	6,639
Cost of services	8	**(11,424)**	(6,857)
Gross profit/(loss)		**136**	(218)
Other (loss)/gains, net	6	**(3,210)**	5
Other income	7	**46**	95
General and administrative expenses	8	**(1,244)**	(1,281)
Impairment losses on property, plant and equipment	13	**(1,150)**	(2,644)
Operating loss		**(5,422)**	(4,043)
Finance income	9	**5**	19
Finance costs	9	**(2,057)**	(2,661)
Finance costs – net		**(2,052)**	(2,642)
Loss before income tax		**(7,474)**	(6,685)
Income tax expense	10	**–**	–
Loss for the period		**(7,474)**	(6,685)
Loss attributable to:			
Owners of the Company		**(7,468)**	(6,679)
Non-controlling interest		**(6)**	(6)
		(7,474)	(6,685)
Other comprehensive expense for the period			
Item that may be reclassified subsequently to profit or loss			
Currency translation differences		**(16)**	(2,014)
Total comprehensive expense for the period		**(7,490)**	(8,699)
Total comprehensive expense attributable to:			
Owners of the Company		**(7,483)**	(8,512)
Non-controlling interest		**(7)**	(187)
		(7,490)	(8,699)
Loss per share attributable to owners of the Company			
Basic loss per share	11	**(US0.78 cents)**	(US0.70 cents)
Diluted loss per share	11	**(US0.78 cents)**	(US0.70 cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	NOTES	30 September 2024 US$'000 (Unaudited)	31 March 2024 US$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	**26,630**	37,273
Investment properties	14	**73,451**	73,474
Right-of-use assets	13A	**199**	328
		100,280	111,075
Current assets			
Trade receivables, deposits, prepayments and other receivables	15	**1,260**	3,080
Cash and cash equivalents		**1,623**	1,058
		2,883	4,138
Total assets		**103,163**	115,213
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	**1,221**	1,221
Reserves	17	**9,345**	16,828
		10,566	18,049
Non-controlling interest		**4,412**	4,419
Total equity		**14,978**	22,468

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	NOTES	30 September 2024 US$'000 (Unaudited)	31 March 2024 US$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings and loans	18	**1,513**	6,730
Lease liabilities	13A	**28**	84
Deferred tax liabilities		**17,565**	17,571
		19,106	24,385
Current liabilities			
Other payables and accruals	20	**11,937**	12,101
Borrowings and loans	18	**107**	105
Convertible bonds	19	**56,857**	55,900
Lease liabilities	13A	**174**	248
Tax payables		**4**	6
		69,079	68,360
Total liabilities		**88,185**	92,745
Total equity and liabilities		**103,163**	115,213

The condensed consolidated financial statements on pages 38 to 72 were approved by the Board of Directors on 27 November 2024 and were signed on its behalf by:

Lam Kwan
Director

Pan Zhongshan
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months ended 30 September 2024

	Attributable to owners of the Company										
	Share capital US$'000	Share premium US$'000	Convertible bonds reserve US$'000	Share option reserve US$'000	Merger reserve *(Note 17(a))* US$'000	Other reserves *(Note 17(b))* US$'000	Exchange reserve US$'000	Accumulated losses US$'000	Total US$'000	Non-controlling interest US$'000	Total equity US$'000
Balance at 1 April 2024 (audited)	1,221	54,684	38,954	101	(63,808)	13,636	(5,547)	(21,192)	18,049	4,419	22,468
Loss for the period	–	–	–	–	–	–	–	(7,468)	(7,468)	(6)	(7,474)
Other comprehensive expense											
Currency translation differences	–	–	–	–	–	–	(15)	–	(15)	(1)	(16)
Total comprehensive expense	–	–	–	–	–	–	(15)	(7,468)	(7,483)	(7)	(7,490)
Lapse/forfeit of share options	–	–	–	(51)	–	–	–	51	–	–	–
Balance at 30 September 2024 (unaudited)	1,221	54,684	38,954	50	(63,808)	13,636	(5,562)	(28,609)	10,566	4,412	14,978

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months ended 30 September 2024

	Attributable to owners of the Company										
	Share capital US$'000	Share premium US$'000	Convertible bonds reserve US$'000	Share option reserve US$'000	Merger reserve *(Note 17(a))* US$'000	Other reserves *(Note 17(b))* US$'000	Exchange reserve US$'000	Accumulated losses US$'000	Total US$'000	Non-controlling interest US$'000	Total equity US$'000
Balance at 1 April 2023 (audited)	1,221	54,684	38,954	116	(63,808)	13,636	(4,212)	(14,081)	26,510	4,227	30,737
Loss for the period	–	–	–	–	–	–	–	(6,679)	(6,679)	(6)	(6,685)
Other comprehensive expense											
Currency translation differences	–	–	–	–	–	–	(1,833)	–	(1,833)	(181)	(2,014)
Total comprehensive expense	–	–	–	–	–	–	(1,833)	(6,679)	(8,512)	(187)	(8,699)
Balance at 30 September 2023 (unaudited)	1,221	54,684	38,954	116	(63,808)	13,636	(6,045)	(20,760)	17,998	4,040	22,038

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months ended 30 September 2024

	Six months ended 30 September	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Loss before income tax	**(7,474)**	(6,685)
Adjustments for:		
Finance costs	**2,057**	2,661
Finance income	**(5)**	(19)
Loss/(gain) on disposal of property, plant and equipment	**3,213**	(5)
Gain on disposal of subsidiaries	**(3)**	–
Depreciation of property, plant and equipment	**2,255**	2,679
Depreciation of right-of-use assets	**129**	75
Impairment losses on property, plant and equipment	**1,150**	2,644
Operating cash flows before movements in working capital	**1,322**	1,350
Decrease in trade receivables, deposits, prepayments and other receivables	**1,345**	645
(Decrease)/increase in other payables and accruals	**(166)**	155
Cash generated from operations	**2,501**	2,150
Income tax paid	**(2)**	(1)
Net cash generated from operating activities	**2,499**	2,149
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1,470)**	–
Purchase of investment properties	**–**	(41)
Proceeds from disposal of subsidiaries	**3**	–
Proceeds from disposal of property, plant and equipment	**6,000**	5
Interest received	**5**	19
Net cash generated from/(used in) investing activities	**4,538**	(17)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months ended 30 September 2024

	Six months ended 30 September	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Cash flows from financing activities		
Repayments of bank borrowings	**(51)**	(730)
Repayments of principal portion of lease liabilities	**(130)**	(87)
Interest paid	**(514)**	(537)
Redemption of convertible bonds	**(1,000)**	(600)
Repayments of loans from the ultimate holding company	**(4,750)**	(100)
Increase in pledged bank deposits	**–**	(14)
Net cash used in financing activities	**(6,445)**	(2,068)
Net increase in cash and cash equivalents	**592**	64
Cash and cash equivalents at beginning of period	**1,058**	2,041
Net foreign exchange difference	**(27)**	(110)
Cash and cash equivalents at end of period – represented by bank balances and cash	**1,623**	1,995

NOTES TO THE CONDENSED 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 condensed 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. Basis of preparation

These condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The condensed consolidated financial statements do not include all the notes of the type normally included in an annual consolidated financial statements. Accordingly, the condensed consolidated financial statements are to be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2024 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and any public announcements made by the Company during the interim reporting period.

The preparation of condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. Basis of preparation (Continued)

2.1 Going concern basis

The Group reported a net loss of approximately US$7,474,000 for the six-month period ended 30 September 2024. As at 30 September 2024, the Group's current liabilities exceeded its current assets by approximately US$66,196,000, which included borrowings and loans of approximately US$107,000 and convertible bonds of approximately US$56,857,000 that are repayable within one year, while the Group's cash and cash equivalents balance was approximately US$1,623,000. In addition, the Group has entered into agreements which will involve capital commitments of approximately US$250,000 in respect of investment properties project as at 30 September 2024.

Pursuant to the Supplemental Settlement Agreement (as defined in Note 19), the Company shall settle the outstanding redemption amount of the convertible bonds (which amounted to approximately US$56,857,000 in which principal and interest payable are approximately US$47,930,000 and US$8,927,000 respectively, as at 30 September 2024) and all accumulated interest, both to be paid in cash in one lump sum which amount to approximately US$57,823,000, in which principal and interest payable are approximately US$47,930,000 and US$9,893,000 respectively on 31 December 2024 (the "Settlement").

As the financial resources available to the Group as at 30 September 2024 and up to the date of approval of these condensed consolidated financial statements for issuance may not be sufficient to satisfy operating and financing requirements together with the payment of capital expenditure when they fall due, the Group is actively pursuing additional financing including, but not limited to, debt financing and bank borrowings.

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

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

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

(ii) Various settlement proposals

The Group is actively negotiating with the Bondholder for various settlement proposals including realisation of assets to finance the Settlement. Negotiation with the Bondholder is ongoing as at the date of this report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. Basis of preparation (Continued)

2.1 Going concern basis (Continued)

(iii) Financing through ultimate holding company

On 30 September 2024, the Company entered into a deed of funding undertakings (the "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 members 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.

In addition, Ablaze Rich granted a loan amounted to US$3 million in 2017 of which US$1.2 million is still outstanding as at 30 September 2024.

(iv) Financing through banks and capital market

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

(v) Enhancement of operation of chartering business

The Group continues its efforts to enhance its operation of chartering of dry bulk vessels to improve its cash flow from operations, and further control capital and operating expenditures to strength its working capital and mitigate the potential market fluctuation.

The directors of the Company have reviewed the Group's cash flow projection for a period covering not less than twelve months from 30 September 2024. Assuming that agreement on an extension of the repayment date under the Supplemental Settlement Agreement or other solutions would be reached and the plans and measures as described above would be successfully implemented by the Group, the directors of the Company accordingly consider it is appropriate that the Group will have sufficient working capital to meet its cash flow requirements in the next twelve months. The directors of the Company are satisfied that it is appropriate to prepare these condensed consolidated financial statements on a going concern basis.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. Basis of preparation (Continued)

2.1 Going concern basis (Continued)

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

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

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

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

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

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

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, 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 condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values.

Other than change in the accounting policies resulting from application of the amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month ended 30 September 2024 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2024.

Application of amendments to HKFRSs

In the current period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are effective for the Group's financial year beginning 1 April 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
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 HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. Financial risk management

4.1 Categories of financial instruments

	30 September 2024 US$'000 (Unaudited)	31 March 2024 US$'000 (Audited)
Financial assets		
Financial assets at amortised cost	**2,794**	3,249
Financial liabilities		
Financial liabilities at amortised cost	**70,250**	74,615

4. Financial risk management (Continued)

4.2 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The condensed consolidated financial statements does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2024.

There have been no significant changes in the risk management since year end.

(a) Cash flow and fair value interest rate risk

The Group is exposed to fair value interest rate risk arising from lease liabilities (Note 13A), loans from the ultimate holding company (Note 18) and convertible bonds (Note 19). The Group is also exposed to cash flow interest rate risk arising from floating rate bank borrowings (Note 18).

The Group's cash flow interest rate risk is mainly concentrated on the fluctuations of Hong Kong Dollars Best Lending Rate ("Prime Rate") arising from the Group's variable-rate bank borrowings.

Except for the loans from the ultimate holding company bearing a fixed interest rate at 4% per annum, convertible bonds bearing a fixed interest rate at 8% per annum and bank borrowings bearing floating interest rates, the Group has no significant interest-bearing assets and liabilities.

The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. Sensitivity analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole period. Bank balances are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

As at 30 September 2024, if interest rates on floating rate bank borrowings had been increased/decreased by 50 (31 March 2024: 190) basis points with all other variables held constant, the Group's post-tax loss for the period would have been increased/decreased by US$2,000 (year ended 31 March 2024: US$10,000).

4. Financial risk management (Continued)

4.2 Financial risk factors (Continued)

(b) Liquidity risk

The amount of net current liabilities of the Group is approximately US$66,196,000 as at 30 September 2024, which causes the Group in significant liquidity risk. At the end of the reporting period, the Group has taken appropriate measures as set out in Note 2.1 to mitigate such liquidity risk.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings, convertible bonds and loans from the ultimate holding company and ensures compliance with loan covenants, if any.

Liquidity risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. Financial risk management (Continued)

4.2 Financial risk factors (Continued)

(b) Liquidity risk (Continued)

Liquidity risk tables (Continued)

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

	Weighted average interest rate	On demand or less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Total undiscounted cash flows US$'000	Carrying amount US$'000
As at 30 September 2024 (unaudited)						
Borrowings and loans	3.82%	121	121	1,495	1,737	1,620
Convertible bonds	8.00%	56,857	–	–	56,857	56,857
Other payables and accruals	–	11,773	–	–	11,773	11,773
		68,751	121	1,495	70,367	70,250
Lease liabilities	3.35%	178	28	–	206	202

	Weighted average interest rate	On demand or less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Total undiscounted cash flows US$'000	Carrying amount US$'000
As at 31 March 2024 (audited)							
Borrowings and loans	3.97%	121	121	7,157	10	7,409	6,835
Convertible bonds	8.00%	55,900	–	–	–	55,900	55,900
Other payables and accruals	–	11,880	–	–	–	11,880	11,880
		67,901	121	7,157	10	75,189	74,615
Lease liabilities	3.26%	257	85	–	–	342	332

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. Financial risk management (Continued)

4.3 Fair value estimation

The carrying amounts for the Group's financial assets, including trade receivables, deposits and other receivables and cash and cash equivalents and financial liabilities, including other payables and accruals, borrowings and loans and convertible bonds approximate their fair values.

The fair values of the bank borrowings as at 30 September 2024 approximate their carrying amounts as they bear interest at floating rates that are market dependent.

5. 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 loss before income tax, which is measured in a manner consistent with that in the condensed 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 condensed consolidated financial statements. No analysis of segment liabilities is presented as it is not regularly provided to the CODM.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. Revenue and segment information (Continued)

(a) Segment revenue, results and other information

	Chartering of vessels US$'000	Property investment and development US$'000	Unallocated US$'000	Total US$'000
Six months ended 30 September 2024 (unaudited)				
Revenue recognised over-time from external customers	11,560	–	–	11,560
Depreciation of property, plant and equipment	(2,255)	–	–	(2,255)
Loss on disposal of property, plant and equipment	(3,213)	–	–	(3,213)
Impairment losses on property, plant and equipment	(1,150)	–	–	(1,150)
Finance costs	(13)	(1,957)	(87)	(2,057)
Segment loss before income tax	(5,146)	(2,030)	(298)	(7,474)
Income tax expense				–
Loss for the period				(7,474)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. Revenue and segment information (Continued)

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

	Chartering of vessels US$'000	Property investment and development US$'000	Unallocated US$'000	Total US$'000
Six months ended 30 September 2023 (unaudited)				
Revenue recognised over-time from external customers	6,639	–	–	6,639
Depreciation of property, plant and equipment	(2,679)	–	–	(2,679)
Impairment losses on property, plant and equipment	(2,644)	–	–	(2,644)
Finance costs	(534)	(1,990)	(137)	(2,661)
Segment loss before income tax	(4,248)	(2,059)	(378)	(6,685)
Income tax expense				–
Loss for the period				(6,685)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss from each segment without allocation of central general and administrative expenses and certain finance costs. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

5. 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 30 September 2024 (unaudited)				
Segment assets	**29,099**	**73,954**	**110**	**103,163**
As at 31 March 2024 (audited)				
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 six months ended 30 September 2024 and 2023, revenue is recognised over time when the Group transfers control of the services over time, based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously.

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

(d) Geographical information

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

	30 September 2024 US$'000 (Unaudited)	31 March 2024 US$'000 (Audited)
The People's Republic of China ("The PRC")	**73,451**	73,474

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. Other (loss)/gains, net

	Six months ended 30 September	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
(Loss)/gain on disposal of property, plant and equipment	**(3,213)**	5
Gain on disposal of subsidiaries *(Note)*	**3**	–
	(3,210)	5

Note: During the six-month period ended 30 September 2024, the Group disposed of subsidiaries with no 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.

7. Other income

	Six months ended 30 September	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Sundry income	**46**	95

8. Expenses by nature

Loss before income tax is stated after charging the following:

	Six months ended 30 September	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment *(Note 13)*	**2,255**	2,679
Depreciation of right-of-use assets *(Note 13A)*	**129**	75
Crew expenses (included in cost of services)	**1,271**	1,968
Employee benefit expenses (including directors' emoluments)		
Fee, salaries and other benefit costs	**697**	779
Post-employment benefit – defined contribution plans	**15**	17

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. Finance costs – net

	Six months ended 30 September	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income	**5**	19
Finance costs		
Interest expense on borrowings and loans	**96**	668
Interest expense on convertible bonds – non-cash	**1,957**	1,990
Interest expense on lease liabilities	**4**	3
	2,057	2,661
Finance costs – net	**2,052**	2,642

10. 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 six months ended 30 September 2024 and 2023, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The assessable profits of other entities of the Group not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%. The subsidiaries established in the PRC are subject to corporate income tax rate of 25% for both periods.

	Six months ended 30 September	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Current income tax		
Hong Kong profits tax	**–***	–*

* Less than US$1,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. Loss per share

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

	Six months ended 30 September	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to the owners of the Company for the purpose of basic loss per share	**(7,468)**	(6,679)

	Six months ended 30 September	
	2024	2023
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**952,614**	952,614

For the six months ended 30 September 2024 and 2023, the computation of diluted loss per share does not assume the exercise of the Company's share options and the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in a decrease in loss per share.

12. Dividends

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 September 2024 (2023: same).

13. Property, plant and equipment

	2024	2023
	US$'000	US$'000
Six months ended 30 September		
Opening net book value amount at 1 April (audited)	**37,273**	55,175
Addition	**1,470**	–
Disposal	**(8,708)**	–
Depreciation	**(2,255)**	(2,679)
Impairment losses	**(1,150)**	(2,644)
Closing net book value amount at 30 September (unaudited)	**26,630**	49,852

13. Property, plant and equipment (Continued)

Depreciation expenses of approximately US$2,255,000 (six months ended 30 September 2023: US$2,678,000) has been charged in 'cost of services' and nil (six months ended 30 September 2023: US$1,000) in 'general and administrative expenses' respectively.

Management regards each individual vessel as a separately identifiable cash-generating units ("CGUs") under chartering of vessels segment. The Group usually enters charter hire contracts for periods of 3 to 6 months in the spot market.

In assessing impairment loss, internal and external sources of information are considered in assessing the fair market value and value-in-use. The value-in-use of the vessels is assessed based on assumptions and estimates of vessels' future earnings and appropriate pre-tax discount rates to derive the present value of those earnings. The discount rates used to the value-in-use calculation on owned vessels was 10.5% (six months ended 30 September 2023: 8.8%), which are based on the industry sector risk premium relevant to the CGUs and the applicable gearing ratio of the CGUs.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of vessels:

Discount rate – The discount rate used is before tax and reflects specific risks in respect of the related vessels.

Growth rate – The growth rate is based on the estimated growth rate taking into account the industry growth rate, past experience and the medium-term or long-term growth target.

The fair value less costs to disposal is based on valuations performed by a leading international company specialised in vessels valuation. The fair value of the vessels were primarily determined based on the direct comparison method with reference to recent sales of comparable vessels.

During the six months ended 30 September 2024 and 2023, dry bulk charter rates dropped compare with last period and due to this unfavorable market condition, the fair value of vessels also decreased leading to impairment. As of 30 September 2024, the aggregate recoverable amounts of vessels amounting to US$26,630,000, which were determined by fair value less costs to disposal. Since the recoverable amounts of each of the two (30 September 2023: four) vessels were lower than their respective carrying amounts, impairment losses of US$1,150,000 (six months ended 30 September 2023: US$2,644,000) was recognised in the condensed consolidated statement of profit or loss and other comprehensive income during the six months ended 30 September 2024.

During the six months ended 30 September 2024, the Group disposed a vessel with carrying amount of approximately US$8,708,000 to an independent third party at a cash consideration of approximately US$6,000,000. A loss on disposal of approximately US$3,213,000 was recognised. The details were set out in the Company's announcement dated 12 July 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13A. Leases

(i) Right-of-use assets

	30 September 2024 US$'000 (Unaudited)	31 March 2024 US$'000 (Audited)
Buildings	**199**	328

The lease terms are 2 years (31 March 2024: 2 years) at fixed rentals with no extension option. In addition, the weighted average lessee's incremental borrowing rates applied to the lease liabilities was 3.35% (31 March 2024: 3.26%) per annum as at 30 September 2024.

(ii) Lease liabilities

	30 September 2024 US$'000 (Unaudited)	31 March 2024 US$'000 (Audited)
Amounts payable under lease liabilities		
Within 1 year	**174**	248
After 1 year but within 2 years	**28**	84
	202	332
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(174)**	(248)
Amount due for settlement after 12 months	**28**	84

(iii) Others

During the six months ended 30 September 2024, the total cash outflow for leases amount to approximately US$134,000 (six months ended 30 September 2023: US$90,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. Investment properties

	2024 US$'000	2023 US$'000
Six months ended 30 September		
At fair value		
At 1 April (audited)	**73,474**	70,655
Additions	**–**	41
Exchange difference	**(23)**	(3,032)
At 30 September (unaudited)	**73,451**	67,664

The above investment properties represented a commercial properties project being vacant in the Hainan province, the PRC.

The Group's investment properties are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties through use. The Group has measured the deferred tax relating to the temporary differences of these investment properties using the tax rates and the tax bases that are consistent with the expected manner of recovery of these investment properties.

The fair value measurement is categorised in Level 3 fair value hierarchy.

There were no transfers into or out of Level 3 during both periods.

Valuation processes of the Group

The Group's investment properties were valued at the end of each reporting period by an independent professionally qualified valuer, Ravia Global Appraisal Advisory Limited (the "Valuer") (31 March 2024: same), who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued.

Discussions of valuation processes and results are held between the chief financial officer and the Valuer at least once every six months, in line with the Group's interim and annual reporting dates.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. Investment properties (Continued)

Valuation techniques

There has been no change from the valuation technique used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Fair values of investment properties of the Group are generally derived using the direct comparison method. Given the unique nature and lack of recent transaction of certain properties, significant adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration. The significant unobservable inputs include:

Time adjustment:	Based on market trend of similar property between the transaction date of the comparable and the valuation date.
Location adjustment:	Based on the distance to the city centre, the development of the transport network and other community facility service.
Land use right adjustment:	Based on the best use of the property for the highest value in the market.
Size adjustment:	Based on the buildable area of the property.

Unobservable inputs	Range of unobservable input	Relationship of unobservable inputs to fair value
Time adjustment	5.5% to 9.0% (31 March 2024: 5.0% to 8.0%)	The upward market trend will have positive impact on adjustment and thus increase in fair value.
Location adjustment	-15.0% to -3.0% (31 March 2024: -15.0% to -5.0%)	The better location will have positive impact on adjustment, thus increase in fair value.
Land use right adjustment	-9.9% to -1.0% (31 March 2024: -10.0% to 0.0%)	The better designated use of the property will have positive impact on adjustment, thus increase in fair value.
Size adjustment	-6.3% to -4.0% (31 March 2024: -6.3% to -6.1%)	The increase in buildable area will have positive impact on total adjustment, thus increase fair value. However, this may be partially offset by a negative impact on adjustment per unit.

There were no changes in valuation methodologies during the period.

14. Investment properties (Continued)

Valuation techniques (Continued)

The Group intends to use the investment properties for the development of villas, low-rise apartments, and office, retail, carparking and other ancillary facilities, which is yet to be approved by the local government and whether additional land premium is required is uncertain.

Should the intended uses be impermissible under the current legal and planning framework or additional land premium needs to be settled for achieving such intended uses, the value of the investment properties may be adjusted.

15. Trade receivables, deposits, prepayments and other receivables

	30 September 2024 US$'000 (Unaudited)	31 March 2024 US$'000 (Audited)
Trade receivables	**620**	886
Prepayments	**89**	889
Deposits	**48**	45
Other receivables	**477**	1,234
Other receivables due from related companies *(Note 24 (b))*	**26**	26
	1,260	3,080

As at 30 September 2024 and 31 March 2024, the ageing analysis of the trade receivables based on invoice date were as follows:

	30 September 2024 US$'000 (Unaudited)	31 March 2024 US$'000 (Audited)
0-30 days	**620**	562
31-60 days	**–**	152
61-90 days	**–**	43
91-365 days	**–**	49
Over 365 days	**–**	80
	620	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.

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16. Share capital

Ordinary shares of HK$0.01 each

	30 September 2024		31 March 2024	
	Number of shares (thousands) (Unaudited)	**Amount HK$'000 (Unaudited)**	Number of shares (thousands) (Audited)	Amount HK$'000 (Audited)
Authorised	**4,000,000**	**40,000**	4,000,000	40,000

Issued and fully paid:	**Number of shares** (thousands)	**Share capital** HK$'000	**Share capital** US$'000
At 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	952,614	9,526	1,221

17. Reserves

(a) Merger reserve

The merger reserve of the Group was created as a result of: (a) acquisition of the Top Build Group Ltd. under common control in 2017; and (b) the difference between the aggregate nominal value of the share capital of the subsidiaries acquired pursuant to a corporate reorganisation, which was completed on 13 September 2010, in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited, over the nominal value of the share capital of the Company issued in exchange thereof.

(b) Other reserves

Other reserves represent capitalisation of amounts due to certain directors of the Company, who are the ultimate controlling shareholders of the Company.

18. Borrowings and loans

	30 September 2024 US$'000 (Unaudited)	31 March 2024 US$'000 (Audited)
Non-current		
– Bank borrowings *(Note i)*	**360**	414
– Loans from the ultimate holding company *(Note ii) (Note 24 (b))*	**1,153**	6,316
	1,513	6,730
Current		
– Bank borrowings *(Note i)*	**107**	105

Notes:

(i) As at 30 September 2024, the Group's bank borrowings obtained under the SME Financing Guarantee Scheme launched by the Government of HKSAR of US$467,000 (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$.

19. 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.

19. Convertible bonds (Continued)

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 holder of the Top Build Convertible Bonds (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.

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 installments 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 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 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.

19. Convertible bonds (Continued)

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.

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

	Liability component US$'000
As at 1 April 2024 (audited)	55,900
Interest expense *(Note 9)*	1,957
Redemption	(1,000)
At 30 September 2024 (unaudited)	56,857
As at 1 April 2023 (audited)	52,739
Interest expense *(Note 9)*	1,990
Redemption	(600)
At 30 September 2023 (unaudited)	54,129

Details of the pledged assets are set out in Note 25 to the condensed consolidated financial statements.

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20. Other payables and accruals

	30 September 2024 US$'000 (Unaudited)	31 March 2024 US$'000 (Audited)
Other payables and accruals	**4,530**	4,687
Contract liabilities	**164**	221
Other payables due to related companies *(Note 24(b))*	**7,243**	7,193
	11,937	12,101

The carrying amounts of other payables and accruals approximate their fair values.

21. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the condensed consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes	
	1 April 2024 US$'000 (Audited)	Financing cash flows US$'000	Finance cost incurred US$'000	30 September 2024 US$'000 (Unaudited)
Bank borrowings *(Note 18)*	519	(61)	9	467
Loans from the ultimate holding company *(Note 18)*	6,316	(5,250)	87	1,153
Convertible bonds *(Note 19)*	55,900	(1,000)	1,957	56,857
Lease liabilities	332	(134)	4	202
	63,067	(6,445)	2,057	58,679

21. Reconciliation of liabilities arising from financing activities (Continued)

			Non-cash changes	
	1 April 2023 US$'000 (Audited)	Financing cash flows US$'000	Finance cost incurred US$'000	30 September 2023 US$'000 (Unaudited)
Bank borrowings *(Note 18)*	11,431	(1,264)	531	10,698
Loans from the ultimate holding company *(Note 18)*	8,015	(100)	137	8,052
Convertible bonds *(Note 19)*	52,739	(600)	1,990	54,129
Lease liabilities	301	(90)	3	214
	72,486	(2,054)	2,661	73,093

22. Contingent liabilities

Save as disclosed elsewhere in the condensed consolidated financial statements, there were no other significant contingent liabilities of the Group as at 30 September 2024 (2023: same).

23. Commitments

Capital commitments

At 30 September 2024 and 31 March 2024, capital expenditure contracted for but not yet incurred is as follows:

	30 September 2024 US$'000 (Unaudited)	31 March 2024 US$'000 (Audited)
Investment properties	**250**	250

24. Related party disclosures

(a) Significant transactions with related parties

All of the transactions were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties. They were summarised as follows:

	Six months ended 30 September	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Interest on loans from the ultimate holding company	**87**	137

(b) Balances with related parties

As at 30 September 2024 and 31 March 2024, the Group had the following significant balances with its related companies:

	30 September 2024	31 March 2024
	US$'000	US$'000
	(Unaudited)	(Audited)
Other receivables due from related companies controlled by the ultimate controlling parties *(Note 15)*	**26**	26
Loans from the ultimate holding company *(Note 18)*	**(1,153)**	(6,316)
Others payables due to a related company controlled by the ultimate controlling parties *(Note 20)*	**(7,243)**	(7,193)

24. Related party disclosures (Continued)

(b) Balances with related parties (Continued)

Other receivables due from related companies were unsecured, non-interest bearing, repayable on demand and denominated in United States dollars ("US$") and Renminbi ("RMB").

Other payables due to a related company were unsecured, non-interest bearing, repayable on demand and denominated in US$ and RMB.

(c) Transactions with key management personnel

Key management includes directors of the Company (executive and non-executive) and senior management. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 September	
	2024	2023
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Fees and salaries	**313**	292
Pension costs – defined contribution plans	**3**	4
	316	296

25. Pledge of assets

As at 30 September 2024, the bank borrowings obtained under the SME Financing Guarantee Scheme are secured fully by guarantees executed by Mr. Yan, Ms. Lam and the Government of HKSAR (31 March 2024: same).

As at 30 September 2024, the convertible bonds were secured by the following:

(i) the mortgage over a vessel of the Group amounting to US$8,939,000 (31 March 2024: US$8,722,000) (Note 13);

(ii) the mortgage over the land use right of a parcel of land of approximately 95.9 mu out of a total of near 200 mu located at Haikou, Hainan Province, the PRC held by a non-wholly owned subsidiary of the Company in the PRC (the "PRC Subsidiary") (Note 14) (31 March 2024: same);

(iii) the pledge over the equity interests in the PRC Subsidiary held by a wholly owned subsidiary of the Company in Hong Kong (the "Hong Kong Subsidiary") (31 March 2024: same); and

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