Great Harvest Maeta Group Holdings Limited
榮 豐 聯 合 控 股 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 3683)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

The board (the "**Board**") of directors (the "**Directors**") of Great Harvest Maeta Group Holdings Limited (the "**Company**") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 September 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2013

		Unaudited Six months ended 30 September	
		2013	2012
	Note	***US$'000***	*US$'000*
Revenue	4	**11,187**	10,964
Cost of services		**(10,671)**	(11,866)
Gross profit/(loss)		**516**	(902)
Other income		**128**	19
General and administrative expenses		**(1,298)**	(1,410)
Operating loss	5	**(654)**	(2,293)
Finance income	6	**114**	96
Finance costs	6	**(641)**	(700)
Finance costs — net		**(527)**	(604)
Loss before income tax		**(1,181)**	(2,897)
Income tax expense	7	**—**	—
Loss for the period and total comprehensive loss attributable to owners of the Company		**(1,181)**	(2,897)
Loss per share for loss attributable to owners of the Company			
— Basic and diluted	8	**(0.14 cents)**	(0.35 cents)
Dividend	9	**—**	—

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	Note	Unaudited 30 September 2013 US$'000	Audited 31 March 2013 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**122,033**	125,760
Pledged bank deposits		**3,000**	3,000
		125,033	128,760
Current assets			
Inventories		**—**	696
Trade and other receivables	10	**3,845**	4,371
Finance lease receivable		**1,967**	1,867
Derivative financial instruments	13	**124**	—
Pledged bank deposits		**5,693**	5,096
Cash and cash equivalents		**4,828**	1,146
		16,457	13,176
Total assets		**141,490**	141,936
EQUITY			
Equity attributable to owners of the Company			
Share capital	11	**1,064**	1,064
Reserves		**94,951**	96,026
Total equity		**96,015**	97,090
LIABILITIES			
Non-current liabilities			
Bank borrowings	12	**35,053**	37,237
Convertible bonds	13	**3,139**	—
		38,192	37,237
Current liabilities			
Other payables and accruals	14	**2,687**	3,123
Bank borrowings	12	**4,596**	4,486
		7,283	7,609
Total liabilities		**45,475**	44,846
Total equity and liabilities		**141,490**	141,936
Net current assets		**9,174**	5,567
Total assets less current liabilities		**134,207**	134,327

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2013

	Unaudited						
	Attributable to owners of the Company						
	Share capital *US$'000*	**Share premium** *US$'000*	**Share option reserve** *US$'000*	**Special reserve** *US$'000*	**Other reserves** *US$000*	**Retained profits** *US$000*	**Total equity** *US$'000*
Balance at 1 April 2013	**1,064**	**25,120**	**766**	**46**	**13,636**	**56,458**	**97,090**
Total comprehensive loss for the period ended 30 September 2013, net of tax	**—**	**—**	**—**	**—**	**—**	**(1,181)**	**(1,181)**
Transaction with owners in their capacity as owners							
Employee share option scheme:							
— Employee share-based compensation benefits	**—**	**—**	**106**	**—**	**—**	**—**	**106**
Total transaction with owners	**—**	**—**	**106**	**—**	**—**	**—**	**106**
Balance at 30 September 2013	**1,064**	**25,120**	**872**	**46**	**13,636**	**55,277**	**96,015**
Represented by:							
Reserves							**96,015**
Interim dividend							**—**
Balance at 30 September 2013							**96,015**

	Unaudited						
	Attributable to owners of the Company						
	Share capital	Share premium	Share option reserve	Special reserve	Other reserves	Retained profits	Total equity
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$000*	*US$'000*	*US$'000*
Balance at 1 April 2012	1,064	25,120	283	46	13,636	69,873	110,022
Total comprehensive loss for the period ended 30 September 2012, net of tax	—	—	—	—	—	(2,897)	(2,897)
Transaction with owners in their capacity as owners							
Employee share option scheme:							
— Employee share-based compensation benefits	—	—	241	—	—	—	241
Total transaction with owners	—	—	241	—	—	—	241
Balance at 30 September 2012	1,064	25,120	524	46	13,636	66,976	107,366
Represented by:							
Reserves							107,366
Interim dividend							—
Balance at 30 September 2012							107,366

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2013

	Unaudited Six months ended 30 September 2013 US$'000	2012 US$'000
Cash flows from operating activities		
Loss before income tax	**(1,181)**	(2,897)
Adjustments for:		
— Depreciation	**3,694**	4,514
— Finance income	**(114)**	(96)
— Finance cost	**641**	700
— Written off on property, plant and equipment	**33**	—
— Share-based payment	**106**	241
Changes in working capital:		
— Trade and other receivables	**526**	2,249
— Inventories	**696**	(1,454)
— Other payables and accruals	**(309)**	(540)
Net cash generated from operating activities	**4,092**	2,717
Cash flows from investing activities		
Interest received	**14**	5
Purchase of property, plant and equipment	**—**	(433)
Net cash generated from/(used in) investing activities	**14**	(428)
Cash flows from financing activities		
Interest paid	**(527)**	(700)
Net (increase)/decrease in pledged bank deposits	**(597)**	537
Repayments of bank borrowings	**(2,300)**	(2,743)
Proceeds from issuance of convertible bonds	**3,000**	—
Net cash used in financing activities	**(424)**	(2,906)
Net increase/(decrease) in cash and cash equivalents	**3,682**	(617)
Cash and cash equivalents at beginning of the period	**1,146**	5,946
Cash and cash equivalents at end of the period	**4,828**	5,329
Analysis of cash and cash equivalents:		
Bank balances and cash	**4,828**	5,329

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Great Harvest Maeta Group Holdings Limited (the "Company") and its subsidiaries (together the "Group") provide marine transportation services. The principal activity of the Company is investment holding. The principal business of the Group is chartering out of its own dry bulk vessels.

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, KYI-1111, Cayman Islands.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the "Exchange").

This condensed consolidated interim financial information is presented in US dollars, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 22 November 2013.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 September 2013 has 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"). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2013, as described in those annual financial statements.

(a) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(b) Updates on accounting policies

Convertible bonds

Convertible bonds with conversion options which are not settled by exchanging a fixed amount of cash for a fixed number of the Company's shares comprise a derivative component and a liability component.

At initial recognition the derivative component of the convertible bonds is measured at fair value. Any excess of the proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs relating to the issue of the convertible bonds are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability component. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently remeasured at fair value, with changes in fair value recognised immediately in profit or loss. The liability component is subsequently measured at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method.

Derivative financial instruments

Derivatives, which include options contracts, are initially recognised at fair value on trade-date and subsequently remeasured at their fair values. Changes in fair value are recognised in profit or loss. All derivatives outstanding on the reporting date are classified as financial assets measured at fair value through profit or loss when their fair values are positive and as financial liabilities at fair value through profit or loss when their fair values are negative.

(c) The following new standards and amendments to standards are relevant to the Group and mandatory for the first time for the financial year beginning 1 April 2013:

Under HKFRS 10, "Consolidated financial statements", subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group has applied HKFRS 10 retrospectively in accordance with the transition provisions of HKFRS 10.

The Group assessed the adoption of HKFRS 10 and concluded that it does not result in any changes in the consolidation status of its subsidiaries.

HKFRS 13, "Fair value measurement", aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs. The Group has applied HKFRS 13 prospectively, additional disclosures required in respect of fair value measurements are introduced. The adoption of this standard has no significant impact on the Group's results and financial position.

HKAS 1 (Amendment), "Presentation of Financial Statements". After the adoption of this amendment, the Group has changed the disclosure of items presented in other comprehensive income in the statement of comprehensive income. Items presented in other comprehensive income are separated into two groups, based on whether or not they may be recycled to profit or loss in the future. Items that will not be recycled will be presented separately from items that may be recycled in the future. The adoption of this amendment affected presentation only and has had no impact on the unaudited condensed consolidated interim financial information. The required disclosures have been provided for the current and comparable periods.

HKAS 27 (2011), "Consolidated and Separate Financial Statements". The renamed HKAS 27 continues to be a standard dealing with separate financial statements. The existing guidance for separate financial statements is unchanged. The adoption of this amendment has had no impact on the unaudited condensed consolidated interim financial information.

There are no other revised standards or amendments to standards that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

(d) The following new standards and amendments to standards to the Group have been issued but are not effective for the financial year beginning 1 April 2013 and have not been early adopted:

		Effective for accounting periods beginning on or after
HKFRS 9	Financial instruments	1 January 2015
HKFRS 7 and HKFRS 9 (amendments)	Mandatory effective date of HKFRS 9 and transition disclosures	1 January 2015
HKAS 32 (amendment)	Offsetting financial assets and financial liabilities	1 January 2014
HKAS 36 (amendment)	Recoverable amount disclosures for non-financial assets	1 January 2014
HKAS 39 (amendment)	Novation of derivatives and continuation of hedge accounting	1 January 2014
HKAS 27 (Revised 2011), HKFRS 10 and HKFRS 12 (amendments)	Investment entities	1 January 2014

The directors of the Company are in the process of assessing the financial impact of the adoption of the above new standards and amendments to standards. The directors of the Company will adopt the new standard and amendments to standards when become effective.

4 REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for services rendered by the Group to outside customers and less discounts.

	Six months ended 30 September	
	2013	2012
	US$'000	*US$'000*
Time charter income	**4,941**	5,245
Voyage charter income	**2,965**	2,321
Service income	**3,281**	3,398
	11,187	10,964

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 the chief operating decision maker (i.e. executive directors) in order to allocate resources to segments and to assess their performance. The information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of performance is prepared based on the overall operation of vessels on a combined basis, hence the Group has only one operating segment.

The chief operating decision maker regularly reviews the revenue components of time charter income, voyage charter income and service income, which is considered as a single operating segment on a combined basis. The gross profit and profit before tax are also reported internally on a combined basis for the resources allocation and performance assessment by the chief operating decision maker. Accordingly, no separate segment information is prepared.

5 OPERATING LOSS

The following items have been charged to the operating loss during the interim period:

	Six months ended 30 September	
	2013	2012
	US$'000	*US$'000*
Depreciation of property, plant and equipment	**3,694**	4,514
Crew expenses (included in cost of services)	**1,988**	2,017
Operating lease rental for land and building	**143**	134
Employee benefit expenses (including directors' emoluments)		
Fee, salaries and other benefit costs	**601**	615
Pension costs — retirement benefit plans	**10**	9
Share options granted to directors and employees	**106**	241

6 FINANCE COSTS — NET

	Six months ended 30 September	
	2013	2012
	US$'000	*US$'000*
Finance income		
Interest income	**(14)**	(5)
Finance income on finance lease receivables	**(100)**	(91)
	(114)	(96)
Finance costs		
Interest expense on bank borrowings	**527**	643
Interest expense on convertible bonds	**15**	—
Loan arrangement fee	**99**	57
	641	700
Finance costs — net	**527**	604

No borrowing costs were capitalised during the six months ended 30 September 2013 and 2012.

7 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit generated in Hong Kong for the six months ended 30 September 2013 (six months ended 30 September 2012: Nil).

Taxation on profits has been calculated on the estimated assessable profits for the six months ended 30 September 2013 at the rates of taxation prevailing in the countries/places in which the Group operates. Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the six months period.

In the opinion of the directors, there is no taxation arising in other jurisdictions.

8 LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2013	2012
Loss attributable to owners of the Company *(US$'000)*	**(1,181)**	(2,897)
Weighted average number of ordinary shares in issue *(thousands)*	**830,000**	830,000
Basic loss per share *(US cents per share)*	**(0.14)**	(0.35)

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options and convertible bonds which may result in dilutive potential ordinary shares. Its calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share prices of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and convertible bonds. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options and convertible bonds.

	Six months ended 30 September	
	2013	2012
Diluted loss per share *(US cents per share)*	**(0.14)**	(0.35)

Diluted loss per share for the six months ended 30 September 2013 equals basic loss per share as the exercise of the outstanding share options and convertible bonds would be anti-dilutive.

9 DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2013 (six months ended 30 September 2012: Nil).

10 TRADE AND OTHER RECEIVABLES

	As at	
	30 September 2013	31 March 2013
	US$'000	*US$'000*
Trade receivables	**3,076**	3,457
Less: Provision for impairment of trade receivables	**(8)**	(8)
Trade receivables, net	**3,068**	3,449
Prepayments and deposits	**777**	922
	3,845	4,371

The carrying amounts of trade receivables, prepayments and deposits approximate their fair values.

Time charter income and service income are prepaid in advance. The credit period granted by the Group to the customers of voyage charter is within 7 days after completion of loading, signing and/or releasing bill of lading.

As at 30 September 2013 and 31 March 2013, the ageing analysis of trade receivables based on invoice date was as follows:

	As at	
	30 September 2013	31 March 2013
	US$'000	*US$'000*
0–30 days	**2,915**	3,189
31–365 days	**112**	145
Over 365 days	**49**	123
	3,076	3,457

11 SHARE CAPITAL

	As at 30 September 2013 HK$'000	31 March 2013 HK$'000
Authorised:		
1,000,000,000 ordinary shares of HK$0.01 each	**10,000**	10,000
	US$'000	*US$'000*
Issued and fully paid:		
830,000,000 ordinary shares of HK$0.01 each	**1,064**	1,064

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

Date of grant	Exercise price	Number of share options: At 1 April 2013	Exercised during the period	Lapsed during the period	At 30 September 2013
21 October 2011	HK$1.15	17,700,000	—	—	17,700,000

For the six months ended 30 September 2013, no share options (six months ended 30 September 2012: Nil) were lapsed.

12 BANK BORROWINGS

	As at 30 September 2013 US$'000	31 March 2013 US$'000
Non-current	**35,053**	37,237
Current	**4,596**	4,486
	39,649	41,723

Movements in bank borrowings are analysed as follows:

	Six months ended 30 September 2013 US$'000	2012 US$'000
Opening amount at 1 April	**41,723**	47,208
Repayments of bank borrowings	**(2,074)**	(2,743)
Closing amount at 30 September	**39,649**	44,465

13 CONVERTIBLE BONDS

	As at 30 September 2013 US$'000	As at 31 March 2013 US$'000
Convertible bonds	**3,139**	—

On 5 July 2013, the Group entered into a subscription agreement with Ablaze Rich Investments Limited ("Ablaze Rich"), pursuant to which the Group has conditionally agreed to issue, and Ablaze Rich has conditionally agreed to subscribe for convertible bonds with an aggregate principal amount of US$8,000,000 which would be issued in two tranches (comprising the first convertible bonds in the principal amount of US$3,000,000 (the "First Convertible Bonds") and the second convertible bonds in the principal amount of US$5,000,000 (the "Second Convertible Bonds")). The First Convertible Bonds bear interest from their date of issue at a rate of 4% per annum on the principal amount, and may be converted in full or in part (multiples of US$100,000) at the initial conversion price of HK$1.184 per conversion share (subject to anti-dilutive adjustment) any time within five years from the date of issue.

On 2 September 2013, the Group issued the First Convertible Bonds with principal amount of US$3,000,000. The First Convertible Bonds will be due on 1 September 2018. The First Convertible Bonds comprised two elements and were accounted for as follow:

- The debt element of US$2,565,000 was treated as a financial liability and measured at amortised cost and interest expense was recognised in profit or loss using the effective interest method.
- The share conversion option element of approximately US$559,000 was treated as a derivative liability with subsequent changes in fair value being recognised in profit or loss.

The movements of the liability component and derivative component of the convertible bonds for the period since issuance are set out below:

	Liability component US$'000	Derivative component US$'000	Total US$'000
Issuance of the convertible bonds	2,565	559	3,124
Interest expenses (Note 6)	15	—	15
At 30 September 2013	2,580	559	3,139

The Second Convertible Bonds bear interest from their date of issue at a rate of 4% per annum on the principal amount, and may be converted in full or in part (in multiples of US$100,000) at the initial conversion price of HK$1.184 per conversion share (subject to anti-dilutive adjustment) any time from the date of issue of the Second Convertible Bonds up to five years from the date of issue of the First Convertible Bonds.

According to the subscription agreement, contractual provisions in relation to issuance of the Second Convertible Bonds were established and the derivative financial assets were recognised. The initial fair values of the derivative financial asset were assessed as US$124,000 and is recorded as "Derivative financial instruments" in the condensed consolidated statement of financial position. The fair values of the derivative financial assets were valued by Cushman & Wakefield Valuation Advisory Services (HK) Ltd, an independent valuer, under Binomial Option Pricing Model. The discount rate used to compute the fair value is 7%.

14 OTHER PAYABLES AND ACCRUALS

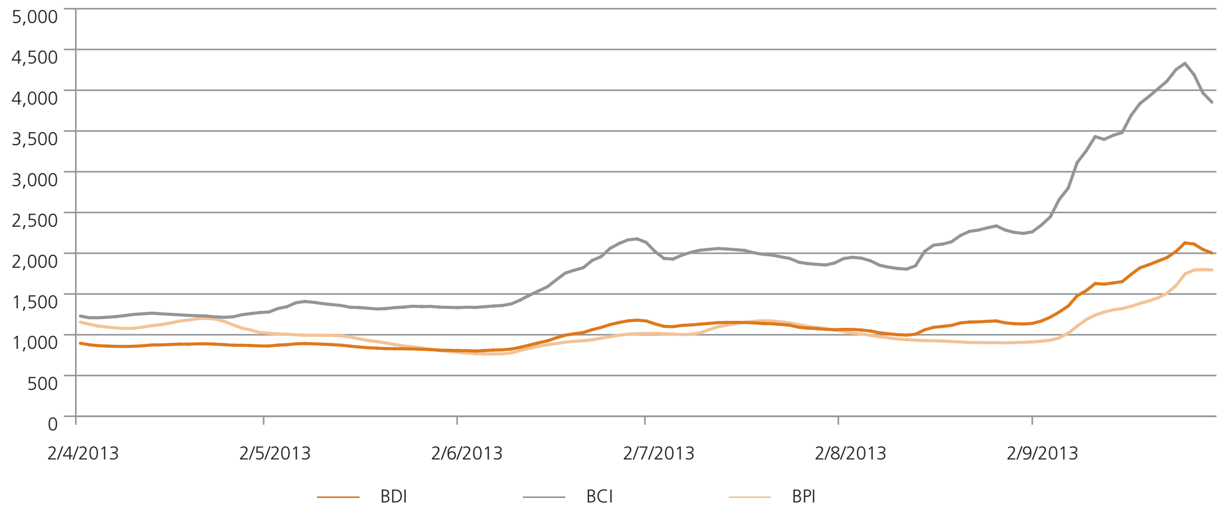
	As at	
	30 September	31 March
	2013	2013
	US$'000	*US$'000*
Other payables and accruals	**1,419**	1,342
Receipt in advance from charterers	**1,268**	1,781
	2,687	3,123

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

MANAGEMENT DISCUSSION AND ANALYSIS

Market review

Daily Variation Chart of the Baltic Dry Index (BDI), the Baltic Capesize Index (BCI) and the Baltic Panamax Index (BPI)
1 April 2013 – 30 September 2013



	BDI	BCI	BPI
1 April 2013 – 30 September 2013 (half year average)	1,095	1,960	1,048
1 April 2013 – 30 June 2013 (3-month average)	888	1,403	974
1 July 2013 – 30 September 2013 (3-month average)	1,292	2,491	1,119

In the summer of 2013, the freight market of dry bulk vessels initially hovered at the lower level. The Baltic Dry Index for the second quarter of 2013 maintained an average of 888 points, which was lower than the average of the corresponding period last year. As driven by the upturn of the Baltic Capesize Index, the Baltic Dry Index ascended since August 2013. With upturns found in the freight indexes for different types of vessels, the spot rates market saw a more significant rebound since September 2013. However, the International Monetary Fund (IMF) maintained a conservative stance in its world economic outlook for the foreseeable future, indicating that the global economic environment is still challenging.

During the period between August and September of 2013, the recovery and rebound of the spot rates market of dry bulk vessels reversed the downward spiral in the freight market of dry bulk vessels since early 2013. This was primarily attributable to the short-term and seasonal factors in the recent months, such as the increase of iron ore imports by China for replenishment of stocks and the outgoing shipment season of grains from North America. Also, the imbalance of supply and demand of vessel capacity in the dry bulk marine transportation market was relieved to a certain extent as a result of the smaller number of newly built vessels delivered and used this year, which was a favorable change for the dry bulk marine transportation market in the medium and long run. With the improvement in the spot rates market of dry bulk vessels during the period between August and September of 2013, the Baltic Dry Index achieved an average of 997 points for the period from January to September of 2013, representing an increase of approximately 8% as compared to the average of 920 points for the corresponding period of 2012. The dry bulk marine transportation market in 2013 would see a marked improvement comparing to last year, should the freight rate in the fourth quarter of 2013 maintain at the current level. During the period between January to September of 2013, the average daily charter rates of capesize vessel and panamax vessel in the Baltic

Freight Index reached US$10,549 and US$7,935 per day respectively, which were also slightly higher than those recorded in the corresponding period last year. Various indications had shown that the freight market was at the critical point for picking up. As stated in the market reports from broker companies, the number of new dry bulk vessels delivered and used during January to September of 2013 was lower than that in the corresponding period last year, and the number of vessels delivered was 577, carrying approximately 48 million dwt. The net growth of the fleet was 254 vessels, carrying approximately 30 million dwt, indicating that the growth rate of the fleet had slowed down. Based on the information of the net growth of vessels in the first nine months of 2013, the net growth of the dry bulk fleet was approximately 3%. If such level is sustained for the whole year, the fleet growth in 2013 will be slightly lower than the growth in demand for dry bulk marine transportation, which will help alleviate the current situation of the oversupply of vessels in dry bulk marine transportation market.

The demand for marine transportation of various dry bulk cargoes increased from January to September of 2013, among which iron ore imports of China reached approximately 600 million tonnes, representing an increase of approximately 9% over the same period last year; while China's coal imports reached approximately 240 million tonnes, representing an increase of approximately 15.5% over the same period last year. All of these will contribute to the recovery of the freight market of dry bulk vessels to various extents. The growth in demand for dry bulk cargoes in China is expected to become a more significant factor to the overall status of the marine transportation market. It is the market expectation that the overall demand in the dry bulk marine transportation market of this year can still achieve a growth of approximately 5%.

Business overview

The Group's vessels were managed to uphold sound operational status with its fleet maintaining an aggregate carrying capacity of 418,230 dwt for the six months ended 30 September 2013, which was in line with the corresponding period last year. The Group's vessels were maintained high operation level with occupancy rate at 99.5% and a total of 910.5 days of occupancy. The average daily charter rate of its vessels was approximately US$9,644.47, and substantially all charter hire was recovered by the Group without material impairment. Meanwhile, the Group's fleet had achieved a record of safe operation and zero adverse incidents. The Group was able to exert stringent control over all costs and expenses for vessel management and had strived to minimize voyage expenses, hence managed to control the management expenses for the Group's vessels within the budget.

As boosted by the increase in the market spot rates, the time charter market for dry bulk vessels regained momentum in the summer of 2013, with increase in the reported number of short term time charters and time charters of over one year. GH RESOURCES was chartered out by the Group under a short-term time charter of three to six months for the purpose of generating a more stable income. Meanwhile, given the relative wide spread between the charter rates of one-year time charters and the charter rates in the spot rates market, and the spot rates were higher than the time charter rates, the Group operated three of its relatively young vessels in the spot market, with an aim to achieve better charter rates return. In order to reduce operation risks and achieve better operation efficiency, the Group upheld its proactive and prudent operating strategies and sought to charter out vessels to more reputable charterers while endeavored to provide better transportation services to charterers, so as to maintain a favorable market image.

On 6 November 2013, the Group entered into a memorandum of agreement with an independent third party to acquire a secondhand panamax dry bulk vessel at a purchase price of US$9.36 million (equivalent to approximately HK$73.01 million). Subject to the terms of the memorandum of agreement, the vessel shall be due for delivery during the period from 5 December 2013 to 24 January 2014.

Further details of the acquisition of the vessel are set out in the announcement of the Company dated 6 November 2013.

Outlook

The market was caught unprepared for the relatively significant increase in the spot rates of dry bulk cargoes during August and September of 2013, and different forecasts on the market outlook appeared. However, a general consensus is that there will not be a significant change in the oversupply of vessels in the dry bulk marine transportation market. Also, the assessment made by authoritative institutions (such as the International Monetary Fund (IMF)) on the world economy this year as well as next year remains largely the same, that a status of slow growth will be maintained. At present, the IMF forecasts that the mid-term annual growth rate of the global economy will be slightly above 3%, which is about the same as this year, and global economic growth as an impetus to the vessel market and the demand for marine transportation will thus be relatively limited.

According to the statistics from ship broker companies, for the six months ended 30 September 2013, the volume of major types of dry bulk cargoes by marine transportation (other than for grains, with no material change) all recorded a growth of more than 5%, while the net growth of the dry bulk fleet for the period from January to September of 2013 was approximately 3%. The oversupply of vessels in the dry bulk marine transportation market will not further deteriorate, but instead may be eased to a certain extent in 2013.

Based on the statistics from market reports, for the period spanning from January to September of 2013, the volume of commodities imported to China reached nearly 1.7 billion tonnes, approximately 9.8% higher than the same period last year. The commodities imported to China in 2013 may exceed 2.0 billion tonnes for the first time, with growth to be seen in the imports of bulk cargoes such as iron ore and coal over last year. This will not only lift the growth of the global marine transportation volume, but also contribute more remarkably to the improvement of the Pacific freight market. There is a possibility that the spot rates market may maintain at its current level to the end of this year if the existing oversupply of vessels in the dry bulk marine transportation market can be further improved, thus bringing the average income of vessels of this year to surpass the average value of last year. Based on the statistics of newly built vessel orders, newly built dry bulk vessels of approximately 50 million dwt will be delivered in 2014, which is less than the newly built dry bulk vessels of approximately 70 million dwt delivered this year, hence the oversupply pressure in the freight market of dry bulk vessels will be further relieved.

Amidst the current difficult and volatile market condition, the Group is committed to generating higher operating revenue by adhering to its prudent operating strategies, enhancing day-to-day management of vessels, optimizing transportation to better service its customers and striving to charter out its vessels to reputable and reliable customers at higher charter rates. The Group will also exercise stringent control on operating costs and reduce all unnecessary expenses. The Group currently intends to identify new development opportunities and/or actively consider expansion into other businesses apart from the shipping business, such as the upstream business, to expand its business and diversify its income stream.

Financial review

Revenue

Revenue of the Group increased from about US$11.0 million for the six months ended 30 September 2012 to about US$11.2 million for the six months ended 30 September 2013, representing an increase of about US$0.2 million, or about 2.0%. It comprised time charter income of approximately US$4.9 million (constituted approximately 44.2% of the revenue of the Group), voyage charter income of approximately US$3.0 million (constituted approximately 26.5% of the revenue of the Group) and service income of approximately US$3.3 million (constituted approximately 29.3% of the revenue of the Group) for the period under review. There was a decrease in time charter income which was mainly attributable to the decrease in average daily time charter equivalent of the Group's fleet from approximately US$10,000 for the six months ended 30 September 2012 to approximately US$9,600 for the six months ended 30 September 2013. The increase in voyage charter income resulted from the proactive strategies adaptive to market.

Cost of services

Cost of services of the Group decreased from approximately US$11.9 million for the six months ended 30 September 2012 to approximately US$10.7 million for the six months ended 30 September 2013, representing a decrease of approximately US$1.2 million or approximately 10.1%. The decrease of cost of services was mainly due to (i) the decrease in depreciation expenses after impairment loss of vessels recognized last year; and (ii) the stringent cost control on the bunker and other direct cost related to the voyage charters.

Gross profit/(loss)

The Group recorded gross profit of approximately US$0.5 million for the six months ended 30 September 2013 as compared with a gross loss of approximately US$0.9 million for the six months ended 30 September 2012, representing a difference of approximately US$1.4 million, while the gross profit margin improved from approximately -8.2% for the six months ended 30 September 2012 to approximately 4.6% for the six months ended 30 September 2013. The improvement in gross loss to gross profit of the Group was mainly attributable to the decrease in vessel depreciation and stringent control over costs and voyage expenses.

General and administrative expenses

General and administrative expenses of the Group decreased from approximately US$1.4 million for the six months ended 30 September 2012 to approximately US$1.3 million for the six months ended 30 September 2013, representing a decrease of approximately US$0.1 million or approximately 8%, mainly due to the decrease in amortization of share-based payments during the period under review.

Finance costs

Finance costs of the Group decreased from approximately US$0.7 million for the six months ended 30 September 2012 to approximately US$0.6 million for the six months ended 30 September 2013, representing a decrease of approximately US$0.1 million or approximately 8.4%. Such decrease was mainly attributable to the repayment of the loan principal though this effect had been slightly offset by the finance cost of the issuance of the convertible bonds during the period under review.

Loss and total comprehensive loss

The Group incurred a loss of approximately US$1.2 million for the six months ended 30 September 2013 as compared with a loss of approximately US$2.9 million for the six months ended 30 September 2012. Such improvement was mainly due to (i) the increase in gross profit of approximately US$1.4 million; and (ii) the decrease in amortization of share-based payments.

Liquidity, financial resources, capital structure and gearing ratio

As at 30 September 2013, the Group's bank balances and cash amounted to approximately US$4.8 million (as at 31 March 2013: approximately US$1.1 million), of which approximately 96.3% was denominated in US$ and approximately 3.5% in HK$. Outstanding bank loans amounted to approximately US$39.6 million (as at 31 March 2013: approximately US$41.7 million), of which 100% (as at 31 March 2013: 100%) was denominated in US$.

As at 30 September 2013 and 31 March 2013, the Group had a gearing ratio (being the bank loans and convertible bonds of the Group divided by the total assets of the Group) of about 30.2% and 29.4% respectively. The increase in gearing ratio as at 30 September 2013 was mainly due to the issuance of the first tranche of convertible bonds during the period under review.

The Group's net current assets had increased from about US$5.6 million as at 31 March 2013 to about US$9.2 million as at 30 September 2013, representing an increase of about US$3.6 million, or about 64.8%. Such increase was mainly due to the issuance of the first tranche of convertible bonds in the principal amount of US$3,000,000 and the effect of increase in gross profit.

The Group's liquidity requirements will be satisfied by a combination of cash flow generated from the working capital arising from operating activities and bank loans and other financing means which the Company may from time to time consider appropriate.

Convertible bonds

On 5 July 2013, the Company entered into a subscription agreement with Ablaze Rich Investments Limited ("Ablaze Rich"), the holding company of the Company, in respect of the issue and subscription of the convertible bonds in an aggregate principal amount of US$8,000,000 comprising (i) the first tranche in the principal amount of US$3,000,000 and (ii) the second tranche in the principal amount of US$5,000,000, which may be converted into 52,702,702 shares of the Company at the conversion price of HK$1.184 per conversion share at the exchange rate of HK$7.8 to US$1.0.

The completion of the issue and subscription of the first tranche took place on 2 September 2013. The Company may, at any time within one year thereafter, issue a written notice to Ablaze Rich for the purpose of the completion of the issue and subscription of the second tranche.

Further details of the issue of the convertible bonds are set out in the announcements of the Company dated 5 July 2013 and 2 September 2013, and the circular of the Company dated 23 July 2013.

Bank loans and disclosure under Rules 13.13 to 13.19 of the Listing Rules

Pursuant to Rule 13.18 of the Listing Rules, a general disclosure obligation will arise where an issuer or any of its subsidiaries enters into a loan agreement that includes a condition imposing specific performance obligations on any controlling shareholders, such as a requirement to maintain a specified minimum holding in the share capital of the issuer. As at 30 September 2013, the Group recorded outstanding bank loans of about US$39.6 million. The bank loans, namely the First Loan[1], the Second Loan[2] and the Third Loan[3], were for financing the acquisition of vessels of the Group and were secured by, inter alia, the following:

- Corporate guarantee from the Company;

- First preferred mortgages over the vessels held by Bryance Group Limited ("Bryance Group"), Joy Ocean Shipping Limited ("Joy Ocean"), Great Ocean Shipping Limited ("Great Ocean") and Way Ocean Shipping Limited ("Way Ocean"), respectively;

- Assignment of the charter-hire income and insurance in respect of the vessels held by Bryance Group, Joy Ocean, Great Ocean and Way Ocean, respectively;

- Charges over shares of each of Bryance Group, Joy Ocean, Great Ocean and Way Ocean.

The above bank loans were provided to the Group on the conditions that, inter alia, Mr. Yan Kim Po, Ms. Lam Kwan and/or any company controlled by them shall jointly hold at least 51% shareholding interests in the Company.

In relation to the Second Loan, it would be an event of default if any two of Mr. Yan Kim Po, Ms. Lam Kwan and Mr. Cao Jiancheng cease to be the executive Directors of the Company without the lender's prior consent.

Notes:

1. First Loan represents a term loan for the aggregate principal amount of US$65 million for the purpose of refinancing the former bank borrowings for the acquisitions of GH FORTUNE and GH RESOURCES, and for working capital purpose. US$35 million of the principal amount of such term loan shall be repaid by 36 quarterly instalments, and US$30 million thereof shall be repaid by 16 quarterly instalments, commencing three months from 9 January 2008.

2. Second Loan represents a term loan for the principal amount of US$39 million for the acquisition of GH POWER. The principal amount shall be repaid by 40 quarterly instalments commencing three months from 11 February 2008.

3. Third Loan represents a term loan for the principal amount of US$26 million for the acquisition of GH GLORY. 70% of the principal amount of the bank loan shall be repayable by 28 consecutive quarterly instalments of US$650,000 commencing three months from the drawdown date, and the remaining 30% of the principal amount of the loan to be repaid together with the last quarterly instalment.

Charges on assets

As at 30 September 2013, the Group had pledged the following assets to banks as securities against banking facilities granted to the Group:

	30 September 2013 *US$'000* **(Unaudited)**	31 March 2013 *US$'000* (Audited)
Property, plant and equipment	**122,024**	125,750
Pledged bank deposits	**8,693**	8,096
	130,717	133,846

Exposure to fluctuations in exchange rate risk and related hedges

The Group's transactions and monetary assets were primarily denominated in US$. Operating expenses of the Group's Hong Kong subsidiary were primarily denominated in HK$ and the bank loans of the Group were denominated in US$. 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.

During the six months ended 30 September 2013, the Group had not adopted any financial instruments for hedging purposes.

Contingent liabilities

There were no significant contingent liabilities for the Group as at 30 September 2013.

Interim dividend

The Board does not recommend any interim dividend for the six months ended 30 September 2013 (dividend for the six months ended 30 September 2012: Nil).

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

Neither the Company nor any of its subsidiaries had purchased, redeemed or cancelled any of the Company's listed securities during the six months ended 30 September 2013.

Employees

As at 30 September 2013, the Group had a total of 120 employees (as at 30 September 2012: 121 employees). For the six months ended 30 September 2013, the total salaries and related costs (including Directors' fees) amounted to approximately US$2.7 million (as at 30 September 2012: US$2.9 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.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT ("CG CODE")

The Company has adopted the principles and code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules as the Company's code on corporate governance practices. Throughout the six months ended 30 September 2013 and up to the date of this announcement, the Company has been in compliance with the code provisions set out in the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("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 2013 and up to the date of this announcement.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2013, which has also been reviewed by the Company's independent auditor, PricewaterhouseCoopers, 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.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.greatharvestmg.com). The interim report of the Company for the six months ended 30 September 2013 will also be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

For and on behalf of the Board
Great Harvest Maeta Group Holdings Limited
Yan Kim Po
Chairman

Hong Kong, 22 November 2013

As at the date of this announcement, the executive Directors are Mr. Yan Kim Po, Ms. Lam Kwan and Mr. Cao Jiancheng; and the independent non-executive Directors are Mr. Cheung Kwan Hung, Mr. Chan Chung Bun, Bunny and Mr. Wai Kwok Hung.