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 2010

The board (the "**Board**") of directors (the "**Directors**") of Great Harvest Maeta Group Holdings Limited (the "**Company**") is pleased to present the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 September 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

		Six months ended 30 September	
		2010	2009
	NOTES	***US$'000***	*US$'000*
		(Unaudited)	(Unaudited)
Revenue	3	**16,801**	22,897
Cost of services		**(11,241)**	(10,163)
Gross profit		**5,560**	12,734
Other income	4	**149**	306
General and administrative expenses		**(907)**	(72)
Other expenses		**(1,655)**	(38)
Finance costs	5	**(445)**	(856)
Profit before tax		**2,702**	12,074
Income tax expense	6	**—**	—
Profit for the period and total comprehensive income for the period, attributable to owners of the Company	7	**2,702**	12,074
Earnings per share			
Basic *(US cents)*	9	**0.4**	1.9

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2010

	NOTES	30 September 2010 US$'000 (Unaudited)	31 March 2010 US$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	**119,725**	125,372
Finance lease receivable		**1,445**	1,373
Restricted bank deposits	12	**3,000**	3,000
		124,170	129,745
Current assets			
Trade and other receivables and prepayment	11	**1,927**	855
Pledged bank deposits	12	**6,783**	5,695
Bank balances and cash		**597**	461
		9,307	7,011
Current liabilities			
Other payables and accruals	13	**4,074**	3,954
Amounts due to directors		**—**	13,656
Bank loans — due within one year	14	**8,315**	12,215
		12,389	29,805
Net current liabilities		**(3,082)**	(22,794)
Total assets less current liabilities		**121,088**	106,951
Non-current liabilities			
Bank loans — due after one year	14	**32,053**	34,260
		89,305	72,691
Capital and reserves			
Share capital	15	**—**	40
Reserves		**89,305**	72,651
Equity attributable to owners of the Company		**89,305**	72,691

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2010

	Attributable to owners of the Company				
	Share capital *US$'000*	**Special reserve** *US$'000*	**Other reserve** *US$'000* *(Note)*	**Retained profits** *US$'000*	**Total** *US$'000*
At 1 April 2009 (audited)	40	—	—	53,292	53,332
Profit for the period representing total comprehensive income	—	—	—	12,074	12,074
At 30 September 2009 (unaudited)	40	—	—	65,366	65,406
At 1 April 2010 (audited)	**40**	**—**	**—**	**72,651**	**72,691**
Profit for the period representing total comprehensive income	**—**	**—**	**—**	**2,702**	**2,702**
Issue of shares	**6**	**—**	**—**	**—**	**6**
Special reserve arising from exchange of shares upon group reorganisation	**(46)**	**46**	**—**	**—**	**—**
Capitalisation of the amounts due to directors	**—**	**—**	**13,636**	**—**	**13,636**
At 30 September 2010 (unaudited)	**—**	**46**	**13,636**	**75,353**	**89,035**

Note: Other reserve represents capitalisation of amounts due to Directors, who are the ultimate controlling shareholders of the Company.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2010

	Six months ended 30 September	
	2010	2009
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Operating activities		
Profit before tax	**2,702**	12,074
Depreciation of property, plant and equipment	**5,647**	5,350
Others	**(26)**	(341)
	8,323	17,083
Increase in trade and other receivables and prepayment	**(1,072)**	(3,583)
Increase in other payables and accruals	**117**	4,659
Net cash from operating activities	**7,368**	18,159
Cash used in investing activity		
Placement of pledged bank deposits	**(1,088)**	(4,690)
Financing activities		
Repayment to directors	**—**	(800)
Repayment of bank loans	**(6,150)**	(12,150)
Others	**6**	—
Net cash used in financing activities	**(6,144)**	(12,950)
Net increase in cash and cash equivalents	**136**	519
Cash and cash equivalents at beginning of the period	**461**	240
Cash and cash equivalents at end of the period, represented by bank balances and cash	**597**	759

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2010

1. GROUP RESTRUCTURING AND BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company was incorporated as an exempted company in the Cayman Islands with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 21 April 2010. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 11 October 2010. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is 12th Floor, 200 Gloucester Road, Wanchai, Hong Kong.

Pursuant to the corporate reorganisation (the "Corporate Reorganisation") to rationalise the Group's structure in preparation for the listing of the Company's shares on the Stock Exchange, Ablaze Rich Investments Limited ("Ablaze Rich''), a company incorporated in the British Virgin Islands which was held by Mr. Yan Kim Po ("Mr. Yan") and his wife, Ms. Lam Kwan ("Ms. Lam"), acquired the entire interest in Bryance Group Limited, Great Ocean Shipping Limited, Greater Shipping Co., Ltd., Joy Ocean Shipping Limited and Union Apex Mega Shipping Limited (collectively referred to as the "Subsidiaries"), which were directly or indirectly held by Mr. Yan and Ms. Lam, by shares swap on 13 September 2010. Pursuant to the above Corporate Reorganisation, the Company was incorporated and interspersed between Ablaze Rich and the Subsidiaries, and became the holding company of the companies now comprising the Group on the same date. Details of the Corporate Reorganisation are set out in the section headed "Reorganisation" in the Appendix V to the prospectus of the Company dated 27 September 2010.

The Corporate Reorganisation completed on 13 September 2010 was regarded as a reorganisation of companies under common control. Accordingly, the Group resulting from the Corporate Reorganisation including the Company and its subsidiaries is regarded as a continuing entity. The condensed consolidated financial statements are prepared using merger accounting based on the guidance in Accounting Guideline 5 "Merger accounting for common control combinations" as if the Corporate Reorganisation had occurred from the date when the combining entities first came under the control of the ultimate controlling party.

The condensed consolidated financial statements are presented in United States dollars, which is the functional currency of the Company.

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

In the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Accounting Standards ("HKAS(s)"), Hong Kong Financial Reporting Standards ("HKFRS(s)"), amendments and interpretations ("HK(IFRIC) — Int") (hereinafter collectively referred to as the "new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Amendment to HKFRS 5 included in Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK (IFRIC) — Int 17	Distributions of Non-cash Assets to Owners

The adoption of the new and revised HKFRSs had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKAS 24 (Revised)	Related Party Disclosures[2]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[4]
HKFRS 7 (Amendment)	Disclosures — Transfers of Financial Assets[5]
HKFRS 9	Financial Instruments[3]
HK (IFRIC) — Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[2]
HK (IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments[4]

[1] Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.
[2] Effective for annual periods beginning on or after 1 January 2011.
[3] Effective for annual periods beginning on or after 1 January 2013.
[4] Effective for annual periods beginning on or after 1 July 2010.
[5] Effective for annual periods beginning on or after 1 July 2011.

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The Directors of the Company anticipate that the application of other new and revised standards, amendments and interpretations will not have material impact on the condensed consolidated financial statements of the Group.

3. REVENUE AND SEGMENT INFORMATION

	Six months ended 30 September	
	2010	2009
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Time charter income	**14,348**	19,359
Service income	**2,453**	3,538
	16,801	22,897

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 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 following is an analysis of segment revenue and segment results from the operation of the vessels on a combined basis that reported internally to the chief operating decision maker and reconciled to the Group's consolidated revenue and results.

For the six months ended 30 September 2010

	Operating segment	**Reconciliation**	**Consolidated**
	US$'000	***US$'000***	***US$'000***
Revenue			
Time charter income	**14,348**	—	**14,348**
Service income	**2,453**	—	**2,453**
Total	**16,801**	—	**16,801**
Gross profit	**5,560**	—	**5,560**
Other income	**149**	—	**149**
General and administrative expenses	**(907)**	—	**(907)**
Other expenses	**(1,655)**	—	**(1,655)**
Finance costs	**(445)**	—	**(445)**
Segment results/profit before tax	**2,702**	—	**2,702**

For the six months ended 30 September 2009

	Operating segment *US$'000*	Reconciliation *US$'000* *(note)*	Consolidated *US$'000*
Revenue			
Time charter income	22,897	(3,538)	19,359
Service income	—	3,538	3,538
Total	22,897	—	22,897
Gross profit	11,478	1,256	12,734
Other income	48	258	306
General and administrative expenses	(72)	—	(72)
Other expenses	(38)	—	(38)
Finance costs	(856)	—	(856)
Segment results/profit before tax	10,560	1,514	12,074

Note: No reconciliation is presented in the current period as the internal report is prepared in accordance with the requirements of HKFRSs. The reconciliation adjustment reflected a lease classification from an operating lease to a finance lease with derecognition of the vessel and recognition of the finance lease receivable.

4. OTHER INCOME

	Six months ended 30 September	
	2010	2009
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Finance income	**72**	258
Others	**77**	48
	149	306

5. FINANCE COSTS

	Six months ended 30 September	
	2010	2009
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Interest on bank loans		
— wholly repayable within five years	**81**	199
— not wholly repayable within five years	**321**	614
Loan arrangement fee	**43**	43
	445	856

6. INCOME TAX EXPENSES

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit during the six months ended 30 September 2010 and 2009.

7. PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2010	2009
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Allowance for doubtful debts	**—**	38
Depreciation of property, plant and equipment	**5,647**	5,350
Drydocking expenses	**996**	—
Listing expenses	**1,655**	—

8. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2010 (1.4.2009 to 30.9.2009: Nil).

9. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period and on the basis of 640,000,000 ordinary shares issued pursuant to the Corporate Reorganisation that is deemed to have become effective on 1 April 2009.

No diluted earnings per share has been presented for both periods as the Company has no potential ordinary shares outstanding during both periods.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

The Group incurred no additions to property, plant and equipment during the six months ended 30 September 2010 (1.4.2009 to 30.9.2009: Nil).

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENT

Time charter income is prepaid in advance by charterers. Trade receivables disclosed below are amounts past due at the end of the reporting period for which the Group has not recognised an impairment loss. The Group does not hold any collateral over these balances.

The following is an analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	30 September 2010	31 March 2010
	US\$'000	*US\$'000*
	(Unaudited)	(Audited)
Trade receivables		
0 to 30 days	**90**	1
31 to 365 days	**549**	173
Over 365 days	**—**	29
	639	203
Other receivables and prepayment	**1,288**	652
	1,927	855

12. RESTRICTED BANK DEPOSITS/PLEDGED BANK DEPOSITS

The restricted bank deposits represent minimum deposits to be maintained throughout the terms of the bank loans.

The pledged bank deposits have been placed in designated banks as part of the securities provided for long-term bank loans granted to the Group. However, the balances can be withdrawn by the Group from time to time and so classified as current assets.

13. OTHER PAYABLES AND ACCRUALS

	30 September 2010	31 March 2010
	US\$'000	*US\$'000*
	(Unaudited)	(Audited)
Other payables and accruals	**1,641**	917
Receipt in advances from charterers	**2,433**	3,037
	4,074	3,954

14. BANK LOANS

	30 September 2010 *US$'000* **(Unaudited)**	31 March 2010 *US$'000* (Audited)
Bank loans	**40,750**	46,900
Loan arrangement fee	**(382)**	(425)
	40,368	46,475
Bank loans are repayable as follows:		
On demand or within one year	**8,315**	12,215
More than one year, but not exceeding two years	**7,192**	7,923
More than two years, but not exceeding five years	**6,407**	6,857
Over five years	**18,454**	19,480
	40,368	46,475
Less: Amounts due within one year shown under current liabilities	**(8,315)**	(12,215)
Amounts due after one year	**32,053**	34,260

The bank loans are secured over the vessels held by the Group and the corporate guarantee provided by the Company. During the period, the Group made repayment of bank loans amounting to US$6,150,000 (1.4.2009 to 30.9.2009: US$12,150,000).

15. SHARE CAPITAL

The following changes in the share capital of the Company took place during the period from 21 April 2010 (date of incorporation) to 30 September 2010:

	Notes	**Number of shares at HK$0.01 per share**	**Amount** *HK$'000*
Authorised:			
At 21 April 2010 (date of incorporation)	a	38,000,000	380,000
Increase in authorised share capital	b	962,000,000	9,620,000
At 30 September 2010		1,000,000,000	10,000,000
Issued:			
Allotted and issued on 21 April 2010	a	1	—
Issue of shares upon completion of Corporate Reorganisation on 13 September 2010	b	499	5
At 30 September 2010		500	5
			US$'000
Shown in the condensed consolidated financial statements (amount less than US$1,000)			—

Notes:

a. The Company was incorporated on 21 April 2010 with an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each. On the same date, one subscriber share was issued.

b. On 13 September 2010, the authorised share capital of HK$380,000 was increased by HK$9,620,000 divided into 962,000,000 shares, of which 499 shares were allotted and issued on the same date. These new shares rank pari passu in all respects with the existing shares.

The share capital at 31 March 2010 as shown in the condensed consolidated statement of financial position represented the aggregate issued share capital of the companies now comprising the Group.

16. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to banks as securities against banking facilities granted to the Group:

	30 September 2010	31 March 2010
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**119,725**	125,372
Pledged bank deposits	**6,783**	5,695
	126,508	131,067

17. RELATED PARTY TRANSACTION

During the period, the Group has entered into the following related party transactions:

	Six months ended 30 September	
	2010	2009
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Agency fee paid to a related company	**47**	148
Rental expenses paid to a related company	**82**	—

The related companies are companies in which Mr. Yan and Ms. Lam, the directors and ultimate controlling shareholders of the Company have beneficial interests.

The agency fee paid to a related company is ceased after 10 June 2010.

18. OPERATING LEASE COMMITMENTS

The Group as lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	30 September 2010	31 March 2010
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Within one year	**9,678**	3,601
In the second to fifth year inclusive	**21,592**	—
	31,270	3,601

In addition, the Group entered into an arrangement in respect of service rendered to a charterer for a period of 60 months commencing from 4 December 2008 at a daily rate of US$19,300 until 31 March 2009 and US$18,630 for the rest of the period.

The Group as lessee

The outstanding commitments for future minimum lease payments under a non-cancellable operating lease are as follows:

	30 September 2010	31 March 2010
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Within one year	**267**	—
In the second to fifth year inclusive	**401**	—
	668	—

Operating lease payments represent rentals payable by the Group for its office property. The lease is negotiated for a term of 2 years and 9 months.

19. EVENTS AFTER THE END OF THE REPORTING PERIOD

The following significant events took place subsequent to 30 September 2010:

(a) Pursuant to the written resolutions passed by sole shareholder of the Company dated 13 September 2010, the authorised share capital was increased to HK$10,000,000 (equivalent to US$1,282,000). The directors of the Company were authorised to capitalise an amount of HK$6,399,995 (equivalent to US$821,000) standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 639,999,500 ordinary shares of HK$0.01 each of the Company for allotment and issue to the shareholder of the Company on the register of members of the Company on 13 September 2010, conditional on the share premium account being credited as a result of the issue of shares by the Company pursuant to the public offer and the placing ("Share Offer"). On 8 October 2010, the directors of the Company allotted and issued such shares as aforesaid and gave effect on the capitalisation issue. The Company had capitalised the above amount to the share premium account after 30 September 2010.

(b) On 8 October 2010, 160,000,000 ordinary shares of HK$0.01 each of the Company were issued at a price of HK$1.13 per share by way of Share Offer. On 11 October 2010, the Company's shares were listed on the Main Board of the Stock Exchange. An amount of HK$1,600,000 (equivalent to US$205,000), representing the par value of the shares of the Company, was credited to the Company's share capital amount. The remaining proceeds of HK$179,200,000 (equivalent to US$22,974,000), before issuing expenses, were credited to share premium account.

(c) On 12 October 2010, over-allotment option was exercised in full. A further 30,000,000 shares of HK$0.01 each were issued at HK$1.13 per share on 14 October 2010 pursuant to such exercise. The additional net proceeds received by the Company upon issue and allotment of the over-allotment shares are approximately HK$32.5 million (equivalent to US$4.2 million).

(d) On 25 October 2010, a subsidiary of the Company entered into an agreement with an independent third party to acquire a vessel at a purchase price of US$46,000,000. Details of the acquisition are set out in the Company's announcement dated 25 October 2010 and in its circular to shareholders dated 15 November 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

Market review

For the dry bulk freight market in the second and third quarter of 2010, due to the slow recovery of the world economy, different extents of increase in the international trading volume and the dry bulk marine transportation volume as well as the effects of a greater volume of usage and delivery of new vessels and seasonal factors, the Baltic Dry Index showed a trend of eventual decrease following its initial increase during the period under review.

The Baltic Dry Index varied from 2,991 points as at 1 April 2010 to 2,446 points as at 30 September 2010, averaging 2,815 points in the period. The average index in each of the second and third quarters was 3,307 points and 2,353 points respectively. Among the three major types of cargoes for dry bulk vessels, the trading volume of coal is expected to achieve a year-on-year growth of about 12% for the year ending 31 December 2010, according to market statistics. Meanwhile, the trading volume of iron ore is also estimated to achieve a year-on-year growth of approximately 8%.

In actual operation, however, there was a relatively large fluctuation in the trading volume of iron ore compared with other dry bulk cargoes during the period under review, which was resulted from the bargaining between Chinese steel factories and suppliers on the price of iron ore. Thus changes in the trading volume of iron ore had exerted a relatively large impact on the freight market for dry bulk vessels (particularly to large vessels such as capesize dry bulk vessels). This could be seen from the about 2.48 times difference between the peak and trough of the Baltic Dry Index during the period under review from April to September 2010 as compared to that of about 3.33 times in the Baltic Capesize Index during the same period. With factors such as a slowing effect on the economies in Eurozone countries resulting from the European sovereign debt issue and the PRC government's effort in suppressing property bubbles which resulted in the decrease in demand of iron ore, the dry bulk freight market in the second and third quarter for the year faced various uncertainties.

Business review

The Group's vessels maintained consistently good operational status throughout the second and third quarters of 2010. Other than GREAT HARVEST which was off-hired during August and September 2010 due to scheduled dry-docking during the period under review, the Group's other vessels have achieved operational rate of approximately 100%. The average daily TCE of the Group's fleet was about US$24,000 per day during the period under review.

Into the second quarter of 2010, the Group secured short term time charters with higher charter rates for two of the vessels in the Group's fleet by utilizing the opportunity of the increase in the spot market rate, which enabled the Group's fleet to maintain its charter income at a level higher than the average spot market rate despite the cyclical slump of spot rate in the third quarter. The Group's vessels also maintained good business relations with their charterers through the Group's high quality transportation services. Accordingly, the Directors are pleased to advise that two of the Group's vessels have renewed charters on time charter basis with their existing charterers during the period under review.

Outlook

Whilst the fourth quarter will, as in each year, be the seasonal peak of dry bulk spot market, the changes in freight market are still affected by various factors, including:

— Favourable factors:

- Growth in trade volume and growth in demand for marine transportation driven by economic growth;
- Increase in ballast voyage distance due to changes in the pattern of demand for marine transportation;
- Increase in demand for coal transportation from the Northern Hemisphere in winter; and
- Increase in demand for grains transportation from newly harvested grains.

— Unfavourable factors:

- Rapid expansion of the world's dry bulk fleet due to delivery and use of new-building dry bulk vessels;
- Sluggish demand or negative growth in demand for import of iron ore in China under the Chinese government's implementation of austerity measures to curb over-heating of the economy and the real estate market;
- Impact on and fluctuation in trade volume and marine transportation volume resulting from unstable economic conditions worldwide;
- Impact on and fluctuation in demand for iron ore marine transportation resulting from the tug-of-war between iron ore importers in China and global iron ore exporters for the pricing power on iron ore; and
- Impact of the new US energy policy on the export volume of corns, a major dry bulk commodity for the marine transportation industry.

The world's hire rate for marine transportation services is also under pressure. The world's one-year time charter daily rate for capesize and panamax dry bulk vessels averaging from about US$107,000 and US$52,000, respectively, in the year 2007, and about US$112,000 and US$56,000, respectively, in the year 2008, dropped to about US$33,000 and US$18,000, respectively, in the year 2009, and about US$34,250 and US$25,250, respectively, in June 2010. Given the total capacity of dry bulk vessels ordered but yet to be delivered as at 1 March 2010 amounted to about 286.4 million dwt, representing about 62.3% of the world dry bulk vessel capacity as at 31 December 2009, while the global economy has continued to suffer a prolonged recession and downturn, resulting in a decrease in demand for marine transportation services, the Group's as well as the international hire rate for marine transportation services may continue to be subject to pressure, and there is no assurance that the hire rate for marine transportation services can rebound to its peak during the years 2007 and 2008.

Besides, the Directors note that the total amount of Chinese seaborne imports of iron ore for each of the three months ended 30 June 2010 had recorded a month-on-month decline, which the Directors understand, was attributable to the slowing down in domestic demand of steel in the PRC and the continuing increase in the import price for iron ore. Chinese demand for imported iron ore from overseas suppliers has been one of the key factors affecting the world's demand for dry bulk vessel capacity. There is uncertainty as to whether Chinese demand for imported iron ore will continue to decline, and whether the world's demand for dry bulk vessel capacity going forward will accordingly be adversely affected. If the global economy and the international and regional trade continue to slowdown, or the demand for marine transportation services continue to decline for whatever reasons, or the demand fails to match the expected increase in the marine transportation capacity, the profitability of the Group may continue to decline in the near future.

However, with the gradual elimination of the aforementioned uncertainties, going forward, the sustainable growth of the global economy and global trading volume will support a relatively reasonable level of demand for marine transportation and dry bulk freight rates, and thus the market may gradually cope with a relatively large volume of new vessel deliveries. At the same time, factors such as increase in the ballast voyage distance for vessels resulting from the imbalance of trade between the East and the West and demurrage of vessels in major coal loading ports may relieve the pressure off the market freight rates to different extents, which is caused by a large amount of usage and delivery of new vessels.

Taking into account all the factors above, the recent freight market will remain neutral and there will not be material increase in the spot rate apart from the cyclical changes due to seasonality of the market in the fourth quarter, but the freight price would have greater support if it falls below the average rate. The operating strategy of the Group's fleet is to continue to capture bigger operating revenue by way of short term time charter.

On 25 October 2010, the Group entered into an agreement for acquisition of one newly-built secondhand panamax dry bulk vessel with an expected carrying capacity of about 74,900 dwt at a consideration of US$46 million. As disclosed in the prospectus of the Company dated 27 September 2010 in relation to the initial public offering of the Shares, it is one of the Group's plans to expand the size of the Group's fleet by acquiring more modern secondhand panamax dry bulk vessels to cope with the demand of the Group's marine transportation services from time to time in the future.

Further details in relation to the acquisition of the vessel has been set out in the Company's announcement dated 25 October 2010 and in its circular dated 15 November 2010.

Financial review

Revenue

Revenue of the Group decreased from about US$22.9 million for the period ended 30 September 2009 to about US$16.8 million for the period ended 30 September 2010, representing a decrease of about US$6.1 million, or about 26.6%. It comprised of about US$14.3 million of time charter income (constituted about 85.4% of the revenue of the Group) and about US$2.5 million of service income (constituted about 14.6% of the revenue of the

Group) for the period under review. Such decrease was mainly attributable to the decrease in average Daily TCE of the Group's fleet from about US$31,000 for the six months ended 30 September 2009 to about US$24,000 for the six months ended 30 September 2010.

Cost of services

Cost of services of the Group increased from about US$10.2 million for the six months ended 30 September 2009 to about US$11.2 million for the six months ended 30 September 2010, representing an increase of about US$1 million or about 10.6%. The increase of cost of services was mainly due to the dry-docking expenses of GREAT HARVEST.

Gross profit

Gross profit of the Group decreased from about US$12.7 million for the six months ended 30 September 2009 to about US$5.6 million for the six months ended 30 September 2010, representing a decrease of about US$7.1 million or about 56.3%, while the gross profit margin decreased from about 55.6% for the six months ended 30 September 2009 to about 33.1% for the six months ended 30 September 2010. The decrease in gross profit margin of the Group was attributable to (i) the decrease in gross profit derived from the time charter segment due to the decrease in average Daily TCE of the Group's vessels; and (ii) the increase of cost of services due to the dry-docking expenses of GREAT HARVEST.

Other income

Other income of the Group decreased from about US$0.3 million for the six months ended 30 September 2009 to about US$0.1 million for the six months ended 30 September 2010, representing a decrease of about US$0.2 million, or about 51.3% mainly due to the decrease in the Group's finance income by about US$0.2 million.

General and administrative expenses

General and administrative expenses of the Group increased from about US$0.07 million for six months ended 30 September 2009 to about US$0.91 million for the six months ended 30 September 2010, representing an increase of about US$0.84 million or about 1,160%, mainly due to the expenses incurred by Union Apex Mega Shipping Limited, a wholly-owned subsidiary of the Company, which is engaged in the administrative works for all the operation and commercial activities of our operating subsidiaries.

Other expenses

Other expenses of the Group increased from about US$0.04 million for six months ended 30 September 2009 to about US$1.66 million for the six months ended 30 September 2010, representing an increase of about US$1.62 million or about 4,255%, mainly due to the listing expenses incurred for the purpose of the listing of the Company on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Finance costs

Finance costs of the Group decreased from about US$0.9 million for the six months ended 30 September 2009 to about US$0.4 million for the six months ended 30 September 2010, representing a decrease of about US$0.5 million or about 48.0%. Such decrease was mainly attributable to the repayment of the principal amount of the Group's bank loans.

Profit

Profit for the period of the Group decreased from about US$12.1 million for the six months ended 30 September 2009 to about US$2.7 million for the six months ended 30 September 2010, representing a decrease of about US$9.4 million, or about 77.6%. Such decrease was mainly due to (i) the decrease in gross profit of about US$7.1 million; (ii) the increase in general and administrative expenses of about US$2.5 million.

Liquidity, financial resources, capital structure and gearing ratio

As at 30 September 2010, the Group's bank balances and cash amounted to about US$0.6 million (as at 31 March 2010: about US$0.5 million), of which about 81.6% were denominated in US$ and the balance were denominated in various currencies. Outstanding bank loans amounted to about US$40.4 million (as at 31 March 2010: about US$46.5 million), of which 100% (as at 31 March 2010: 100%) were denominated in US$.

As at 30 September 2010 and 31 March 2010, the Group had a gearing ratio (being the bank loans of the Group divided by the total assets of the Group) of about 30.2% and 34.0% respectively. The decrease in gearing ratio as at 30 September 2010 was mainly due to the repayment of bank loans and the depreciation of the Group's vessels during the period under review.

Net current liabilities of the Group decreased from about US$22.8 million for the six months ended 30 September 2009 to about US$3.1 million for the six months ended 30 September 2010, representing a decrease of about US$19.7 million, or about 86.5%. Such decrease was mainly due to (i) the capitalization of loan due to Mr. Yan Kim Po and Ms. Lam Kwan under the reorganization of the Group for the purposes of the listing of the Company on the Main Board of the Stock Exchange; (ii) the repayments of bank loans by the Group.

The Group's capital expenditure commitments as at date of this announcement were mainly related to the acquisition of a newly-built secondhand panamax size dry bulk vessel with an expected carrying capacity of about 74,900 deadweight tonnage at a purchase price of US$46 million which will be financed as to US$26 million by bank financing, and the balance of the purchase price to be funded by internal resources of the Group, including the net proceeds received by the Group from its initial public offering completed in October 2010. Please refer to the Company's announcement dated 25 October 2010 and its circular to the Shareholders of the Company dated 15 November 2010 for further details in relation to the acquisition of the new vessel by the Group.

The Directors are of the opinion that after taking into account the cash flow generated from the Group's operating activities, the existing financial resources available to the Group including internally generated funds, and the proceeds of the initial public offering of the shares of the Company completed in October 2010, the working capital available to the Group is sufficient for the Group's requirements.

Significant investments held, material acquisitions and disposal of subsidiaries, and future plans for material investments or capital assets

On 25 October 2010, the Group entered into an agreement to acquire a secondhand panamax size dry bulk vessel then under construction with expected carrying capacity of about 74,900 deadweight tonnage at a purchase price of US$46 million which will be financed as to US$26 million by bank financing and the remaining balance by the net proceeds received by the Group from its initial public offering of the Shares completed in October 2010.

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

As at 30 September 2010, the Group recorded outstanding bank loans of about US$40.4 million. The bank loans, namely the First Loan and the Second Loan, 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") and Great Ocean Shipping Limited ("Great Ocean") respectively;
- Assignment of the charter-hire income and insurance in respect of the vessels held by Bryance Group, Joy Ocean and Great Ocean respectively;
- Charges over shares of each of Bryance Group, Joy Ocean and Great Ocean.

The above bank loans were provided to the Group on the conditions that, inter alia, Mr. Yan, Ms. Lam and/or any company controlled by them shall jointly hold at least 51% (for the First Loan only) and at least 65% (for the Second Loan only) shareholding interests in the Company respectively. Moreover, in relation to the Second Loan, it will be an event of default if any two of Mr. Yan, Ms. Lam and Mr. Cao Jiancheng cease to be the executive Directors without the lender's consent.

In November 2010, the Group has been granted a term loan from a bank for the principal amount of up to US$26 million to finance the acquisition of a new vessel as set out under "Significant investments held, material acquisitions and disposal of subsidiaries, and future plans for material investments or capital assets" above and in the Company's announcement dated 25 October 2010 and its circular to the shareholders of the Company dated 15 November 2010. The bank loan was provided to the Group on the conditions that, inter alia, Mr. Yan Kim Po and Ms. Lam Kwan shall during the term of the loan ultimately hold not less 51% of the issued share capital in the Company. 70% of the principal amount of the bank loan shall be repayable in full 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.

Save as disclosed above, the Directors have confirmed that, as at the date of this announcement, there are no other circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

Charges on assets

Details of the charges on Group's assets as at 30 September 2010 were set out in Note 16 to the unaudited interim financial statements.

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 2010, 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 2010.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended 30 September 2010 (Dividend for the six months ended 30 September 2009: US$Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

As the Shares were listed after 30 September 2010, 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 2010.

EMPLOYEES

As at 30 September 2010, the Group had employed a total of 101 employees (as at 31 March 2010: 91 employees). It is the Group's policy to remunerate its employees according to the relevant market situation, and accordingly the Group's employees' remuneration level 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.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions set forth in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules.

As the Shares have only been listed on the Stock Exchange on 11 October 2010, the CG Code was not applicable to the Company during the six months ended 30 September 2010.

However, none of the Directors is aware of any information that would reasonably indicate that the Company or its Directors is not or was not, for any part of the period between the date of the Listing and the date of this announcement, in due compliance with the code provisions of the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") regarding securities transactions by its Directors.

As the Shares have only been listed on the Stock Exchange on 11 October 2010, the Model Code was not applicable to the Company during the six months ended 30 September 2010.

However, the Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code. All the Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the period commencing 11 October 2010 (being the date on which the shares of the Company first commenced dealings on the Stock Exchange) to the date of this announcement.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Board has reviewed the unaudited interim results of the Group for the six months ended 30 September 2010.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkex.com.hk and on the Company's website at www.greatharvestmg.com. The interim report for the six months ended 30 September 2010 of the Group will also be published on the aforesaid websites in due course.

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

Hong Kong, 27 November 2010

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.