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 Report 2010

Contents

Glossary

"Ablaze Rich"	Ablaze Rich Investments Limited (耀豐投資有限公司), a company incorporated in the BVI on 1 July 2008 and the holding company of the Company
"Audit Committee"	the audit committee of the Board
"Baltic Capesize Index"	an index of the shipping prices of capesize vessels made up of 10 daily capesize vessel assessments including voyage and time charter rates published by the Baltic Exchange in London
"Baltic Dry Index"	an index of the daily average of international shipping prices of various dry bulk cargoes made up of 20 key dry bulk routes published by the Baltic Exchange in London
"Baltic Panamax Index"	an index of shipping prices of panamax vessels made up of 4 daily panamax vessel assessments of time charter rates published by the Baltic Exchange in London
"Board"	the board of Directors
"Bryance Group"	Bryance Group Limited, a company incorporated in the BVI on 28 September 2006 and a wholly-owned subsidiary of the Company
"BVI"	the British Virgin Islands
"CG Code"	the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules
"Company"	Great Harvest Maeta Group Holdings Limited (榮豐聯合控股有限公司), an exempted company incorporated in the Cayman Islands on 21 April 2010 under the Companies Laws, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands with limited liability
"Daily TCE"	an acronym for daily time charter equivalent, a standard industry measurement of the average daily revenue performance of a vessel. The TCE is calculated by dividing the voyage revenues (net of expenses such as port, canal and bunker costs) by the available days (being the number of days that the vessel was operated by the Group during the charter period minus days without charter hire due to repair and maintenance and between two charter periods and days agreed with the charterers due to the speed claims or any other reasonable claims arising from the under-performance of the vessel) for the relevant time period

"Director(s)"	director(s) of the Company
"First Loan"	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$30 million thereof shall be repaid by 16 quarterly instalments, commencing 3 months from 9 January 2008
"Great Ocean"	Great Ocean Shipping Limited (浩洋船務有限公司), a company incorporated in the BVI on 29 September 2006 and a wholly-owned subsidiary of the Company
"Greater Shipping"	Greater Shipping Co., Ltd. (榮達船務有限公司), a company incorporated in the BVI on 31 May 2002 and a wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"HK$" and "HK cents"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Joy Ocean"	Joy Ocean Shipping Limited (悦洋船務有限公司), a company incorporated in the BVI on 21 October 2004 and a wholly-owned subsidiary of the Company
"Listing"	the listing of the Shares on the Main Board
"Listing Date"	the date on which trading of the Shares on the Main Board first commenced on 11 October 2010
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market operated by the Stock Exchange, which excludes Growth Enterprises Market of the Stock Exchange and the options market
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix 10 of the Listing Rules
"Mr. Yan"	Mr. Yan Kim Po (殷劍波先生), the chairman of the Board, an executive Director and the husband of Ms. Lam

"Ms. Lam"	Ms. Lam Kwan (林群女士), the chief executive officer of the Company, an executive Director and the wife of Mr. Yan
"PRC" or "China"	the People's Republic of China which, for the purposes of this report only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Second Loan"	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 3 months from 11 February 2008
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	share(s) of HK$0.01 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Union Apex"	Union Apex Mega Shipping Limited (聯合佳成船務有限公司), a company incorporated in Hong Kong on 2 December 2009 and a wholly-owned subsidiary of the Company
"US"	the United States of America
"US$" and "US cents"	United States dollars and cents, respectively, the lawful currency of the US

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. YAN Kim Po (殷劍波) *(Chairman)*
Ms. LAM Kwan (林群)
(Chief Executive Officer)
Mr. CAO Jiancheng (曹建成)

Independent non-executive Directors

Mr. CHEUNG Kwan Hung (張鈞鴻)
Mr. CHAN Chung Bun, Bunny (陳振彬)
Mr. WAI Kwok Hung (韋國洪)

AUDIT COMMITTEE

Mr. CHEUNG Kwan Hung (張鈞鴻)
(Chairman of audit committee)
Mr. CHAN Chung Bun, Bunny (陳振彬)
Mr. WAI Kwok Hung (韋國洪)

REMUNERATION COMMITTEE

Mr. YAN Kim Po (殷劍波)
(Chairman of remuneration committee)
Mr. CHEUNG Kwan Hung (張鈞鴻)
Mr. CHAN Chung Bun, Bunny (陳振彬)

NOMINATION COMMITTEE

Mr. YAN Kim Po (殷劍波)
(Chairman of nomination committee)
Mr. CHAN Chung Bun, Bunny (陳振彬)
Mr. WAI Kwok Hung (韋國洪)

COMPANY SECRETARY

Mr. LAU Ying Kit (劉英傑)
Certified Public Accountant

AUTHORISED REPRESENTATIVES

Mr. CAO Jiancheng (曹建成)
Mr. LAU Ying Kit (劉英傑)
Ms. LAM Kwan (林群)
(alternate to the authorised representatives)

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

12th Floor
200 Gloucester Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

COMPLIANCE ADVISER

Haitong International Capital Limited

AUDITORS

Deloitte Touche Tohmatsu

LEGAL ADVISERS

As to Hong Kong law:
Chiu & Partners

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
DVB Group Merchant Bank (Asia) Limited
HSH Nordbank AG
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation

STOCK CODE

3683

WEBSITE ADDRESS

www.greatharvestmg.com

Financial Highlights

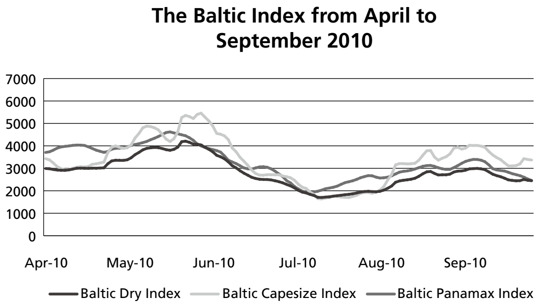
COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended 30 September (unaudited)		Year ended 31 March (audited)		
	2010	2009	**2010**	2009	2008
	US$'000	US$'000	**US$'000**	US$'000	US$'000
Revenue	**16,801**	22,897	**41,782**	52,203	34,577
Cost of services	**(11,241)**	(10,163)	**(21,159)**	(23,731)	(17,845)
Gross profit	**5,560**	12,734	**20,623**	28,472	16,732
Other income	**149**	306	**543**	355	778
General and administrative expenses	**(907)**	(72)	**(269)**	(622)	(513)
Other expenses	**(1,655)**	(38)	**(177)**	(941)	—
Finance costs	**(445)**	(856)	**(1,361)**	(3,641)	(3,513)
Profit before tax	**2,702**	12,074	**19,359**	23,623	13,484
Income tax expenses	**—**	—	**—**	—	—
Profit for the period/year and total comprehensive income for the period/year, attributable to owners of the Company	**2,702**	12,074	**19,359**	23,623	13,484

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 was 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.

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 remaining 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.

Subsequent to 30 September 2010, the Group's capital expenditure commitments 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 has been 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

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 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, Joy Ocean and 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 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 and Ms. Lam 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 report, 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.

Other Information

LISTING OF SHARES OF THE COMPANY

The Shares of the Company have been successfully listed on the Main Board of the Stock Exchange on 11 October 2010. The total number of issued shares of the Company as at 11 October 2010 was 800,000,000 Shares.

Following the Listing, on 12 October 2010, the over-allotment option granted by the Company was exercised in full by Haitong International Securities Company Limited (formerly known as Taifook Securities Company Limited) and 30,000,000 over-allotment Shares were issued and allotted by the Company. Details of the exercise of the over-allotment option is set out in the Company's announcement dated 12 October 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).

OPERATING LEASE COMMITMENTS

Details of the Group's operating lease commitments as at 30 September 2010 were set out in Note 18 to the unaudited interim financial report.

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.

POST BALANCE SHEET EVENTS

Details of the Group's post balance sheet event subsequent to 30 September 2010 were set out in Note 19 to the unaudited interim financial report.

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 CG Code.

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 report, 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 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 report.

APPRECIATION

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

On behalf of the Board

Yam Kam Po
Chairman

Hong Kong, 27 November 2010

Board of Directors and Senior Management

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

BOARD OF DIRECTORS

Executive Directors

Mr. YAN Kim Po (殷劍波), aged 49, is the chairman of the Company, an executive Director and the co-founder of the Group. Mr. Yan is the spouse of Ms. Lam Kwan. Mr. Yan is primarily responsible for the operation of the Board and is the key decision-maker of the Group. He is responsible for the Group's overall strategic planning and the management and development of the Group's businesses. Mr. Yan is also a director of each of the subsidiaries of the Company, including Way Ocean Shipping Limited, a newly established wholly-owned subsidiary of the Company. Mr. Yan is an experienced entrepreneur and has more than 8 years of experience in the marine transportation industry and more than 10 years of experience in the investment, development, production, processing, operating and trading of mining and steel industry. Mr. Yan was appointed as Justice of Peace in 2010 and was granted a Doctor of Philosophy Honoris Causa from Lansbridge University, Canada in 2010. He is currently a director of Adex Mining Inc. (TSXV Stock code: ADE), a company listed on the TSX Venture Exchange in Canada. He is also a fellow of the Hong Kong Institute of Directors and the chairman of the Hong Kong Energy and Minerals United Associations. He is also active in social affairs and was appointed as the Honorary President of the Junior Police Call, the Honorary President of the Fire Safety Ambassador Club, the Honorary Vice-President of the Hong Kong Police Basketball Club and a member of the Friends of the Community Chest Shatin District Committee.

Ms. LAM Kwan (林群), aged 42, is the chief executive officer of the Company, an executive Director and the co-founder of the Group. Ms. Lam is the spouse of Mr. Yan Kim Po. Ms. Lam is primarily responsible for the Group's day-to-day management and overall business operations as well as its finance and administrative management. She is also a director of each of the subsidiaries of the Company, including Way Ocean Shipping Limited, a newly established wholly-owned subsidiary of the Company. Ms. Lam has more than 8 years of experience in the marine transportation industry. Ms. Lam is currently a director of Adex Mining Inc. (TSXV Stock code: ADE), a company listed on the TSX Venture Exchange in Canada. She is also the director of Pok Oi Hospital and a fellow of the Hong Kong Institute of Directors. She graduated from Dongbei University of Finance and Economics in 1990 with a bachelor degree in English for Finance in the Department of Foreign Language for Finance.

Mr. CAO Jiancheng (曹建成), aged 54, is an executive Director. Mr. Cao is responsible for the Group's overall operational management. Mr. Cao has more than 28 years of experience in the marine transportation industry. Mr. Cao has been a captain of ocean-going cargo ships since around 1982. He had worked for 廣州海順船務有限公司 (Guangzhou Hai Shun Shipping Corporation) as a captain from 1985 to 1989. Mr. Cao also worked for Hong Kong Ming Wah Shipping Company Limited from 1989 to 2000 as an operator, chartering member, deputy manager, manager and vice-president during that period. Prior to joining in 2002, he held management position as a manager at Valles Steamship Company Limited. Mr. Cao completed the training course for international shipping professional education and obtained a certificate of completion from 上海海運學院 (Shanghai Maritime Institute) in December 1991 through long distance learning, and graduated from Murdoch University with a Master degree of Business Administration in March 1999. Mr. Cao had also been a captain as recognised by the Maritime Affairs Inspection Bureau of the PRC, the Directorate General of Consular and Maritime Affairs of The Republic of Panama and the Bureau of Maritime Affairs of the Ministry of Transport of The Republic of Liberia.

Independent non-executive directors

Mr. CHEUNG Kwan Hung (張鈞鴻), aged 59, is an independent non-executive Director. Mr. Cheung obtained a Higher Diploma in Accountancy from the Hong Kong Polytechnic in 1978, and is a qualified accountant in both United Kingdom and Hong Kong. Mr. Cheung has been in the investment banking, corporate management and consultancy profession for over 18 years. He was previously a director of Pacific Capital (Holdings) Limited and Pacific Capital (Asia) Limited in early 1990s. Mr. Cheung was also a director and general manager of PCL Enterprises Holdings Limited (currently known as PacMos Technologies Holdings Limited (Stock Code: 1010)), a company listed on the Main Board of the Stock Exchange and an independent non-executive director of Ruyan Group (Holdings) Limited (Stock Code: 329), a company listed on the Main Board of the Stock Exchange. Mr. Cheung is currently an independent non-executive director of three companies listed on the Main Board of the Stock Exchange, namely PetroAsian Energy Holdings Limited (Stock Code: 850), V.S. International Group Limited (Stock Code: 1002), and NewOcean Energy Holdings Limited (Stock Code: 342), and Mobile Telecom Network (Holdings) Limited (Stock Code: 8266) which is listed on the Growth Enterprise Market of the Stock Exchange.

Mr. CHAN Chung Bun, Bunny (陳振彬), aged 52, is an independent non-executive Director. Mr. Chan has more than 28 years of experience in commerce and is currently the chairman of Prospectful Holdings Limited. Mr. Chan is active in community affairs in Hong Kong and is currently the chairman of Kwun Tong District Council of Hong Kong and has been appointed as the chairman of the Commission on Youth of Hong Kong for a term of two years commencing from 1 April 2009. He is also an independent non-executive director of Li Ning Company Limited (stock code: 2331). Mr. Chan was appointed as Justice of Peace in 2002 and was awarded the Bronze Bauhinia Star medal in 2004 and Silver Bauhinia Star medal in 2009 by the Government of Hong Kong. Mr. Chan was awarded the title of Honorary University Fellow by the Open University of Hong Kong in 2008.

Mr. WAI Kwok Hung (韋國洪), aged 56, is an independent non-executive Director. Mr. Wai has been the independent director of a Hong Kong listed company, Town Health International Investments Limited (Stock code: 3886) since July 2002. He is active in the affairs of the Shatin community and is currently the chairman of the Shatin District Council of Hong Kong and the vice-president of Shatin Sports Association Limited. Mr. Wai was appointed as Justice of Peace in July 2002 and was awarded the Silver Bauhinia Star medal in 2008 by the government of Hong Kong.

SENIOR MANAGEMENT

Mr. SUNG Lik Man (宋力文), aged 38, is the vice general manager of the Group. Mr. Sung is responsible for the Group's overall operational management. He obtained his bachelor's degree in Maritime Management from Dalian Maritime University in July 1995. Mr. Sung has over 10 years of experience in the marine transportation industry and he joined the Group in June 2010 as the vice general manager of Union Apex. Before joining Union Apex, Mr. Sung was the chartering manager of Million Miles from March 2003 to June 2010. Before joining Million Miles, Mr. Sung also worked for COSCO (Hong Kong) Shipping Co., Ltd., a subsidiary of China COSCO Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1919) from February 2000 to February 2003.

Mr. LAU Ying Kit (劉英傑), aged 36, is the chief financial officer and company secretary of the Company. Mr. Lau is responsible for the oversight of the Group's financial and accounting operations, and company secretarial and internal control function. Mr. Lau is a member of the Hong Kong Institute of Certified Public Accountants and holds a Master degree in Finance from the City University of Hong Kong. Mr. Lau gained extensive experience in auditing, accounting and financing across the PRC and Hong Kong over 10 years. Prior to joining the Group, Mr. Lau has worked as the chief financial officer and company secretary in several listed companies in Hong Kong. He is currently also an independent non-executive director of Kingdom Holdings Limited (Stock Code: 528), a company listed on the Main Board of the Stock Exchange.

Disclosure of Interests

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The Company was listed on the Stock Exchange on 11 October 2010. No disclosure of interests or short positions of any Directors and/or chief executives of the Company in any shares or underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) were required to be made to the Company under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) as of 30 September 2010.

As at 21 December 2010, being the latest practicable date for the purposes of this report, the interests and short positions of the Directors and/or the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she was taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

Long positions in Shares of the Company:

Name of Director	Capacity and nature of interest	Number and class of securities held	Approximate percentage of interest (%)
Mr. Yan	Interest in a controlled corporation	601,155,000 Shares	72.43%
Ms. Lam	Interest in a controlled corporation	601,155,000 Shares	72.43%

Note: These 601,155,000 Shares were held by Ablaze Rich, the entire issued share capital of which was owned as to 51% by Mr. Yan and as to 49% by Ms. Lam, who were also directors of Ablaze Rich. Each of Mr. Yan and Ms. Lam was deemed to be interested in the Shares held by Ablaze Rich by virtue of the SFO.

Long positions in shares of an associated corporation:

Name of Director	Name of associated corporation	Capacity and nature of interest	Number and class of securities held	Approximate percentage of interest (%)
Mr. Yan	Ablaze Rich	Beneficial owner	10,200 ordinary shares	51.00%
Ms. Lam	Ablaze Rich	Beneficial owner	9,800 ordinary shares	49.00%

Save as disclosed above, as at 21 December 2010, being the latest practicable date for the purposes of this report, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WITH INTERESTS IN THE COMPANY WHICH ARE DISCLOSEABLE UNDER SECTION 336 OF PART XV OF THE SFO

The Company was listed on the Stock Exchange on 11 October 2010. No disclosure of interests or short positions of in any Shares or underlying Shares of the Company were required to be made to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) as of 30 September 2010.

As at 21 December 2010, being the latest practicable date for the purposes of this report, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had or was deemed or taken to have an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of shareholder	Company/name of the Group member	Capacity and nature of interest	Number and class of securities held	Approximate percentage of interest (%)
Ablaze Rich	The Company	Beneficial owner	601,155,000 Shares (L)	72.43%

Note: The letter "L" denotes the person's long position in the Shares of the Company or the relevant Group member.

Save as disclosed above, as at 21 December 2010, being the latest practicable date for the purposes of this report, so far as is known to the Directors, there was no other person (other than the Director or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Audit Committee Report

The Audit Committee of the Board has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the unaudited condensed consolidated financial information for the six months ended 30 September 2010. In carrying out this review, the Audit Committee has relied on a review conducted by the Group's external auditor 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 and reports obtained from management. The Audit Committee has not undertaken detailed independent audit checks.

Members of the Audit Committee
Mr. CHEUNG Kwan Hung *(Chairman)*
Mr. CHAN Chung Bun, Bunny
Mr. WAI Kwok Hung

Hong Kong, 27 November 2010

Report on Review of Interim Financial Information

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF
GREAT HARVEST MAETA GROUP HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 26 to 40, which comprises the condensed consolidated statement of financial position of Great Harvest Maeta Group Holdings Limited (the "Company") and its subsidiaries as of 30 September 2010 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period ended 30 September 2009 and the relevant explanatory notes disclosed in the interim financial information have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 November 2010

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2010

	NOTES	Six months ended 30 September 2010 US$'000 (Unaudited)	2009 US$'000 (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
		89,035	72,691
Capital and reserves			
Share capital	15	**—**	40
Reserves		**89,305**	72,651
Equity attributable to owners of the Company		**89,035**	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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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.

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

For the six months ended 30 September 2010

	Operating segment US$'000	Reconciliation US$'000	Consolidated 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 US$'000 (Unaudited)	31 March 2010 US$'000 (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 US$'000 (Unaudited)	31 March 2010 US$'000 (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

14. BANK LOANS (CONTINUED)

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$0.01 per share	Amount HK$
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.

15. SHARE CAPITAL (CONTINUED)

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 US$'000 (Unaudited)	31 March 2010 US$'000 (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 US$'000 (Unaudited)	2009 US$'000 (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 US$'000 (Unaudited)	31 March 2010 US$'000 (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 US$'000 (Unaudited)	31 March 2010 US$'000 (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.