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)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2011

The board (the "**Board**") of directors (the "**Directors**") of Great Harvest Maeta Group Holdings Limited (the "**Company**") is pleased to present the audited consolidated final results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	NOTES	**2011** *US$'000*	2010 *US$'000*
Revenue	*3*	**30,555**	41,782
Cost of services		**(21,251)**	(21,159)
Gross profit		**9,304**	20,623
Other income	*5*	**381**	543
General and administrative expenses		**(2,530)**	(269)
Listing expenses		**(1,863)**	—
Other losses		**(4)**	(177)
Finance costs	*6*	**(1,157)**	(1,361)
Profit before tax		**4,131**	19,359
Taxation	*7*	**—**	—
Profit for the year and total comprehensive income attributable to owners of the Company	*8*	**4,131**	19,359
Earnings per share			
Basic *(US cents)*	*10*	**0.57**	3.02

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	NOTES	**2011** *US$'000*	2010 *US$'000*
Non-current assets			
Property, plant and equipment		**159,534**	125,372
Finance lease receivable		**1,521**	1,373
Restricted bank deposits		**4,000**	3,000
		165,055	129,745
Current assets			
Trade receivables and prepayment	*11*	**3,292**	855
Pledged bank deposits		**3,598**	5,695
Bank balances and cash		**5,804**	461
		12,694	7,011
Current liabilities			
Other payables and accruals	*12*	**3,437**	3,954
Amounts due to directors		—	13,636
Bank loans — due within one year		**10,456**	12,215
		13,893	29,805
Net current liabilities		**(1,199)**	(22,794)
Total assets less current liabilities		**163,856**	106,951
Non-current liabilities			
Bank loans — due after one year		**47,208**	34,260
		116,648	72,691
Capital and reserves			
Share capital		**1,064**	40
Reserves		**115,584**	72,651
Equity attributable to owners of the Company		**116,648**	72,691

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

1. GENERAL INFORMATION

The Company was incorporated as an exempted company in the Cayman Islands with limited liability under the Companies Law, Chapter 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 ("Bryance Group"), Great Ocean Shipping Limited ("Great Ocean"), Greater Shipping Co., Ltd. ("Greater Shipping"), Joy Ocean Shipping Limited ("Joy Ocean") 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 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 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 consolidated financial statements are presented in United States dollars, which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendments)	Classification to Rights Issues
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners
HK — Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand

HKFRS 3 (Revised) "Business Combinations"

The Group applies HKFRS 3 (Revised) "Business Combinations" prospectively to business combinations for which the acquisition date is on or after 1 April 2010. The requirements in HKAS 27 (Revised) "Consolidated and Separate Financial Statements" in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 April 2010.

As there was no transaction during the current year in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The adoption of the other new and revised HKFRSs had no material effect on the amounts reported in these consolidated financial statements and disclosures set out in these consolidated financial statements.

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 12 (Amendments)	Deferred tax: Recovery of Underlying Assets[2]
HKAS 24 (as revised in 2009)	Related Party Disclosures[3]
HKAS 27 (as revised in 2011)	Separate Financial Statements[5]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[5]
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets[4]
HKFRS 9	Financial Instruments[5]
HKFRS 10	Consolidated Financial Statements[5]
HKFRS 11	Joint Arrangements[5]
HKFRS 12	Disclosure of Interests in Other Entities[5]
HKFRS 13	Fair value measurement[5]
HK(IFRIC) — Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[3]
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments[6]

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 2012.
3 Effective for annual periods beginning on or after 1 January 2011.
4 Effective for annual periods beginning on or after 1 July 2011.
5 Effective for annual periods beginning on or after 1 January 2013.
6 Effective for annual periods beginning on or after 1 July 2010.

The directors anticipate that the application of the new and revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

3. REVENUE

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

	2011	2010
	US$'000	*US$'000*
Time charter income	**24,492**	34,819
Voyage charter income	**567**	—
Service income	**5,496**	6,963
	30,555	41,782

4. SEGMENT INFORMATION

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. executive directors) in order to allocate resources to segments and to assess their performance. The information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of performance is prepared based on the overall operation of vessels on a combined basis, hence the Group has only one operating segment.

The 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 year ended 31 March 2011

	Operating segment	**Reconciliation**	**Consolidated**
	US$'000	***US$'000***	***US$'000***
		(note)	
Revenue			
Time charter income	**24,492**	—	**24,492**
Voyage charter income	**567**	—	**567**
Service income	**5,496**	—	**5,496**
Total	**30,555**	—	**30,555**
Gross profit	**9,304**	—	**9,304**
Other income	**381**	—	**381**
General and administrative expenses	**(2,530)**	—	**(2,530)**
Listing expenses	**(1,863)**	—	**(1,863)**
Other losses	**(4)**	—	**(4)**
Finance costs	**(1,157)**	—	**(1,157)**
Segment results/profit before tax	**4,131**	—	**4,131**

For the year ended 31 March 2010

	Operating segment *US$'000*	Reconciliation *US$'000* *(note)*	Consolidated *US$'000*
Revenue			
Time charter income	41,782	(6,963)	34,819
Service income	—	6,963	6,963
Total	41,782	—	41,782
Gross profit	18,109	2,514	20,623
Other income	68	475	543
General and administrative expenses	(269)	—	(269)
Other losses	(177)	—	(177)
Finance costs	(1,361)	—	(1,361)
Segment results/profit before tax	16,370	2,989	19,359

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

Segment assets and liabilities

No assets and liabilities are included in the measures of the Group's segment reporting that are submitted to and reviewed by the chief operating decision maker internally. Accordingly, no segment assets and liabilities are presented.

Geographical information

Due to the nature of the provision of vessel chartering services, which are carried out internationally, the directors consider that it is not meaningful to provide the financial information by geographical segment. Accordingly, geographical segment revenue for the provision of vessel chartering services is not presented.

Information about customers

Revenue arising from the provision of time chartering services from customers during the corresponding years individually contributing over 10% of total revenue of the Group is as follows:

	2011 ***US$'000***	2010 *US$'000*
Customer A	**6,506**	4,778
Customer B	**5,485**	6,963
Customer C *(Note 1)*	**5,460**	—
Customer D *(Note 1)*	**4,933**	—
Customer E *(Note 2)*	**—**	9,149
Customer F *(Note 3)*	**—**	13,213
Customer G *(Note 3)*	**—**	4,504
	22,384	38,607

Notes:

1. No revenue was generated from customers C and D for the year ended 31 March 2010.

2. The revenue generated from customer E for the year ended 31 March 2011 is less than 10% of the total revenue of the Group.

3. No revenue is generated from customers F and G for the year ended 31 March 2011.

5. OTHER INCOME

	2011	2010
	US$'000	*US$'000*
Interest income from bank deposits	**3**	1
Claim received	**—**	3
Exchange gain	**121**	—
Finance income	**148**	475
Others	**109**	64
	381	543

6. FINANCE COSTS

	2011	2010
	US$'000	*US$'000*
Interest on bank loans		
— wholly repayable within five years	**141**	303
— not wholly repayable within five years	**908**	973
Loan arrangement fee	**108**	85
	1,157	1,361

7. TAXATION

No provision for Hong Kong Profits Tax has been made for the Group's overseas subsidiaries as the income neither arises in, nor is derived from, Hong Kong for the current and prior years.

No provision for Hong Kong Profit Tax has been made for the Group's subsidiary incorporated in Hong Kong as the subsidiary has no assessable profit for both years.

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

8. PROFIT FOR THE YEAR

	2011	2010
	US$'000	*US$'000*
Profit for the year has been arrived at after charging:		
Auditor's remuneration	**146**	120
Bad debt written off	**4**	177
Crew expenses	**2,990**	3,130
Depreciation of property, plant and equipment	**11,838**	11,015
Operating lease rental in respect of rented premises	**216**	—
Staff costs (including directors' emoluments)		
Fee, salaries and other benefit costs	**1,146**	—
Contributions to retirement benefit plans	**13**	—
	1,159	—

The Group did not have any administrative staff during the year ended 31 March 2010 as the administrative works were handled by a related company for which the Group paid the agency fee for the services rendered. Crew expenses represent salaries and allowances of crew members worked for the Group but were employed by an independent ship management company on behalf of the Group.

9. DIVIDEND

The directors do not recommend payment of final dividend for the year ended 31 March 2011.

10. EARNINGS PER SHARE

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

	2011	2010
	US$'000	*US$'000*
Earnings		
Profit for the year attributable to owners of the Company	**4,131**	19,359

	2011	2010
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**729,452,055**	640,000,000

The weighted average number of ordinary shares for the purpose of basic earnings per share has been determined on the basis that the ordinary shares of the Company issued upon the Corporate Reorganisation have been in issue on 1 April 2009 and the capitalisation issue of 639,999,500 ordinary shares completed on 13 September 2010 have been adjusted retrospectively.

No diluted earnings per share has been presented for both years as the Company has no potential ordinary shares outstanding at the end of the reporting period.

11. TRADE RECEIVABLES AND PREPAYMENT

	2011	2010
	US$'000	*US$'000*
Trade receivables	**830**	203
Prepayment and deposits	**2,462**	652
	3,292	855

An analysis of trade receivables presented based on the invoice date at the end of the reporting period is as follows:

	2011	2010
	US$'000	*US$'000*
Trade receivables		
0–30 days	**571**	1
31–365 days	**218**	173
Over 365 days	**41**	29
	830	203

Time charter income is prepaid in advance by the charterers. The credit period granted by the Group to the customers of voyage charter is within 7 days after completion of loading signing and releasing bill of lading. Included in the Group's trade receivable balances are trade amount due from a related company (aged 0–30 days) of US$567,000, in which Mr. Yan and Ms. Lam, directors of the Company, have a beneficial interest.

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.

	2011	2010
	US$'000	*US$'000*
0–30 days	**60**	1
31–365 days	**218**	173
Over 365 days	**41**	29
	319	203

The Group has not provided for the trade receivables which are past due but not impaired because the directors of the Company consider that those receivables are recoverable based on the good settlement track record of the customers. No interest is charged on the trade receivables.

Movement in the allowance for doubtful debts is as follows:

	2011	2010
	US$'000	*US$'000*
Balance at beginning of the year	**—**	—
Impairment losses recognised on trade receivables	**4**	177
Amounts written off as uncollectible	**(4)**	(177)
Balance at end of the year	**—**	—

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of US$4,000 (2010: US$177,000) which have either been placed under liquidation or default on principal payment for a long time.

The trade receivables and prepayment are mainly denominated in United States dollars.

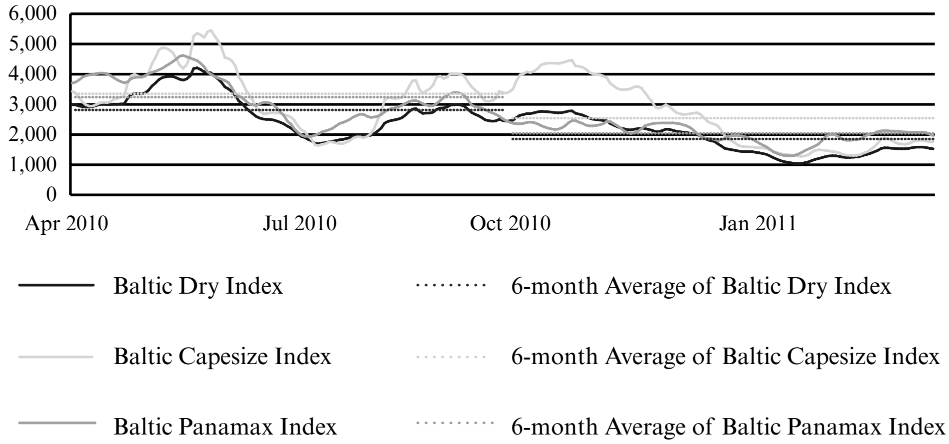
12. OTHER PAYABLES AND ACCRUALS

	2011	2010
	US$'000	*US$'000*
Other payables and accruals	**606**	917
Receipts in advance from charterers	**2,831**	3,037
	3,437	3,954

MANAGEMENT DISCUSSION AND ANALYSIS

Market review

The Baltic Dry Index
April 2010 – March 2011



	Baltic Dry Index	**Baltic Capesize Index**	**Baltic Panamax Index**
1 April 2010–31 March 2011 (year average)	2,340	2,954	2,648
1 April 2010–30 September 2010 (first half average)	2,815	3,353	3,240
1 October 2010–31 March 2011 (second half average)	1,854	2,544	2,042

The dry bulk freight market showed a trend of eventual decline following its initial growth for the year ended 31 March 2011. First half averages from 1 April 2010 to 30 September 2010 of the Baltic Dry Index, the Baltic Capesize Index and the Baltic Panamax Index were all higher than the year averages from 1 April 2010 to 31 March 2011, while second half averages from 1 October 2010 to 31 March 2011 were all lower than the year averages.

The trend of eventual decrease following its initial increase for the spot rate market was mainly attributable to the rapid expansion of world dry bulk fleet size by approximately 17% as a result of the large amount of delivery of new vessels. For the first half of the year, during which worldwide bulker fleet has yet reached its current size, the dry bulk shipping market was in a comparatively balanced demand and supply situation, and spot rate stood at a relatively reasonable level. However, freight rate plunged continually during the second half of the year, attributed to the larger number of new vessels entering the market with relatively small growth in cargo volume, which turned the market into oversupply and weakened ship owners' bargaining power in the freight market. Falling spot market rates had also exerted an impact on the operation of the time charter market. With uncertain market prospects, transactions for time charters slumped and long term time charters with charter periods of more than a year hardly had a successful transaction, as charterers were not willing to hire time charter vessels in the hope of even lower freight rates. The current market situation is unlikely to turn around fundamentally until the shipping market restores its demand and supply balance.

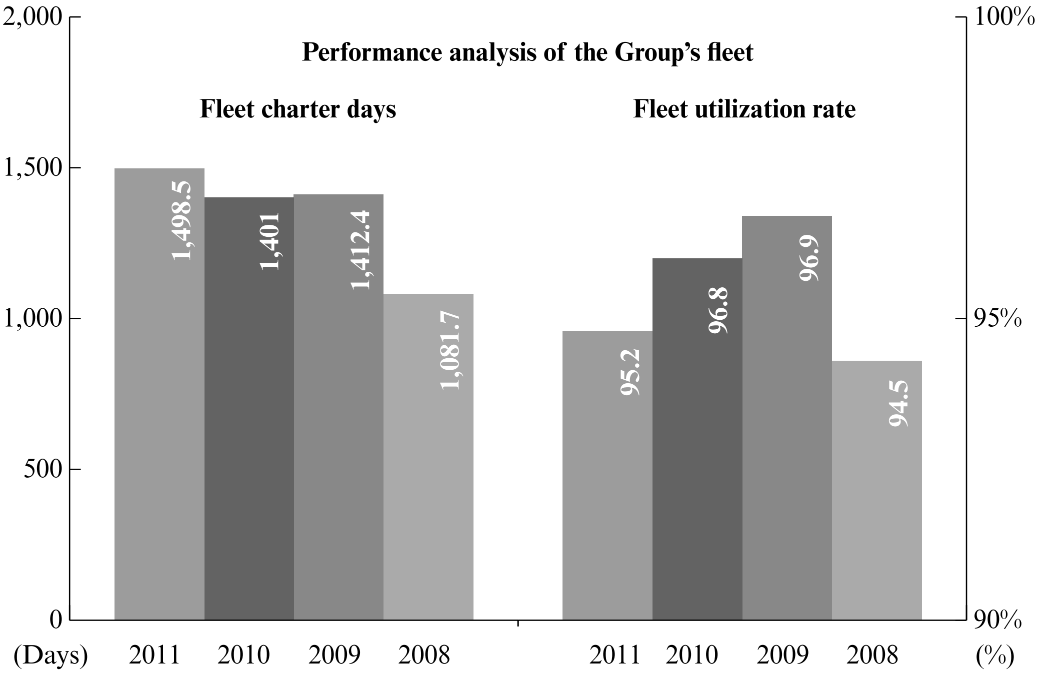
Depressed market freight rates had already affected the vessel new building market. The original number of the new vessel delivery orders for 2010 was 1,379 of approximately 112 million dwt, but the number of vessels actually delivered was only 941 of approximately 78 million dwt, accounting for 68% of the orders, according to market statistics. Obviously, some of the dry bulk vessel orders had been deferred for delivery and usage or even cancelled under the pressure of rock bottom market freight rates.

Considerable time may be needed for correcting the current oversupply situation of the shipping market. In particular, as the number of new vessel orders for 2011 delivery will remain at a record high level and the delivery and usage of new vessels are expected to exceed that in 2010, ship owners will be under greater pressure, and expect that freight rates will hover at low levels for a prolonged cycle. Under the influence of various unfavorable factors, however, ship owners felt benefited from the gradual recovery of the world economy and gradual growth in the aggregate volume of international trading. According to the statistics of the International Monetary Fund, total trade in goods grew by approximately 13.6% in 2010. Growth in international trading volume always brings relatively positive effects to the marine shipping industry. In 2010, both trade volume and marine transportation volume of iron ore, coal and bulk grains reported more than double-digit growth year-on-year, according to market statistics. Thus, it is probable that the current oversupply of vessels will be corrected by market adjustment as long as sufficient time is given.

Business overview

The Group's fleet consists of four Panamax dry bulk vessels registered under the Group's name (including a newly built, second hand Panamax dry bulk vessel acquired in November 2010 and financed by the IPO net proceeds and the bank loans) and one capsize dry bulk vessel, with an aggregate carrying capacity of about 418,230 dwt.

Even there is an adverse environment for chartering business, riding on the good operational status of the Group's vessels, the Group maintained a consistent high overall fleet utilization rate at 95.2%, similar to that of the previous year.



The overall average daily charter rate of our vessels was US$21,217 per day (2010: US$29,825 per day). Such decrease was mainly due to the market downturn from October 2010 to March 2011.

The depreciation expenses, commission expenses, crew expenses, repair and maintenance expenses, insurance and fuel expenses composed the major operating expenses of the Group. Although the Group encountered the pressures from various operating costs increase, it recorded a decrease in cost of services (excluding the depreciation expenses) of 7.2% as compared with last year. This is mainly attributable to the success of the implementation of Group's stringent operating cost control policy and the maintenance of a sound, interactive and cooperative relationship with vessel management companies. Moreover, as our fleet has maintained a sound insurance claims record, the actual insurance premium for this year slightly decreased over last year.

Outlook

Under the market trend of eventual decrease following its initial increase in 2010, the 2011 dry bulk freight market will be a challenging and volatile market. World trade in goods will grow by approximately 7.7% in year 2011, greater than the average increase in the past decade, as forecasted by the International Monetary Fund. Growth in trade in goods usually has positive impacts on the demand for marine transportation. Ship brokers also forecast an increase in demand for major bulk cargoes such as iron ore, coal and grains. In addition, this year is the first year of the Twelfth Five-year Plan of the PRC and a number of new infrastructure projects has been or will be commenced. Evidenced by the increase of approximately 20 million tonnes or 8.7% in iron ore imports of the PRC to reach approximately 230 million tonnes for the first 4 months of this year as compared with the corresponding period last year, the growth in demand in the PRC will continue to be a major driver for the dry bulk shipping market this year. However, the issue of excessive delivery and usage of newly built vessels that surrounded the market during last year still lies ahead this year. Besides, according to the market statistics from ship brokers, this year's new vessel orders are greater than the volume of delivery and usage of new vessel last year. As such, the general market maintains a conservative view towards this year's freight level, believing that the freight level in 2011 will be lower than last year and oversupply in the shipping market will continue.

In a bid to sustain long term success of the Group's chartering business amidst such an adverse market environment, we will continue to conduct operating activities in a prudent and nimble manner and strive to keep our vessels in good conditions for better services to our customers. We will also strengthen our understanding of and research on the market and cooperate with reputable charterers so as to generate stable operating revenue. Our vessels mainly carry bulk cargoes, including iron ore, coal, bauxite and grains. On top of that, our management also has extensive knowledge on the upstream market to the Group's shipping business, such as the mining industry and the customers of the market thereof. In a bid to consolidate and expand our scope of business, we will identify more new development opportunities and/or expand our business and diversify our income streams by actively considering expansion into other businesses, such as the upstream business, apart from the shipping business.

Financial review

Revenue

Revenue of the Group decreased from about US$41.8 million for the year ended 31 March 2010 to about US$30.6 million for the year ended 31 March 2011, representing a decrease of about US$11.2 million, or about 26.9%. It was comprised of about US$24.5 million of time charter income (constituted about 80.2% of the revenue of the Group), about US$5.5 million of service income (constituted about 18.0% of the revenue of the Group) and about US$0.6 million of voyage charter income (constituted about 1.8% of the revenue of the Group). Such decrease was mainly attributable to the decrease in average daily time charter equivalent ("Daily TCE") of the Group's fleet from about US$29,825 for the year ended 31 March 2010 to about US$21,217 for the year ended 31 March 2011.

Cost of services

Cost of services of the Group increased from about US$21.2 million for the year ended 31 March 2010 to about US$21.3 million for the year ended 31 March 2011, representing an increase of about US$0.1 million or about 0.4%. The increase of cost of services was mainly due to the operating costs of a new vessel, GH GLORY, which was acquired during the year under review and the dry-docking expenses of GREAT HARVEST, one of the Group's Panamax dry bulk vessel.

Gross profit

Gross profit of the Group decreased from about US$20.6 million for the year ended 31 March 2010 to about US$9.3 million for the year ended 31 March 2011, representing a decrease of about US$11.3 million or about 54.9%, and the gross profit margin decreased from about 49.4% for the year ended 31 March 2010 to about 30.5% for the year ended 31 March 2011. 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 operating costs of GH GLORY and the dry-docking expenses of GREAT HARVEST.

Other income

Other income of the Group decreased from about US$0.5 million for the year ended 31 March 2010 to about US$0.4 million for the year ended 31 March 2011, representing a decrease of about US$0.1 million, or about 29.8%, mainly due to the decrease in the Group's finance income by about US$0.3 million.

General and administrative expenses

General and administrative expenses of the Group increased from about US$0.3 million for the year ended 31 March 2010 to about US$2.5 million for the year ended 31 March 2011, representing an increase of about US$2.2 million or about 840.5%, 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 and commenced operation during the year.

Listing expenses and other losses

Listing expenses were incurred for the purpose of the listing of the Company on the Main Board of the Stock Exchange.

Other losses of the Group decreased from about US$0.2 million for the year ended 31 March 2010 to about US$10,000 for the year ended 31 March 2011, representing a decrease of about US$0.2 million or about 97.7%, due to the decrease in bad debt having been written off.

Finance costs

Finance costs of the Group decreased from about US$1.4 million for the year ended 31 March 2010 to about US$1.2 million for the year ended 31 March 2011, representing a decrease of about US$0.2 million or about 15.0%. Such decrease was mainly attributable to the repayment of the principal amount of the bank loans.

Profit and total comprehensive income for the year

Profit for the year of the Group decreased from about US$19.4 million for the year ended 31 March 2010 to about US$4.1 million for the year ended 31 March 2011, representing a decrease of about US$15.3 million, or about 78.7%. Such decrease was mainly due to (i) the decrease in gross profit of about US$11.3 million; and (ii) the increase in general and administrative expenses of about US$2.2 million.

Liquidity, financial resources, capital structure and gearing ratio

As at 31 March 2011, the Group's bank balances and cash amounted to about US$5.8 million (as at 31 March 2010: about US$0.5 million), of which about 93.4% was denominated in US$ and about 6.6% in HK$. Outstanding bank loans amounted to about US$57.7 million (31 March 2010: about US$46.5 million), of which 100% (31 March 2010: 100%) was denominated in US$.

As at 31 March 2011 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 32.4% and 34.0% respectively. The decrease in gearing ratio as at 31 March 2011 was mainly due to the newly borrowed bank loan for acquiring a new vessel in November 2010 being less than the growth of the total assets of the Group mainly resulted from the acquisition of the new vessel.

Net current liabilities of the Group decreased from about US$22.8 million for the year ended 31 March 2010 to about US$1.2 million for the year ended 31 March 2011, representing a decrease of about US$21.6 million, or about 94.7%. Such decrease was mainly due to (i) the capitalisation of loan due from Mr. Yan and Ms. Lam under the reorganisation of the Group for the purposes of the listing; and (ii) the repayments of bank loans by the Group.

The Group's liquidity requirements will be satisfied by a combination of cash flow generated from the operating activities, bank loans and the proceeds of initial public offering of shares of the Company in October 2010.

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 year ended 31 March 2011, the Group had not adopted any financial instruments for hedging purposes.

Bank loans and disclosure under Rules 13.13 to 13.19 of the Rules Governing the Listing of Securities on the Stock Exchange (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 31 March 2011, the Group recorded outstanding bank loans of about US$57.7 million. The bank loans, namely the First Loan[1], the Second Loan[2] and the Third Loan[3], were for financing the acquisition of vessels of the Group and were secured by, inter alia, the following:

- Corporate guarantee from the Company;
- First preferred mortgages over the vessels held by Bryance Group, Joy Ocean, Great Ocean, and Way Ocean Shipping Limited ("Way Ocean") respectively;
- Assignment of the charter-hire income and insurance in respect of the vessels held by Bryance Group, Joy Ocean, Great Ocean and Way Ocean respectively;
- Charges over shares of each of Bryance Group, Joy Ocean, Great Ocean and Way Ocean.

The above bank loans were provided to the Group on the conditions that, inter alia, Mr. Yan, Ms. Lam and/or any company controlled by them shall jointly hold at least 51% (for the First Loan and Third Loan) 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 of the Company without the lender's consent.

The Third Loan was granted from a bank in November 2010 for the principal amount of US$26 million to finance the acquisition of the new vessel GH GLORY, details of which are set out in the Company's announcement dated 25 October 2010 and its circular to the shareholders dated 15 November 2010.

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.

Notes:

1. First loan represents a term loan for the aggregate principal amount of US$65 million for the purpose of refinancing the former bank borrowings for the acquisitions of GH FORTUNE and GH RESOURCES, and for working capital purpose. US$35 million of the principal amount of such term loan shall be repaid by 36 quarterly instalments, and US$30 million thereof shall be repaid by 16 quarterly instalments, commencing 3 months from 9 January 2008.

2. Second Loan represents a term loan for the principal amount of US$39 million for the acquisition of GH POWER. The principle amount shall be repaid by 40 quarterly instalments commencing 3 months from 11 February 2008.

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

Charges on assets

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:

	2011	2010
	US$'000	*US$'000*
Property, plant and equipment	**159,534**	125,372
Pledged bank deposits	**3,598**	5,695
	163,132	131,067

Contingent liabilities

The Group has no contingent liabilities as at 31 March 2011.

EMPLOYEES AND RETIREMENT SCHEME ARRANGEMENTS

As at 31 March 2011, the Group had employed a total of 120 employees (2010: 91 employees). For the year ended 31 March 2011, the total salaries and related cost (including Directors' fees) amounted to approximately US$4.1million (2010: US$3.1 million). 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.

CODE ON CORPORATE GOVERNANCE PRACTICES (THE "CG CODE")

As the shares of the Company have only been listed on the Stock Exchange on 11 October 2010 (the "Listing Date"), the CG Code as set out in Appendix 14 to the Listing Rules was not applicable to the Company before the listing. Since the Listing Date to the date of this announcement, the Company has been in compliance with the provisions of the CG Code.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS (THE "MODEL CODE")

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. The obligation to follow the Listing Rules is set out in the terms of the service contracts of each executive Director and the letters of appointment of the independent non-executive Directors.

The Directors have confirmed that, following specific enquiry by the Company, save for the inadvertent dealing in shares by one of the Directors on the publication date of the Company's interim results announcement on 29 November 2010, they have complied with the required standards as set out in the Model Code since the Listing Date and up to the date of this announcement.

DIVIDEND

At the Board meeting held on 28 June 2011, the Directors do not recommend payment of any final dividend to the shareholders for the year ended 31 March 2011.

SHARE CAPITAL

The shares of the Company have been successfully listed on the Main Board of the Stock Exchange on 11 October 2010. 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 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.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association although there are no restrictions against having such rights under the laws of the Cayman Islands.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities from the Listing Date up to 31 March 2011.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, there is sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financing reporting matters including the review of the audited financial statements for the year ended 31 March 2011, with external auditors. There were no disagreements from the auditors or the Audit Committee in respect of the accounting policies adopted by the Group.

AUDITED FINANCIAL STATEMENTS

The Group's consolidated financial statements have been audited by Group's external auditors, Deloitte Touche Tohmatsu, and they have issued an unqualified opinion.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.greatharvestmg.com). The annual report of the Company for the year ended 31 March 2011 will also be despatched to the shareholders of the Company and published on the aforesaid website in due course.

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

Hong Kong, 28 June 2011

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.