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

(incorporated in the Cayman Islands with limited liability)

(Stock code: 3683)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

The board (the "**Board**") of directors (the "**Directors**") of Great Harvest Maeta Group Holdings Limited (the "**Company**") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 September 2012 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

		Unaudited Six months ended 30 September	
	Note	**2012** ***US$'000***	2011 *US$'000*
Revenue	4	**10,964**	13,985
Cost of services		**(11,866)**	(11,034)
Gross (loss)/profit		**(902)**	2,951
Other income		**19**	21
General and administrative expenses		**(1,410)**	(979)
Operating (loss)/profit	5	**(2,293)**	1,993
Finance income	6	**96**	84
Finance costs	6	**(700)**	(783)
(Loss)/profit before income tax		**(2,897)**	1,294
Income tax expense	7	**—**	—
(Loss)/profit for the period and total comprehensive income attributable to owners of the Company		**(2,897)**	1,294
(Loss)/earnings per share for profit attributable to owners of the Company			
— Basic	8	**(0.35 cents)**	0.16 cents
— Diluted	8	**(0.35 cents)**	0.16 cents
Dividends	9	**—**	—

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2012

	Note	Unaudited 30 September 2012 US$'000	Audited 31 March 2012 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**137,085**	141,166
Finance lease receivable		**1,776**	1,685
Restricted bank deposits		**3,000**	3,000
		141,861	145,851
Current assets			
Inventories		**1,454**	—
Trade and other receivables	10	**3,841**	6,090
Pledged bank deposits		**1,429**	1,966
Cash and cash equivalents		**5,329**	5,946
		12,053	14,002
Total assets		**153,914**	159,853
EQUITY			
Equity attributable to owners of the Company			
Share capital	11	**1,064**	1,064
Reserves		**106,302**	108,958
Total equity		**107,366**	110,022
LIABILITIES			
Non-current liabilities			
Bank borrowings	12	**39,480**	41,723
Current liabilities			
Other payables and accruals	13	**2,083**	2,623
Bank borrowings	12	**4,985**	5,485
		7,068	8,108
Total liabilities		**46,548**	49,831
Total equity and liabilities		**153,914**	159,853
Net current assets		**4,985**	5,894
Total assets less current liabilities		**146,846**	151,745

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 September 2012

	Unaudited						
	Attributable to owners of the Company						
	Share capital *US$'000*	**Share premium** *US$'000*	**Share option reserve** *US$'000*	**Special reserves** *US$'000*	**Other reserves** *US$000*	**Retained profits** *US$'000*	**Total equity** *US$'000*
Balance at 1 April 2012	**1,064**	**25,120**	**283**	**46**	**13,636**	**69,873**	**110,022**
Total comprehensive loss for the period ended 30 September 2012, net of tax	**—**	**—**	**—**	**—**	**—**	**(2,897)**	**(2,897)**
Employee share option scheme:							
— Employee share-based compensation benefits	**—**	**—**	**241**	**—**	**—**	**—**	**241**
Total transactions with owners	**—**	**—**	**241**	**—**	**—**	**(2,897)**	**(2,656)**
Balance at 30 September 2012	**1,064**	**25,120**	**524**	**46**	**13,636**	**66,976**	**107,366**
Represented by:							
Reserves							**107,366**
Interim dividend							**—**
Balance at 30 September 2012							**107,366**
Balance at 1 April 2011	1,064	25,120	—	46	13,636	76,782	116,648
Total comprehensive income for the period ended 30 September 2011, net of tax	—	—	—	—	—	1,294	1,294
Total transactions with owners	—	—	—	—	—	1,294	1,294
Balance at 30 September 2011	1,064	25,120	—	46	13,636	78,076	117,942
Represented by:							
Reserves							117,942
Interim dividend							—
Balance at 30 September 2011							117,942

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2012

	Unaudited Six months ended 30 September	
	2012	2011
	US$'000	*US$'000*
Cash flows from operating activities		
(Loss)/profit before income tax	**(2,897)**	1,294
Adjustments for:		
— Depreciation	**4,514**	5,975
— Finance income	**(96)**	—
— Finance cost	**700**	—
— Share based payment	**241**	—
— Others	**—**	(21)
Changes in working capital:		
— Trade and other receivables	**2,249**	(802)
— Inventories	**(1,454)**	—
— Other payables and accruals	**(540)**	(1,577)
Net cash generated from operating activities	**2,717**	4,869
Cash flows from investing activities		
Interest received	**5**	—
Purchase of property, plant and equipment	**(433)**	(16)
Withdrawal of pledged bank deposits	**537**	1,550
Net cash generated from investing activities	**109**	1,534
Cash flows from financing activities		
Interest paid	**(700)**	—
Net repayments of bank borrowings	**(2,743)**	(3,550)
Net cash used in financing activities	**(3,443)**	(3,550)
Net (decrease)/increase in cash and cash equivalents	**(617)**	2,853
Cash and cash equivalents at beginning of the period	**5,946**	5,804
Cash and cash equivalents at end of the period	**5,329**	8,657
Analysis of cash and cash equivalents:		
Bank balances and cash	**5,329**	8,657

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KYI-1111, Cayman Islands.

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

This condensed consolidated interim financial information is presented in US dollars, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 26 November 2012.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 September 2012 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2012, as described in those annual financial statements.

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

(b) The following revised standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2012:

HKAS 12 (revised), "Income taxes" is amended by the HKICPA in December 2010, to introduce an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the Company expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted. The adoption of this revised standard had no material financial effect on the Group's result and financial position for the current or prior periods.

HKFRS 1 (Amendment), "Severe hyperinflation and removal of fixed dates for first-time adopters". This amendment includes two changes to HKFRS 1, "First-time adoption of HKFRS". The first replaces references to a fixed date of 1 January 2004 with "the date of transition to HKFRSs", thus eliminating the need for entities adopting HKFRSs for the first time to restate de-recognition transactions that occurred before the date of transition to HKFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with HKFRSs after a period when the entity was unable to comply with HKFRSs because its functional currency was subject to severe hyperinflation. The adoption of this amendment to standard had no material financial effect on the Group's result and financial position for the current or prior periods.

Amendments to HKFRS 7 (revised), "Financial Instruments: Disclosures", issued in October 2010. The amendments require additional disclosures for risk exposures arising from transferred financial assets and no disclosures are required for prior periods. The adoption of this revised standard and amendment to standard had no material financial effect on the Group's result and financial position for the current or prior periods.

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

(c) The following revised standards, amendments to standards and interpretation have been issued but are not effective for the financial year beginning 1 April 2012 and have not been early adopted:

		Effective for accounting periods beginning on or after
HKFRS 9	Financial instruments	1 April 2015
HKFRS 10	Consolidated financial statements	1 April 2013
HKFRS 11	Joint arrangements	1 April 2013
HKFRS 12	Disclosure of interests in other entities	1 April 2013
HKFRS 13	Fair value measurement	1 April 2013
HKAS 1 (amendment)	Presentation of financial statements	1 April 2012
HKAS 19 (amendment)	Employee benefits	1 April 2013
HKAS 27 (revised 2011)	Separate financial statements	1 April 2013
HKAS 28 (revised 2011)	Investments in associates and joint ventures	1 April 2013
HKAS 32 (amendment)	Offsetting financial assets and financial liabilities	1 January 2014
HK (IFRIC) — Int 20	Stripping costs in the production phase of a surface mine	1 January 2013

The directors of the Company anticipate that the adoption of the above revised standards, amendments to standards and interpretation may result in new or amended presentation and disclosures on the condensed consolidated interim financial information but will have no significant impact on the Group's results and financial position. The directors of the Company will adopt the revised standards, amendments to standards and interpretation when they become effective.

4 REVENUE AND SEGMENT INFORMATION

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

	Six months ended 30 September	
	2012	2011
	US$'000	*US$'000*
Time charter income	**5,245**	8,383
Voyage charter income	**2,321**	2,323
Service income	**3,398**	3,279
	10,964	13,985

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

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

5 OPERATING (LOSS)/PROFIT

The following items have been charged to the operating (loss)/profit during the interim period:

	Six months ended 30 September	
	2012	2011
	US$'000	*US$'000*
Depreciation of property, plant and equipment	**4,514**	5,975
Crew expenses (included in cost of services)	**2,017**	1,871
Operating lease rental in respect of rented premises	**134**	134
Staff costs (including directors' emoluments)		
Fee, salaries and other benefit costs	**615**	605
Contributions to retirement benefit plans	**9**	9
Share-based payment	**241**	—

6 FINANCE COSTS — NET

	Six months ended 30 September	
	2012	2011
	US$'000	*US$'000*
Finance income		
Finance income on finance lease receivables	**(96)**	(84)
Finance costs		
Interest expense on bank borrowings	**643**	708
Loan arrangement fee	**57**	75
	700	783
Finance costs — net	**604**	699

No borrowing costs were capitalised during the six months ended 30 September 2012 and 2011.

7 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit generated in Hong Kong for the six months ended 30 September 2012 (six months ended 30 September 2011: Nil).

Taxation on profits has been calculated on the estimated assessable profits for the six months ended 30 September 2012 at the rates of taxation prevailing in the countries/places in which the Group operates. Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the six months period.

8 (LOSS)/EARNINGS PER SHARE

(a) Basic

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

	Six months ended 30 September	
	2012	2011
(Loss)/profit attributable to owners of the Company *(US$'000)*	**(2,897)**	1,294
Weighted average number of ordinary shares in issue *(thousands)*	**830,000**	830,000
Basic (loss)/earnings per share *(US cents per share)*	**(0.35)**	0.16

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Six months ended 30 September	
	2012	2011
(Loss)/profit attributable to owners of the Company *(US$'000)*	**(2,897)**	1,294
Weighted average number of ordinary shares in issue *(thousands)*	**830,000**	830,000
Diluted (loss)/earnings per share *(US cents per share)*	**(0.35)**	0.16

Diluted loss per share for the six months ended 30 September 2012 equal basic loss per share as the exercise of the outstanding share options would be anti-dilutive.

9 DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2012 (six months ended 30 September 2011: Nil).

10 TRADE AND OTHER RECEIVABLES

	As at	
	30 September 2012	31 March 2012
	US$'000	*US$'000*
Trade receivables	**3,061**	5,168
Prepayments and deposits	**780**	922
	3,841	6,090

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

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

As at 30 September 2012 and 31 March 2012, the ageing analysis of trade receivables based on invoice date was as follows:

	As at	
	30 September 2012	31 March 2012
	US$'000	*US$'000*
0–30 days	**2,808**	3,898
31–365 days	**131**	1,148
Over 365 days	**122**	122
	3,061	5,168

11 SHARE CAPITAL

	As at	
	30 September 2012	31 March 2012
	HK$'000	*HK$'000*
Authorised:		
1,000,000,000 ordinary shares of HK$0.01 each	**10,000**	10,000
	US$'000	*US$'000*
Issued and fully paid:		
830,000,000 ordinary shares of HK$0.01 each	**1,064**	1,064

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

		Number of share options			
Date of grant	**Exercise price**	**At 1 April 2012**	**Exercised during the period**	**Lapsed during the period**	**At 30 September 2012**
21 October 2011	HK$1.15	17,700,000	—	—	17,700,000

For the six months ended 30 September 2012, no share options (six months ended 30 September 2011: Nil) were lapsed.

12 BANK BORROWINGS

	As at	
	30 September 2012	31 March 2012
	US$'000	*US$'000*
Non-current	**39,480**	41,723
Current	**4,985**	5,485
	44,465	47,208

Movements in bank borrowings are analysed as follows:

	Six months ended 30 September	
	2012	2011
	US$'000	*US$'000*
Opening amount at 1 April	**47,208**	57,664
Net repayment of borrowings	**(2,743)**	(3,475)
Closing amount at 30 September	**44,465**	54,189

13 OTHER PAYABLES AND ACCRUALS

	As at	
	30 September	31 March
	2012	2012
	US$'000	*US$'000*
Other payables and accruals	**995**	1,245
Receipt in advance from charterers	**1,088**	1,378
	2,083	2,623

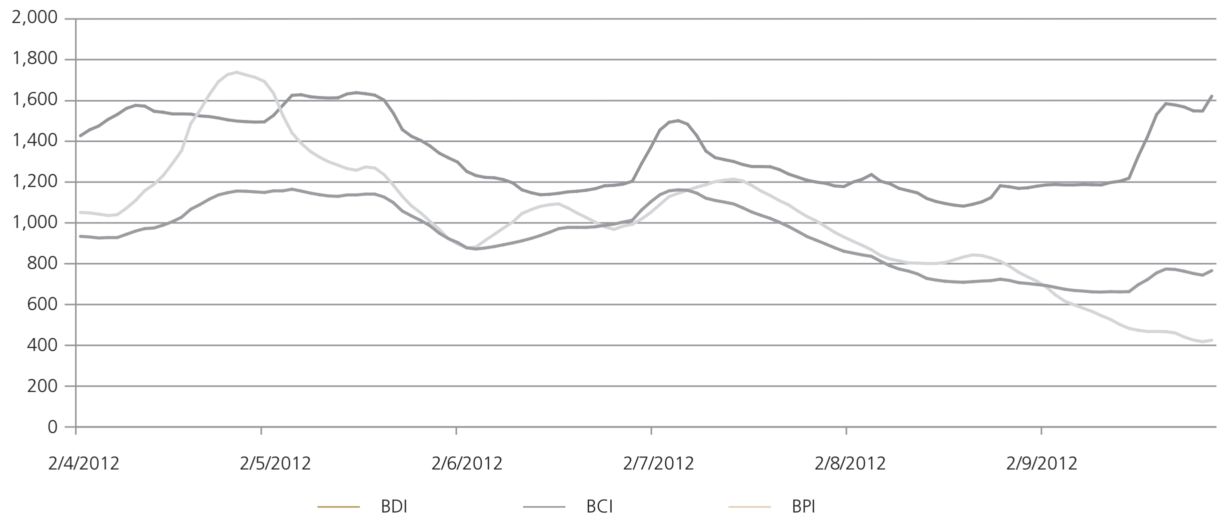
The carrying amounts of other payables and accruals approximate their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

Market review

Daily Variation Chart of the Baltic Dry Index (BDI), the Baltic Capesize Index (BCI) and the Baltic Panamax Index (BPI)

1 April 2012–30 September 2012



	BDI	BCI	BPI
1 April 2012–30 September 2012 (half year average)	932	1,342	1,014
1 April 2012–30 June 2012 (3-month average)	1,024	1,420	1,207
1 July 2012–30 September 2012 (3-month average)	846	1,268	834

Ship owners of dry bulk vessels faced a difficult operating environment during the period from 1 April 2012 to 30 September 2012. Under the pressure of oversupply of vessels in the dry bulk marine transportation market, the freight market fell to a rock bottom level this summer. The lack of new business had left many vessels idle and forced ship owners to run vessels at low speed to lower fuel costs and accept lower freight rates and more unfavorable freight terms. For a number of years, fleet growth has outstripped demand growth of marine transportation for dry bulk vessels. During the nine months ended 30 September 2012, 990 newly built dry bulk vessels of approximately 83 million dwt were delivered and used, representing approximately 12.3% of the current global dry bulk fleet size in terms of total dwt as at 30 September 2012. Even if the aged dry bulk vessels that were demolished during the first nine months of 2012 were not taken into account, the fleet size still expanded by approximately 8.9% during the nine months ended 30 September 2012. In view of the anticipation of merely 5% growth in demand for dry bulk marine transportation in 2012, such significant growth in fleet size is expected to put mounting pressure on the global dry bulk freight market. For the six months ended 30 September 2012, as there were many idle vessels which were waiting for new businesses, spot rates market hit an extremely low level, with Baltic Dry Index averaging only 932 points, representing a decrease of 527 points, or approximately 36%, as compared with the corresponding period of 2011. Under the continuously downward pressure of spot rates market, the time charter vessels market was highly depressed and only a very limited number of time charter contracts were reported in the market to have been concluded during this period.

Currently, it is expected that the oversupply of vessels in the dry bulk marine transportation market may only ease in the medium to long term with a combination of delay in the delivery schedule of newly built vessels, decrease in the capacity and number of newly built vessels, as well as increase in the number of aged vessels being demolished.

Business overview

The Group's vessels maintained sound technical status and high operation level with utilisation rate at approximately 99.6% and average daily charter rate of approximately US$10,427 per day for the six months ended 30 September 2012. All of the Group's vessels had operated in the spot rates market except Great Harvest which was contracted out under long term charter contracts as the time charter market shrank and the time charter rates were unsatisfactory. To reduce operation risks, the Group will seek to charter out vessels to more reputable charterers. Entering September 2012, with the coming upward trend of the seasonal dry bulk market, the spot rates market has shown a sign of bottoming out. To generate higher operating revenue for the Group, we aim to capture higher charter rates for our vessels by tapping on the seasonal bullish market.

Outlook

During the six months ended 30 September 2012, due to persistent oversupply in the overall shipping market, any rebound and freight rate hikes resulting from seasonal higher demand in the spot rates market remained short-term and limited. Based on current newly built vessel orders, relatively less delivery of newly built vessels will be seen in 2013 comparing to this year. However, fleet size will still grow at a rate of about 10%. According to macroeconomic forecasts by authoritative institutions, global economic growth next year is predicted to be 3.6% while the growth in demand for marine transportation of dry bulk cargoes will remain at a low level. Accordingly, oversupply of vessels will continue to plague the marine transportation market and ship owners will face a tough dry bulk cargo marine transportation market due to its unfavorable overall situation. Nevertheless, there is a silver lining to the freight market — China's growing demand for imported iron ore and coal. If imports of iron ore and coal by China can maintain their growth rates of over 8% and 30% respectively as seen during the nine months ended 30 September 2012, the spot rates market will have a solid support. Moreover, any downward movement in fuel prices from their existing record high level could further ease the pressure on operation costs of vessels.

In face of the current difficult and volatile market conditions, the Group is committed to generate higher operating revenue while adhering to its prudent operating strategies. The Group will continue to enhance its day-to-day management of vessels, optimize its transportation services to better serve its customers and seek to charter out its vessels to reputable and reliable charterers at higher charter rates. Moreover, while the Group is actively identifying market opportunities to charter out its vessels at better rates, it will also strictly control its operating costs by cutting down all unnecessary expenses. In a bid to consolidate and expand its scope of business, the Group intends to expand its business and diversify its income streams by looking for new development opportunities and/or through actively considering expansion into other businesses beyond shipping, such as the upstream business.

Financial review

Revenue

Revenue of the Group decreased from about US$14.0 million for the six months ended 30 September 2011 to about US$11.0 million for the six months ended 30 September 2012, representing a decrease of about US$3.0 million, or about 21.6%. It comprised time charter income of approximately US$5.3 million (constituted approximately 47.9% of the revenue of the Group), voyage charter income of approximately US$2.3 million (constituted approximately 21.2% of the revenue of the Group) and service income of approximately US$3.4 million (constituted approximately 30.9% of the revenue of the Group) for the period under review. The decrease in time charter income was mainly attributable to the decrease in average daily time charter equivalent ("Daily TCE") of the Group's fleet from approximately US$14,000 for the six months ended 30 September 2011 to approximately US$10,000 for the six months ended 30 September 2012.

Cost of services

Cost of services of the Group increased from approximately US$11.0 million for the six months ended 30 September 2011 to approximately US$11.9 million for the six months ended 30 September 2012, representing an increase of approximately US$0.9 million or approximately 7.5%. The increase of cost of services was mainly due to (i) the bunker and other direct cost related to the increase in voyage charters; and (ii) the increase in crew expenses.

Gross profit/(loss)

The Group recorded gross loss of approximately US$0.9 million for the six months ended 30 September 2012 as compared with a gross profit of approximately US$3.0 million for the six months ended 30 September 2011, representing a difference of approximately US$3.9 million, while the gross profit margin deteriorated from approximately 21.1% for the six months ended 30 September 2011 to approximately –8.2% for the six months ended 30 September 2012. The deterioration from gross profit to gross loss of the Group was mainly attributable to the decrease in average Daily TCE of the Group's vessels.

General and administrative expenses

General and administrative expenses of the Group increased from approximately US$1.0 million for the six months ended 30 September 2011 to approximately US$1.4 million for the six months ended 30 September 2012, representing an increase of approximately US$0.4 or approximately 44.0%, mainly due to the amortization of share-based payments during the period under review.

Finance costs

Finance costs of the Group decreased from approximately US$0.8 million for the six months ended 30 September 2011 to approximately US$0.7 million for the six months ended 30 September 2012, representing a decrease of approximately US$0.1 million or approximately 10.6%. Such decrease was mainly attributable to the full repayment of the loan for the acquisition of GH RESOURCES in January 2012.

Loss and total comprehensive income during the period

The Group incurred a loss of approximately US$2.9 million for the six months ended 30 September 2012 as compared with a profit of approximately US$1.3 million for the six months ended 30 September 2011. Such decline was mainly due to (i) decrease in gross profit of approximately US$3.9 million; and (ii) the amortization of share-based payments.

Liquidity, financial resources, capital structure and gearing ratio

As at 30 September 2012, the Group's bank balances and cash amounted to approximately US$5.3 million (as at 31 March 2012: approximately US$5.9 million), of which approximately 97.5% was denominated in US$ and approximately 2.5% in HK$. Outstanding bank loans amounted to approximately US$44.5 million (as at 31 March 2012: approximately US$47.2 million), of which 100% (as at 31 March 2012: 100%) was denominated in US$.

As at 30 September 2012 and 31 March 2012, the Group had a gearing ratio (being the bank loans of the Group divided by the total assets of the Group) of about 28.9% and 29.5% respectively. The decrease in gearing ratio as at 30 September 2012 was mainly due to the repayment of the principal amount of the Group's bank loans.

The Group's net current assets had decreased from about US$5.9 million as at 31 March 2012 to about US$5.0 million as at 30 September 2012, representing a decrease of about US$0.9 million, or about 15.4%. Such decrease was mainly due to the effect of decrease in average Daily TCE and hence the decrease in gross profit could not be compensated by decrease in repayments of bank loans by the Group.

The Group's liquidity requirements will be satisfied by a combination of cash flow generated from the working capital arising from operating activities and bank loans.

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

Pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (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 2012, the Group recorded outstanding bank loans of about US$44.5 million. The bank loans, namely the First Loan[1], the Second Loan[2] and the Third Loan[3], were for financing the acquisition of vessels of the Group and were secured by, inter alia, the following:

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

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

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

The Directors have confirmed that, save as disclosed above, as at the date of this announcement, there are no other matters that would require disclosure 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 principal 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

As at 30 September 2012, the Group had pledged the following assets to banks as securities against banking facilities granted to the Group:

	30 September 2012	31 March 2012
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**137,074**	141,153
Pledged bank deposits	**1,429**	1,966
	138,503	143,119

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 2012, 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 2012.

Interim dividend

The Board does not recommend any interim dividend for the six months ended 30 September 2012 (dividend for the six months ended 30 September 2011: Nil).

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

Neither the Company nor any of its subsidiaries had purchased, redeemed or cancelled any of the Company's listed securities during the six months ended 30 September 2012.

Employees

As at 30 September 2012, the Group had employed a total of 121 employees (as at 30 September 2011: 123 employees). For the six months ended 30 September 2012, the total salaries and related costs (including Directors' fees) amounted to approximately US$2.9 million (as at 30 September 2011: US$2.5 million). It is the Group's policy to remunerate its employees with reference to the relevant market situation, and accordingly the remuneration level of the Group's employees remains at a competitive level and is adjusted in accordance with the employees' performance. Other benefits offered by the Group include mandatory provident fund scheme and medical insurance.

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

The Company has adopted the principles and code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules as the Company's code on corporate governance practices. Throughout the six months ended 30 September 2012 and up to the date of this announcement, the Company has been in compliance with the code provisions set out in the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("MODEL CODE")

The Company has adopted the Model Code contained in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions.

The Directors have confirmed that, following specific enquiry by the Company, they have complied with the required standards as set out in the Model Code throughout the six months ended 30 September 2012 and up to the date of this announcement.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2012, which has also been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.greatharvestmg.com). The interim report of the Company for the six months ended 30 September 2012 will also be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

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

Hong Kong, 26 November 2012

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.