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 2014

The board (the "**Board**") of directors (the "**Directors**") of Great Harvest Maeta Group Holdings Limited (the "**Company**") hereby announces the audited consolidated final results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2014 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Note	**2014** *US$'000*	2013 *US$'000*
Revenue	3	**22,938**	23,290
Cost of services		**(19,482)**	(25,108)
Gross profit/(loss)		**3,456**	(1,818)
Other loss		**(698)**	—
Other income		**60**	22
General and administrative expenses	4	**(2,764)**	(2,784)
Impairment loss recognised on property, plant and equipment	4	**(5,245)**	(7,700)
Operating loss		**(5,191)**	(12,280)
Finance income	5	**155**	189
Finance costs	5	**(1,576)**	(1,324)
Finance costs — net		**(1,421)**	(1,135)
Loss before income tax		**(6,612)**	(13,415)
Income tax expense	6	**—**	—
Loss for the year and total comprehensive loss attributable to owners of the Company		**(6,612)**	(13,415)
Loss per share for loss attributable to owners of the Company			
— Basic and diluted	7	**(US0.80 cents)**	(US1.62 cents)
Dividends	8	**—**	—

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Note	2014 US$'000	2013 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**122,269**	125,760
Pledged bank deposits		**4,250**	3,000
		126,519	128,760
Current assets			
Inventory		—	696
Finance lease receivable		—	1,867
Trade and other receivables	9	**3,215**	4,371
Pledged bank deposits		**6,432**	5,096
Cash and cash equivalents		**6,038**	1,146
		15,685	13,176
Total assets		**142,204**	141,936
EQUITY			
Equity attributable to owners of the Company			
Share capital	10	**1,064**	1,064
Reserves		**89,627**	96,026
Total equity		**90,691**	97,090
LIABILITIES			
Non-current liabilities			
Bank borrowings		**38,910**	37,237
Convertible bonds		**3,702**	—
Derivative financial instruments		**101**	—
		42,713	37,237
Current liabilities			
Other payables and accruals		**1,430**	3,123
Bank borrowings		**7,370**	4,486
		8,800	7,609
Total liabilities		**51,513**	44,846
Total equity and liabilities		**142,204**	141,936
Net current assets		**6,885**	5,567
Total assets less current liabilities		**133,404**	134,327

1. GENERAL INFORMATION

Great Harvest Maeta Group Holdings Limited (the "**Company**") and its subsidiaries (together, the "**Group**") engaged in chartering out of dry bulk vessels. The principal activity of the Company is investment holding.

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

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These financial statements are presented in United States dollars ("**US$**"), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 23 June 2014.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The consolidated financial statements have been prepared under the historical cost convention, as modified by certain financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) New and amendment to standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2013.

HKAS 1 (Revised)	Financial Statements Presentation
HKAS 19 (Revised)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKAS 36 (Amendment)	Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
HKFRS 1 (Amendment)	First Time Adoption of Hong Kong Financial Reporting Standards
HKFRS 7 (Amendment)	Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, 11 and 12 (Amendment)	Transition Guidance
HKFRS 13	Fair Value Measurement

The adoption of the above standards and amendments to standards does not have any significant impact to the results and financial position of the Group.

(b) *New standards, amendments and interpretations to standards that have been issued but not yet effective and have not been early adopted by the Group:*

The following new standards, amendments and interpretation to standards relevant to the Group has been issued but are not effective for the financial years beginning 1 April 2013 and have not been early adopted:

HKAS 32 (Amendment)	Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities[1]
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRS 9	Financial Instruments[4]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendment)	Investment Entities[1]
HKFRS 14	Regulatory Deferral Accounts[3]
HK(IFRIC) — Int 21	Levies[1]
Annual Improvement to HKFRSs — 2010–2012 Cycle[2]	
Annual Improvement to HKFRSs — 2011–2013 Cycle[2]	

1 Effective for the Group for annual period beginning 1 January 2014
2 Effective for the Group for annual period beginning 1 July 2014
3 Effective for the Group for annual period beginning 1 January 2016
4 To be announced by HKICPA

The Group will apply the above new standards, interpretation, amendments or improvements to existing standards as and when they become effective. The Group has already commenced an assessment of the impact of these new standards, interpretation, amendments or improvements to existing standards, and anticipated that the adoption of new standards, interpretation, amendments or improvements to existing standards will not have a material effect on the Group's operating result or financial position.

3. REVENUE AND SEGMENT INFORMATION

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

	2014	2013
	US$'000	*US$'000*
Time charter income	**14,266**	9,284
Voyage charter income	**4,206**	7,231
Service income	**4,466**	6,775
	22,938	23,290

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 makers (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 makers 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 makers 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 makers. Accordingly, no separate segment information is prepared.

Segment assets and liabilities

No assets and liabilities are included the Group's segment reporting that are submitted to and reviewed by the chief operating decision makers 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 major customers

Revenue arising from the provision of chartering and other related services for individual customers during the year on contributing over 10% of total revenue of the Group is as follows:

	2014	2013
	US$'000	*US$'000*
Customer A	**4,466**	6,775
Customer B *(Note 1)*	**4,280**	—
Customer C *(Note 2)*	**—**	2,864
Customer D *(note 2)*	**—**	2,576
	8,746	12,215

Notes:

1. No revenue was generated from customer B for the year ended 31 March 2013.
2. No revenue was generated from customer C and D for the year ended 31 March 2014.

4. EXPENSES BY NATURE

Operating loss is stated after charging the following:

	2014	2013
	US$'000	*US$'000*
Crew expenses (included in cost of services)	**4,024**	4,024
Depreciation of property, plant and equipment	**7,573**	9,133
Operating lease rental for land and buildings	**286**	267
Auditors' remuneration — audit services	**140**	128
Provision for impairment of trade receivables	**—**	8
Bad debt written-off	**3**	32
Impairment losses on property, plant and equipment	**5,245**	7,700
Employee benefit expense (including directors' emoluments)	**1,427**	1,704

5. FINANCE COSTS — NET

	2014 *US$'000*	2013 *US$'000*
Finance income		
Interest income	**(22)**	(7)
Finance income on finance lease receivable	**(133)**	(182)
	(155)	(189)
Finance costs		
Interest expense on bank borrowings	**1,163**	1,209
Interest expenses on convertible bonds	**105**	—
Loan arrangement fee	**308**	115
	1,576	1,324
Finance costs — net	**1,421**	1,135

6. 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 year ended 31 March 2014 (2013: Nil).

Taxation on profits has been calculated on the estimated assessable profits for the year ended 31 March 2014 at the rates of taxation prevailing in the countries/places in which the Group operates.

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

7. LOSS PER SHARE

(a) Basic

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

	2014	2013
Loss attributable to owners of the Company *(US$'000)*	**6,612**	13,415
Weighted average number of ordinary shares in issue *(thousands)*	**830,000**	830,000
Basic loss per share *(US cents per share)*	**0.80**	1.62

(b) Diluted

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

Diluted loss per share for the year ended 31 March 2014 and 2013 equal basic loss per share as the exercise of the outstanding share options and convertible bonds would be anti-dilutive.

8. DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 March 2014 (2013: Nil).

9. TRADE AND OTHER RECEIVABLES

	2014	2013
	US$'000	*US$'000*
Trade receivables	**2,319**	3,457
Less: Provision for impairment of trade receivables	**(8)**	(8)
Trade receivables, net	**2,311**	3,449
Prepayments and deposits	**904**	922
	3,215	4,371

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

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

As at 31 March 2014 and 2013, the ageing analysis of the trade receivables based on invoice date were as follows:

	2014	2013
	US$'000	*US$'000*
0–30 days	**2,247**	3,189
31–365 days	**63**	145
Over 365 days	**9**	123
	2,319	3,457

As at 31 March 2014, trade receivables of US$64,000 (2013: US$260,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The past due ageing analysis of these trade receivables is as follows:

	2014	2013
	US$'000	*US$'000*
0–30 days	**—**	7
31–365 days	**63**	138
Over 365 days	**1**	115
	64	260

As at 31 March 2013, trade receivables of US$8,000 were impaired.

The Group does not hold any collateral as security.

10. SHARE CAPITAL

	2014	2013
	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

Market review

Daily Variation Chart of the Baltic Dry Index (BDI), the Baltic Capesize Index (BCI) and the Baltic Panamax Index (BPI) 1 April 2013–31 March 2014

	BDI	BCI	BPI
1 April 2013–31 March 2014 (year average)	1,348	2,318	1,290
1 April 2013–30 September 2013 (first half average)	1,095	1,960	1,048
1 October 2013–31 March 2014 (second half average)	1,608	2,684	1,537

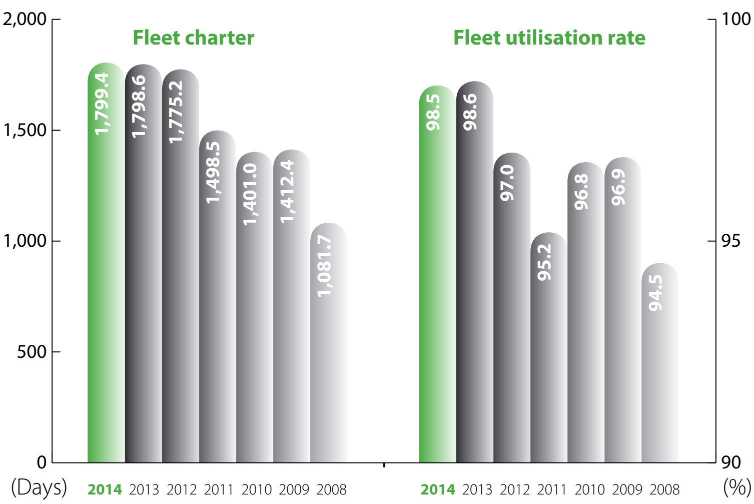
During the year from 1 April 2013 to 31 March 2014, the dry bulk freight market opened at a depressed level and improved as the year progressed. Freight rate was in a very low position for the first half of the year due to the impact of the extremely depressed market freight rate recorded in the previous year. For instance, Baltic Panamax Index for the six months ended 30 September 2013 was 1,048 points (average daily charter rate was US$8,364) which then climbed to 1,537 points for the six months ended 31 March 2014 (average daily charter rate was US$12,625). Although there were unseasonable freight rate fluctuation and decline in the spot market in the first quarter of 2014, the spot market recorded an increase as compared to the corresponding period of last year.

Oversupply in the dry bulk marine transportation market had no fundamental change, and the imbalance between supply and demand of the vessels remained the key factor to the fluctuation of the dry bulk freight market. The rebound of the spot market after September 2013 was attributable to the relatively improved balance between the growth of the dry bulk fleet and demand for marine transportation in 2013, with a growth of 5% and 6% respectively, which slightly relieved the oversupply situation. In an environment of slow growth in the overall economy, such recovering adjustment and upward trend recorded in the dry bulk freight market was scarce. One of the main growth drivers was the strong growth momentum of China's dry bulk import volume, among which iron ore import volume in 2013 amounted to approximately 819 million tonnes, representing an increase of approximately 10.2%; while coal import volume amounted to approximately 327 million tonnes, representing an increase of approximately 13.4%. Slow down in the growth of the world dry bulk fleet was another driving factor. The net increase of the world dry bulk fleet for the whole year was approximately 39 million dwt, significantly lower than 65 million dwt for the corresponding period of last year, which provided room for adjustment of the dry bulk freight market. However, while the dry bulk freight market showed an initial sign of improvement but there was yet any actual recovery of freight rates, there was already significant rise in the market price of dry bulk vessels. According to statistics, price of secondhand dry bulk vessels increased by approximately 28% in 2013, which was notably higher than other vessel types, and price of newly built dry bulk vessels also significantly increased. Orders of newly built dry bulk vessels in 2013 also grew sizably to about 140 million dwt, which was more than twice of that of the previous year. Accordingly, there is still strong investment sentiment in the market, and its impact on the dry bulk freight market requires further observation. According to the economic forecast in the global economic outlook made by the International Monetary Fund (IMF), the growth of 3.7% and 4.5% in economy and international trade volume will both be higher than that of last year, being 3% and 2.7% respectively. It is the hope of vessel owners that this would forcefully drive and support the recovery of the dry bulk freight market. Meanwhile, orders of the newly built dry bulk vessels indicated that the number of newly built vessels to be delivered this year will be less than that of recent years. Therefore, vessel owners are full of expectation on the dry bulk freight market in 2014.

Vessel owners are under great operational pressure due to the depressed income from the dry bulk freight. New policies and regulations promulgated in various areas in the world, inflation and fluctuation in exchange rate as well as other factors further placed upward pressure in the operation and management costs of vessels. For example, crew's wages, purchase expenses of materials and spare parts and maintenance fees for each kind of vessel equipments kept rising this year. In addition, high fuel price in recent years constantly impaired the operational results of vessel owners. Moreover, new regulations and requirements for the management and operation of various vessels emerged from time to time. All of these will result in immediate upward pressure on the cost of operation and management of vessels.

Business overview

Performance analysis of the Group's Fleet



For the year ended 31 March 2014, the Group's vessels were under sound operation. The size of the Group's fleet increased slightly as compared to last year, with a carrying capacity of about 420,369 dwt as of 31 March 2014. The Group's fleet maintained a high operational level with an occupancy rate at 98.5% and a total of 1,799.43 days of occupancy, which were at about the same level as last year. The average daily charter rate of its vessels was approximately US$10,785 and substantially all charter hire was recovered by the Group without material receivables. Meanwhile, the Group's fleet had achieved a record of safe operation and zero adverse incidents during the year under review. The Group's fleet carried an aggregate of approximately 2,835,755 tonnes of cargoes during the year, including approximately 1,953,683 tonnes of coal, representing approximately 69% of the Group's total cargo volume. The Group's fleets will have a coverage rate of about 42% during the six months ended 30 September 2014 and all vessels will be operating in the spot market. The Group was able to exert stringent control over the costs and expenses for vessel management and had strived to minimize voyage expenses, hence managed to control the management expenses for the Group's vessels within budget.

In order to reduce operational risks and achieve better operational efficiency, the Group upheld its proactive and prudent operating strategies and sought to charter out vessels to more reputable charterers while endeavoring to provide better transportation services to charterers, so as to maintain a favorable market image.

On 6 November 2013, the Group entered into a memorandum of agreement with an independent third party to acquire a secondhand panamax dry bulk vessel at a purchase price of US$9.36 million (equivalent to HK$73.01 million). The vessel was delivered to the Group on 10 December 2013. Further details of the acquisition of the vessel are set out in the announcement of the Company dated 6 November 2013.

Reference is also made to the paragraph headed "Business of the Group — Fleet composition" in the section headed "Business" of the prospectus of the Company dated 27 September 2010 in relation to the finance lease arrangement concerning GREAT HARVEST, the oldest dry bulk vessel of the Group. In accordance with the agreement with the Korean charterer concerned, the finance lease arrangement of GREAT HARVEST was completed and the vessel was handed over to the charterer on 11 December 2013.

On 20 May 2014, the Group entered into a memorandum of agreement with an independent third party to acquire a secondhand panamax dry bulk vessel at a purchase price of US$22.8 million (equivalent to about HK$176.7 million). The vessel shall be due for delivery during the period from 1 July 2014 to 10 August 2014. Further details of the acquisition of the vessel are set out in the announcement of the Company dated 22 May 2014.

Market outlook

Forecast over the dry bulk marine transportation market is comparatively positive for the 2014 spot rate market. Generally, it is considered that the rising trend of both the spot rate market and the daily average income and annual average income of vessels could be maintained at last year's level and grows to a certain extent. However, there will not be a substantial change in the current oversupply situation in the dry bulk marine transportation market. The International Monetary Fund (IMF) forecasts that the world economy will grow by about 3.7%, while the aggregate international trade volume will increase by about 4.5%, both of which are higher than that of last year (being about 3% and 2.7% respectively). Therefore, it is expected that the demand for dry bulk marine transportation will also keep growing, and the growth will be greater than last year's growth of about 5% and 6%. According to the current record of orders for newly built vessels, there will be approximately 724 newly built vessels (about 55,530,000 dwt) to be delivered in the year of 2014, which will be less than the 65,000,000 dwt of last year, whereas the number of aged vessels available for demolishing is decreasing. If the number of aged vessels being demolished remain at the same level as last year, it is expected that the growth in size of the dry bulk fleet will be slower than that of last year. Under the condition that demand slightly outweighs supply, it is generally expected that the relationship between supply and demand of dry bulk vessels will be on a trend favourable to vessel owners. That is also one of the key factors driving the growth in the cost of newly built dry bulk vessels and the price of secondhand dry bulk vessels.

According to statistics from shipping broker companies, the volumes of major types of dry bulk cargoes by marine transportation all recorded growth this year, while the demand volume of iron ore and coal by marine transportation recorded a relatively large increase which was higher than the expected growth in the dry bulk cargoes fleet of approximately 3.3% this year. The oversupply of vessels in the spot rate market will be further eased this year, which will provide a better environment and condition for the recovery of spot rate.

Based on the statistics from market reports, the imported iron ore volume by marine transportation in China will increase by approximately 12.5% this year, while the imported coal volume by marine transportation will increase by approximately 7.2%. Due to the large base number of China's imported iron ore and coal volume, further high growth will make a significant contribution to the global marine transportation volume, in particular the positive effect on the Pacific freight market is expected to be especially remarkable. There is a possibility that the level of the spot rate market this year may surpass that of 2013 if the existing oversupply situation in vessel market could be further improved as expected, which may result in the average income of vessels of this year surpassing that of last year. However, since the significant rebound of spot rate recorded in September 2013, the spot rate market has experienced substantial fluctuation due to the continuous oversupply of dry bulk vessels. In the event that there were a lot of dry bulk vessels unoccupied and looking for cargoes at the same time, the spot rate market would immediately be under pressure and the freight rate would decrease. In other words, if the vessels operating in the spot market are involved in the fluctuation valley of the freight rate, their operating income would also suffer significant losses.

As the spot rate market is full of fluctuation, the Group will maintain prudent operating strategies by enhancing daily management of vessels, making efforts to provide better transportation service to customers and striving to lease out its vessels to reputable and reliable customers at higher rates, thus generating more operational income for the Group. The Group will also strictly control the operating costs and reduce all unnecessary expenses. The Group intends to identify more new development opportunities and/or to expand our scope of business and diversify our income streams by actively expanding into other businesses apart from shipping business, such as upstream businesses.

Financial review

Revenue

Revenue of the Group decreased from approximately US$23.3 million for the year ended 31 March 2013 to approximately US$22.9 million for the year ended 31 March 2014, representing a decrease of approximately US$0.4 million, or approximately 1.5%. It comprised time charter income of approximately US$14.3 million (constituted approximately 62.2% of the revenue of the Group) (2013: approximately US$9.3 million, constituted approximately 39.9% of the revenue of the Group), voyage charter income of approximately US$4.2 million (constituted approximately 18.3 % of the revenue of the Group) (2013: approximately US$7.2 million, constituted approximately 31.0% of the revenue of the Group) and service income of approximately US$4.4 million (constituted approximately 19.5 % of the revenue of the Group) (2013: approximately US$6.8 million, constituted approximately 29.1% of the revenue of the Group) for the year ended 31 March 2014. The decrease in charter income was mainly attributable to the decrease in voyage charter income which was mainly due to the decrease in income for the year ended 31 March 2014 derived from completion of voyage charters with aggregate shipping volume of 348,506 metric tonnes of cargo like salt, petcoke, soy bean and coal as compared with completion of shipping volume of 464,900 metric tonnes of iron ore for the year ended 31 March 2013. The increase in time charter income contributed to the slight improvement of the average Daily TCE of the Group's fleet from approximately US$9,805 for the year ended 31 March 2013 to approximately US$10,785 for the year ended 31 March 2014.

Cost of services

Cost of services of the Group decreased from approximately US$25.1 million for the year ended 31 March 2013 to approximately US$19.5 million for the year ended 31 March 2014, representing a decrease of approximately US$5.6 million or approximately 22.4%. The decrease of cost of services was mainly due to decrease in direct expenses including bunker expenses and port charges related to voyage chartering and decrease in depreciation after impairment of vessel recognised during the year ended 31 March 2014.

Gross profit/loss

The Group recorded gross profit of approximately US$3.5 million for the year ended 31 March 2014 as compared with gross loss of approximately US$1.8 million for the year ended 31 March 2013, representing a difference of approximately US$5.3 million, while the gross profit margin increased from approximately –7.8% for the year ended 31 March 2013 to approximately 15.1% for the year ended 31 March 2014. The increase in gross profit margin of the Group was mainly attributable to the increase in average Daily TCE of the Group's vessels.

General and administrative expenses

General and administrative expenses of the Group slightly decreased by US$20,000 or approximately 0.7%, mainly due to the decrease in amortization of share-based payments which was partially offset by increase in legal fee incurred for issue of convertible bonds and acquisition of vessels during the year ended 31 March 2014.

Finance costs

Finance costs of the Group increased from approximately US$1.3 million for the year ended 31 March 2013 to approximately US$ 1.6 million for the year ended 31 March 2014, representing an increase of approximately US$ 0.3 million or approximately 19%. Such increase was mainly attributable to the new bank borrowing for financing the acquisition costs of vessels and the issue of convertible bonds during the year.

Loss and total comprehensive loss for the year

The Group incurred a loss of approximately US$6.6 million for the year ended 31 March 2014 as compared with approximately US$13.4 million for the year ended 31 March 2013. Such change was mainly due to (i) the turnaround from gross loss for the year ended 31 March 2013 to gross profit for the year ended 31 March 2014 with a difference of approximately US$5.3 million; (ii) the decrease in impairment loss of the Group's vessels; and (iii) the other loss incurred from revaluation of convertible bonds and interest rate swap.

Liquidity, financial resources, capital structure and gearing ratio

As at 31 March 2014, the Group's bank balances and cash amounted to approximately US$6.0 million (31 March 2013: approximately US$1.1 million), of which approximately 99.1% was denominated in US$ and approximately 0.7% in HK$. Outstanding bank loans amounted to approximately US$46.3 million (31 March 2013: approximately US$41.7 million), which were denominated in US$.

As at 31 March 2013 and 31 March 2014, the Group had a gearing ratio (being the bank loans of the Group divided by the total assets of the Group) of approximately 29.4% and 32.5% respectively. The increase in gearing ratio as at 31 March 2014 was mainly due to the new bank loan raised for financing the acquisition costs of vessels during the year under review.

The Group's net current assets had increased from approximately US$5.6 million as at 31 March 2013 to approximately US$6.9 million as at 31 March 2014. Such improvement was mainly due to increase in working capital arisen from the increase in operating income of the Group.

The Group's liquidity requirements will be satisfied by a combination of cash flow generated from working capital arising from operating activities and bank loans. The Group also monitors the current and expected liquidity requirements regularly to mitigate the effects of fluctuations in cash flows.

Convertible Bonds

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

The completion of the issue and subscription of the First Convertible Bonds took place on 2 September 2013. The Company may, at any time within one year thereafter, issue a written notice to Ablaze Rich for the purpose of the completion of the issue and subscription of the second tranche. Completion of the Second Convertible Bonds had not yet taken place as at the date of this announcement. Ablaze Rich had not yet exercised the conversion rights attached to the First Convertible Bonds as at the date of this announcement.

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

Exposure to fluctuations in exchange rate 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 2014, the Group had entered into an interest rate swap to hedge for the future fluctuations of London Interbank offered rate or cost of fund arising from the Group's variable-rate borrowings.

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 31 March 2014, the Group recorded outstanding bank loans of approximately US$46.3 million and all the bank loans carried interest at floating rate. The bank loans, namely the GH FORTUNE/PROSPERITY Loan, the GH POWER Loan and the GH GLORY Loan, were for financing the acquisition costs 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"), Way Ocean Shipping Limited ("Way Ocean") and Prosperity Plus Enterprises Limited ("Prosperity Plus") respectively;
- Assignment of the charter-hire income and insurance in respect of the vessels held by Bryance Group, Joy Ocean, Way Ocean and Prosperity Plus respectively;
- Charges over shares of each of Bryance Group, Joy Ocean, Way Ocean and Prosperity Plus.

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

In relation to the GH POWER 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 Director of the Company without the lender's prior consent.

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

Notes:

1. "GH FORTUNE/PROSPERITY Loan" represents a term loan for the aggregate principal amount of US$16 million in two tranches for the purpose of financing or refinancing the acquisition costs of GH FORTUNE and GH PROSPERITY. US$10.4 million of the principal amount of such term loan shall be repaid by 20 quarterly instalments, and US$5.6 million thereof shall be repaid by 12 quarterly instalments, commencing three months from 5 December 2013

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

3. "GH GLORY Loan" represents a term loan for the principal amount of US$26 million for financing the acquisition costs 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 31 March 2014, the Group had pledged the following assets to banks as securities against banking facilities granted to the Group:

	2014	2013
	US$'000	*US$'000*
Property, plant and equipment	**122,262**	125,750
Pledged bank deposits	**10,682**	8,096
	132,944	133,846

Contingent liabilities

The Group had no material contingent liabilities as at 31 March 2014.

Employees' remuneration and retirement scheme arrangements

As at 31 March 2014, the Group had 120 employees (31 March 2013: 121 employees). For the year ended 31 March 2014, the total salaries and related cost (including Directors' fees and share-based payments) amounted to approximately US$5.5 million (31 March 2013: US$5.7 million). It is the Group's policy to remunerate its employees according 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.

CODE ON CORPORATE GOVERNANCE PRACTICES (THE "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 year ended 31 March 2014 and up to the date of this announcement, the Company had been in compliance with the code provisions set out in 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 Directors have confirmed that, following specific enquiry by the Company, they have complied with the required standards as set out in the Model Code for the year ended 31 March 2014 and up to the date of this announcement.

DIVIDEND

At the Board meeting held on 23 June 2014, the Directors do not recommend the payment of any final dividend to the Shareholders for the year ended 31 March 2014.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in Note 10.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, redeemed or cancelled any of the Company's listed securities for the year ended 31 March 2014.

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 of the Company (the "**Audit Committee**") has reviewed the accounting principles and practices adopted by the Group and the audited financial statements for the year ended 31 March 2014 and discussed auditing, internal control and financing reporting matters including with the Group's external auditors. There were no disagreements from the auditors or the Audit Committee in respect of the accounting policies adopted by the Company.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final result announcement is published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company's website (www.greatharvestmg.com). The annual report of the Company for the year ended 31 March 2014 will also be despatched to the shareholders of the Company and published on the aforesaid website in due course in accordance with the Listing Rules.

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

Hong Kong, 23 June 2014

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, Dr. Chan Chung Bun, Bunny and Mr. Wai Kwok Hung.