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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 2014

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 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 September 2014

		Unaudited Six months ended 30 September	
	Note	**2014** *US$'000*	2013 *US$'000*
Revenue	4	**9,370**	11,187
Cost of services		**(10,673)**	(10,671)
Gross (loss)/profit		**(1,303)**	516
Other gains, net		**129**	—
Other income		**13**	128
General and administrative expenses		**(1,712)**	(1,298)
Operating loss	5	**(2,873)**	(654)
Finance income	6	**2**	114
Finance costs	6	**(1,000)**	(641)
Finance costs — net	6	**(998)**	(527)
Loss before income tax		**(3,871)**	(1,181)
Income tax expense	7	**—**	—
Loss for the period and total comprehensive loss attributable to owners of the Company		**(3,871)**	(1,181)
Loss per share for loss attributable to owners of the Company — Basic and diluted	8	**(0.47 cents)**	(0.14 cents)
Dividend	9	**—**	—

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	Note	**Unaudited 30 September 2014** *US$'000*	Audited 31 March 2014 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**133,835**	122,269
Pledged bank deposits		**5,224**	4,250
		139,059	126,519
Current assets			
Trade and other receivables	10	**5,204**	3,215
Pledged bank deposits		**2,104**	6,432
Cash and cash equivalents		**2,987**	6,038
		10,295	15,685
Total assets		**149,354**	142,204
EQUITY			
Equity attributable to owners of the Company			
Share capital	11	**1,064**	1,064
Reserves		**85,788**	89,627
Total equity		**86,852**	90,691
LIABILITIES			
Non-current liabilities			
Bank borrowings	12	**49,892**	38,910
Convertible bonds	13	**3,614**	3,702
Derivative financial instruments		**151**	101
		53,657	42,713
Current liabilities			
Other payables and accruals	14	**303**	1,430
Bank borrowings	12	**8,542**	7,370
		8,845	8,800
Total liabilities		**62,502**	51,513
Total equity and liabilities		**149,354**	142,204
Net current assets		**1,450**	6,885
Total assets less current liabilities		**140,509**	133,404

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2014

	Unaudited						
	Attributable to owners of the Company						
	Share capital	**Share premium**	**Share option reserve**	**Special reserve**	**Other reserves**	**Retained profits**	**Total equity**
	US\$'000	***US\$'000***	***US\$'000***	***US\$'000***	***US\$000***	***US\$'000***	***US\$'000***
Balance at 1 April 2014	**1,064**	**25,120**	**979**	**46**	**13,636**	**49,846**	**90,691**
Total comprehensive loss for the period ended 30 September 2014, net of tax	**—**	**—**	**—**	**—**	**—**	**(3,871)**	**(3,871)**
Transaction with owners in their capacity as owners							
Employee share option scheme:							
— Employee share-based compensation benefits	**—**	**—**	**32**	**—**	**—**	**—**	**32**
Total transaction with owners	**—**	**—**	**32**	**—**	**—**	**—**	**32**
Balance at 30 September 2014	**1,064**	**25,120**	**1,011**	**46**	**13,636**	**45,975**	**86,852**
Represented by:							
Reserves							**86,852**
Interim dividend							**—**
Balance at 30 September 2014							**86,852**

	Unaudited						
	Attributable to owners of the Company						
	Share capital	Share premium	Share option reserve	Special reserve	Other reserves	Retained profits	Total equity
	US\$'000	*US\$'000*	*US\$'000*	*US\$'000*	*US\$000*	*US\$'000*	*US\$'000*
Balance at 1 April 2013	1,064	25,120	766	46	13,636	56,458	97,090
Total comprehensive loss for the period ended 30 September 2013, net of tax	—	—	—	—	—	(1,181)	(1,181)
Transaction with owners in their capacity as owners							
Employee share option scheme:							
— Employee share-based compensation benefits	—	—	106	—	—	—	106
Total transaction with owners	—	—	106	—	—	—	106
Balance at 30 September 2013	1,064	25,120	872	46	13,636	55,277	96,015
Represented by:							
Reserves							96,015
Interim dividend							—
Balance at 30 September 2013							96,015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2014

	Unaudited Six months ended 30 September 2014 US$'000	2013 US$'000
Cash flows from operating activities		
Loss before income tax	**(3,871)**	(1,181)
Adjustments for:		
— Depreciation	**3,935**	3,694
— Finance income	**(2)**	(114)
— Finance cost	**1,000**	641
— Disposal/written off of property, plant and equipment	**504**	33
— Share-based payment	**32**	106
— Fair value changes in derivative financial instruments	**(129)**	—
Changes in working capital:		
— Trade and other receivables	**(1,989)**	526
— Inventories	**—**	696
— Other payables and accruals	**(1,127)**	(309)
Net cash (used in)/generated from operating activities	**(1,647)**	4,092
Cash flows from investing activities		
Interest received	**2**	14
Purchase of property, plant and equipment	**(22,800)**	—
Proceed from disposal of property, plant and equipment	**6,795**	—
Net cash (used in)/generated from investing activities	**(16,003)**	14
Cash flows from financing activities		
Interest paid	**(681)**	(527)
Net decrease/(increase) in pledged bank deposits	**3,354**	(597)
Repayments of bank borrowings	**(4,074)**	(2,300)
Proceeds from issuance of convertible bonds	**—**	3,000
Inception of bank loan	**16,000**	—
Net cash generated from/(used in) financing activities	**14,599**	(424)
Net (decrease)/increase in cash and cash equivalents	**(3,051)**	3,682
Cash and cash equivalents at beginning of the period	**6,038**	1,146
Cash and cash equivalents at end of the period	**2,987**	4,828
Analysis of cash and cash equivalents:		
Bank balances and cash	**2,987**	4,828

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 its 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, KY1-1111, 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 28 November 2014.

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 2014 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 2014, 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 2014, 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 new standards and amendments to standards are mandatory for the first time for the financial year beginning 1st April 2014:

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendment	Investment entities
HKAS 32 Amendment	Offsetting financial assets and liabilities
HKAS 36 Amendment	Recoverable amount disclosures for non-financial assets
HKAS 39 Amendment	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) 21	Levies
HKAS 19 (2011) Amendment	Defined benefit plans: employee contributions
Annual Improvements Project	Annual improvements 2010–2012 cycle
Annual Improvements Project	Annual improvements 2011–2013 cycle

The Group has adopted these standards and the adoption of these standards did not have a significant impact on the Group's results and financial position.

There are no other new 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 the Group.

(c) The following new standards, and amendments to standards and annual improvements to the Group have been issued but are not effective for the financial year beginning 1 April 2014 and have not been early adopted:

		Effective for accounting periods beginning on or after
Annual improvements project	Annual improvements 2012–2014 cycle	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 10 and HKAS 28 Amendment	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKFRS 11 Amendment	Accounting for acquisitions of interests in joint operations	1 January 2016
HKAS 16 and HKAS 38 Amendment	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 16 and HKAS 41 Amendment	Agriculture: bearer plants	1 January 2016
HKAS 27 Amendment	Equity method in separate financial statements	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018

The directors of the Company are in the process of assessing the financial impact of the adoption of the above new standards, amendments to standards and annual improvements. The directors of the Company will adopt the new standards and amendments to standards when 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	
	2014	2013
	US$'000	*US$'000*
Time charter income	**8,145**	4,941
Voyage charter income	**1,225**	2,965
Service income	**—**	3,281
	9,370	11,187

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 resources 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

The following items have been charged to the operating loss during the interim period:

	Six months ended 30 September	
	2014	2013
	US$'000	*US$'000*
Depreciation of property, plant and equipment	**3,935**	3,694
Crew expenses (included in cost of services)	**2,123**	1,988
Operating lease rental for land and building	**167**	143
Loss on disposal of property, plant and equipment	**504**	—
Employee benefit expenses (including directors' emoluments)		
Fee, salaries and other benefit costs	**592**	601
Pension costs — retirement benefit plans	**11**	10
Share options granted to directors and employees	**32**	106

6 FINANCE COSTS — NET

	Six months ended 30 September	
	2014	2013
	US$'000	*US$'000*
Finance income		
Interest income	**(2)**	(14)
Finance income on finance lease receivables	**—**	(100)
	(2)	(114)
Finance costs		
Interest expense on bank borrowings	**792**	527
Interest expense on convertible bonds	**91**	15
Loan arrangement fee	**117**	99
	1,000	641
Finance costs — net	**998**	527

No borrowing costs were capitalised during the six months ended 30 September 2014 and 2013.

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 2014 (six months ended 30 September 2013: Nil).

Taxation on profits has been calculated on the estimated assessable profits for the six months ended 30 September 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.

8 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 period.

	Six months ended 30 September 2014	2013
Loss attributable to owners of the Company *(US$'000)*	**(3,871)**	(1,181)
Weighted average number of ordinary shares in issue *(thousands)*	**830,000**	830,000
Basic loss per share *(US cents per share)*	**(0.47)**	(0.14)

(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.

	Six months ended 30 September 2014	2013
Diluted loss per share *(US cents per share)*	**(0.47)**	(0.14)

Diluted loss per share for the six months ended 30 September 2014 equals basic loss per share as the exercise of the outstanding share options and convertible bonds would be anti-dilutive.

9 DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: Nil).

10 TRADE AND OTHER RECEIVABLES

	As at **30 September 2014** *US$'000*	31 March 2014 *US$'000*
Trade receivables	**4,412**	2,319
Less: Provision for impairment of trade receivables	**(8)**	(8)
Trade receivables, net	**4,404**	2,311
Prepayments and deposits	**800**	904
	5,204	3,215

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 2014 and 31 March 2014, the ageing analysis of trade receivables based on invoice date was as follows:

	As at **30 September 2014** *US$'000*	31 March 2014 *US$'000*
0–30 days	**3,148**	2,247
31–365 days	**1,256**	63
Over 365 days	**8**	9
	4,412	2,319

11 SHARE CAPITAL

	As at **30 September 2014** *HK$'000*	31 March 2014 *HK$'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 2014**	**Exercised during the period**	**Lapsed during the period**	**At 30 September 2014**
21 October 2011	HK$1.15	17,700,000	—	—	17,700,000

For the six months ended 30 September 2014, no share options (six months ended 30 September 2013: Nil) were lapsed.

12 BANK BORROWINGS

	As at	
	30 September 2014	31 March 2014
	US$'000	*US$'000*
Non-current	**49,892**	38,910
Current	**8,542**	7,370
	58,434	46,280

Movements in bank borrowings are analysed as follows:

	Six months ended 30 September	
	2014	2013
	US$'000	*US$'000*
Opening amount at 1 April	**46,280**	41,723
Addition	**16,000**	—
Repayments of bank borrowings	**(4,093)**	(2,074)
Accrued interests	**247**	—
Closing amount at 30 September	**58,434**	39,649

13 CONVERTIBLE BONDS

	As at	
	30 September 2014	31 March 2014
	US$'000	*US$'000*
Convertible bonds	**3,614**	3,702

The movements of the liability component and derivative component of the convertible bonds for the period since issuance are set out below:

	Liability component	**Derivative component**	**Total**
	US$'000	*US$'000*	*US$'000*
Issuance of the convertible bonds	2,565	559	3,124
Interest expenses	105	—	105
Fair value loss	—	473	473
At 31 March 2014	2,670	1,032	3,702
As at 1 April 2014	**2,670**	**1,032**	**3,702**
Interest expenses *(Note 6)*	**91**	**—**	**91**
Fair value gain	**—**	**(179)**	**(179)**
At 30 September 2014	**2,761**	**853**	**3,614**

The option right to issue tranche two convertible bonds in the principal amount of US$5,000,000 pursuant to a subscription agreement entered into between the Group and Ablaze Rich Investments Limited was forfeited during the period and the fair value of this option right of US$274 was charged to condensed consolidated statement of comprehensive income.

The fair values of the derivative component of the convertible bonds were valued by Cushman & Wakefield Valuation Advisory Services (HK) Ltd, an independent valuer under Binomial Option Pricing Model. The discount rate used to compute the fair value is the risk-free rate.

14 OTHER PAYABLES AND ACCRUALS

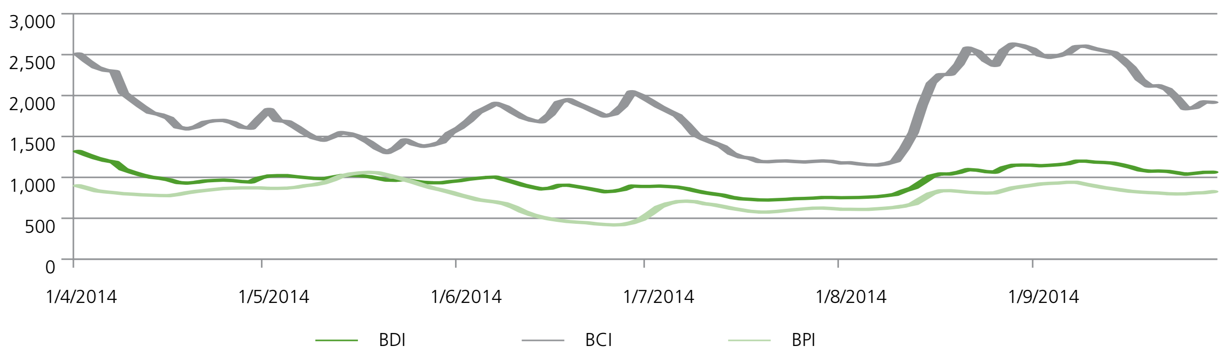
	As at 30 September 2014	31 March 2014
	US$'000	*US$'000*
Other payables and accruals	**290**	1,019
Receipt in advance from charterers	**13**	411
	303	1,430

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 2014 – 30 September 2014



	BDI	BCI	BPI
1 April 2014–30 September 2014 (half year average)	965	1,796	759

For the six months ended 30 September 2014, the freight market of dry bulk vessels remained in the summer seasonal freight doldrums as demonstrated by very low freight rates in the spot market. For instance, according to the statistics of vessel brokers, the average daily charter rate of panamax vessels under the Baltic Index of this year was about US$7,668, continuing the low market level seen in 2013. The prolonged depression of the freight market of dry bulk vessels was mainly due to the oversupply of dry bulk vessels in the market. The supply paradox of dry bulk vessels forced vessel owners to play a passive role at the operation level, and kept the spot freight rate at below reasonable market level. Also, cargo owners and charterers continued to take advantage of the market development favourable to them to push down the spot rate. Amid the slow growth in the overall global economy, the demand of marine transportation by dry bulk vessels could maintain its growth, which was primarily driven by the strong growth momentum of China's bulk cargo import volume. For the period between January 2014 and September 2014, the volume of China's iron ore import reached approximately 699.07 million tonnes, representing an increase of 16.5% over the corresponding period last year. Meanwhile, China imported 52.74 million tonnes of soybeans, representing an increase of approximately 15.3% over the corresponding period last year. Moreover, the growth rate of the world's dry bulk fleet has slowed down, with the net growth rate in the world's dry bulk fleet during this year expected to be lower than that of last year. However, the policy adjustments to Indonesia's raw ore export and China's coal import have adversely affected the marine transportation demand and freight rates of dry bulk cargoes this year. For the period between January 2014 and September 2014, the volume of China's coal import recorded a drop instead of an increase, contrary to previous forecast. The announcements made by the Chinese government to limit the import of low quality coal and to resume the import tax levied on imported coal are expected to bring further adverse impact on the volume of coal imported by China. Recently, the International Monetary Fund (IMF) has downward adjusted its global economic growth forecast (growth of global output was adjusted from 3.7% based on last year's forecast to 3.4% and growth of the aggregate international trade volume was lowered from 4.9% to 4.0% according to forecast made in July 2014). As such, growth in the demand for dry bulk marine transportation will go through adjustment under the influence of the global economic setting, and the spot freight market will likely be affected accordingly.

Vessel owners were under great economic pressure due to the depressed dry bulk freight income. New policies and regulations promulgated in various areas around the world, inflation and fluctuation in exchange rates as well as other factors put further pressure on the operation and management costs of vessels. For example, crew's wages, purchase expenses of materials and spare parts and maintenance fees for various kinds of vessel equipment 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 vessels emerge from time to time. All these will result in immediate increases in the costs of operation and management of vessels.

Business overview

For the six months ended 30 September 2014, the Group's vessels were under sound operation. The size of the Group's fleet reduced slightly as compared to the corresponding period last year, with total carrying capacity of 390,180 dwt. Meanwhile, the average age of the Group's fleet decreased from 13.8 years to 9.8 years. The Group's fleet also maintained a high operational level with an occupancy rate of 98.7%. The average daily charter rate of its vessels was approximately US$8,782.8, representing a decrease of approximately 8.9% as compared to the corresponding period last year. Also, the Group's fleet achieved a record of safe operation and zero adverse incidents. Currently, the Group's fleet has a coverage rate of about 59.2% for the period between 1 July 2014 and 31 December 2014 and all vessels are operating in the spot market. The Group was able to exert stringent control over costs and expenses in the course of vessel management and had strived to minimize voyage expenses, hence managed to maintain the management expenses for the Group's vessels within budget.

In order to reduce operational risks and achieve better operational efficiency, the Group will continue to uphold its proactive and prudent operating strategies and seek to charter out its vessels to more reputable charterers while endeavour to provide the best transportation services to charterers, so as to maintain a favourable market image.

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 was delivered to the Group on 22 July 2014. Further details of the acquisition of the vessel are set out in the announcement of the Company dated 22 May 2014.

On 11 August 2014, the Group entered into a memorandum of agreement with an independent third party to dispose of a capesize dry bulk vessel at a consideration of about US$7.00 million (equivalent to about HK$54.29 million). The vessel was delivered to the purchaser on 22 August 2014. Further details of the disposal of the vessel are set out in the announcement of the Company dated 11 August 2014 and the circular dated 19 September 2014.

Outlook

The market sentiment for the spot rate market of dry bulk goods in 2014 has turned from optimistic earlier in the year to relatively conservative, but it is still expected that the spot rates and the daily average rates of vessels this year will largely maintain at last year's level. The market also considers that demand for marine transportation of dry bulk goods will maintain growth as well. However, whether last year's growth rate can be achieved will be subject to the development in the fourth quarter this year. Oversupply will remain the overwhelming theme in the supply and demand of vessels in the dry bulk marine transportation market of 2014, with cargo owners and charterers having the upper hand in terms of bargaining power. The International Monetary Fund (IMF) has downward adjusted the forecast over the global economy this year from a growth of 3.7% to 3.4%, while the forecast over the aggregate international trade volume has been lowered from a growth of 4.9% to 4.0%. These two indicators are closer to the growth rate recorded last year (3% and 2.7%). Therefore, it is expected that the demand for dry bulk marine transportation will continue to record a positive growth, but the growth rate may not outpace the growth rate recorded last year (5% to 6%). The number of dry bulk vessels delivered in 2014 will be slightly below the actual number of newly built vessels delivered last year. It is expected that the growth in the number of vessels in the world's fleet will be lower than that recorded last year. Therefore, the relationship between the supply and demand of dry bulk vessels will develop in a direction more favorable to vessel owners. It is hoped that with time, the supply and demand of dry bulk vessels can gradually resume balance through market force.

Based on the statistics from market reports, the volume of iron ore imported through marine transportation in China for the first nine months of this year increased by 16.5% over the corresponding period last year. The volume of soybean imported through marine transportation increased by 15.3% over the corresponding period last year. As the base number of China's imported iron ore and soybean is significant, such sizable growth rates represent a significant contribution to the global volume of marine transportation, in particular the positive effect on the Pacific freight market will be more remarkable. The market expects that such growth rates can be maintained in the fourth quarter of this year. However, under the austerity measures of the Chinese government, the import volume of coal in China recorded a negative growth over the corresponding period last year (-6.7%). Coupled with the significant scale of oversupply of the dry bulk vessels, the spot market rate of this summer lingered in the low level for a more extensive period than last year. Therefore, the annual operating income for vessels operating in the spot market will be subject to significant challenge. Whether this year's operating income can achieve or surpass the level of last year will be subject to the extent of rebound in the spot rate in the fourth quarter of this year as well as the weather conditions of the northern hemisphere in the winter this year. Earlier and colder winter will be a driving force for the volume of coal used.

As the spot rate market is volatile, the Group will maintain prudent operating strategies by enhancing daily management of vessels, endeavour to provide better transportation service to users and strive to lease out its vessels to reputable and reliable charterers at higher charter rates, thus generating more operating income for the Company. Meanwhile, the Group will 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 about US$11.2 million for the six months ended 30 September 2013 to about US$9.4 million for the six months ended 30 September 2014, representing a decrease of about US$1.8 million, or about 16.2%. It comprised time charter income of approximately US$8.1 million (constituted approximately 86.9% of the revenue of the Group) and voyage charter income of approximately US$1.2 million (constituted approximately 13.1% of the revenue of the Group) derived for the period under review. No service income was recorded for the period under review as the vessel subject to finance lease arrangement was handed over to the lessee at the end of the finance lease arrangement in December 2013. There was an increase in time charter income which was mainly attributable to the increase in time charter performed. The average Daily TCE of the Group's fleet decreased from approximately US$9,600 for the six months ended 30 September 2013 to approximately US$8,800 for the six months ended 30 September 2014.

Cost of services

Cost of services of the Group remained stable at approximately US$10.7 million for the six months ended 30 September 2013 and 2014. The cost of services was affected by (i) the increase in depreciation expenses derived from the newly acquired vessels though the effect was partly neutralized by the decrease in depreciation expenses after impairment loss of vessels recognized last year; and (ii) the slight increase in crew expenses, which was offset by the decrease in the bunker and other direct cost due to the decrease in voyage charters performed.

Gross profit/(loss)

The Group recorded gross loss of approximately US$1.3 million for the six months ended 30 September 2014 as compared with a gross profit of approximately US$0.5 million for the six months ended 30 September 2013, representing a difference of approximately US$1.8 million, while the gross profit margin deteriorated from approximately 4.6% for the six months ended 30 September 2013 to approximately -13.9% for the six months ended 30 September 2014. The deterioration from gross profit to gross loss of the Group was mainly attributable to the decrease in daily TCE of the Group's vessels.

General and administrative expenses

General and administrative expenses of the Group increased from approximately US$1.3 million for the six months ended 30 September 2013 to approximately US$1.7 million for the six months ended 30 September 2014, representing an increase of approximately US$0.4 million or approximately 31.9%, mainly due to the loss on disposal of a vessel, which was partially offset by the decrease in amortization of share-based payments during the period under review.

Finance costs

Finance costs of the Group increased from approximately US$0.6 million for the six months ended 30 September 2013 to approximately US$1.0 million for the six months ended 30 September 2014, representing an increase of approximately US$0.4 million or approximately 55.9%. Such increase was mainly attributable to the loans raised for financing or refinancing the acquisition costs of vessels.

Loss and total comprehensive loss

The Group incurred a loss of approximately US$3.9 million for the six months ended 30 September 2014 as compared with a loss of approximately US$1.2 million for the six months ended 30 September 2013. Such increase was mainly due to (i) the decrease in gross profit of approximately US$1.8 million; (ii) the loss on disposal of a vessel; and (iii) the increase in finance costs.

Liquidity, financial resources, capital structure and gearing ratio

As at 30 September 2014, the Group's bank balances and cash amounted to approximately US$3.0 million (as at 31 March 2014: approximately US$6.0 million), of which approximately 96.5% was denominated in US$ and approximately 3.5% in HK$. Outstanding bank loans amounted to approximately US$58.4 million (as at 31 March 2014: approximately US$46.3 million), of which 100% (as at 31 March 2014: 100%) was denominated in US$.

As at 30 September 2014 and 31 March 2014, the Group had a gearing ratio (being the bank loans and convertible bonds of the Group divided by the total assets of the Group) of about 41.6% and 35.2% respectively. The increase in gearing ratio as at 30 September 2014 was mainly due to the new loan raised for financing the acquisition costs of vessel during the period under review.

The Group's net current assets had decreased from about US$6.9 million as at 31 March 2014 to about US$1.5 million as at 30 September 2014, representing a decrease of about US$5.4 million, or about 78.9%. Such decrease was mainly due to the acquisition costs of vessel and the effect of decrease in gross profit.

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 and other financing means which the Company may from time to time consider appropriate.

Convertible Bonds

On 5 July 2013, the Company entered into a subscription agreement with Ablaze Rich Investments Limited, the holding company of the company, in respect of the issue and subscription of the convertible bonds (the "Convertible Bonds") in an aggregate principal amount of US$8,000,000 comprising the first tranche in the principal amount of US$3,000,000 and the second tranche in the principal amount of US$5,000,000, which may be converted into 52,702,402 conversion shares 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 tranche took place on 2 September 2013. On 2 September 2014, the Company announced that the issue of the second tranche did not proceed to completion and had lapsed accordingly (the "Non-Completion").

Further details of the issue of the Convertible Bonds and the Non-completion are set out in the announcements of the Company dated 5 July 2013, 2 September 2013 and 2 September 2014, and the circular of the Company dated 23 July 2013.

As at 30 September 2014, the entire principal amount of the first tranche remained outstanding.

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

Pursuant to Rule 13.18 of the Listing Rules, a general disclosure obligation will arise where an issuer or any of its subsidiaries enters into a loan agreement that includes a condition imposing specific performance obligations on any controlling shareholders, such as a requirement to maintain a specified minimum holding in the share capital of the issuer. As at 30 September 2014, the Group recorded outstanding bank loans of about US$58.4 million. The bank loans, namely the GH FORTUNE/GH PROSPERITY Loan, the GH POWER Loan, the GH GLORY Loan and the GH HARMONY Loan, were for financing the acquisition of vessels of the Group and were secured by, inter alia, the following:

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

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 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. "GH FORTUNE/GH 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.

4. "GH HARMONY Loan" represents a term loan for the principal amount of US$16 million for financing the acquisition costs of GH HARMONY. The principal amount of the bank loan shall be repayable by 28 consecutive quarterly instalments commencing three months from 14 July 2014.

Charges on assets

As at 30 September 2014, the Group had pledged the following assets to banks as securities against banking facilities granted to the Group:

	30 September 2014 *US$'000* **(Unaudited)**	31 March 2014 *US$'000* (Audited)
Property, plant and equipment	**133,830**	122,262
Pledged bank deposits	**7,328**	10,682
	141,158	132,944

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 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. The total notional principal amount of the outstanding interest rate swap as at 30 September 2014 was US$13,350,000 (as at 31 March 2014: US$13,350,000).

Contingent liabilities

There were no significant contingent liabilities for the Group as at 30 September 2014.

Interim dividend

The Board does not recommend any interim dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: 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 2014.

Employees

As at 30 September 2014, the Group had a total of 120 employees (as at 30 September 2013: 120 employees). For the six months ended 30 September 2014, the total salaries and related costs (including Directors' fees) amounted to approximately US$2.8 million (as at 30 September 2013: US$2.7 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 2014 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 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 2014 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 2014, 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 2014 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, 28 November 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.