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 2015

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 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2015

		Unaudited Six months ended 30 September	
	Note	**2015** *US$'000*	2014 *US$'000*
Revenue	4	**4,540**	9,370
Cost of services		**(7,275)**	(10,673)
Gross loss		**(2,735)**	(1,303)
Other gains/(losses) — net		**33**	(375)
Other income		**111**	13
General and administrative expenses		**(1,922)**	(1,208)
Impairment loss on property, plant and equipment		**(5,100)**	—
Operating loss	5	**(9,613)**	(2,873)
Finance income	6	**2**	2
Finance costs	6	**(1,158)**	(1,000)
Finance costs — net	6	**(1,156)**	(998)
Loss before income tax		**(10,769)**	(3,871)
Income tax expense	7	**—**	—
Loss for the period and total comprehensive loss attributable to owners of the Company		**(10,769)**	(3,871)
Loss per share attributable to owners of the Company			
— Basic and diluted	8	**(1.23 cents)**	(0.47 cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Note	**Unaudited 30 September 2015 *US$'000***	Audited 31 March 2015 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**94,987**	102,935
Pledged bank deposits		**1,750**	3,774
		96,737	106,709
Current assets			
Trade and other receivables	10	**1,566**	2,389
Pledged bank deposits		**1,577**	3,378
Cash and cash equivalents		**14,110**	421
		17,253	6,188
Asset classified as held for sale		**—**	3,608
		17,253	9,796
Total assets		**113,990**	116,505
EQUITY			
Equity attributable to owners of the Company			
Share capital	11	**1,174**	1,064
Reserves		**62,724**	52,285
Total equity		**63,898**	53,349
LIABILITIES			
Non-current liabilities			
Borrowings	12	**37,772**	47,192
Convertible bonds	13	**3,814**	3,604
Derivative financial instruments		**287**	278
		41,873	51,074
Current liabilities			
Other payables and accruals	14	**1,471**	2,070
Borrowings	12	**6,748**	10,012
		8,219	12,082
Total liabilities		**50,092**	63,156
Total equity and liabilities		**113,990**	116,505
Net current assets/(liabilities)		**9,034**	(2,286)
Total assets less current liabilities		**105,771**	104,423

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

	Unaudited						
	Attributable to owners of the Company						
	Share capital *US$'000*	**Share premium** *US$'000*	**Share option reserve** *US$'000*	**Special reserve** *US$'000*	**Other reserves** *US$000*	**Retained profits** *US$'000*	**Total equity** *US$'000*
Balance at 1 April 2015	**1,064**	**25,120**	**1,043**	**46**	**13,636**	**12,440**	**53,349**
Total comprehensive loss for the period ended 30 September 2015, net of tax	**—**	**—**	**—**	**—**	**—**	**(10,769)**	**(10,769)**
Transactions with owners in their capacity as owners							
Share option scheme:							
— Share-based compensation benefits	**—**	**—**	**844**	**—**	**—**	**—**	**844**
— Proceeds from shares issued upon exercise of share options	**4**	**642**	**(181)**	**—**	**—**	**—**	**465**
Issue of ordinary shares	**106**	**19,903**	**—**	**—**	**—**	**—**	**20,009**
Total transactions with owners	**110**	**20,545**	**663**	**—**	**—**	**—**	**21,318**
Balance at 30 September 2015	**1,174**	**45,665**	**1,706**	**46**	**13,636**	**1,671**	**63,898**
Represented by:							
Reserves							**63,898**
Interim dividend							**—**
Balance at 30 September 2015							**63,898**

	Unaudited						
	Attributable to owners of the Company						
	Share capital *US$'000*	Share premium *US$'000*	Share option reserve *US$000*	Special reserve *US$'000*	Other reserves *US$'000*	Retained profits *US$'000*	Total equity *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							
Share option scheme:							
— 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

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**") are engaged in chartering 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, 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 has been approved for issue by the board of directors on 30 November 2015.

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 2015 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 2015, 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 2015, 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 amendments to standards and annual improvements are mandatory for the first time for the financial year beginning 1 April 2015:

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 significant impacts 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, amendments to standards and annual improvement have been issued but are not effective for the financial year beginning 1 April 2015 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKAS 1 Amendment	Disclosure initiative	1 January 2016
HKAS 27 Amendment	Equity method in separate financial statements	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
HKFRS 9	Financial instruments	1 January 2018
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKFRS 10, HKFRS12 and HKAS 28 (Amendment)	Investments entities applying the consolidation exception	1 January 2016
HKFRS 11 Amendment	Accounting for acquisitions of interests in joint operations	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2018
Annual improvements project	Annual improvements 2012–2014 cycle	1 January 2016

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 improvement. 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	
	2015	2014
	US$'000	*US$'000*
Time charter income	**4,540**	8,145
Voyage charter income	**—**	1,225
	4,540	9,370

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 review the revenue components of time charter income, voyage charter 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.

5 OPERATING LOSS

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

	Six months ended 30 September	
	2015	2014
	US$'000	*US$'000*
Depreciation of property, plant and equipment	**2,848**	3,935
Crew expenses (included in cost of services)	**1,736**	2,123
Operating lease rental for land and building	**176**	167
Employee benefit expenses (including directors' emoluments)		
Fee, salaries and other benefit costs	**600**	592
Pension costs — retirement benefit plans	**11**	11
Share options granted, including directors and employees	**844**	32

6 FINANCE COSTS — NET

	Six months ended 30 September	
	2015	2014
	US$'000	*US$'000*
Finance income		
Interest income	**(2)**	(2)
Finance costs		
Interest expense on borrowings	**834**	792
Arrangement fee on bank borrowings	**127**	117
Interest expense on convertible bonds	**98**	91
Interest expense on derivative financial instruments — interest rate swap	**99**	—
	1,158	1,000
Finance costs — net	**1,156**	998

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 2015 (six months ended 30 September 2014: Nil).

Taxation on profits has been calculated on the estimated assessable profits for the six months ended 30 September 2015 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	
	2015	2014
Loss attributable to owners of the Company *(US$'000)*	**10,769**	3,871
Weighted average number of ordinary shares in issue *(thousands)*	**877,047**	830,000
Basic loss per share *(US cents per share)*	**1.23**	0.47

(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 made to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price 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 six months ended 30 September 2015 and 2014 equal basic loss per share as the exercise of the outstanding share options and convertible bonds would be anti-dilutive.

9 DIVIDEND

The board of directors does not recommend the payment of interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

10 TRADE AND OTHER RECEIVABLES

	As at	
	30 September 2015	31 March 2015
	US$'000	*US$'000*
Trade receivables	**944**	1,525
Less: Provision for impairment of trade receivables	**(11)**	(11)
Trade receivables — net	**933**	1,514
Prepayments and deposits	**633**	875
	1,566	2,389

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

Time charter income is normally 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 2015 and 31 March 2015, the ageing analysis of gross trade receivables based on invoice date was as follows:

	As at	
	30 September 2015	31 March 2015
	US$'000	*US$'000*
0–30 days	**644**	1,473
31–365 days	**278**	41
Over 365 days	**22**	11
	944	1,525

11 SHARE CAPITAL

	As at			
	30 September 2015		31 March 2015	
	Number of shares	**Amount**	Number of shares	Amount
	(thousands)	***HK$'000***	*(thousands)*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.01 each	**2,000,000**	**20,000**	1,000,000	10,000

Issued and fully paid:

	Number of shares	Share capital
	(thousands)	*US$'000*
Opening balance 1 April 2015	**830,000**	**1,064**
Proceeds from shares issued — placing *(Note a)*	**83,000**	**106**
Proceeds from exercise of share options *(Note b)*	**3,050**	**4**
As at 30 September 2015	**916,050**	**1,174**
As at 1 April 2014 and 30 September 2014	830,000	1,064

Note:

(a) On 23 June 2015, the Company completed the placing of 83,000,000 new shares of the Company at a price of HK$1.982 per share (the "**Placement**"). The proceeds from the Placement after netting off charges upon completion amounting to HK$156,072,000 (equivalent to approximately US$20,009,000) were received on the same date.

(b) The outstanding options were exercisable. Options exercised during the period ended 30 September 2015 resulted in 3,050,000 shares (30 September 2014: Nil shares) being issued at a weighted average exercise price of HK$1.19 (30 September 2014: Nil) per share with exercise proceeds of US$465,000 (30 September 2014: Nil). The related weighted average share price at time of exercise during the period was HK$1.91 (30 September 2014: Nil) per share.

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

Date of grant	Exercise price	At 1 April 2015	Granted during the period	Exercised during the period	Lapsed during the period	At 30 September 2015
		Number of share options				
21 October 2011	HK$1.15	17,700,000	—	(700,000)	—	17,000,000
30 April 2015 *(Note)*	HK$1.20	—	14,100,000	(2,350,000)	—	11,750,000

Note:

On 30 April 2015, the board of directors of the Company approved the grant of a total of 14.1 million share options by the Company, each carrying the right to subscribe for one share of par value of HK$0.01 each, at the exercise price of HK$1.20 per share to directors, employees and certain eligible participants of the Group (the "**Grantees**"), subject to their acceptance, under the share option scheme adopted by the Company on 19 August 2011 (the "**Scheme**"). The share options shall entitle the Grantees to subscribe for a total of 14.1 million new ordinary shares of par value of HK$0.01 each in the share capital of the Company, representing approximately 1.70% of the issued share capital of the Company as at the date of approval of the Scheme. Details of the grant of share options under the Scheme are set out in the Company's announcement dated 30 April 2015.

The share options granted are immediately exercisable and the Group has accounted for the share options by recognising an expense in the current period.

12 BORROWINGS

	As at 30 September 2015 *US$'000*	31 March 2015 *US$'000*
Non-current		
Bank borrowings	**37,772**	44,183
Loan from ultimate holding company	**—**	3,009
	37,772	47,192
Current		
Bank borrowings	**6,748**	10,012
Total borrowings	**44,520**	57,204

13 CONVERTIBLE BONDS

	As at 30 September 2015 *US$'000*	31 March 2015 *US$'000*
Convertible bonds	**3,814**	3,604

14 OTHER PAYABLES AND ACCRUALS

	As at	
	30 September	31 March
	2015	2015
	US$'000	*US$'000*
Other payables and accruals	**1,200**	1,981
Receipt in advance from charterers	**271**	89
	1,471	2,070

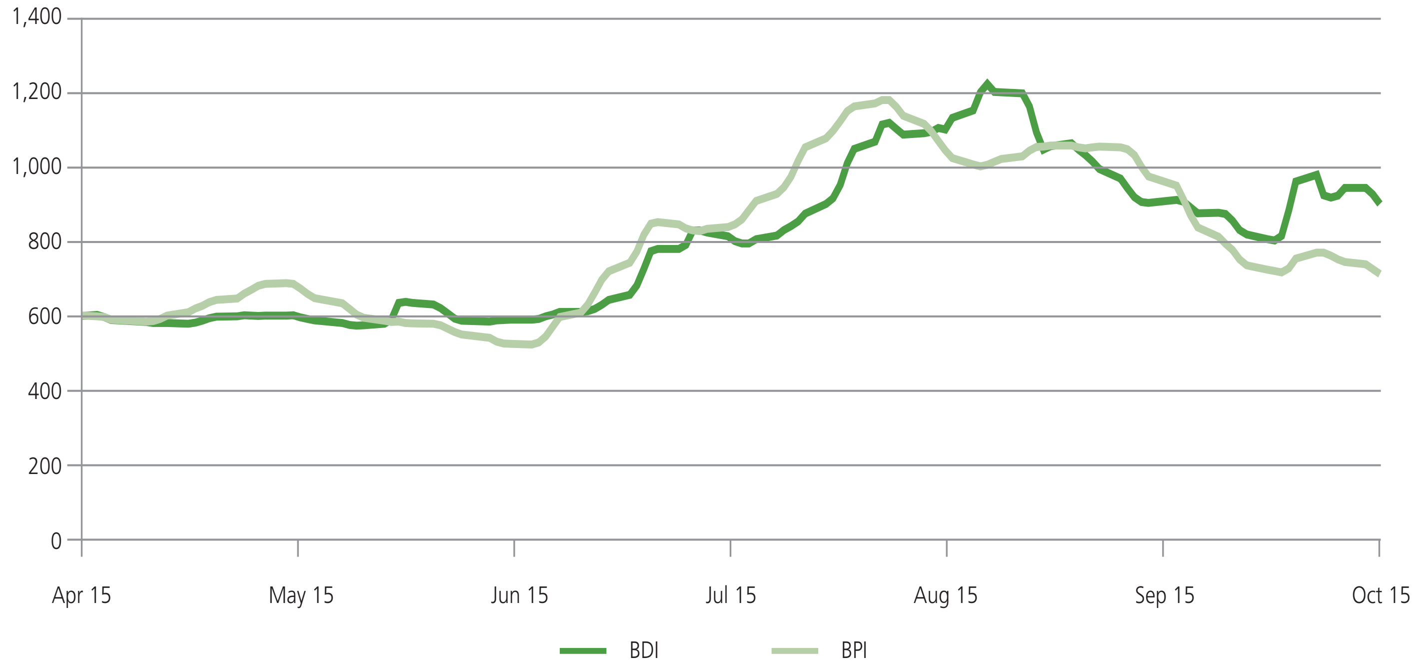
The carrying amounts of other payables and accruals approximate their fair values.

15. EVENT AFTER THE BALANCE SHEET DATE

On 1 October 2015, the Group acquired two companies, namely Access Key Investment Limited (incorporated in the British Virgin Islands ("**BVI**")) ("**AKI**") and its wholly owned subsidiary, Well Century International Limited (incorporated in Hong Kong and holding a money lending license) ("**WCI**") from Mr. Yan Kim Po and Ms. Lam Kwan, being the controlling shareholders and executive directors of the Company, at a total consideration of less than US$10,000 which was determined based on the total assets of these companies. These companies had no active business operation or substantial assets or liabilities upon their acquisition by the Group.

Market review

Daily Variation Chart of the Baltic Dry Index (BDI), and the Baltic Panamax Index (BPI) 1 April 2015–30 September 2015



BDI half-year-high at 1,222 in August 2015, half-year-low at 573 in May 2015, half-year-average at 808
BPI half-year-high at 1,179 in July 2015, half-year-low at 522 in June 2015, half-year-average at 807

It was again a very difficult year for the dry bulk marine transportation industry in 2015. The freight rate of dry bulk cargoes has been stagnant since early 2015. In the beginning of the year, the Baltic Dry Index reached its lowest level since its inception in 1985. The plight of the freight market was attributable to the oversupply of dry bulk vessels. According to the statistics of vessel agencies, the dry bulk cargo fleet expanded by approximately 2% this year but the demand for marine transportation of dry bulk cargoes only recorded a 2% to 3% increase. Since it is unlikely to see a surge in the demand for marine transportation of dry bulk cargoes, the freight rate will still be suppressed by the demand-supply contradiction, and could only be alleviated and changed over a relatively long period of time.

During the period between July and August 2015, the freight rate in the spot market rebounded on the rally in the freight rate of capesize vessels. Although the Baltic Dry Index once hit its yearly high of 1,222 points in August 2015, this only reflected the increasing volatility in the spot freight market, with the spot freight rate still hovering at low levels. Given the slow economic growth in general, a rapid rise in the demand for marine transportation of dry bulk cargoes is unlikely in 2015. The hope of an increase in dry bulk cargo import by China was dashed by an overall decrease in volume due to the plunge in coal import. Despite its slower expansion, the dry bulk cargo fleet size still recorded positive net growth of approximately 15 million dwt between January and September 2015, putting considerable pressure on the freight market.

Due to the depressed freight market, the price for second-hand vessels slumped in the first half of 2015 before stabilising at excessively low levels, extending the double depression of freight rate and vessel price in the dry bulk marine transportation market. On the other hand, there are some slightly positive factors, including (i) the increase in bulk grain import as well as steel and fertiliser export by China, which is beneficial to dry bulk vessels with smaller capacities; (ii) the increase in various types of cargo transporting from South America to the Far East, which extends the travel distance; and (iii) the considerable reduction in bunker fuel price, which lowers transportation costs. It is hoped that the increase in vessel dismantling will alleviate the imbalance between demand and supply in the freight market and eventually improve the situation and lead to a recovery in the spot freight market.

Vessel owners were under great operational pressure due to the depressed freight rate of dry bulk vessels. New policies and regulations promulgated in various areas around the world pushed up the operation and management costs of vessels further. In particular, the implementation of new environmental regulations and the use of ultralow sulphur fuel all contributed to the severe operating environment faced by vessel owners.

Business overview

For the six months ended 30 September 2015, 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 319,923 dwt. Meanwhile, the average age of the fleet decreased to nine years. The Group's fleet maintained a high operational level with an occupancy rate of 96.5%. The average daily charter rate of its vessels was approximately US$6,012.94, the same level as that of panamax vessels under the Baltic Panamax Index during the period, which represented a decrease of approximately 32% as compared to the corresponding period last year. There were no considerable receivables or commercial disputes as the Group had collected almost all of its freight and charter charges. Further, the Group's fleet achieved a record of zero adverse incidents. Currently, the Group's fleet has a coverage rate of about 78% for the second half of 2015 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 strived to minimise voyage expenses to maintain the management expenses of 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 reputable charterers while endeavouring to provide the best transportation services to charterers, so as to maintain a favourable market image.

On 14 April 2015, the Group entered into a memorandum of understanding with an independent third party to dispose of a panamax dry bulk vessel at a consideration of US$3,690,000 (equivalent to approximately HK$28,782,000). The vessel was delivered to the purchaser and the disposal was completed on 18 May 2015.

As at the date of this announcement, the Group's fleet comprised four panamax dry bulk vessels, namely GH FORTUNE, GH POWER, GH GLORY and GH HARMONY, with total carrying capacity of approximately 319,923 dwt.

Outlook

The market is pessimistic about the outlook of the spot freight rate for dry bulk cargoes in 2015. It is believed that both the spot rate and average daily income of vessels will stay at low levels and there will be no substantial change to the current supply glut of vessels. Although the dry bulk fleet in 2015 only expanded by about 2% which is the smallest in recent years, growth in dry bulk marine transportation is also the slowest at a rate of about 2% only. The International Monetary Fund ("**IMF**")'s forecast for global economic growth in 2015 has dwindled from 3.8% in October 2014 and 3.5% in January and April 2015 to the current 3.3%. Its forecast on international trade volume has also been lowered accordingly. Given the bleak economic growth in general, the demand for marine transportation of dry bulk cargoes is not expected to grow significantly. Therefore, oversupply of dry bulk vessels will continue to undermine the freight market and keep the spot rate at low levels. The market is observing the seasonal demand for grain transportation in North America in the hope of seeing a freight rebound by the end of 2015. However, this rebound will mainly benefit vessels with smaller carrying capacities, such as our panamax vessels, and have a limited impact on the overall dry bulk freight market.

According to statistics from shipping broker companies, marine transportation of major dry bulk cargoes such as iron ore and coal would not increase much this year. Meanwhile, changes in the volume of other cargoes would only have little influence on the overall demand. Although the dry bulk fleet is expected to grow at a slower pace this year, the market still hopes to alleviate the supply glut in the freight market by dismantling more old vessels in order to facilitate a spot freight rebound. Recently, the price for bunker fuel has declined thanks to falling crude oil price and is expected to stay low for a longer period. This will have a positive impact on vessel operations.

Given the depressed spot freight market, the Group will maintain its prudent operating strategies by enhancing the daily management of vessels, providing better transportation services to customers and seeking to charter out its vessels to reputable and reliable charterers at higher rates, thus generating more revenue for the Group. Meanwhile, the Group will strictly control operation costs and reduce all unnecessary expenses. The Group intends to identify new development opportunities and/or expand its scope of business and diversify its income streams by expanding into operations other than the shipping business, such as upstream businesses, money lending business and securities investment.

On 1 October 2015, the Group acquired two companies, namely Access Key Investment Limited (incorporated in BVI) ("**AKI**") and its wholly owned subsidiary, Well Century International Limited (incorporated in Hong Kong and holding a money lending license) ("**WCI**") from Mr. Yan Kim Po ("**Mr. Yan**") and Ms. Lam Kwan ("**Ms. Lam**"), being the controlling shareholders and executive directors of the Company, at a total consideration of less than US$10,000 which was determined based on the total assets of these companies. These companies had no active business operation or substantial assets or liabilities upon their acquisition by the Group. The acquisition was made on normal commercial terms and in the ordinary and usual course of business of the Group and fell within the de minimis exemption under Rule 14A.76(1) of the Listing Rules. In addition, on 4 November 2015, the Group acquired and activated Delight Beauty Investments Limited ("**DBI**"), a shelf company incorporated in BVI, as a wholly owned subsidiary of the Group. The Group intends to commence its money lending business through WCI and conduct securities investment through DBI, and will comply with the applicable requirements under the Listing Rules (including but not limited to the notifiable transaction requirements under Chapter 14 of the Listing Rules) in relation to any money lending and securities investment transaction.

Financial review

Revenue

Revenue of the Group decreased from about US$9.4 million for the six months ended 30 September 2014 to about US$4.5 million for the six months ended 30 September 2015, representing a decrease of about US$4.9 million, or about 51.5%. It comprised time charter income of approximately US$4.5 million (constituted 100% of the revenue of the Group) and no voyage charter income derived for the period under review. The average Daily TCE of the Group's fleet decreased from approximately US$8,800 for the six months ended 30 September 2014 to approximately US$6,000 for the six months ended 30 September 2015.

Cost of services

Cost of services of the Group dropped from about US$10.7 million for the six months ended 30 September 2014 to about US$7.3 million for the six months ended 30 September 2015, representing a decrease of about US$3.4 million, or about 31.8%. The cost of services was mainly affected by (i) the decrease in depreciation expenses after impairment loss of vessels recognized last year; (ii) the disposal of a vessel during the six months ended 30 September 2015; and (iii) the decrease in bunker and other direct cost due to the decrease in voyage charters performed.

Gross loss

Gross loss of the Group increased from about US$1.3 million for the six months ended 30 September 2014 to about US$2.7 million for the six months ended 30 September 2015, representing a difference of approximately US$1.4 million, while the gross loss margin further deteriorated from approximately 13.9% for the six months ended 30 September 2014 to approximately 60.2% for the six months ended 30 September 2015. It 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$1.2 million for the six months ended 30 September 2014 to approximately US$1.9 million for the six months ended 30 September 2015, representing an increase of approximately US$0.7 million or approximately 59.1%. It was due to the share options granted on 30 April 2015 being fully accounted for as expenses during the six months ended 30 September 2015.

Finance costs

Finance costs of the Group increased from approximately US$1.0 million for the six months ended 30 September 2014 to approximately US$1.2 million for the six months ended 30 September 2015, representing an increase of approximately US$0.2 million or approximately 15.8%. Such increase was mainly attributable to the loan raised for financing the acquisition costs of a vessel.

Loss and total comprehensive loss

The Group incurred a loss of approximately US$10.8 million for the six months ended 30 September 2015 as compared with a loss of approximately US$3.9 million for the six months ended 30 September 2014. Such increase was mainly due to (i) the impairment losses of US$5.1 million of the Group's vessels; (ii) the increase in gross loss of approximately US$1.4 million; (iii) the increase in share based payments; and (iv) the increase in finance costs.

Liquidity, financial resources, capital structure and gearing ratio

As at 30 September 2015, the Group's cash and cash equivalent amounted to approximately US$14.1 million (as at 31 March 2015: approximately US$0.4 million), of which approximately 7.7% was denominated in US$ and approximately 92.3% in HK$. Outstanding bank loans amounted to approximately US$44.5 million (as at 31 March 2015: approximately US$54.2 million) and other borrowings amounted to US$3.8 million (as at 31 March 2015: approximately US$6.6 million), which were denominated in US$.

As at 30 September 2015 and 31 March 2015, the Group had a gearing ratio (being the bank loans and other borrowings of the Group divided by the total assets of the Group) of about 42.4% and 52.2% respectively. The decrease in gearing ratio as at 30 September 2015 was mainly due to the repayment of loan from ultimate holding company and the bank borrowings repayment during the period under review.

The Group recorded net current liabilities of about US$2.3 million as at 31 March 2015, as compared with net current assets of about US$9.0 million as at 30 September 2015, representing an increase of about US$11.3 million. Such increase was mainly due to the placing of new Shares under general mandate in June 2015.

The Group monitors the current and expected liquidity requirements regularly to mitigate the effects of fluctuations in cash flows. The Company entered into two loan facility agreements with Ablaze Rich Investments Limited ("**Ablaze Rich**"), the holding company of the Company on 17 February 2015 and 28 April 2015 for loan facilities in the total amount of US$3,000,000 (the "**First Facility**") and US$2,000,000 (the "**Second Facility**") respectively. The full loan amount had been drawn down by the Company under the First Facility and would be repayable on or before 16 February 2017, while US$1,000,000 had been drawn down by the Company under the Second Facility and would be repayable on or before 27 April 2017. Both loan facilities were unsecured and carried an interest of 4% per annum. As at 30 September 2015, the drawn amount under the First Facility and the Second Facility had been fully repaid by the Company with the net proceeds from the placing of new Shares in June 2015. The disinterested members of the Board (including the independent non-executive Directors) consider that as the First Facility and Second Facility are on terms that are normal commercial terms or better and are not secured by the assets of the Group, the receipt of financial assistance by the Group thereunder are fully exempt under Rule 14A.90 of the Listing Rules.

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 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 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 (the "**First Convertible Bonds**") and the second tranche in the principal amount of US$5,000,000, which may be converted into 19,763,513 and 32,939,189 Conversion Shares respectively, 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 net proceeds from the issue of the First Convertible Bonds had been utilised as general working capital of the Group. On 2 September 2014, the Company announced that the issue of the second tranche Bonds 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 2015, the entire principal amount of the First Convertible Bonds remained outstanding.

Placing of new Shares under general mandate

On 9 June 2015, the Company entered into to a placing agreement with a placing agent, pursuant to which the placing agent has agreed to place, on a best endeavour basis, up to 83,000,000 new ordinary Shares to not less than six placees at the placing price of HK$1.982 per Share. The placing was completed and a total of 83,000,000 Shares were allotted and issued on 23 June 2015 to not less than six placees. Please refer to the announcements of the Company dated 9 June 2015 and 23 June 2015 for details of the placing. The Company intends to use the net proceeds for the Group's general working capital purposes. As at 30 September 2015, part of the net proceeds had been utilised by the Group for repayment of the First Facility and the Second Facility.

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 2015, the Group recorded outstanding bank loans of about US$44.5 million which carried interest at floating rate. 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 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**"), 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, 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.

On 18 May 2015, the disposal of GH PROSPERITY was completed and the outstanding amounts under such tranche of the GH FORTUNE/GH PROSPERITY Loan were fully repaid on the same date.

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

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 2015, the Group had pledged the following assets to banks as securities against banking facilities granted to the Group:

	30 September 2015 *US$'000* **(Unaudited)**	31 March 2015 *US$'000* (Audited)
Property, plant and equipment	**94,985**	102,932
Asset classified as held for sale	—	3,608
Pledged bank deposits	**3,327**	7,152
	98,312	113,692

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 2015, 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 2015 was US$12,550,000 (as at 31 March 2015: US$13,100,000).

Contingent liabilities

There were no significant contingent liabilities for the Group as at 30 September 2015.

Interim dividend

The Board does not recommend any interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed or cancelled any of the Company's listed securities during the six months ended 30 September 2015.

Employees

As at 30 September 2015, the Group had a total of 95 employees (as at 30 September 2014: 120 employees). For the six months ended 30 September 2015, the total salaries and related costs (including Directors' fees) amounted to approximately US$3.2 million (as at 30 September 2014: US$2.8 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 2015 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 2015 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 2015, 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 2015 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, 30 November 2015

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.