

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 Report 2012





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GLOSSARY

"Ablaze Rich"	Ablaze Rich Investments Limited (耀豐投資有限公司), a company incorporated in the BVI on 1 July 2008 and the holding company of the Company
"Audit Committee"	the audit committee of the Board
"Baltic Capesize Index"	an index of the shipping prices of capesize vessels made up of 10 daily capesize vessel assessments including voyage and time charter rates published by the Baltic Exchange in London
"Baltic Dry Index"	an index of the daily average of international shipping prices of various dry bulk cargoes made up of 20 key dry bulk routes published by the Baltic Exchange in London
"Baltic Panamax Index"	an index of shipping prices of panamax vessels made up of 4 daily panamax vessel assessments of time charter rates published by the Baltic Exchange in London
"Board"	the board of Directors
"Bryance Group"	Bryance Group Limited, a company incorporated in the BVI on 28 September 2006 and a wholly-owned subsidiary of the Company
"BVI"	the British Virgin Islands
"CG Code"	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules
"Company"	Great Harvest Maeta Group Holdings Limited (榮豐聯合控股有限公司), an exempted company incorporated in the Cayman Islands on 21 April 2010 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands with limited liability
"Daily TCE"	an acronym for daily time charter equivalent, a standard industry measurement of the average daily revenue performance of a vessel. Daily TCE is calculated by dividing the voyage revenues (net of expenses such as port, canal and bunker costs) by the available days (being the number of days that the vessel was operated by the Group during the charter period minus days without charter hire due to repair and maintenance and between two charter periods and days agreed with the charterers due to speed claims or any other reasonable claims arising from the under-performance of the vessel) for the relevant time period
"Director(s)"	director(s) of the Company
"dwt"	deadweight tonnage, a measure expressed in metric tons or long tons of a ship's carrying capacity, including cargoes, bunker, fresh water, crew and provisions
"First Loan"	a term loan for the aggregate principal amount of US\$65 million for the purpose of refinancing the former bank borrowings for the acquisitions of GH FORTUNE and GH RESOURCES, and for working capital purpose. US\$35 million of the principal amount of such term loan shall be repaid by 36 quarterly instalments, and US\$30 million thereof shall be repaid by 16 quarterly instalments, commencing 3 months from 9 January 2008

“Great Ocean”	Great Ocean Shipping Limited (浩洋船務有限公司), a company incorporated in the BVI on 29 September 2006 and a wholly-owned subsidiary of the Company
“Greater Shipping”	Greater Shipping Co., Ltd. (榮達船務有限公司), a company incorporated in the BVI on 31 May 2002 and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$” and “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joy Ocean”	Joy Ocean Shipping Limited (悅洋船務有限公司), a company incorporated in the BVI on 21 October 2004 and a wholly-owned subsidiary of the Company
“Listing Date”	11 October 2010, being the date on which trading of the Shares on the Main Board first commenced
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock market operated by the Stock Exchange, which excludes Growth Enterprise Market of the Stock Exchange and the options market
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Yan”	Mr. Yan Kim Po (殷劍波先生), the chairman of the Board, an executive Director and the husband of Ms. Lam
“Ms. Lam”	Ms. Lam Kwan (林群女士), the chief executive officer of the Company, an executive Director and the wife of Mr. Yan
“PRC” or “China”	the People’s Republic of China which, for the purposes of this interim report only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Second Loan”	a term loan for the principal amount of US\$39 million for the acquisition of GH POWER. The principal amount shall be repaid by 40 quarterly instalments commencing 3 months from 11 February 2008
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company approved and adopted by an ordinary resolution of the shareholders at the annual general meeting of the Company held on 19 August 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



Glossary

- “Third Loan”** a term loan for the principal amount of US\$26 million for the acquisition of GH GLORY. 70% of the principal amount of the bank loan shall be repayable by 28 consecutive quarterly instalments of US\$650,000 commencing three months from the drawdown date, and the remaining 30% of the principal amount of the loan to be repaid together with the last quarterly instalment.
- “Union Apex”** Union Apex Mega Shipping Limited (聯合佳成船務有限公司), a company incorporated in Hong Kong on 2 December 2009 and a wholly-owned subsidiary of the Company
- “US”** the United States of America
- “US\$” and “US cents”** US dollars and cents, respectively, the lawful currency of the US
- “Way Ocean”** Way Ocean Shipping Limited, a company incorporated in the BVI on 8 October 2010 and a wholly-owned subsidiary of the Company

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. YAN Kim Po (殷劍波) (*Chairman*)
Ms. LAM Kwan (林群) (*Chief Executive Officer*)
Mr. CAO Jiancheng (曹建成)

Independent non-executive Directors

Mr. CHEUNG Kwan Hung (張鈞鴻)
Mr. CHAN Chung Bun, Bunny (陳振彬)
Mr. WAI Kwok Hung (韋國洪)

Audit Committee

Mr. CHEUNG Kwan Hung (張鈞鴻)
(*Chairman of Audit Committee*)
Mr. CHAN Chung Bun, Bunny (陳振彬)
Mr. WAI Kwok Hung (韋國洪)

Remuneration Committee

Mr. CHAN Chung Bun, Bunny (陳振彬)
(*Chairman of remuneration committee*)
Mr. YAN Kim Po (殷劍波)
Mr. CHEUNG Kwan Hung (張鈞鴻)

Nomination Committee

Mr. YAN Kim Po (殷劍波)
(*Chairman of nomination committee*)
Mr. CHAN Chung Bun, Bunny (陳振彬)
Mr. WAI Kwok Hung (韋國洪)

Company secretary

Mr. LAU Ying Kit (劉英傑)
Certified Public Accountant

Authorised representatives

Mr. CAO Jiancheng (曹建成)
Mr. LAU Ying Kit (劉英傑)
Ms. LAM Kwan (林群)
(*alternate to the authorised representatives*)

Registered office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Headquarters and principal place of business in Hong Kong

12th Floor
200 Gloucester Road
Wanchai
Hong Kong

Principal share registrar and transfer office in the Cayman Islands

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Hong Kong share registrar and transfer office

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Auditor

PricewaterhouseCoopers

Legal adviser as to Hong Kong law

Chiu & Partners

Principal bankers

Standard Chartered Bank (Hong Kong) Limited
DVB Group Merchant Bank (Asia) Limited
HSH Nordbank AG
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

Stock code

3683

Website address

www.greatharvestmg.com

FINANCIAL HIGHLIGHTS

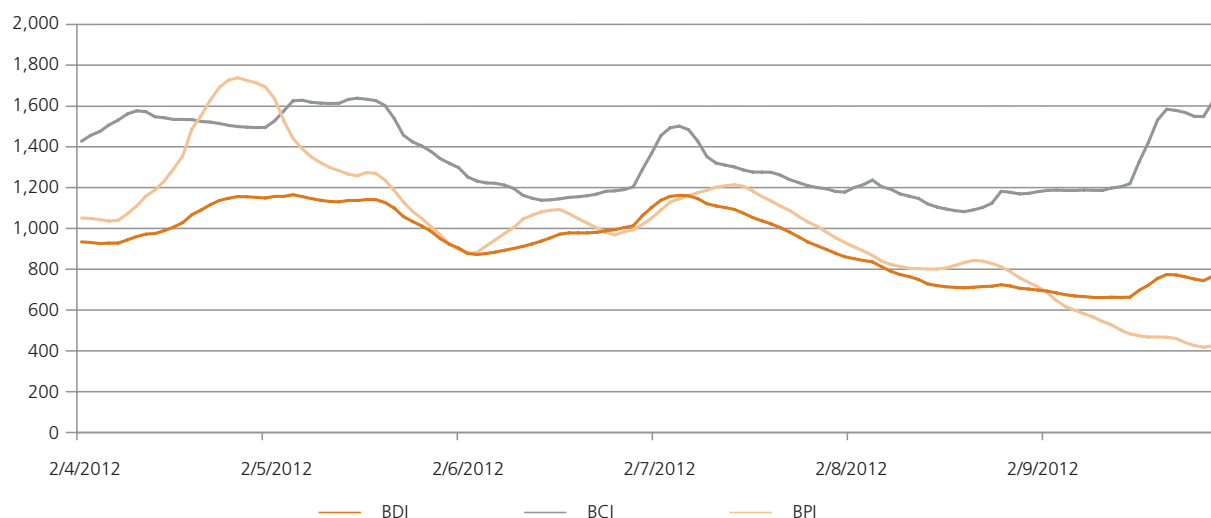
	Six months ended 30 September (Unaudited)	
	2012 US\$'000	2011 US\$'000
Revenue	10,964	13,985
Gross (loss)/profit	(902)	2,951
(Loss)/profit for the period attributable to owners of the Company	(2,897)	1,294
Basic (loss)/earnings per share (US\$ Cents)	(0.35)	0.16

	30 September 2012 (Unaudited) US\$'000	31 March 2012 (Audited) US\$'000
Total assets	153,914	159,853
Total liabilities	46,548	49,831
Net assets	146,846	151,745

MANAGEMENT DISCUSSION AND ANALYSIS

Market review

**Daily Variation Chart of the Baltic Dry Index (BDI),
the Baltic Capesize Index (BCI) and the Baltic Panamax Index (BPI)
1 April 2012–30 September 2012**



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

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

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

Business overview

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

Outlook

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

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

Financial review

Revenue

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

Cost of services

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

Gross profit/(loss)

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

General and administrative expenses

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

Finance costs

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

Loss and total comprehensive income during the period

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

Liquidity, financial resources, capital structure and gearing ratio

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

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

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

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

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

Pursuant to Rule 13.18 of the Listing Rules, a general disclosure obligation will arise where an issuer or any of its subsidiaries enters into a loan agreement that includes a condition imposing specific performance obligations on any controlling shareholders, such as a requirement to maintain a specified minimum holding in the share capital of the issuer. As at 30 September 2012, the Group recorded outstanding bank loans of about US\$44.5 million. The bank loans, namely the First Loan, the Second Loan and the Third 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 Bryce Group, Joy Ocean, Great Ocean and Way Ocean, respectively;
- Assignment of the charter-hire income and insurance in respect of the vessels held by Bryce Group, Joy Ocean, Great Ocean and Way Ocean, respectively;
- Charges over shares of each of Bryce Group, Joy Ocean, Great Ocean and Way Ocean.

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

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

The Directors have confirmed that, save as disclosed above, as at the date of this interim report, there are no other matters that would require disclosure under Rules 13.13 to 13.19 of the Listing Rules.

Charges on assets

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

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

Exposure to fluctuations in exchange rate risk and related hedges

The Group's transactions and monetary assets were primarily denominated in US\$. Operating expenses of the Group's Hong Kong subsidiary were primarily denominated in HK\$ and the bank loans of the Group were denominated in US\$. As the Group does not have significant foreign currency transactions or balances, the Directors consider that the level of foreign currency exposure for the Group is relatively minimal.

During the six months ended 30 September 2012, the Group had not adopted any financial instruments for hedging purposes.

Contingent liabilities

There were no significant contingent liabilities for the Group as at 30 September 2012.

Interim dividend

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



Management Discussion and Analysis

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

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

Employees

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

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The updated biographies of the Directors and senior management of the Company are set out as below:

Board of Directors

Executive Directors

Mr. YAN Kim Po (殷劍波), aged 51, is the chairman of the Company, an executive Director and the co-founder of the Group. Mr. Yan is the spouse of Ms. Lam. Mr. Yan is primarily responsible for providing leadership to the Board and is the key decision-maker of the Group. He is responsible for the Group's overall strategic planning and the management and development of the Group's businesses. Mr. Yan is also a director of each of the subsidiaries of the Company. Mr. Yan is an experienced entrepreneur and has extensive experience in the marine transportation industry and in the investment, development, production, processing, operation and trading of the mining and steel industry. Mr. Yan was appointed as Justice of Peace and was granted a Doctor of Philosophy Honoris Causa from Lansbridge University, Canada. He was also honoured as World Outstanding Chinese in 2010. He is currently a director of Adex Mining Inc. (TSXV Stock code: ADE), a company listed on the TSX Venture Exchange in Canada. He is also a fellow of the Hong Kong Institute of Directors and the chairman of the Hong Kong Energy and Minerals United Associations (International) Limited. He is also active in social affairs and was appointed as the Honorary Chairman of Hong Kong Association of Youth Development, the Honorary President of the Junior Police Call, the Honorary President of the Fire Safety Ambassador Club and a member of the Friends of the Community Chest Shatin District Committee. Mr. Yan is currently a director of Ablaze Rich, which has an interest in such number of Shares under Divisions 2 and 3 of Part XV of the SFO as disclosed in the section headed "Corporate Governance and Other Information — Directors' interests in Shares and underlying Shares of the Company and its associated corporation" of this interim report.

Ms. LAM Kwan (林群), aged 45, is the chief executive officer of the Company, an executive Director and the co-founder of the Group. Ms. Lam is the spouse of Mr. Yan. Ms. Lam is primarily responsible for the Group's day-to-day management and overall business operations as well as its finance and administrative management. She is also a director of each of the subsidiaries of the Company. Ms. Lam has extensive experience in the marine transportation industry. Ms. Lam is currently a director of Adex Mining Inc. (TSXV Stock code: ADE), a company listed on the TSX Venture Exchange in Canada. She is also a director of Pok Oi Hospital and a fellow of the Hong Kong Institute of Directors. She graduated from Dongbei University of Finance and Economics in 1990 with a bachelor's degree in English for Finance in the Department of Foreign Language for Finance. Ms. Lam is currently a director of Ablaze Rich, which has an interest in such number of Shares under Divisions 2 and 3 of Part XV of the SFO as disclosed in the section headed "Corporate Governance and Other Information — Directors' interests in Shares and underlying Shares of the Company and its associated corporation" of this interim report.

Mr. CAO Jiancheng (曹建成), aged 56, has been serving as an executive Director of the Company since June 2010. Mr. Cao is responsible for the Group's overall operational management. Mr. Cao has more than 29 years of experience in the marine transportation industry. Mr. Cao has been a captain of ocean-going cargo ships since around 1982. Before joining the Group, he had worked for 廣州海順船務有限公司 (Guangzhou Hai Shun Shipping Corporation) as a captain from 1985 to 1989. Mr. Cao also worked for Hong Kong Ming Wah Shipping Company Limited from 1989 to 2000 as an operator, chartering member, deputy manager, manager and vice-president during that period. He also held management position as a manager at Valles Steamship Company Limited from 2001 to 2002. Mr. Cao completed the training course for international shipping professional education and obtained a certificate of completion from 上海海運學院 (Shanghai Maritime Institute) in December 1991 through long distance learning, and graduated from Murdoch University with a Master degree of Business Administration in March 1999. Mr. Cao had



Board of Directors and Senior Management

also been a captain as recognised by the Maritime Affairs Inspection Bureau of the PRC, the Directorate General of Consular and Maritime Affairs of The Republic of Panama and the Bureau of Maritime Affairs of the Ministry of Transport of The Republic of Liberia. Mr. Cao has an interest in such number of Shares under Divisions 2 and 3 of Part XV of the SFO as disclosed in the section headed “Corporate Governance and Other Information — Directors’ interests in Shares and underlying Shares of the Company and its associated corporation” of this interim report.

Independent non-executive Directors

Mr. CHEUNG Kwan Hung (張鈞鴻), aged 61, has been serving as an independent non-executive Director of the Company since September 2010. Mr. Cheung obtained a Higher Diploma in Accountancy from the Hong Kong Polytechnic in 1978, and is a qualified accountant in both United Kingdom and Hong Kong. Mr. Cheung has extensive experience in the investment banking, corporate management and consultancy profession. Mr. Cheung is currently also an independent non-executive director of two companies listed on the Main Board of the Stock Exchange, namely PetroAsian Energy Holdings Limited (Stock Code: 850), NewOcean Energy Holdings Limited (Stock Code: 342), and a company listed on the Growth Enterprise Market of the Stock Exchange, namely Mobile Telecom Network (Holdings) Limited (Stock Code: 8266).

Mr. CHAN Chung Bun, Bunny (陳振彬), aged 55, has been serving as an independent non-executive Director of the Company since September 2010. Mr. Chan has extensive experience in commerce and is currently the chairman of Prospectful Holdings Limited. Mr. Chan is active in community affairs in Hong Kong. He is the chairman of the Commission of Youth of Hong Kong since 1 April 2009. Mr. Chan was appointed as Justice of Peace in 2002 and was awarded the Bronze Bauhinia Star medal in 2004 and Silver Bauhinia Star medal in 2009 by the government of Hong Kong. Mr. Chan was awarded the title of Honorary University Fellow by the Open University of Hong Kong in 2008. In November 2010, Mr. Chan was appointed as the member of the Steering Committee on Community Care Fund. Mr. Chan is currently also an independent non-executive director of Li Ning Company Limited (Stock Code: 2331), a company listed on the Main Board of the Stock Exchange.

Mr. WAI Kwok Hung (韋國洪), aged 58, has been serving as an independent non-executive Director of the Company since September 2010. Mr. Wai has been an independent non-executive director of a Hong Kong listed company, Town Health International Investments Limited (Stock code: 3886) since July 2002. He is active in the affairs of the Shatin community and was formerly the chairman of the Shatin District Council of Hong Kong and the president of Shatin Sports Association Limited. Mr. Wai was appointed as Justice of Peace in July 2002 and was awarded the Silver Bauhinia Star medal in 2008 by the government of Hong Kong.

Senior management

Mr. SUNG Lik Man (宋力文), aged 40, the vice general manager of the Group. Mr. Sung is responsible for the Group’s overall operational management. He obtained his bachelor’s degree in maritime management from Dalian Maritime University (大連海事大學) in July 1995. Mr. Sung has extensive experiences in the marine transportation industry and he joined the Group in June 2010 as the vice general manager of Union Apex. Before joining Union Apex, Mr. Sung was the chartering manager of Million Miles Shipping (Hong Kong) Limited from March 2003 to June 2010. Before joining Million Miles Shipping (Hong Kong) Limited, Mr. Sung also worked for COSCO (Hong Kong) Shipping Co., Ltd., a subsidiary of China COSCO Holdings Company Limited (Stock Code:1919), a company listed on the Main Board of the Stock Exchange from February 2000 to February 2003.

Mr. LAU Ying Kit (劉英傑), aged 38, has been serving as the chief financial officer and company secretary of the Company since August 2010. Mr. Lau is responsible for the oversight of the Group's financial and accounting operations, company secretarial and internal control function. Mr. Lau is a fellow member of the Hong Kong Institute of Certified Public Accountants and holds a master degree in finance from the City University of Hong Kong. Mr. Lau gained extensive experience in auditing, accounting and financing across the PRC and Hong Kong. Prior to joining the Group, Mr. Lau has worked as the chief financial officer and company secretary in several listed companies in Hong Kong. He is currently also a director of Adex Mining Inc. (TSXV Stock code: ADE), a company listed on the TSX Venture Exchange in Canada and the independent non-executive directors of Kingdom Holdings Limited (Stock Code: 528) and Xiezhong International Holdings Limited (Stock Code: 3663), which are companies listed on the Main Board of the Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors' interest in Shares and underlying Shares of the Company and its associated corporation

As at 30 September 2012, the interests and short positions of the Directors and/or the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she was taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register required to be kept by the Company under section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interest in Shares and underlying Shares of the Company:

Name of Director	Capacity/nature of interest	Number of Shares held (Note 1)	Approximate percentage of interest (%)
Mr. Yan	Interest in a controlled corporation (Note 2)	616,322,500 (L)	74.26%
	Beneficial owner (Note 3)	2,100,000 (L)	0.25%
	Family interest (Note 3)	2,100,000 (L)	0.25%
Ms. Lam	Interest in a controlled corporation (Note 2)	616,322,500 (L)	74.26%
	Beneficial owner (Note 3)	2,100,000 (L)	0.25%
	Family interest (Note 3)	2,100,000 (L)	0.25%
Mr. Cao Jiancheng	Beneficial owner (Note 4)	6,000,000 (L)	0.72%

Note(s):

- (1) The letter "L" denotes the person's long position in the Shares and underlying Shares of the Company.
- (2) These 616,322,500 Shares were held by Ablaze Rich, the entire issued share capital of which was owned as to 51% by Mr. Yan and as to 49% by Ms. Lam, who were also directors of Ablaze Rich. Each of Mr. Yan and Ms. Lam was deemed to be interested in the Shares held by Ablaze Rich by virtue of the SFO.
- (3) On 21 October 2011, each of Mr. Yan and Ms. Lam was granted share options of the Company in respect of 2,100,000 Shares pursuant to the Share Option Scheme. All these share options remained outstanding as at 30 September 2012. As they have a spousal relationship, each of Mr. Yan and Ms. Lam was deemed to be interested in such number of Shares beneficially held by each other by virtue of the SFO.
- (4) On 21 October 2011, Mr. Cao Jiancheng was granted share options of the Company in respect of 6,000,000 Shares pursuant to the Share Option Scheme. All these share options remained outstanding as at 30 September 2012.

Interest in shares and underlying shares of associated corporation:

Name of Director	Name of associated corporation	Capacity/nature of interest	Number of shares held <i>(Note)</i>	Approximate percentage of interest (%)
Mr. Yan	Ablaze Rich	Beneficial owner	10,200 (L)	51.00%
Ms. Lam	Ablaze Rich	Beneficial owner	9,800 (L)	49.00%

Note: The letter "L" denotes the person's long position in the shares and underlying shares of an associated corporation.

Save as disclosed above, as at 30 September 2012, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial shareholders' interests in Shares and underlying Shares of the Company

As at 30 September 2012, the following persons (other than a Director or chief executive of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules:

Name of shareholder	Capacity/nature of interest	Number of Shares held <i>(Note)</i>	Approximate percentage of interest (%)
Ablaze Rich	Beneficial owner	616,322,500 (L)	74.26%

Note: The letter "L" denotes the person's long position in the Shares of the Company or the relevant Group member.

Save as disclosed above, as at 30 September 2012, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Share Option Scheme

The Company adopted the Share Option Scheme on 19 August 2011 to enable the Group to grant share options to eligible participants as incentives or rewards for their contribution to the Group. Eligible participants of the Share Option Scheme includes: (a) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any subsidiary of the Company or any entity in which any member of the Group holds any equity interests ("Invested Entity"); (b) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary of the Company or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of any member of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group; and (i) any company wholly owned by one or more eligible participants as referred to in (a) to (h) above.

The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. Subject to the early termination of the Share Option Scheme in accordance with the rules thereof, the Share Option Scheme shall remain in force for a period of ten years commencing on 19 August 2011.

The maximum number of Shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group shall not exceed 30% of the share capital of the Company in issue from time to time (the "Overriding Limit"). No share options may be granted under the Share Option Scheme or any other share option scheme adopted by the Group if the grant of such share options will result in the Overriding Limit being exceeded.

The total number of Shares which may be allotted and issued upon exercise of all options (excluding for this purpose options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any share option scheme of the Group must not in aggregate exceed 83,000,000 Shares, representing 10% of the Shares in issue as at 19 August 2011 (i.e. the date on which the Share Option Scheme was adopted by the Company) and as at the date of this interim report (the "General Scheme Limit"). The General Scheme Limit is also subject to the Overriding Limit, the refreshment of the General Scheme Limit (as described below) and the grant of share options beyond the General Scheme Limit (as described below).

Subject to the Overriding Limit and the grant of share options beyond the General Scheme Limit (as described below), the Company may refresh the General Scheme Limit at any time subject to shareholders' approval by ordinary resolution at a general meeting, and the General Scheme Limit as "refreshed" must not exceed 10% of the Shares in issue as at the date of the aforesaid shareholders' approval and for the purpose of calculating the "refreshed" limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option scheme of the Group will not be counted.

Subject to the Overriding Limit, the Company may also seek shareholders' approval by ordinary resolution at a general meeting to grant share options under the Share Option Scheme beyond the General Scheme Limit, or, if applicable, the General Scheme Limit as "refreshed", to eligible participants specifically identified by the Company before such approval is sought.

The total number of Shares issued and which may fall to be issued upon the exercise of options granted under the Share Option Scheme and any other share option scheme adopted by the Group (including both exercised or outstanding options) to each grantee within any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive Directors of the Company.

In addition, where any grant of share options to a substantial shareholder or an independent non-executive Director of the Company or any of their respective associates (as defined under the Listing Rules) would result in the Shares issued or to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (a) representing in aggregate over 0.1% of the Shares in issue and (b) having an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK\$5 million, such further grant of share options must be approved by shareholders at a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, which period may commence from the date of the offer of the share options, and ends on a date which is not later than ten years from the date of grant of the share options subject to the provisions for early termination thereof. The Directors will determine the minimum period, if any, for which share options must be held before such share options can be exercised.

The exercise price of the share options is determinable by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer; and (iii) the nominal value of a Share. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings of the Company.

During the six months ended 30 September 2012, 17,700,000 share options (each entitling the holder to subscribe for one Share) were granted under the Share Option Scheme. Movements of these share options during the six months ended 30 September 2012 are summarized as follows:

Corporate Governance and Other Information

List of grantees	Date of grant	Exercisable period	Exercisable price per share HK\$	Number of share options					Outstanding as at 30 September 2012
				Outstanding as at 1 April 2012	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
Directors									
Mr. Yan	21 October 2011	21 October 2012 – 20 October 2021	1.15	700,000	—	—	—	—	700,000
		21 October 2013 – 20 October 2021	1.15	700,000	—	—	—	—	700,000
	21 October 2011	21 October 2014 – 20 October 2021	1.15	700,000	—	—	—	—	700,000
				2,100,000	—	—	—	—	2,100,000
Ms. Lam	21 October 2011	21 October 2012 – 20 October 2021	1.15	700,000	—	—	—	—	700,000
		21 October 2013 – 20 October 2021	1.15	700,000	—	—	—	—	700,000
	21 October 2011	21 October 2014 – 20 October 2021	1.15	700,000	—	—	—	—	700,000
				2,100,000	—	—	—	—	2,100,000
Mr. Cao Jiancheng	21 October 2011	21 October 2012 – 20 October 2021	1.15	2,000,000	—	—	—	—	2,000,000
		21 October 2013 – 20 October 2021	1.15	2,000,000	—	—	—	—	2,000,000
	21 October 2011	21 October 2014 – 20 October 2021	1.15	2,000,000	—	—	—	—	2,000,000
				6,000,000	—	—	—	—	6,000,000
Sub-total				10,200,000	—	—	—	—	10,200,000
Employees	21 October 2011	21 October 2012 – 20 October 2021	1.15	2,500,000	—	—	—	—	2,500,000
		21 October 2013 – 20 October 2021	1.15	2,500,000	—	—	—	—	2,500,000
	21 October 2011	21 October 2014 – 20 October 2021	1.15	2,500,000	—	—	—	—	2,500,000
Sub-total				7,500,000	—	—	—	—	7,500,000
Total				17,700,000	—	—	—	—	17,700,000

Compliance with 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 six months ended 30 September 2012 and up to the date of this interim report, the Company has been in compliance with the code provisions set out in the CG Code.

Compliance with the 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 2012 and up to the date of this interim report.

Appreciation

The Board would like to sincerely thank all our staff for their hard work and all our business partners for their trust and support.

On behalf of the Board
Yan Kim Po
Chairman

Hong Kong, 26 November 2012



AUDIT COMMITTEE REPORT

The Audit Committee has reviewed with the management of the Group the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including a general review of the unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2012. In carrying out this review, the Audit Committee has relied on a review conducted by the Group's external auditor 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 and reports obtained from the management of the Group. The Audit Committee has not undertaken detailed independent audit checks.

Members of the Audit Committee

Mr. CHEUNG Kwan Hung (*Chairman*)

Mr. CHAN Chung Bun, Bunny

Mr. WAI Kwok Hung

Hong Kong, 26 November 2012

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

**TO THE BOARD OF DIRECTORS OF
GREAT HARVEST MAETA GROUP HOLDINGS LIMITED**
(incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 25 to 40, which comprises the condensed consolidated statement of financial position of Great Harvest Maeta Group Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 September 2012 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 26 November 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

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

The accompanying notes are an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2012

	Note	Unaudited 30 September 2012 US\$'000	Audited 31 March 2012 US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	137,085	141,166
Finance lease receivable	17	1,776	1,685
Restricted bank deposits		3,000	3,000
		141,861	145,851
Current assets			
Inventories		1,454	—
Trade and other receivables	13	3,841	6,090
Pledged bank deposits		1,429	1,966
Cash and cash equivalents		5,329	5,946
		12,053	14,002
Total assets		153,914	159,853
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	1,064	1,064
Reserves		106,302	108,958
Total equity		107,366	110,022
LIABILITIES			
Non-current liabilities			
Bank borrowings	15	39,480	41,723
Current liabilities			
Other payables and accruals	16	2,083	2,623
Bank borrowings	15	4,985	5,485
		7,068	8,108
Total liabilities		46,548	49,831
Total equity and liabilities		153,914	159,853
Net current assets		4,985	5,894
Total assets less current liabilities		146,846	151,745

The accompanying notes are an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2012

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

The accompanying notes are an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2012

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

The accompanying notes are an integral part of this condensed consolidated financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

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

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

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

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

This condensed consolidated interim financial information has not been audited.

2 Basis of preparation

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

3 Accounting policies

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

- (a) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.
- (b) The following revised standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2012:

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

3 Accounting policies (continued)

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

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

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

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

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

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

3 Accounting policies (continued)

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

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

4 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2012.

5 Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2012.

There have been no significant changes in the risk management department since year end or in any risk management policies.

5.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of banking facilities. The Group aims to maintain flexibility in funding by keeping credit lines available at all time.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and exchange control.

5 Financial risk management (continued)

5.2 Liquidity risk (continued)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year US\$'000	Between 1 and 2 years US\$'000	Between 2 and 5 years US\$'000	Over 5 years US\$'000	Total US\$'000
At 30 September 2012					
Bank borrowings	6,213	5,582	18,720	18,832	49,347
Other payables and accruals	995	—	—	—	995
At 31 March 2012					
Bank borrowings	6,845	5,694	19,418	20,971	52,928
Other payables and accruals	1,245	—	—	—	1,245

5.3 Cash flow and interest rate risk

The Group's cash flow and interest rate risk arises from bank deposits and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The Group is also exposed to fair value interest rate risk in relation to its finance lease receivables.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuations of London Interbank Offered rate ("LIBOR") or the cost of funds arising from the Group's variable-rate bank loans. The management considers the exposure to interest rate risk in relation to bank balance is insignificant due to the low level of bank interest rate.

The sensitivity analysis below has been determined based on the exposure to interest rate for non-derivative instruments relating to variable-rate bank loans at the end of the reporting period. At 30 September 2012, if interest rates on United State dollar-denominated borrowings had been 100 basis point higher/lower with all other variables held constant, post-tax (loss)/profit for the period would have been US\$222,000 higher/lower (six months ended 30 September 2011: US\$271,000 lower/higher), mainly as a result of higher/lower finance cost on floating rate borrowings.

6 Revenue and segment information

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

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

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

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

7 Operating (loss)/profit

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

	Six months ended 30 September	
	2012 US\$'000	2011 US\$'000
Depreciation of property, plant and equipment (Note 12)	4,514	5,975
Crew expenses (included in cost of services)	2,017	1,871
Operating lease rental in respect of rented premises	134	134
Staff costs (including directors' emoluments)		
Fee, salaries and other benefit costs	615	605
Contributions to retirement benefit plans	9	9
Share-based payment	241	—

8 Finance costs — net

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

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

9 Income tax expense

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

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

10 (Loss)/earnings per share

(a) Basic

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

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

(b) Diluted

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

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

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

11 Dividends

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

12 Property, plant and equipment

	US\$'000
Six months ended 30 September 2012	
Opening net book amount at 1 April 2012	141,166
Additions	433
Depreciation	(4,514)
Closing net book amount at 30 September 2012	137,085
Six months ended 30 September 2011	
Opening net book amount at 1 April 2011	159,534
Additions	16
Depreciation	(5,975)
Closing net book amount at 30 September 2011	153,575

Depreciation expense of US\$4,513,000 (six months ended 2011: US\$5,974,000) has been charged in "cost of services" and US\$1,000 (six months ended 2011: US\$1,000) in "general and administrative expenses".

As at 30 September 2012, the Group's property, plant and equipment of US\$137,000,000 (as at 31 March 2012: US\$141,000,000) was pledged as security for banking facilities of the Group.

13 Trade and other receivables

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

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

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

13 Trade and other receivables (continued)

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

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

14 Share capital

	As at	
	30 September 2012 HK\$'000	31 March 2012 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:

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

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

15 Bank borrowings

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

Movements in bank borrowings are analysed as follows:

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

16 Other payables and accruals

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

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

17 Finance lease receivable

	As at	
	30 September 2012 US\$'000	31 March 2012 US\$'000
Non-current		
Finance lease receivables	1,776	1,685
Gross receivable from finance leases:		
— Later than 1 year and no later than 5 years	2,000	2,000

18 Commitments*(a) Operating lease commitments — Group as lessee*

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at	
	30 September 2012 US\$'000	31 March 2012 US\$'000
No later than one year	134	267

(b) Operating lease commitments — Group as lessor

At 30 September 2012, the Group has the following future aggregate minimum lease receivables under non-cancellable operating leases in relation to chartering of vessels. These vessels chartering agreements have varying terms ranging from 1 to 3 months:

	As at	
	30 September 2012 US\$'000	31 March 2012 US\$'000
Vessels		
— No later than one year	2,456	1,545

19 Related party transactions

(a) Significant transactions with related parties

During the six months ended 30 September 2012 and 2011, the Group had the following significant transactions with its related companies.

All of the transactions were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties. They were summarised as follows:

	Six months ended 30 September	
	2012 US\$'000	2011 US\$'000
Voyage charter income	—	1,512
Rental expenses	134	134

(b) Key management compensation

Key management includes directors (executive and non-executive) and senior management. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 September	
	2012 US\$'000	2011 US\$'000
Short-term employee benefits	415	414
Post-employment benefits	4	4
Share based payment	241	—
	660	418