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 2013 Report

CONTENTS

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 four 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
"Conversion Share(s)"	the Share(s) to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds
"Convertible Bonds"	the First Convertible Bonds and, where appropriate, the Second Convertible Bonds
"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 Completion"	the completion of the issue and subscription of the First Convertible Bonds in accordance with the terms and conditions of the Subscription Agreement

"First Completion Date"	the date of First Completion, being 2 September 2013
"First Convertible Bonds"	the first tranche of convertible bonds in the principal amount of US$3,000,000 due 2018 issued by the Company for subscription by Ablaze Rich pursuant to the terms and conditions of the Subscription Agreement
"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$30 million thereof shall be repaid by 16 quarterly instalments, commencing three months from 9 January 2008
"Great Ocean"	Great Ocean Shipping Limited (浩洋船務有限公司), a company incorporated in the BVI on 29 September 2006 and a wholly-owned subsidiary of the Company
"Greater Shipping"	Greater Shipping Co., Ltd. (榮達船務有限公司), a company incorporated in the BVI on 31 May 2002 and a wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"HK$" 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 (悦洋船務有限公司), 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
"Prosperity Plus"	Prosperity Plus Enterprises Limited, a company incorporated in the BVI on 21 March 2011 and a wholly-owned subsidiary of the Company
"RMB"	Renminbi, the lawful currency of the PRC

"Second Completion"	the completion of the issue and subscription of the Second Convertible Bonds in accordance with the terms and conditions of the Subscription Agreement
"Second Completion Date"	the date of Second Completion, being the date as specified in the Second Completion Notice
"Second Completion Notice"	written notice to be issued by the Company to Ablaze Rich in relation to the Second Completion Date pursuant to the terms and conditions of the Subscription Agreement, provided that (i) such written notice must be issued within one year from the First Completion Date and not less than five business days before the Second Completion Date as specified in the written notice, and (ii) the Second Completion Date must be a business day
"Second Convertible Bonds"	the second tranche of convertible bonds in the principal amount of US$5,000,000 due 2018 to be issued by the Company for subscription by Ablaze Rich pursuant to the terms and conditions of the Subscription Agreement
"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 three 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
"Subscription"	the subscription of the Convertible Bonds by Ablaze Rich pursuant to the terms and conditions of the Subscription Agreement
"Subscription Agreement"	the agreement dated 5 July 2013 and entered into between the Company and Ablaze Rich in respect of the Subscription
"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

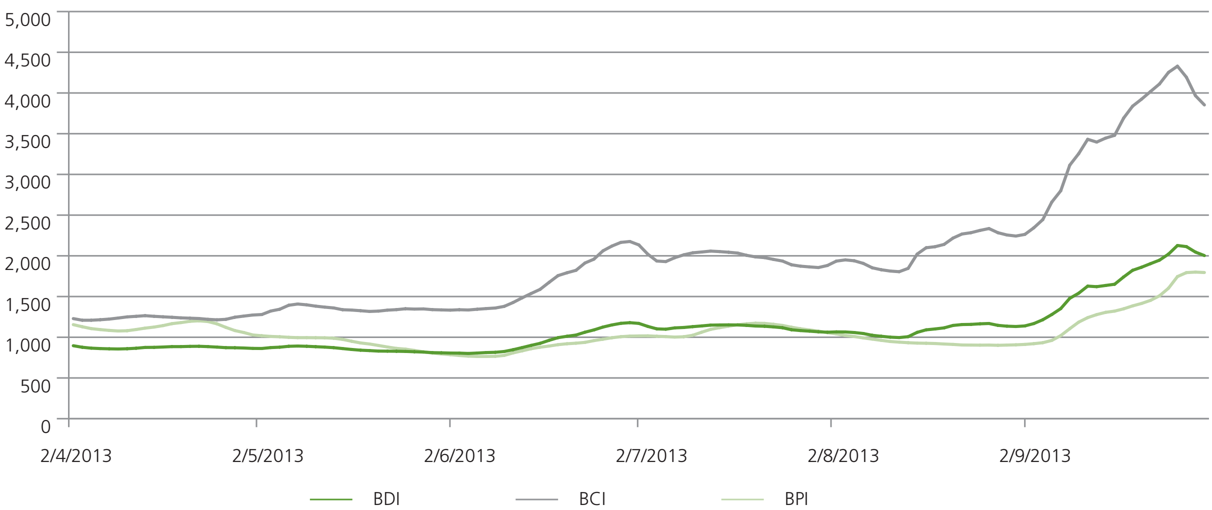
FINANCIAL HIGHLIGHTS

	Six months ended 30 September (Unaudited)	
	2013	2012
	US$'000	US$'000
Revenue	**11,187**	10,964
Gross profit/(loss)	**516**	(902)
Loss for the period and total comprehensive loss attributable to owners of the Company	**(1,181)**	(2,897)
Loss per share for loss attributable to owners of the Company (US$ Cents)	**(0.14)**	(0.35)

	30 September 2013 (Unaudited)	31 March 2013 (Audited)
	US$'000	US$'000
Total assets	**141,490**	141,936
Total liabilities	**45,475**	44,846
Net assets	**96,015**	97,090

Market review

Daily Variation Chart of the Baltic Dry Index (BDI), the Baltic Capesize Index (BCI) and the Baltic Panamax Index (BPI) 1 April 2013 – 30 September 2013



	BDI	BCI	BPI
1 April 2013 – 30 September 2013 (half year average)	1,095	1,960	1,048
1 April 2013 – 30 June 2013 (3-month average)	888	1,403	974
1 July 2013 – 30 September 2013 (3-month average)	1,292	2,491	1,119

In the summer of 2013, the freight market of dry bulk vessels initially hovered at the lower level. The Baltic Dry Index for the second quarter of 2013 maintained an average of 888 points, which was lower than the average of the corresponding period last year. As driven by the upturn of the Baltic Capesize Index, the Baltic Dry Index ascended since August 2013. With upturns found in the freight indexes for different types of vessels, the spot rates market saw a more significant rebound since September 2013. However, the International Monetary Fund (IMF) maintained a conservative stance in its world economic outlook for the foreseeable future, indicating that the global economic environment is still challenging.

During the period between August and September of 2013, the recovery and rebound of the spot rates market of dry bulk vessels reversed the downward spiral in the freight market of dry bulk vessels since early 2013. This was primarily attributable to the short-term and seasonal factors in the recent months, such as the increase of iron ore imports by China for replenishment of stocks and the outgoing shipment season of grains from North America. Also, the imbalance of supply and demand of vessel capacity in the dry bulk marine transportation market was relieved to a certain extent as a result of the smaller number of newly built vessels delivered and used this year, which was a favorable change for the dry bulk marine transportation market in the medium and long run. With the improvement in the spot rates market of dry bulk vessels during the period between August and September of 2013, the Baltic Dry Index achieved an average of 997 points for the period from January to September of 2013, representing an increase of approximately 8% as compared to the average of 920 points for the corresponding period of 2012. The dry bulk marine transportation market in 2013 would see a marked improvement comparing to last year, should the freight rate in the fourth quarter of 2013 maintain at the current level. During the period between January to September of 2013, the average daily charter rates of capesize vessel and panamax vessel in the Baltic Freight Index reached US$10,549 and US$7,935 per day respectively, which were also slightly higher than those recorded in the corresponding period last year. Various indications had shown that the freight market was at the critical point for picking up. As stated in the market reports from broker companies, the number of new dry bulk vessels delivered and used during January to September of 2013 was lower than that in the corresponding period last year, and the number of vessels delivered was 577, carrying approximately 48 million dwt. The net growth of the fleet was 254 vessels, carrying approximately 30 million dwt, indicating that the growth rate of the fleet had slowed down. Based on the information of the net growth of vessels in the first nine months of 2013, the net growth of the dry bulk fleet was approximately 3%. If such level is sustained for the whole year, the fleet growth in 2013 will be slightly lower than the growth in demand for dry bulk marine transportation, which will help alleviate the current situation of the oversupply of vessels in dry bulk marine transportation market.

The demand for marine transportation of various dry bulk cargoes increased from January to September of 2013, among which iron ore imports of China reached approximately 600 million tonnes, representing an increase of approximately 9% over the same period last year; while China's coal imports reached approximately 240 million tonnes, representing an increase of approximately 15.5% over the same period last year. All of these will contribute to the recovery of the freight market of dry bulk vessels to various extents. The growth in demand for dry bulk cargoes in China is expected to become a more significant factor to the overall status of the marine transportation market. It is the market expectation that the overall demand in the dry bulk marine transportation market of this year can still achieve a growth of approximately 5%.

Business overview

The Group's vessels managed to uphold sound operational status with its fleet maintaining an aggregate carrying capacity of 418,230 dwt for the six months ended 30 September 2013, which was in line with the corresponding period last year. The Group's vessels maintained high operation level with occupancy rate at 99.5% and a total of 910.5 days of occupancy. The average daily charter rate of its vessels was approximately US$9,644.47, and substantially all charter hire was recovered by the Group without material impairment. Meanwhile, the Group's fleet had achieved a record of safe operation and zero adverse incidents. The Group was able to exert stringent control over all costs and expenses for vessel management and had strived to minimize voyage expenses, hence managed to control the management expenses for the Group's vessels within the budget.

As boosted by the increase in the market spot rates, the time charter market for dry bulk vessels regained momentum in the summer of 2013, with increase in the reported number of short term time charters and time charters of over one year. GH RESOURCES was chartered out by the Group under a short-term time charter of three to six months for the purpose of generating a more stable income. Meanwhile, given the relative wide spread between the charter rates of one-year time charters and the charter rates in the spot rates market, and the spot rates were higher than the time charter rates, the Group operated three of its relatively young vessels in the spot market, with an aim to achieve better charter rates return. In order to reduce operation risks and achieve better operation efficiency, the Group upheld its proactive and prudent operating strategies and sought to charter out vessels to more reputable charterers while endeavored to provide better transportation services to charterers, so as to maintain a favorable market image.

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

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

Outlook

The market was caught unprepared for the relatively significant increase in the spot rates of dry bulk cargoes during August and September of 2013, and different forecasts on the market outlook appeared. However, a general consensus is that there will not be a significant change in the oversupply of vessels in the dry bulk marine transportation market. Also, the assessment made by authoritative institutions (such as the International Monetary Fund (IMF)) on the world economy this year as well as next year remains largely the same, that a status of slow growth will be maintained. At present, the IMF forecasts that the mid-term annual growth rate of the global economy will be slightly above 3%, which is about the same as this year, and global economic growth as an impetus to the vessel market and the demand for marine transportation will thus be relatively limited.

According to the statistics from ship broker companies, for the six months ended 30 September 2013, the volume of major types of dry bulk cargoes by marine transportation (other than for grains, with no material change) all recorded a growth of more than 5%, while the net growth of the dry bulk fleet for the period from January to September of 2013 was approximately 3%. The oversupply of vessels in the dry bulk marine transportation market will not further deteriorate, but instead may be eased to a certain extent, in 2013.

Based on the statistics from market reports, for the period spanning from January to September of 2013, the volume of commodities imported to China reached nearly 1.7 billion tonnes, approximately 9.8% higher than the same period last year. The commodities imported to China in 2013 may exceed 2.0 billion tonnes for the first time, with growth to be seen in the imports of bulk cargoes such as iron ore and coal over last year. This will not only lift the growth of the global marine transportation volume, but also contribute more remarkably to the improvement of the Pacific freight market. There is a possibility that the spot rates market may maintain at its current level to the end of this year if the existing oversupply of vessels in the dry bulk marine transportation market can be further improved, thus bringing the average income of vessels of this year to surpass the average value of last year. Based on the statistics of newly built vessel orders, newly built dry bulk vessels of approximately 50 million dwt will be delivered in 2014, which is less than the newly built dry bulk vessels of approximately 70 million dwt delivered this year, hence the oversupply pressure in the freight market of dry bulk vessels will be further relieved.

Amidst the current difficult and volatile market condition, the Group is committed to generating higher operating revenue by adhering to its prudent operating strategies, enhancing day-to-day management of vessels, optimizing transportation to better service its customers and striving to charter out its vessels to reputable and reliable customers at higher charter rates. The Group will also exercise stringent control on operating costs and reduce all unnecessary expenses. The Group currently intends to identify new development opportunities and/or actively consider expansion into other businesses apart from the shipping business, such as the upstream business, to expand its business and diversify its income stream.

Financial review

Revenue

Revenue of the Group increased from about US$11.0 million for the six months ended 30 September 2012 to about US$11.2 million for the six months ended 30 September 2013, representing an increase of about US$0.2 million, or about 2.0%. It comprised time charter income of approximately US$4.9 million (constituted approximately 44.2% of the revenue of the Group), voyage charter income of approximately US$3.0 million (constituted approximately 26.5% of the revenue of the Group) and service income of approximately US$3.3 million (constituted approximately 29.3% of the revenue of the Group) for the period under review. There was a decrease in time charter income which was mainly attributable to the decrease in average Daily TCE of the Group's fleet from approximately US$10,000 for the six months ended 30 September 2012 to approximately US$9,600 for the six months ended 30 September 2013. The increase in voyage charter income resulted from the proactive strategies adaptive to market.

Cost of services

Cost of services of the Group decreased from approximately US$11.9 million for the six months ended 30 September 2012 to approximately US$10.7 million for the six months ended 30 September 2013, representing a decrease of approximately US$1.2 million or approximately 10.1%. The decrease of cost of services was mainly due to (i) the decrease in depreciation expenses after impairment loss of vessels recognized last year; and (ii) the stringent cost control on the bunker and other direct cost related to the voyage charters.

Gross profit/(loss)

The Group recorded gross profit of approximately US$0.5 million for the six months ended 30 September 2013 as compared with a gross loss of approximately US$0.9 million for the six months ended 30 September 2012, representing a difference of approximately US$1.4 million, while the gross profit margin improved from approximately -8.2% for the six months ended 30 September 2012 to approximately 4.6% for the six months ended 30 September 2013. The improvement in gross loss to gross profit of the Group was mainly attributable to the decrease in vessel depreciation and stringent control over costs and voyage expenses.

General and administrative expenses

General and administrative expenses of the Group decreased from approximately US$1.4 million for the six months ended 30 September 2012 to approximately US$1.3 million for the six months ended 30 September 2013, representing a decrease of approximately US$0.1 million or approximately 8%, mainly due to the decrease in amortization of share-based payments during the period under review.

Finance costs

Finance costs of the Group decreased from approximately US$0.7 million for the six months ended 30 September 2012 to approximately US$0.6 million for the six months ended 30 September 2013, representing a decrease of approximately US$0.1 million or approximately 8.4%. Such decrease was mainly attributable to the repayment of the loan principle though this effect had been slightly offset by the finance cost of the issuance of the Convertible Bonds during the period under review.

Loss and total comprehensive loss

The Group incurred a loss of approximately US$1.2 million for the six months ended 30 September 2013 as compared with a loss of approximately US$2.9 million for the six months ended 30 September 2012. Such improvement was mainly due to (i) the increase in gross profit of approximately US$1.4 million; and (ii) the decrease in amortization of share-based payments.

Liquidity, financial resources, capital structure and gearing ratio

As at 30 September 2013, the Group's bank balances and cash amounted to approximately US$4.8 million (as at 31 March 2013: approximately US$1.1 million), of which approximately 96.3% was denominated in US$ and approximately 3.5% in HK$. Outstanding bank loans amounted to approximately US$39.6 million (as at 31 March 2013: approximately US$41.7 million), of which 100% (as at 31 March 2013: 100%) was denominated in US$.

As at 30 September 2013 and 31 March 2013, the Group had a gearing ratio (being the bank loans and convertible bonds of the Group divided by the total assets of the Group) of about 30.2% and 29.4% respectively. The increase in gearing ratio as at 30 September 2013 was mainly due to the issuance of the First Convertible Bonds during the period under review.

The Group's net current assets had increased from about US$5.6 million as at 31 March 2013 to about US$ 9.2 million as at 30 September 2013, representing an increase of about US$3.6 million, or about 64.8%. Such increase was mainly due to the issuance of the First Convertible Bonds in the principal amount of US$3,000,000 and the effect of increase in gross profit.

The Group's liquidity requirements will be satisfied by a combination of cash flow generated from the working capital arising from operating activities and bank loans and other financing means which the Company may from time to time consider appropriate.

Convertible Bonds

On 5 July 2013, the Company entered into the Subscription Agreement with Ablaze Rich in respect of the issue and subscription of the Convertible Bonds at the conversion price of HK$1.184 per Conversion Share in an aggregate principal amount of US$8,000,000 comprising the First Convertible Bonds in the principal amount of US$3,000,000 and the Second Convertible Bonds in the principal amount of US$5,000,000, which may be converted into 52,702,702 Conversion Shares at the exchange rate of HK$7.8 to US$1.0.

The First Completion took place on 2 September 2013. Pursuant to the terms of the Subscription Agreement, the First Convertible Bonds in the principal amount of US$3,000,000 were issued to Ablaze Rich. The Company may, at any time within one year after the First Completion Date, issue the Second Completion Notice to Ablaze Rich for the purpose of the Second Completion.

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

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 2013, the Group recorded outstanding bank loans of about US$39.6 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 Bryance Group, Joy Ocean, Great Ocean and Way Ocean, respectively;

- Assignment of the charter-hire income and insurance in respect of the vessels held by Bryance Group, Joy Ocean, Great Ocean and Way Ocean, respectively;

- Charges over shares of each of Bryance Group, Joy Ocean, Great Ocean and Way Ocean.

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

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

Subsequent to the period under review, on 2 December 2013, Joy Ocean and Prosperity Plus as borrowers and the Company as guarantor entered into a facility agreement with a bank for a loan facility (the "Facility") for the aggregate principal amount of up to US$16 million for the purpose of financing or refinancing the acquisition cost of two vessels. The principal amount shall be repaid by quarterly instalments with final maturity date no later than 1 March 2019. The above Facility was provided to the Group on the conditions that, inter alia, Mr. Yan and Ms. Lam shall ultimately hold not less than 51% of the issued share capital of the Company. Please refer to the announcement of the Company dated 2 December 2013 for further information.

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 2013, the Group had pledged the following assets to banks as securities against banking facilities granted to the Group:

	30 September 2013 US$'000 (Unaudited)	31 March 2013 US$'000 (Audited)
Property, plant and equipment	**122,024**	125,750
Pledged bank deposits	**8,693**	8,096
	130,717	133,846

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 2013, 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 2013.

Interim dividend

The Board does not recommend any interim dividend for the six months ended 30 September 2013 (dividend for the six months ended 30 September 2012: Nil).

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

Neither the Company nor any of its subsidiaries had purchased, redeemed or cancelled any of the Company's listed securities during the six months ended 30 September 2013.

Employees

As at 30 September 2013, the Group had a total of 120 employees (as at 30 September 2012: 121 employees). For the six months ended 30 September 2013, the total salaries and related costs (including Directors' fees) amounted to approximately US$2.7 million (as at 30 September 2012: US$2.9 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 below:

Board of Directors

Executive Directors

Mr. YAN Kim Po (殷劍波), aged 52, 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 the operation of 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 Part XV of the SFO as disclosed in the section headed "Corporate Governance and Other Information — Directors' interests in Shares, underlying Shares and debentures of the Company and its associated corporation" of this interim report.

Ms. LAM Kwan (林群), aged 46, 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, an honorary director of Hong Kong Baptist University Foundation 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 Part XV of the SFO as disclosed in the section headed "Corporate Governance and Other Information — Directors' interests in Shares, underlying Shares and debentures of the Company and its associated corporation" of this interim report.

Mr. CAO Jiancheng (曹建成), aged 57, 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 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 Part XV of the SFO as disclosed in the section headed "Corporate Governance and Other Information — Directors' interests in Shares, underlying Shares and debentures of the Company and its associated corporation" of this interim report.

Independent non-executive Directors

Mr. CHEUNG Kwan Hung (張鈞鴻), aged 62, 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) and 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 56, 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 on 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. Mr. Chan is currently also an independent non-executive director of two companies listed on the Main Board of the Stock Exchange, namely Li Ning Company Limited (Stock Code: 2331) and Speedy Global Holdings Limited (Stock Code: 540).

Mr. WAI Kwok Hung (韋國洪), aged 59, 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 Town Health International Investments Limited (Stock code: 3886), a company listed on the Main Board of the Stock Exchange, since July 2002. 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 42, is 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 39, 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, and 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 an independent non-executive director of two companies listed on the Main Board of the Stock Exchange, namely Kingdom Holdings Limited (Stock Code: 528) and Xiezhong International Holdings Limited (Stock Code: 3663).

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

As at 30 September 2013, 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, underlying Shares and debentures of the Company:

Name of Director	Capacity/Nature of interest	Number of Shares held *(Note 1)*	Number of underlying Shares held *(Note 1)*	Approximate percentage of interest (%) *(Note 6)*
Mr. Yan	Interest of 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%
	Interest of controlled corporation *(Note 4)*	—	52,702,702 (L)	6.35%
Ms. Lam	Interest of 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%
	Interest of controlled corporation *(Note 4)*	—	52,702,702 (L)	6.35%
Mr. Cao Jiancheng	Beneficial owner *(Note 5)*	—	6,000,000 (L)	0.72%

Notes:

(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 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 2013. 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) These 52,702,702 Shares represented (i) 19,763,513 Conversion Shares which may be allotted and issued to Ablaze Rich upon the exercise of the conversion rights attached to the First Convertible Bonds in the principal amount of US$3,000,000 at a conversion price of HK$1.184 per Conversion Share and (ii) 32,939,189 Conversion Shares which may be allotted and issued to Ablaze Rich upon the exercise of the conversion rights attached to the Second Convertible Bonds in the principal amount of US$5,000,000 at a conversion price of HK$1.184 per Conversion Share, at the exchange rate of HK$7.8 to US$1.0. The First Convertible Bonds were issued by the Company and subscribed by Ablaze Rich on 2 September 2013 while the completion of the issue and subscription of the Second Convertible Bonds had not yet taken place as at 30 September 2013. Ablaze Rich had not yet exercised the conversion rights attached to the First Convertible Bonds as at 30 September 2013. Pursuant to the Subscription Agreement, Ablaze Rich would only convert the Convertible Bonds in a manner that would not cause the Company to be in breach of the public float requirement of the Shares under Rule 8.08 of the Listing Rules. As the entire issued share capital of Ablaze Rich was owned as to 51% by Mr. Yan and 49% by Ms. Lam, each of Mr. Yan and Ms. Lam was deemed to be interested in these 52,702,702 Shares by virtue of the SFO.

(5) 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 2013.

(6) The percentage is calculated on the basis of 830,000,000 Shares in issue as at 30 September 2013.

Interest in shares and underlying shares of associated corporation:

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Number of shares held *(Note)*	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 the associated corporation.

Save as disclosed above, as at 30 September 2013, none of the Directors or chief executives 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 2013, 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 *(Note 1)*	Number of underlying Shares held *(Note 1)*	Approximate percentage of interest (%) *(Note 3)*
Ablaze Rich	Beneficial owner	616,322,500 (L)	—	74.26%
	Beneficial owner *(Note 2)*	—	52,702,702 (L)	6.35%

Notes:

(1) The letter "L" denotes the person's long position in the Shares or underlying Shares of the Company.

(2) These 52,702,702 Shares represented (i) 19,763,513 Conversion Shares which may be allotted and issued to Ablaze Rich upon the exercise of the conversion rights attached to the First Convertible Bonds in the principal amount of US$3,000,000 at a conversion price of HK$1.184 per Conversion Share and (ii) 32,939,189 Conversion Shares which may be allotted and issued to Ablaze Rich upon the exercise of the conversion rights attached to the Second Convertible Bonds in the principal amount of US$5,000,000 at a conversion price of HK$1.184 per Conversion Share, at the exchange rate of HK$7.8 to US$1.0. The First Convertible Bonds were issued by the Company and subscribed by Ablaze Rich on 2 September 2013 while the completion of the issue and subscription of the Second Convertible Bonds had not yet taken place as at 30 September 2013. Ablaze Rich had not yet exercised the conversion rights attached to the First Convertible Bonds as at 30 September 2013. Pursuant to the Subscription Agreement, Ablaze Rich would only convert the Convertible Bonds in a manner that would not cause the Company to be in breach of the public float requirement of the Shares under Rule 8.08 of the Listing Rules.

(3) The percentage is calculated on the basis of 830,000,000 Shares in issue as at 30 September 2013.

Save as disclosed above, as at 30 September 2013, 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 or underlying Shares 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 2013, movements of the share options granted under the Share Option Scheme are summarized as follows:

List of grantees	Date of grant	Exercisable period	Exercisable price per share *HK$*	Number of share options: Outstanding as at 1 April 2013	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding as at 30 September 2013
Directors									
Mr. Yan	21 October 2011	21 October 2012–20 October 2021	1.15	700,000	—	—	—	—	700,000
	21 October 2011	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 2011	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 2011	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 2011	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 2013 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 2013 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, 22 November 2013

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 2013. 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, 22 November 2013

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 27 to 48, 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 2013 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 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, 22 November 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2013

	Note	Unaudited Six months ended 30 September 2013 US$'000	2012 US$'000
Revenue	6	**11,187**	10,964
Cost of services		**(10,671)**	(11,866)
Gross profit/(loss)		**516**	(902)
Other income		**128**	19
General and administrative expenses		**(1,298)**	(1,410)
Operating loss	7	**(654)**	(2,293)
Finance income	8	**114**	96
Finance costs	8	**(641)**	(700)
Finance costs — net		**(527)**	(604)
Loss before income tax		**(1,181)**	(2,897)
Income tax expense	9	**—**	—
Loss for the period and total comprehensive loss attributable to owners of the Company		**(1,181)**	(2,897)
Loss per share for loss attributable to owners of the Company			
— Basic and diluted	10	**(0.14 cents)**	(0.35 cents)
Dividend	11	**—**	—

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	Note	Unaudited 30 September 2013 US$'000	Audited 31 March 2013 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**122,033**	125,760
Pledged bank deposits		**3,000**	3,000
		125,033	128,760
Current assets			
Inventories		**—**	696
Trade and other receivables	13	**3,845**	4,371
Finance lease receivable	18	**1,967**	1,867
Derivative financial instruments	16	**124**	—
Pledged bank deposits		**5,693**	5,096
Cash and cash equivalents		**4,828**	1,146
		16,457	13,176
Total assets		**141,490**	141,936
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	**1,064**	1,064
Reserves		**94,951**	96,026
Total equity		**96,015**	97,090
LIABILITIES			
Non-current liabilities			
Bank borrowings	15	**35,053**	37,237
Convertible bonds	16	**3,139**	—
		38,192	37,237
Current liabilities			
Other payables and accruals	17	**2,687**	3,123
Bank borrowings	15	**4,596**	4,486
		7,283	7,609
Total liabilities		**45,475**	44,846
Total equity and liabilities		**141,490**	141,936
Net current assets		**9,174**	5,567
Total assets less current liabilities		**134,207**	134,327

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 2013

	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 2013	**1,064**	**25,120**	**766**	**46**	**13,636**	**56,458**	**97,090**
Total comprehensive loss for the period ended 30 September 2013, net of tax	—	—	—	—	—	**(1,181)**	**(1,181)**
Transaction with owners in their capacity as owners							
Employee share option scheme:							
— Employee share-based compensation benefits	—	—	**106**	—	—	—	**106**
Total transaction with owners	—	—	**106**	—	—	—	**106**
Balance at 30 September 2013	**1,064**	**25,120**	**872**	**46**	**13,636**	**55,277**	**96,015**
Represented by:							
Reserves							**96,015**
Interim dividend							—
Balance at 30 September 2013							**96,015**

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

For the six months ended 30 September 2013

	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
	Unaudited						
	Attributable to owners of the Company						
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)
Transaction with owners in their capacity as owners							
Employee share option scheme:							
— Employee share-based compensation benefits	—	—	241	—	—	—	241
Total transaction with owners	—	—	241	—	—	—	241
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

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 2013

	Unaudited Six months ended 30 September	
	2013	2012
	US$'000	US$'000
Cash flows from operating activities		
Loss before income tax	**(1,181)**	(2,897)
Adjustments for:		
— Depreciation	**3,694**	4,514
— Finance income	**(114)**	(96)
— Finance cost	**641**	700
— Written off on property, plant and equipment	**33**	—
— Share-based payment	**106**	241
Changes in working capital:		
— Trade and other receivables	**526**	2,249
— Inventories	**696**	(1,454)
— Other payables and accruals	**(309)**	(540)
Net cash generated from operating activities	**4,092**	2,717
Cash flows from investing activities		
Interest received	**14**	5
Purchase of property, plant and equipment	**—**	(433)
Net cash generated from/(used in) investing activities	**14**	(428)
Cash flows from financing activities		
Interest paid	**(527)**	(700)
Net (increase)/decrease in pledged bank deposits	**(597)**	537
Repayments of bank borrowings	**(2,300)**	(2,743)
Proceeds from issuance of convertible bonds	**3,000**	—
Net cash used in financing activities	**(424)**	(2,906)
Net increase/(decrease) in cash and cash equivalents	**3,682**	(617)
Cash and cash equivalents at beginning of the period	**1,146**	5,946
Cash and cash equivalents at end of the period	**4,828**	5,329
Analysis of cash and cash equivalents:		
Bank balances and cash	**4,828**	5,329

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 General information

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

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

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

This condensed consolidated interim financial information is presented in US dollars, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 22 November 2013.

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 2013 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 2013, 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 2013, 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) Updates on accounting policies

Convertible bonds

Convertible bonds with conversion options which are not settled by exchanging a fixed amount of cash for a fixed number of the Company's shares comprise a derivative component and a liability component.

At initial recognition the derivative component of the convertible bonds is measured at fair value. Any excess of the proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs relating to the issue of the convertible bonds are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability component. The portion relating to the derivative component is recognised immediately in profit or loss.

3 Accounting policies (continued)

(b) Updates on accounting policies (continued)

Convertible bonds (continued)

The derivative component is subsequently remeasured at fair value, with changes in fair value recognised immediately in profit or loss. The liability component is subsequently measured at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method.

Derivative financial instruments

Derivatives, which include options contracts, are initially recognised at fair value on trade-date and subsequently remeasured at their fair values. Changes in fair value are recognised in profit or loss. All derivatives outstanding on the reporting date are classified as financial assets measured at fair value through profit or loss when their fair values are positive and as financial liabilities at fair value through profit or loss when their fair values are negative.

(c) The following new standards and amendments to standards are relevant to the Group and mandatory for the first time for the financial year beginning 1 April 2013:

Under HKFRS 10, "Consolidated financial statements", subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group has applied HKFRS 10 retrospectively in accordance with the transition provisions of HKFRS 10.

The Group assessed the adoption of HKFRS 10 and concluded that it does not result in any changes in the consolidation status of its subsidiaries.

HKFRS 13, "Fair value measurement", aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs. The Group has applied HKFRS 13 prospectively, additional disclosures required in respect of fair value measurements are introduced. The adoption of this standard has no significant impact on the Group's results and financial position.

3 Accounting policies (continued)

(c) The following new standards and amendments to standards are relevant to the Group and mandatory for the first time for the financial year beginning 1 April 2013: (continued)

HKAS 1 (Amendment), "Presentation of Financial Statements". After the adoption of this amendment, the Group has changed the disclosure of items presented in other comprehensive income in the statement of comprehensive income. Items presented in other comprehensive income are separated into two groups, based on whether or not they may be recycled to profit or loss in the future. Items that will not be recycled will be presented separately from items that may be recycled in the future. The adoption of this amendment affected presentation only and has had no impact on the unaudited condensed consolidated interim financial information. The required disclosures have been provided for the current and comparable periods.

HKAS 27 (2011), "Consolidated and Separate Financial Statements". The renamed HKAS 27 continues to be a standard dealing with separate financial statements. The existing guidance for separate financial statements is unchanged. The adoption of this amendment has had no impact on the unaudited condensed consolidated interim financial information.

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.

(d) The following new standards and amendments to standards to the Group have been issued but are not effective for the financial year beginning 1 April 2013 and have not been early adopted:

		Effective for accounting periods beginning on or after
HKFRS 9	Financial instruments	1 January 2015
HKFRS 7 and HKFRS 9 (amendments)	Mandatory effective date of HKFRS 9 and transition disclosures	1 January 2015
HKAS 32 (amendment)	Offsetting financial assets and financial liabilities	1 January 2014
HKAS 36 (amendment)	Recoverable amount disclosures for non-financial assets	1 January 2014
HKAS 39 (amendment)	Novation of derivatives and continuation of hedge accounting	1 January 2014
HKAS 27 (Revised 2011), HKFRS 10 and HKFRS 12 (amendments)	Investment entities	1 January 2014

The directors of the Company are in the process of assessing the financial impact of the adoption of the above new standards and amendments to standards. The directors of the Company will adopt the new standard and amendments to standards when become effective.

4 Estimates

The preparation of interim financial information requires management to make judgments, 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 judgments 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 2013.

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, cash flow and fair value interest rate 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 2013.

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 cash equivalents and the availability of funding from an adequate amount of committed credit 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$'000	Total US$'000
At 30 September 2013				
Bank borrowings	**4,596**	**4,537**	**30,516**	**39,649**
Interest on bank borrowings	**910**	**789**	**1,253**	**2,952**
Convertible bonds and interest payable	**—**	**—**	**3,556**	**3,556**
Other payables and accruals	**1,419**	**—**	**—**	**1,419**
At 31 March 2013				
Bank borrowings	4,486	4,486	32,751	41,723
Interest on bank borrowings	993	869	1,663	3,525
Other payables and accruals	1,342	—	—	1,342

5.3 *Cash flow and fair value interest rate risk*

The Group's cash flow and fair value interest rate risk arises from bank deposits and long-term borrowings. Bank borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rate expose the Group to fair value interest rate risk, which arises from the convertible bonds issued at a fixed interest rate of 4% per annum in September 2013 and due in September 2018. Details of the Group's bank borrowings and convertible bonds have been disclosed in Notes 15 and 16. The Group is also exposed to fair value interest rate risk in relation to its finance lease receivable.

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 2013, 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 for the period would have been US$198,000 higher/lower (six months ended 30 September 2012: US$222,000 higher/lower), mainly as a result of higher/lower finance cost on floating rate borrowings.

5 Financial risk management (continued)

5.3 Cash flow and fair value interest rate risk (continued)

The Group has not used any interest rate swap to hedge its exposure to interest rate risk as the interest rate risk exposure is not significant. However, management monitors interest rate exposures and will consider hedging significant interest rate exposures should the need arise.

5.4 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial instruments that are measured at fair value at 30 September 2013.

	Level 1 US$'000	**Level 2** US$'000	**Level 3** US$'000	**Total** US$'000
Assets				
Derivative financial instruments				
— Conversion option component	—	124	—	124
Liabilities				
Convertible bonds	—	559	2,580	3,139

The Group did not have any financial instruments that are measured at fair value at 31 March 2013.

The fair value of financial instruments that are grouped under level 3 is determined by using valuation techniques including discounted cash flow analysis. In determining fair value, specific valuation techniques are used with reference to inputs such as dividend stream and other specific input relevant to those particular financial instruments.

5 Financial risk management (continued)

5.5 Valuation techniques used to derive Level 2 fair value

Level 2 derivative financial instruments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted financial instruments of the counterparties.

5.6 Fair value measurements using significant unobservable inputs (Level 3)

	Convertible bonds US$'000
Opening balance at 1 April 2013	—
Issuance of convertible bonds	2,565
Interest expenses recognized during the period (Note 8)	15
Closing balance at 30 September 2013	2,580

The discount rate used to compute the fair value is 7%. The change of discount rate by 1% will have no significant impact on the fair value. There is no significant impact of the credit default rate on the fair value measurement using significant unobservable inputs.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers of financial instruments between level 1, level 2 and level 3 fair value hierarchy classification during the period.

5.7 Group's valuation processes

The Group's finance department reviews the valuations of financial instruments that are stated at fair value and involves independent valuers to perform the valuations that are required for financial reporting purposes, including level 3 fair values. These valuation results are then reported to the chief financial officer and group senior management for discussions in relation to the valuation processes and the reasonableness of the valuation results.

5.8 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the trade and other receivables, finance lease receivable, pledged bank deposit, cash and cash equivalents, other payables and accruals and bank borrowings as at 30 September 2013 approximate their carrying amounts.

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	
	2013	2012
	US$'000	US$'000
Time charter income	**4,941**	5,245
Voyage charter income	**2,965**	2,321
Service income	**3,281**	3,398
	11,187	10,964

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

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

	Six months ended 30 September	
	2013	2012
	US$'000	US$'000
Depreciation of property, plant and equipment (Note 12)	**3,694**	4,514
Crew expenses (included in cost of services)	**1,988**	2,017
Operating lease rental for land and building	**143**	134
Employee benefit expenses (including directors' emoluments)		
Fee, salaries and other benefit costs	**601**	615
Pension costs — retirement benefit plans	**10**	9
Share options granted to directors and employees (Note 20)	**106**	241

8 Finance costs — net

	Six months ended 30 September	
	2013	2012
	US$'000	US$'000
Finance income		
Interest income	**(14)**	(5)
Finance income on finance lease receivable	**(100)**	(91)
	(114)	(96)
Finance costs		
Interest expense on bank borrowings	**527**	643
Interest expense on convertible bond	**15**	—
Loan arrangement fee	**99**	57
	641	700
Finance costs — net	**527**	604

No borrowing costs were capitalised during the six months ended 30 September 2013 and 2012.

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 2013 (six months ended 30 September 2012: Nil).

Taxation on profits has been calculated on the estimated assessable profits for the six months ended 30 September 2013 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.

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

10 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	
	2013	2012
Loss attributable to owners of the Company (US$'000)	**(1,181)**	(2,897)
Weighted average number of ordinary shares in issue (thousands)	**830,000**	830,000
Basic loss per share (US cents per share)	**(0.14)**	(0.35)

(b) *Diluted*

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

	Six months ended 30 September	
	2013	2012
Diluted loss per share (US cents per share)	**(0.14)**	(0.35)

Diluted loss per share for the six months ended 30 September 2013 equals basic loss per share as the exercise of the outstanding share options and convertible bonds would be anti-dilutive.

11 Dividend

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2013 (six months ended 30 September 2012: Nil).

12 Property, plant and equipment

	US$'000
Six months ended 30 September 2013	
Opening net book amount at 1 April 2013	**125,760**
Write off	**(33)**
Depreciation	**(3,694)**
Closing net book amount at 30 September 2013	**122,033**
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

Depreciation expense of US$3,692,000 (six months ended 2012: US$4,513,000) has been charged in "cost of services" and US$2,000 (six months ended 2012: US$1,000) in "general and administrative expenses".

As at 30 September 2013, the Group's property, plant and equipment of US$122,024,000 (as at 31 March 2013: US$125,750,000) was pledged as security for bank borrowings of the Group.

13 Trade and other receivables

	As at	
	30 September 2013 US$'000	31 March 2013 US$'000
Trade receivables	**3,076**	3,457
Less: Provision for impairment of trade receivables	**(8)**	(8)
Trade receivables, net	**3,068**	3,449
Prepayments and deposits	**777**	922
	3,845	4,371

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

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

13 Trade and other receivables (continued)

As at 30 September 2013 and 31 March 2013, the ageing analysis of trade receivables based on invoice date was as follows:

	As at	
	30 September 2013 US$'000	31 March 2013 US$'000
0–30 days	**2,915**	3,189
31–365 days	**112**	145
Over 365 days	**49**	123
	3,076	3,457

14 Share capital

	As at	
	30 September 2013 HK$'000	31 March 2013 HK$'000
Authorised:		
1,000,000,000 ordinary shares of HK$0.01 each	**10,000**	10,000
	US$'000	US$'000
Issued and fully paid:		
830,000,000 ordinary shares of HK$0.01 each	**1,064**	1,064

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

		Number of share options			
Date of grant	**Exercise price**	**At 1 April 2013**	**Exercised during the period**	**Lapsed during the period**	**At 30 September 2013**
21 October 2011	HK$1.15	17,700,000	—	—	17,700,000

For the six months ended 30 September 2013, no share options (six months ended 30 September 2012: Nil) were lapsed.

15 Bank borrowings

	As at	
	30 September 2013 US$'000	31 March 2013 US$'000
Non-current	**35,053**	37,237
Current	**4,596**	4,486
	39,649	41,723

Movements in bank borrowings are analysed as follows:

	Six months ended 30 September	
	2013 US$'000	2012 US$'000
Opening amount at 1 April	**41,723**	47,208
Repayments of bank borrowings	**(2,074)**	(2,743)
Closing amount at 30 September	**39,649**	44,465

16 Convertible bonds

	As at	
	30 September 2013 US$'000	31 March 2013 US$'000
Convertible bonds	**3,139**	—

On 5 July 2013, the Group entered into a subscription agreement with Ablaze Rich Investments Limited ("Ablaze Rich"), pursuant to which the Group has conditionally agreed to issue, and Ablaze Rich has conditionally agreed to subscribe for convertible bonds with an aggregate principal amount of US$8,000,000 which would be issued in two tranches (comprising the first convertible bonds in the principal amount of US$3,000,000 (the "First Convertible Bonds") and the second convertible bonds in the principal amount of US$5,000,000 (the "Second Convertible Bonds")). The First Convertible Bonds bear interest from their date of issue at a rate of 4% per annum on the principal amount, and may be converted in full or in part (multiples of US$100,000) at the initial conversion price of HK$1.184 per conversion share (subject to anti-dilutive adjustment) any time within five years from the date of issue.

16 Convertible bonds (continued)

On 2 September 2013, the Group issued the First Convertible Bonds with principal amount of US$3,000,000. The First Convertible Bonds will be due on 1 September 2018. The First Convertible Bonds comprised two elements and were accounted for as follow:

- The debt element of US$2,565,000 was treated as a financial liability and measured at amortised cost and interest expense was recognised in profit or loss using the effective interest method.

- The share conversion option element of approximately US$559,000 was treated as a derivative liability with subsequent changes in fair value being recognised in profit or loss.

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

	Liability component	**Derivative component**	**Total**
	US$'000	US$'000	US$'000
Issuance of the convertible bonds	2,565	559	3,124
Interest expenses (Note 8)	15	—	15
At 30 September 2013	2,580	559	3,139

The Second Convertible Bonds bear interest from their date of issue at a rate of 4% per annum on the principal amount, and may be converted in full or in part (in multiples of US$100,000) at the initial conversion price of HK$1.184 per conversion share (subject to anti-dilutive adjustment) any time from the date of issue of the Second Convertible Bonds up to five years from the date of issue of the First Convertible Bonds.

According to the subscription agreement, contractual provisions in relation to issuance of the Second Convertible Bonds were established and the derivative financial assets were recognised. The initial fair values of the derivative financial asset were assessed as US$124,000 and is recorded as "Derivative financial instruments" in the condensed consolidated statement of financial position. The fair values of the derivative financial assets were valued by Cushman & Wakefield Valuation Advisory Services (HK) Ltd, an independent valuer, under Binomial Option Pricing Model. The discount rate used to compute the fair value is 7%.

17 Other payables and accruals

	As at	
	30 September 2013 US$'000	31 March 2013 US$'000
Other payables and accruals	**1,419**	1,342
Receipt in advance from charterers	**1,268**	1,781
	2,687	3,123

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

18 Finance lease receivable

	As at					
	30 September 2013			31 March 2013		
	Gross receivable US$'000	**Unearned finance income US$'000**	**Present value of minimum lease payment receivable US$'000**	Gross receivable US$'000	Unearned finance income US$'000	Present value of minimum lease payment receivable US$'000
Amount receivable under finance lease:						
Current portion	**2,000**	**(33)**	**1,967**	2,000	(133)	1,867

The Group entered into a 5-year finance lease contract for leasing of a vessel in May 2008. The vessel was derecognised during the year ended 31 March 2009 at the carrying amount of US$9,841,000 while the value at the inception of the lease was US$8,900,000.

The effective interest rate is approximately 10.8% per annum for the period/year ended 30 September 2013 and 31 March 2013. Finance lease receivable balance is secured over the leased vessel. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

The maximum exposure to credit risk of finance lease receivable for the current and prior periods is the carrying amount. The finance lease receivable is neither past due nor impaired.

19 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 2013 US$'000	31 March 2013 US$'000
Office premise		
No later than one year	**143**	286

(b) Operating lease commitments — Group as lessor

At 30 September 2013, the Group has the following future aggregate minimum lease receivables under non-cancellable operating leases in relation to chartering of vessels. There vessels chartering agreements have varying terms ranging from 1 to 3 months:

	As at	
	30 September 2013 US$'000	31 March 2013 US$'000
Vessels		
— No later than one year	**1,994**	2,168

20 Related party transactions

The ultimate and immediate holding company of the Company is Ablaze Rich Investments Limited, a company incorporated in the British Virgin Islands with limited liability. The ultimate controlling shareholders of Ablaze Rich Investments Limited are Mr. Yan Kim Po and Ms Lam Kwan.

(a) Significant transactions with related parties

During the six months ended 30 September 2013 and 2012, the Group had the following significant transactions with its related companies.

20 Related party transactions (continued)

(a) Significant transactions with related parties (continued)

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	
	2013	2012
	US$'000	US$'000
Rental expenses (note i)	**143**	134

Note:

(i) Rental expenses paid to a related company were charged at rates as mutually agreed.

(b) Other transactions with related parties

During the six months ended 30 September 2013, the Company issued convertible bonds in aggregate principal amount of US$3,000,000 to Ablaze Rich Investments Limited, the ultimate and immediate holding company of the Company. The convertible bonds were interest-bearing at 4% per annum. Further details of the transaction are included in note 16 of the condensed consolidated interim financial information.

(c) 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	
	2013	2012
	US$'000	US$'000
Short-term employee benefits	**415**	415
Post-employment benefits	**10**	4
Share options granted to directors and employees	**106**	241
	531	660

21 Event occurring after balance sheet date

Acquisition of a vessel

On 6 November 2013, a subsidiary of the Group acquired a vessel from an independent third party at a purchase price of US$9.36 million (equivalent to about HK$73.01 million). The vessel was delivered to the Group on 10 December 2013.

Further details of the acquisition of the vessel are set out in the announcement of the Company dated 6 November 2013.