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

2014 Interim 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"	an acronym for 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
"GH FORTUNE/GH PROSPERITY Loan"	a term loan for the aggregate principal amount of US$16 million in two tranches for the purpose of financing or refinancing the acquisition costs of GH FORTUNE and GH PROSPERITY. US$10.4 million of the principal amount of such term loan shall be repaid by 20 quarterly instalments, and US$5.6 million thereof shall be repaid by 12 quarterly instalments, commencing three months from 5 December 2013
"GH GLORY Loan"	a term loan for the principal amount of US$26 million for financing the acquisition costs of GH GLORY. 70% of the principal amount of the bank loan shall be repayable by 28 consecutive quarterly instalments of US$650,000 commencing three months from the drawdown date, and the remaining 30% of the principal amount of the loan to be repaid together with the last quarterly instalment
"GH HARMONY Loan"	a term loan for the principal amount of US$16 million for financing the acquisition costs of GH HARMONY. The principal amount of the bank loan shall be repayable by 28 consecutive quarterly instalments commencing three months from 14 July 2014
"GH POWER Loan"	a term loan for the principal amount of US$39 million for financing the acquisition costs of GH POWER. The principal amount shall be repaid by 40 quarterly instalments commencing three months from 11 February 2008
"Great Ocean"	Great Ocean Shipping Limited (浩洋船務有限公司), a company incorporated in the BVI on 29 September 2006 and a wholly-owned subsidiary of the Company
"Greater Shipping"	Greater Shipping Co., Ltd. (榮達船務有限公司), a company incorporated in the BVI on 31 May 2002 and a wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"HK$" and "HK cents"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Joy Ocean"	Joy Ocean Shipping Limited (悅洋船務有限公司), a company incorporated in the BVI on 21 October 2004 and a wholly-owned subsidiary of the Company
"Listing Date"	11 October 2010, being the date on which trading of the Shares on the Main Board first commenced
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market operated by the Stock Exchange, which excludes Growth Enterprise Market of the Stock Exchange and the options market
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules

"Mr. Yan"	Mr. Yan Kim Po (殷劍波先生), the chairman of the Board, an executive Director and the husband of Ms. Lam
"Ms. Lam"	Ms. Lam Kwan (林群女士), the chief executive officer of the Company, an executive Director and the wife of Mr. Yan
"PRC" or "China"	the People's Republic of China which, for the purposes of this interim report only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"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 Convertible Bonds"	the second tranche of convertible bonds in the principal amount of US$5,000,000 to be issued by the Company for subscription by Ablaze Rich pursuant to the terms and conditions of the Subscription Agreement. As disclosed in the Company's announcement dated 2 September 2014, the issue of the Second Convertible Bonds did not proceed to completion and had lapsed accordingly
"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$0.01 each in the share capital of the Company
"Share Option Scheme"	the share option scheme of the Company approved and adopted by an ordinary resolution of the shareholders at the annual general meeting of the Company held on 19 August 2011
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of the Convertible Bonds by Ablaze Rich pursuant to the terms and conditions of the Subscription Agreement
"Subscription Agreement"	the agreement dated 5 July 2013 and entered into between the Company and Ablaze Rich in respect of the Subscription
"Union Apex"	Union Apex Mega Shipping Limited (聯合佳成船務有限公司), a company incorporated in Hong Kong on 2 December 2009 and a wholly-owned subsidiary of the Company
"United Edge"	United Edge Holdings Limited, a company incorporated in the BVI on 18 April 2013 and a wholly-owned subsidiary of the Company
"US"	the United States of America
"US$" 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)
Dr. 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)
Dr. Chan Chung Bun, Bunny (陳振彬)
Mr. WAI Kwok Hung (韋國洪)

Remuneration Committee

Dr. 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)
Dr. 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
Level 22, Hopewell Centre
183 Queen's Road East
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

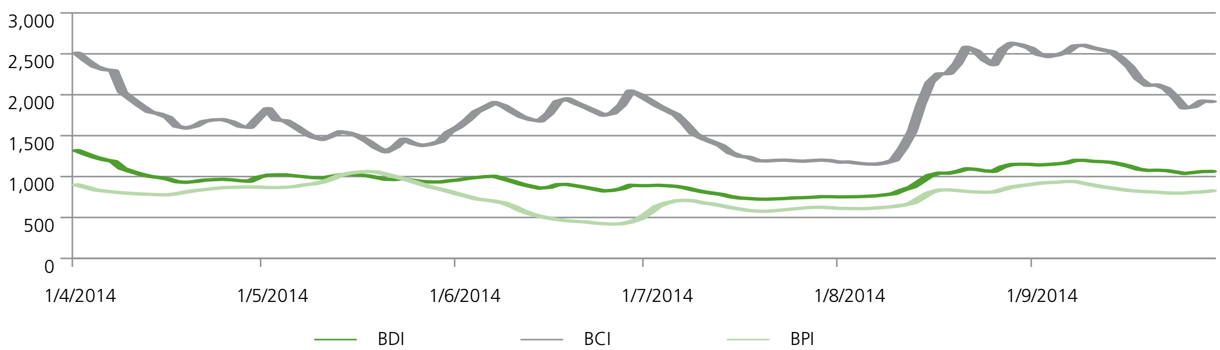
FINANCIAL HIGHLIGHTS

	Six months ended 30 September (Unaudited)	
	2014	2013
	US$'000	US$'000
Revenue	**9,370**	11,187
Gross (loss)/profit	**(1,303)**	516
Loss for the period and total comprehensive loss attributable to owners of the Company	**(3,871)**	(1,181)
Loss per share for loss attributable to owners of the Company (US$ Cents)	**(0.47 cents)**	(0.14 cents)

	30 September 2014 (Unaudited) US$'000	31 March 2014 (Audited) US$'000
Total assets	**149,354**	142,204
Total liabilities	**(62,502)**	(51,513)
Net assets	**86,852**	90,691

Market review

Daily Variation Chart of the Baltic Dry Index (BDI), the Baltic Capesize Index (BCI) and the Baltic Panamax Index (BPI) 1 April 2014–30 September 2014



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

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

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

Business overview

For the six months ended 30 September 2014, the Group's vessels were under sound operation. The size of the Group's fleet reduced slightly as compared to the corresponding period last year, with total carrying capacity of about 390,180 dwt. Meanwhile, the average age of the Group's fleet decreased from 13.8 years to 9.8 years. The Group's fleet also maintained a high operational level with an occupancy rate of 98.7%. The average daily charter rate of its vessels was approximately US$8,782.82, representing a decrease of approximately 8.9% as compared to the corresponding period last year. Also, the Group's fleet achieved a record of safe operation and zero adverse incidents. Currently, the Group's fleet has a coverage rate of about 59.2% for the period between 1 July 2014 and 31 December 2014 and all vessels are operating in the spot market. The Group was able to exert stringent control over costs and expenses in the course of vessel management and had strived to minimize voyage expenses, hence managed to maintain the management expenses for the Group's vessels within budget.

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

On 20 May 2014, the Group entered into a memorandum of agreement with an independent third party to acquire a secondhand panamax dry bulk vessel at a purchase price of US$22.8 million (equivalent to about HK$176.7 million). The vessel was delivered to the Group on 22 July 2014. Further details of the acquisition of the vessel are set out in the announcement of the Company dated 22 May 2014.

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

Outlook

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

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

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

Financial review

Revenue

Revenue of the Group decreased from about US$11.2 million for the six months ended 30 September 2013 to about US$9.4 million for the six months ended 30 September 2014, representing a decrease of about US$1.8 million, or about 16.2%. It comprised time charter income of approximately US$8.1 million (constituted approximately 86.9% of the revenue of the Group) and voyage charter income of approximately US$1.2 million (constituted approximately 13.1% of the revenue of the Group) derived for the period under review. No service income was recorded for the period under review as the vessel subject to finance lease arrangement was handed over to the lessee at the end of the finance lease arrangement in December 2013. There was an increase in time charter income which was mainly attributable to the increase in time charter performed. The average Daily TCE of the Group's fleet decreased from approximately US$9,600 for the six months ended 30 September 2013 to approximately US$8,800 for the six months ended 30 September 2014.

Cost of services

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

Gross profit/(loss)

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

General and administrative expenses

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

Finance costs

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

Loss and total comprehensive loss

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

Liquidity, financial resources, capital structure and gearing ratio

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

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

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

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

Convertible Bonds

On 5 July 2013, the Company entered into the Subscription Agreement with Ablaze Rich in respect of the issue and subscription of the Convertible Bonds 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 19,763,513 and 32,939,189 Conversion Shares respectively, at the conversion price of HK$1.184 per Conversion Share at the exchange rate of HK$7.8 to US$1.0.

The First Completion took place on 2 September 2013. On 2 September 2014, the Company announced that the issue of the Second Convertible Bonds did not proceed to completion and had lapsed accordingly (the "Non-Completion").

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

As at 30 September 2014, the entire principal amount of the First Convertible Bonds remained outstanding.

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

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

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

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

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

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

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

Exposure to fluctuations in exchange rate risk and related hedges

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

During the six months ended 30 September 2014, the Group had entered into an interest rate swap to hedge for the future fluctuations of London Interbank offered rate or cost of fund arising from the Group's variable-rate borrowings. The total notional principal amount of the outstanding interest rate swap as at 30 September 2014 was US$13,350,000 (as at 31 March 2014: US$13,350,000).

Contingent liabilities

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

Interim dividend

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

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

Neither the Company nor any of its subsidiaries had purchased, redeemed or cancelled any of the Company's listed securities during the six months ended 30 September 2014.

Employees

As at 30 September 2014, the Group had a total of 120 employees (as at 30 September 2013: 120 employees). For the six months ended 30 September 2014, the total salaries and related costs (including Directors' fees) amounted to approximately US$2.8 million (as at 30 September 2013: US$2.7 million). It is the Group's policy to remunerate its employees with reference to the relevant market situation, and accordingly the remuneration level of the Group's employees remains at a competitive level and is adjusted in accordance with the employees' performance. Other benefits offered by the Group include mandatory provident fund scheme and medical insurance.

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 53, 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 Sha Tin District Junior Police Call, the Honorary President of the Fire Safety Ambassador Club and Shatin Sports Association. 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 47, 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 58, 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 63, 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 Gold Tat Group International Limited (formerly known as Mobile Telecom Network (Holdings) Limited) (Stock Code: 8266).

Dr. CHAN Chung Bun, Bunny (陳振彬), aged 57, has been serving as an independent non-executive Director of the Company since September 2010. Dr. Chan has extensive experience in commerce and is currently the chairman of Prospectful Holdings Limited. Dr. 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. Dr. 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. Dr. Chan was awarded the title of Honorary University Fellow in 2008 and conferred Doctor of Business Administration, honoris causa in December 2013 by the Open University of Hong Kong. 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 60, 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 Medical Group Limited (formerly known as 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 43, 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 40, 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), and a company listed on the Growth Enterprise Market of the Stock Exchange, namely China Wood Optimization (Holding) Limited (Stock Code: 8099).

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

As at 30 September 2014, 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)*	—	19,763,513 (L)	2.38%
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)*	—	19,763,513 (L)	2.38%
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 2014. 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 19,763,513 Shares represented the 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, 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. Ablaze Rich had not yet exercised the conversion rights attached to the First Convertible Bonds as at 30 September 2014. 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 19,763,513 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 2014.

(6) The percentage is calculated on the basis of 830,000,000 Shares in issue as at 30 September 2014.

Interest in shares and underlying shares of associated corporation:

Name of Director	Number of associated corporation	Capacity/Nature of interest	Name 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 2014, 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 2014, 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:

Number of shareholder	Capacity/Nature of interest	Name 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)*	—	19,763,513 (L)	2.38%

Notes:

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

(2) These 19,763,513 Shares represented the 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, 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. Ablaze Rich had not yet exercised the conversion rights attached to the First Convertible Bonds as at 30 September 2014. 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 2014.

Save as disclosed above, as at 30 September 2014, 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 2014, movements of the share options granted under the Share Option Scheme are summarized as follows:

				Number of share options					
List of grantees	**Date of grant**	**Exercisable period**	**Exercisable price per share** *HK$*	**Outstanding as at 1 April 2014**	**Granted during the period**	**Exercised during the period**	**Lapsed during the period**	**Cancelled during the period**	**Outstanding as at 30 September 2014**
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 2014 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 2014 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, 28 November 2014

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 2014. 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)*
Dr. CHAN Chung Bun, Bunny
Mr. WAI Kwok Hung

Hong Kong, 28 November 2014

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

INTRODUCTION

We have reviewed the interim financial information set out on pages 25 to 46, 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 2014 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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, 28 November 2014

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2014

	Note	Unaudited Six months ended 30 September 2014 US$'000	2013 US$'000
Revenue	6	**9,370**	11,187
Cost of services		**(10,673)**	(10,671)
Gross (loss)/profit		**(1,303)**	516
Other gains, net	7	**129**	—
Other income		**13**	128
General and administrative expenses		**(1,712)**	(1,298)
Operating loss	8	**(2,873)**	(654)
Finance income	9	**2**	114
Finance costs	9	**(1,000)**	(641)
Finance costs — net	9	**(998)**	(527)
Loss before income tax		**(3,871)**	(1,181)
Income tax expense	10	**—**	—
Loss for the period and total comprehensive loss attributable to owners of the Company		**(3,871)**	(1,181)
Loss per share for loss attributable to owners of the Company			
— Basic and diluted	11	**(0.47 cents)**	(0.14 cents)
Dividend	12	**—**	—

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	Note	Unaudited 30 September 2014 US$'000	Audited 31 March 2014 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	133,835	122,269
Pledged bank deposits		5,224	4,250
		139,059	126,519
Current assets			
Trade and other receivables	14	5,204	3,215
Pledged bank deposits		2,104	6,432
Cash and cash equivalents		2,987	6,038
		10,295	15,685
Total assets		149,354	142,204
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	1,064	1,064
Reserves		85,788	89,627
Total equity		86,852	90,691
LIABILITIES			
Non-current liabilities			
Bank borrowings	16	49,892	38,910
Convertible bonds	17	3,614	3,702
Derivative financial instruments	18	151	101
		53,657	42,713
Current liabilities			
Other payables and accruals	19	303	1,430
Bank borrowings	16	8,542	7,370
		8,845	8,800
Total liabilities		62,502	51,513
Total equity and liabilities		149,354	142,204
Net current assets		1,450	6,885
Total assets less current liabilities		140,509	133,404

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 2014

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

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

For the six months ended 30 September 2014

	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 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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2014

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

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

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

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

This condensed consolidated interim financial information is presented in US dollars, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 28 November 2014.

This condensed consolidated interim financial information has not been audited.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 September 2014 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2014, as described in those annual financial statements.

(a) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(b) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2014:

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

3 Accounting policies (continued)

(b) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2014: (continued)

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

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

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

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

The directors of the Company are in the process of assessing the financial impact of the adoption of the above new standards, amendments to standards and annual improvements. The directors of the Company will adopt the new 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 2014.

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 2014.

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 Department. Group Finance Department 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 financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Total US$'000
At 30 September 2014					
Bank borrowings	**8,542**	**8,644**	**30,943**	**10,305**	**58,434**
Interest on bank borrowings	**1,566**	**1,312**	**1,892**	**581**	**5,351**
Derivative financial instrument	**151**	—	—	—	**151**
Convertible bonds and interest payable	—	—	**3,600**	—	**3,600**
Other payables and accruals	**290**	—	—	—	**290**

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Total US$'000
At 31 March 2014				
Bank borrowings	7,370	7,518	31,392	46,280
Interest on bank borrowings	1,262	1,009	1,162	3,433
Derivative financial instrument	101	—	—	101
Convertible bonds and interest payable	—	—	3,600	3,600
Other payables and accruals	1,019	—	—	1,019

5 Financial risk management (continued)

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. The Group's convertible bonds issued at fixed interest rate at 4% per annum expose the Group to fair value interest rate risk. The Group's bank borrowings at variable rate were denominated in US$.

Details of the Group's bank borrowings and convertible bonds are disclosed in Notes 16 and 17 respectively.

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 Group also entered into interest rate swap which exposes the Group to cash flow interest rate risk. Details of the Group's interest rate swap are disclosed in Note 18.

Except for the Company's convertible bonds issued at fixed interest rate at 4% per annum, the Company has no significant fixed interest-bearing assets and liabilities which expose to fair value interest rate risk. The Company's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact resulted from the changes in interest rates.

As at 30 September 2014, if interest rates on bank borrowings had been 60 basis points fluctuated with all other variables held constant, the Group's pre-tax loss for the period would have been affected by US$175,000 (six months ended September 2013: US$119,000), mainly as a result of fluctuation on interest expenses on floating rate bank borrowings.

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).

5 Financial risk management (continued)

5.4 Fair value estimation (continued)

The following table presents the Group's financial instruments that are measured at fair value at 30 September 2014.

	Level 1 US$000	Level 2 US$000	Level 3 US$000	Total US$000
Liabilities				
Derivative financial instruments				
— interest rate swap	—	151	—	151
Convertible bonds				
— derivative components	—	853		853
	—	1,004	—	1,004

The following table presents the Group's financial liabilities that are measured at fair value at 31 March 2014.

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Liabilities				
Derivative financial instrument				
— interest rate swap	—	101	—	101
Convertible bonds				
— derivative components	—	1,032	—	1,032
	—	1,133	—	1,133

During the period, no financial assets or financial liabilities were classified under Level 1 and Level 3; and there were no transfers between instruments in Level 1 and Level 2.

Level 2 trading derivatives comprise interest rate swap and convertible bonds. Interest rate swap is fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

5 Financial risk management (continued)

5.5 Valuation techniques used to derive Level 2 fair value

The derivative component of convertible bond is 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 Group's valuation processes

The Group 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. 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.

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

The fair value of the trade and other receivables, pledged bank deposit, cash and cash equivalents, other payables and accruals as at 30 September 2014 approximate their carrying amounts due to their short term maturities.

The fair values of the bank borrowings as at 30 September 2014 approximate their carrying amounts as they bear interest at floating rates that are market dependent.

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	
	2014	2013
	US$'000	US$'000
Time charter income	**8,145**	4,941
Voyage charter income	**1,225**	2,965
Service income	**—**	3,281
	9,370	11,187

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. executive directors) in order to allocate resources to segments and to assess their performance. The information reported to the Group's chief operating decision maker for the purpose of 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 Other gains, net

	Six months ended 30 September	
	2014	2013
	US$'000	US$'000
Financial liabilities at fair value through profit or loss		
Fair value gains — Convertible bonds (Note 17)	**179**	—
Fair value losses — Derivative financial instruments (Note 18)	**(50)**	—
	129	—

8 Operating loss

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

	Six months ended 30 September	
	2014	2013
	US$'000	US$'000
Depreciation of property, plant and equipment (Note 13)	**3,935**	3,694
Crew expenses (included in cost of services)	**2,123**	1,988
Operating lease rental for land and building	**167**	143
Loss on disposal of property, plant and equipment	**504**	—
Employee benefit expenses (including directors' emoluments)		
Fee, salaries and other benefit costs	**592**	601
Pension costs — retirement benefit plans	**11**	10
Share options granted to directors and employees (Note 21)	**32**	106

9 Finance costs — net

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

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

10 Income tax expense

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit generated in Hong Kong for the six months ended 30 September 2014 (six months ended 30 September 2013: Nil).

Taxation on profits has been calculated on the estimated assessable profits for the six months ended 30 September 2014 at the rates of taxation prevailing in the countries/places in which the Group operates.

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

11 Loss per share

(a) Basic

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

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

(b) Diluted

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

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

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

12 Dividend

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

13 Property, plant and equipment

	US$'000
Six months ended 30 September 2014	
Opening net book amount at 1 April 2014	**122,269**
Additions	**22,800**
Disposals	**(7,299)**
Depreciation	**(3,935)**
Closing net book amount at 30 September 2014	**133,835**
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

Depreciation expense of US$3,933,000 (six months ended 2013: US$3,692,000) has been charged in "cost of services" and US$2,000 (six months ended 2013: US$2,000) in "general and administrative expenses".

As at 30 September 2014, the Group's property, plant and equipment of US$133,830,000 (as at 31 March 2014: US$122,262,000) was pledged as security for bank borrowings of the Group.

14 Trade and other receivables

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

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

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

As at 30 September 2014 and 31 March 2014, the ageing analysis of trade receivables based on invoice date was as follows:

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

15 Share capital

	As at 30 September 2014 HK$'000	31 March 2014 HK$'000
Authorised:		
1,000,000,000 ordinary shares of HK$0.01 each	10,000	10,000
	US$'000	US$'000
Issued and fully paid:		
830,000,000 ordinary shares of HK$0.01 each	1,064	1,064

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

		Number of share options			
Date of grant	Exercise price	At 1 April 2014	Exercised during the period	Lapsed during the period	At 30 September 2014
21 October 2011	HK$1.15	17,700,000	—	—	17,700,000

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

16 Bank borrowings

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

16 Bank borrowings (continued)

Movements in bank borrowings are analysed as follows:

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

17 Convertible bonds

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

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

	Liability component US$'000	Derivative component US$'000	Total US$'000
Issuance of the convertible bonds	2,565	559	3,124
Interest expenses	105	—	105
Fair value loss	—	473	473
At 31 March 2014	2,670	1,032	3,702
As at 1 April 2014	**2,670**	**1,032**	**3,702**
Interest expenses (Note 9)	**91**	**—**	**91**
Fair value gain (Note 7)	**—**	**(179)**	**(179)**
At 30 September 2014	**2,761**	**853**	**3,614**

17 Convertible bonds (continued)

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

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

18 Derivative financial instruments

	As at	
	30 September 2014 Liability US$'000	31 March 2014 Liability US$'000
Interest rate swap	**151**	101

Changes in fair values of derivative financial instruments are recorded in "Other gains, net" in the condensed consolidated income statement (Note 7).

The Group has bank borrowings exposed to floating interest rates. In order to hedge against the fluctuations in interest rates related to the bank borrowings, the Group entered into interest rate swap contract with banks to manage exposure to 3-month floating rate LIBOR.

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

19 Other payables and accruals

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

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

20 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 2014 US$'000	31 March 2014 US$'000
Office premise		
— No later than one year	**334**	668

(b) Operating lease commitments — Group as lessor

At 30 September 2014, 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 2014 US$'000	31 March 2014 US$'000
Vessels		
— No later than one year	**803**	4,919

21 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 2014 and 2013, the Group had the following significant transactions with its related companies.

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

	Six months ended 30 September	
	2014	2013
	US$'000	US$'000
Rental expenses (note i)	**167**	143

Note:

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

(b) Key management compensation

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

	Six months ended 30 September	
	2014	2013
	US$'000	US$'000
Short-term employee benefits	**417**	415
Post-employment benefits	**5**	10
Share options granted to directors and employees	**32**	106
	454	531