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)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

The board (the "**Board**") of directors (the "**Directors**") of Great Harvest Maeta Group Holdings Limited (the "**Company**") hereby announces the audited consolidated final results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2017 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2017

	Note	**2017**	2016
		US$'000	*US$'000*
			(Restated — Note 2.1)
Revenue	3	**8,097**	9,135
Cost of services	4	**(8,864)**	(14,997)
Gross loss		**(767)**	(5,862)
Other gains/(losses) — net		**2,510**	(911)
Other income		**14**	310
General and administrative expenses	4	**(2,342)**	(3,203)
Impairment losses on property, plant and equipment		**(16,000)**	(29,600)
Operating loss		**(16,585)**	(39,266)
Finance income	5	**1**	3
Finance costs	5	**(4,563)**	(2,102)
Finance costs — net		**(4,562)**	(2,099)
Loss before income tax		**(21,147)**	(41,365)
Income tax (expense)/credit	6	**(591)**	213
Loss for the year		**(21,738)**	(41,152)

	Note	2017 US$'000	2016 US$'000 (Restated — Note 2.1)
Loss attributable to			
— Owners of the Company		**(21,882)**	(41,070)
— Non-controlling interest		**144**	(82)
		(21,738)	(41,152)
Loss per share attributable to owners of the Company			
— Basic and diluted	7	**(US2.39 cents)**	(US4.58 cents)
Other comprehensive loss for the year			
Items that may be reclassified to profit or loss			
Currency translation differences		**(2,859)**	(2,351)
Total comprehensive loss for the year		**(24,597)**	(43,503)
Total comprehensive loss attributable to:			
— Owners of the Company		**(24,484)**	(43,210)
— Non-controlling interest		**(113)**	(293)
		(24,597)	(43,503)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Note	2017 US$'000	2016 US$'000 (Restated — Note 2.1)
ASSETS			
Non-current assets			
Property, plant and equipment		**50,317**	68,475
Investment properties		**61,282**	63,094
Pledged bank deposits		**500**	1,750
		112,099	133,319
Current assets			
Trade and other receivables	9	**2,378**	1,375
Loan receivables	9	—	6,795
Pledged bank deposits		**2,531**	1,563
Cash and cash equivalents		**266**	880
		5,175	10,613
Total assets		**117,274**	143,932
EQUITY			
Equity attributable to owners of the Company			
Share capital		**1,176**	1,174
Reserves		**15,743**	73,658
		16,919	74,832
Non-controlling interest		**3,883**	3,996
Total equity		**20,802**	78,828

	Note	2017 US$'000	2016 US$'000 (Restated — Note 2.1)
LIABILITIES			
Non-current liabilities			
Borrowings and loans		**13,535**	—
Convertible bonds		**40,265**	3,810
Derivative financial instruments		**—**	213
Deferred income tax liabilities		**14,710**	15,131
		68,510	19,154
Current liabilities			
Other payables and accruals		**4,711**	4,780
Borrowings and loans		**23,198**	41,170
Derivative financial instruments		**53**	—
		27,962	45,950
Total liabilities		**96,472**	65,104
Total equity and liabilities		**117,274**	143,932

1 GENERAL INFORMATION

Great Harvest Maeta Group Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in chartering of dry bulk vessels and property investment and development. The principal activity of the Company is investment holding.

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

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These financial statements are presented in United States dollars ("US$"), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") and the requirements of Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, as modified in relation to the revaluation of investment properties and certain financial liabilities (including derivative financial instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

On 10 May 2016, the Group completed the acquisition of the entire issued share capital of Top Build Group Ltd ("Top Build") and its subsidiaries (collectively "Top Build Group") of which Mr. Yan Kim Po and Ms. Lam Kwan are ultimate controlling shareholders. The acquisition is considered as a business combination under common control, which is accounted for using merger accounting method in accordance with the guidance set out in Accounting Guideline 5 'Merger accounting for common control combinations' ("AG 5") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The comparative amounts in the consolidated financial statements are restated.

2.1.1 Going concern basis

For the year ended 31 March 2017, the Group recorded a net loss attributable to the equity holders of US$21,882,000 and had net cash inflows from operating activities of US$5,355,000. As at the same date, the Group's current liabilities exceeded its current assets by US$22,787,000.

As at 31 March 2017, the Group had total outstanding bank borrowings amounted to US$33,710,000. During the year ended 31 March 2017, the relevant ratio of the Group's vessels' market value together with value of security to outstanding borrowing amount under the relevant loan agreements (the "Vessel Ratio") fell below the relevant ratio as prescribed under these loan agreements. In respect of bank borrowings for an aggregate amount of US$22,804,000, management successfully negotiated with the relevant bank and revise the relevant Vessel Ratio requirements so that the Group was in compliance with the revised Vessel Ratio requirements as at 31 March 2017.

In respect of the remaining bank borrowing of approximately US$10,906,000, the Group's Vessel Ratio for the relevant vessel fell below the prescribed Vessel Ratio requirement under the relevant loan agreement, entitling the bank to request for remedial actions by the Group. No such request had been made by the bank, and the Group had not obtained a waiver from the bank from complying with or for revising the Vessel Ratio requirement up to the date of the approval of these consolidated financial statements. Pursuant to the relevant loan agreement, this bank borrowing may become immediately repayable if the Group fails to take remedial actions by repaying the bank borrowings or increasing pledged deposits within a period of time as may be required by the bank.

As at 31 March 2017, the Group had two convertible bonds of US$40,265,000, which comprised convertible bonds in principal amount of US$3,000,000 issued in September 2013 ("Ablaze Rich Convertible Bonds"); and convertible bonds in principal amount of US$54,000,000 issued in May 2016 ("Top Build Convertible Bonds"). On the same date, the Group had loans from ultimate holding company of US$3,023,000. Pursuant to the respective convertible bonds and loan agreements, the bondholders and lender have the right to demand for immediate repayment of the relevant principal amount of the convertible bonds and loans together with accrued interests should there be an event of defaults happened in respect of other borrowings of the Group.

These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The directors of the Company have reviewed the Group's cash flow projections, which cover a period of twelve months from 31 March 2017. The directors are of the opinion that, after taking into account the following plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from 31 March 2017:

(i) In respect of the bank borrowings for the aggregate amount of US$22,804,000, the Group will continue to monitor its compliance with the revised Vessel Ratio requirements. Should the Group be unable to comply with these revised Vessel Ratio requirements, the directors plan to negotiate with the bank and will seek to further revise these Vessel Ratio requirements or obtain a waiver of compliance with the Vessel Ratio requirements from the bank.

(ii) In respect of the bank borrowings of US$10,906,000, so far the Group did not receive any communication from the relevant bank in relation to non-compliance of the Vessel Ratio requirements and request for remedial actions. Should the bank require any remedial actions, the directors plan to negotiate with the bank and will seek to revise the existing Vessel Ratio requirements or obtain a waiver of the compliance with the Vessel Ratio requirements from the bank.

(iii) In respect of the two convertible bonds with aggregate principal amount of US$20,000,000 as of 31 March 2017, the bondholders confirmed that they do not have the intention and will not exercise their rights to demand for immediate repayment of the convertible bonds even if the events allowing such rights to demand happen in the next fifteen months from 31 March 2017. For the remaining convertible bonds with principal amount of US$37,000,000, the directors plan to negotiate with the bondholder and will request the bondholder to issue a waiver should there be an event of default happened in respect of other borrowings of the Group.

(iv) In respect of loans of US$3,023,000, the lender confirmed that it does not have the intention and will not exercise its rights to demand for immediate repayment of the loan even if the events allowing such rights to demand happen in the next fifteen months from 31 March 2017.

(v) On 31 March 2017, Ablaze Rich Investments Limited, ultimate holding company ("Ablaze Rich"), together with the Company's two directors, Mr. Yan Kim Po and Ms. Lam Kwan, (collectively, the "Guarantors"), entered into a deed of funding undertakings to provide funding to the Group. The funding notice could be issued at the discretion of the Company to Ablaze Rich and the Guarantors within fifteenth months of the date of the deed. The total amount of funding undertakings shall not exceed US$30,000,000.

The funding when provided shall be treated as an advance to the Company and be repayable by the Company at a suitable time to be agreed among the Company, Ablaze Rich and the Guarantors, but in any event shall only be repaid after at least twelve months from the funding draw down date.

The undertakings shall cease to have effect after fifteenth months from the date of the deed or upon the Company or any member of the Group having obtained additional long-term external bank borrowings or other sources of long-term financing with a principal amount of not less than US$30,000,000, whichever is the earlier.

(vi) As at the date of approval of the consolidated financial statements, the Group is in negotiation with the banks to restructure the bank borrowings totaling US$19,015,000 repayable within twelve months from 31 March 2017.

(vii) The Group will also continue to seek for other alternative financing and bank borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures.

The directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 March 2017.

Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainty exist as to whether management of the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through achieving the following plans:

(i) Continuous compliance by the Group of the existing terms and conditions of the bank borrowings and, where applicable, successful negotiation with the banks to obtain wavier or to revise the existing terms and conditions of the bank borrowings for the continuous compliance thereof as and when needed such that the existing bank borrowings will continue to be available to the Group and be repaid in accordance with the agreed repayment schedules;

(ii) Successful negotiation with the bondholder to obtain wavier as and when needed such that the convertible bonds with principal amount of US$37,000,000 will continue to be available to the Group;

(iii) Ablaze Rich and the Guarantors will be able to provide the funding advance of up to US$30,000,000 to the Group as and when needed which will be repayable beyond twelve months from 31 March 2017;

(iv) Successful negotiation with the banks to restructure the bank borrowings to be repayable in next twelve months from 31 March 2017;

(v) Obtaining additional sources of financing or bank borrowings as and when needed.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2.1.2 Changes in accounting policy and disclosures

(a) New standards and amendments to existing standards adopted by the Group for the financial year beginning 1 April 2016, but do not have significant financial impact to the Group.

HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investments entities applying the consolidation exception
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations
HKFRS 14	Regulatory deferral accounts
HKAS 1 (Amendment)	The disclosure initiative
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortization
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer plants
HKAS 27 (Amendment)	Equity method in separate financial statements
HKFRS (Amendment)	Improvements to HKFRS 2012–2014 cycle

(b) The following new standards and amendments to existing standards that have been issued, but are not effective for the financial year beginning on or after 1 April 2016 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
HKAS 7 (Amendment)	Statement of cash flows — disclosure initiative	1 April 2017
HKAS 12 (Amendment)	Recognition of deferred tax assets for unrealized losses	1 April 2017
HKFRS 2 (Amendment)	Classification and measurement of share-based payment transactions	1 April 2018
HKFRS 9	Financial instruments	1 April 2018
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	Note
HKFRS 15	Revenue from contracts with customers	1 April 2018
HKFRS 16	Leases	1 April 2019
HKFRS (Amendment)	Improvement to HKFRS 2014–2016 cycle	1 April 2017 or 1 April 2018, as appropriate

Note: The effective date was to be determined.

HKFRS 15 'Revenue from Contracts with Customers'

HKFRS 15 establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize through a 5-step approach:

(1) Identify the contract(s) with customer;

(2) Identify separate performance obligations in a contract;

(3) Determine the transaction price;

(4) Allocate transaction price to performance obligations;

(5) Recognize revenue when performance obligation is satisfied.

The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an 'earnings processes' to an 'asset-liability' approach based on transfer of control.

HKFRS 15 provides specific guidance on capitalisation of contract cost and license arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Management is currently assessing the impact of applying HKFRS 15 on the Group's financial statements by identifying the separate performance obligations in the contracts with customers and allocating the transactions price, which could affect the timing of the revenue recognition. The directors of the Company is currently in the process of evaluating the full impact of HKFRS 15 on the Group's financial statements. Management will conduct more detailed assessments of the impact over the next twelve months.

HKFRS 9, 'Financial instruments'

HKFRS 9 has three financial asset classification categories for investments in debt instruments: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. Classification is driven by the entity's business model for managing the debt instruments and their contractual cash flow characteristics. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in OCI, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability's own credit risk are recognised in OCI, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. There is no subsequent recycling of the amounts in OCI to profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss.

HKFRS 9 introduces a new model for the recognition of impairment losses — the expected credit losses ("ECL") model, which constitutes a change from the incurred loss model in HKAS 39. HKFRS 9 contains a 'three stage' approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

HKFRS 9 applies to all hedging relationships, with the exception of portfolio fair value hedges of interest rate risk. The new guidance better aligns hedge accounting with the risk management activities of an entity and provides relief from the more "rule-based" approach of HKAS 39.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 16, 'Leases'

HKFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of US$375,000. Management does not expect a significant impact from these commitments in the recognition of an asset and a liability for future payments and the resulted Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The new standard is mandatory for financial years commencing on or after 1 April 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

Apart from aforementioned HKFRS 9, HKFRS 15 and HKFRS 16, 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 standards and amendments to standards when they become effective.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-makers ("CODM") (i.e. executive directors), that are used to make strategic decisions and resources allocation.

The operating segments comprise:

— Chartering of vessels

— Property investment and development

— Others primarily comprise the money lending business

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 director) in order to allocate resources to segments and to assess their performance. The money lending business does not meet the quantitative threshold required by HKFRS 8 for reportable segment, management concluded that this segment should not be reported.

The performance of the operating segments was assessed based on their segment profit or loss before income tax, which is measured in a manner consistent with that in the consolidated financial statements.

Segment assets are those operating assets that are employed by a segment in its operating activities. Segment assets exclude corporate assets, which are managed on a central basis. Segment assets reported to the directors are measured in a manner consistent with that in the consolidated financial statements. No analysis of segment liabilities is presented as it is not regularly provided to the executive director.

(a) Segment revenue and results

	Chartering of vessels *US$'000*	Property investment and development *US$'000*	Others *US$'000*	Total *US$'000*
Year ended 31 March 2017				
Revenue	**7,879**	**—**	**218**	**8,097**
Segment loss	**(19,990)**	**(623)**	**(534)**	**(21,147)**
Depreciation	**(3,026)**	**(3)**	**—**	**(3,029)**
Impairment losses on property, plant and equipment	**(16,000)**	**—**	**—**	**(16,000)**
Finance costs	**(1,776)**	**(2,763)**	**(24)**	**(4,563)**
Year ended 31 March 2016 (Restated — Note 2.1)				
Revenue	8,683	—	452	9,135
Segment loss	(38,876)	(1,191)	(1,298)	(41,365)
Depreciation	(5,659)	(8)	—	(5,667)
Impairment losses on property, plant and equipment	(29,600)	—	—	(29,600)
Finance costs	(2,063)	—	(39)	(2,102)

(b) Segment assets

	Chartering of vessels *US$'000*	Property investment and development *US$'000*	Others *US$'000*	Total *US$'000*
As at 31 March 2017				
Segment assets	**55,809**	**61,344**	**121**	**117,274**
As at 31 March 2016 (Restated — Note 2.1)				
Segment assets	73,303	63,179	7,450	143,932

(c) Geographical information

Due to the nature of the provision of vessel chartering services and money lending business, which are carried out internationally, the directors consider that it is not meaningful to provide the financial information by geographical segment. For property investment and development business, the investment properties are still under development. Accordingly, geographical segment revenue is not presented.

(d) Information about major customers

Revenue arising from the provision of chartering and other related services for individual customers during the year contributing over 10% of total revenue of the Group is as follows:

	2017	2016
	US$'000	*US$'000*
Customer A	**1,786**	65
Customer B	**1,665**	301
Customer C	**1,464**	1,945
Customer D	**905**	194
	5,820	2,505

4 EXPENSES BY NATURE

	2017	2016
	US$'000	*US$'000*
		(Restated — Note 2.1)
Impairment losses on property, plant and equipment	**16,000**	29,600
Depreciation of property, plant and equipment	**3,029**	5,667
Crew expenses (included in cost of services)	**3,136**	3,317
Operating lease rental for land and buildings	**367**	354
Auditor's remuneration — audit services	**196**	171
(Reversal)/provision for trade receivables impairment	**(8)**	5
Employee benefit expense (including directors' emoluments)	**1,200**	2,056

5 FINANCE COSTS — NET

	2017	2016
	US$'000	*US$'000*
<u>Finance income</u>		
Interest income	**(1)**	(3)
<u>Finance costs</u>		
Arrangement fee on bank borrowings	**146**	213
Interest expense on borrowings and loans	**1,317**	1,498
Interest expense on convertible bonds — non-cash	**2,977**	201
Interest expense on derivative financial instruments	**123**	190
	4,563	2,102
Finance costs — net	**4,562**	2,099

6 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year. The subsidiary established in the PRC is subject to corporate income tax rate of 25% (2016: 25%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	2017	2016
	US$'000	*US$'000*
		(Restated — Note 2.1)
Current income tax		
— Hong Kong profits tax	**33**	66
— Adjustments in respect of prior years	**6**	—
— Deferred income tax	**552**	(279)
Income tax expense/(credit)	**591**	(213)

7 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 year.

	2017	2016
		(Restated — Note 2.1)
Loss attributable to owners of the Company *(US$'000)*	**21,882**	41,070
Weighted average number of ordinary shares in issue *(thousands)*	**916,778**	896,549
Basic loss per share *(US cents per share)*	**2.39**	4.58

(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 is compared with the number of shares that would have been issued assuming the exercise of the share options and convertible bonds.

Diluted loss per share for the years ended 31 March 2017 and 2016 equal basic loss per share as the exercise of the outstanding share options and convertible bonds would be anti-dilutive.

8 DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 March 2017 (2016: Nil).

9 TRADE AND OTHER RECEIVABLES AND LOAN RECEIVABLES

	2017 *US$'000*	2016 *US$'000* (Restated — Note 2.1)
Trade receivables	**1,646**	600
Less: Provision for impairment of trade receivables	**(8)**	(16)
Trade receivables, net	**1,638**	584
Prepayments and deposits	**690**	729
Other receivables	**42**	54
Other receivables from related companies	**8**	8
	2,378	1,375
Loan receivables	**—**	6,795

The carrying amounts of trade and other receivables approximate their fair values and are mainly denominated in US dollar.

Time charter income is prepaid in advance for 15 days of the time charter hire.

It is industry practice that 95% to 100% of freight is paid upon completion of loading and/or releasing bill of lading, with any balance paid within 7 days after completion of discharge and the finalisation of port disbursements, demurrage claims or other voyage-related charges.

As at 31 March 2017 and 2016, the ageing analysis of the trade receivables based on invoice date were as follows:

	2017 *US$'000*	2016 *US$'000* (Restated — Note 2.1)
0–30 days	**1,258**	535
31–60 days	**336**	3
61–365 days	**20**	44
Over 365 days	**32**	18
	1,646	600

10 BUSINESS COMBINATIONS UNDER COMMON CONTROL

On 10 May 2016, the Group completed the acquisition for the entire issued share capital of Top Build, from Mr. Yan Kim Po, Ms. Lam Kwan and Mr. Yin Hai (collectively referred as "Vendors"), by issuing zero-coupon convertible bonds in the principal amount of US$54,000,000 ("Top Build Convertible Bonds") to the vendors, pursuant to the sales and purchase agreement dated 23 December 2015 ("SPA"). Top Build Group engaged in property investment and development by holding the investment properties in Hainan province, the PRC.

The Top Build Convertible Bonds are convertible into ordinary shares to be issued by the Company to Mr. Yan Kim Po in the principal amount of US$22,032,000, Ms. Lam Kwan in the principal amount of US$21,168,000 and Mr. Yin Hai in the principal amount of US$10,800,000 respectively. On completion date, the Top Build Convertible Bonds is recognised at its fair value of US$72,572,000.

The Group and Top Build Group, the acquirees, are both under the common control of Mr. Yan Kim Po and Ms. Lam Kwan. As a result of the acquisition, the transaction is accounted for as common control business combination, using merger accounting under AG 5 for all periods presented herein.

The principal subsidiaries of Top Build on 10 May 2016 are as follows:

— Great Harvest Landmark Investment Company Limited

— Great Harvest Reality Investment Company Limited

— 海南華儲實業有限公司

	The Group (Note (i)) *US$'000*	Top Build Group *US$'000*	*Note*	Adjustments *US$'000*	Total *US$'000*
Year ended 31 March 2017					
Revenue	8,097	—		—	8,097
(Loss)/profit before income tax	(23,287)	2,140		—	(21,147)
Income tax expense	(39)	(552)		—	(591)
(Loss)/profit for the year	(23,326)	1,588		—	(21,738)
As at 31 March 2017					
ASSETS					
Non-current assets	123,385	61,286	(ii)	(72,572)	112,099
Current assets	5,118	58	(iii)	(1)	5,175
Total assets	128,503	61,344		(72,573)	117,274
EQUITY					
Capital and reserves					
Share capital	1,176	20	(ii)	(20)	1,176
Share premium	45,922	8,213	(ii)	(8,213)	45,922
Convertible bonds	38,954	—		—	38,954
Share option reserve	1,636	—			1,636
Merger reserve	46	—	(ii)	(63,854)	(63,808)
Other reserve	13,636	—		—	13,636
Exchange reserve	—	(4,397)		—	(4,397)
Retained profit	(51,129)	35,414	(ii)	(485)	(16,200)
	50,241	39,250		(72,572)	16,919
Non-controlling interest	—	3,883		—	3,883
Total equity	50,241	43,133		(72,572)	20,802
Liabilities					
Non-current liabilities	53,800	14,710		—	68,510
Current liabilities	24,462	3,501	(iii)	(1)	27,962
Total liabilities	78,262	18,211		(1)	96,472
Total equity and liabilities	128,503	61,344		(72,573)	117,274
Net assets	50,241	43,133	(ii)	(72,572)	20,802

	As previously reported *US$'000*	Top Build Group *US$'000*	*Note*	Adjustments *US$'000*	Total *US$'000* (Restated — Note 2.1)
Year ended 31 March 2016					
Revenue	9,135	—		—	9,135
Loss before income tax	(40,174)	(1,191)		—	(41,365)
Income tax (expense)/credit	(66)	279		—	213
Loss for the year	(40,240)	(912)		—	(41,152)
As at 31 March 2016					
ASSETS					
Non-current assets	70,218	63,101		—	133,319
Current assets	10,534	79		—	10,613
Total assets	80,752	63,180		—	143,932
EQUITY					
Capital and reserves					
Share capital	1,174	20	(ii)	(20)	1,174
Share premium	45,665	8,213	(ii)	(8,213)	45,665
Share option reserve	1,706	—		—	1,706
Merger reserve	46	—	(ii)	8,718	8,764
Other reserve	13,636	—		—	13,636
Exchange reserve	—	(1,795)		—	(1,795)
Retained profit	(27,800)	33,967	(ii)	(485)	5,682
	34,427	40,405		—	74,832
Non-controlling interest	—	3,996		—	3,996
Total equity	34,427	44,401		—	78,828
Liabilities					
Non-current liabilities	4,023	15,131		—	19,154
Current liabilities	42,302	3,648		—	45,950
Total liabilities	46,325	18,779		—	65,104
Total equity and liabilities	80,752	63,180		—	143,932
Net assets	34,427	44,401		—	78,828

Notes:

(i) The Group included issue of Top Build Convertible Bonds of US$72,572,000 as investment cost in Top Build and the original chartering business before consolidation of Top Build Group.

(ii) Adjustments to eliminate the investment cost, share capital of the Top Build against reserves.

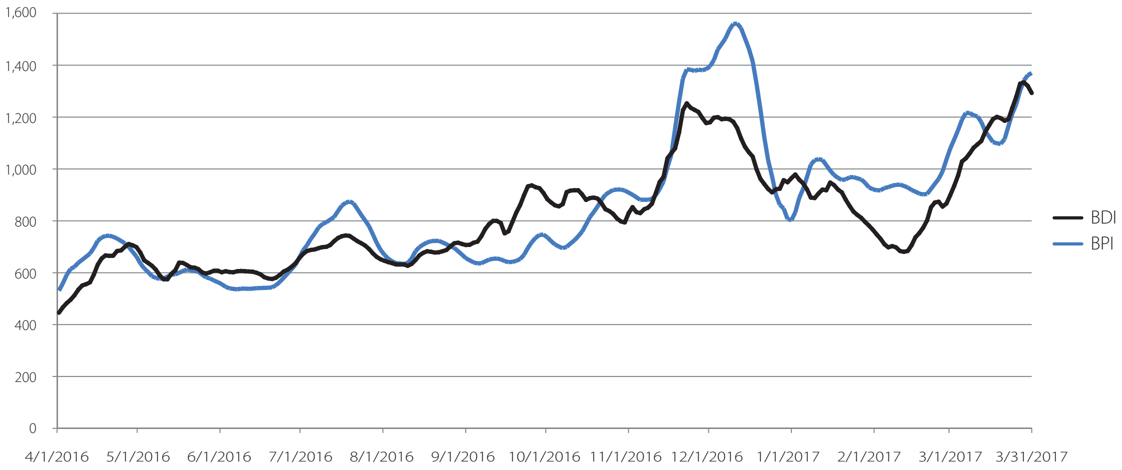
(iii) Adjustments to eliminate the intra-group balances as 31 March 2017.

No other significant adjustment were made to the net assets and net profit of any entities or business as a result of the common control combination to achieve consistency of accounting policies.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

Daily Variation Chart of Baltic Dry Index (BDI) and Baltic Panamax Index (BPI)
1 April 2016–31 March 2017

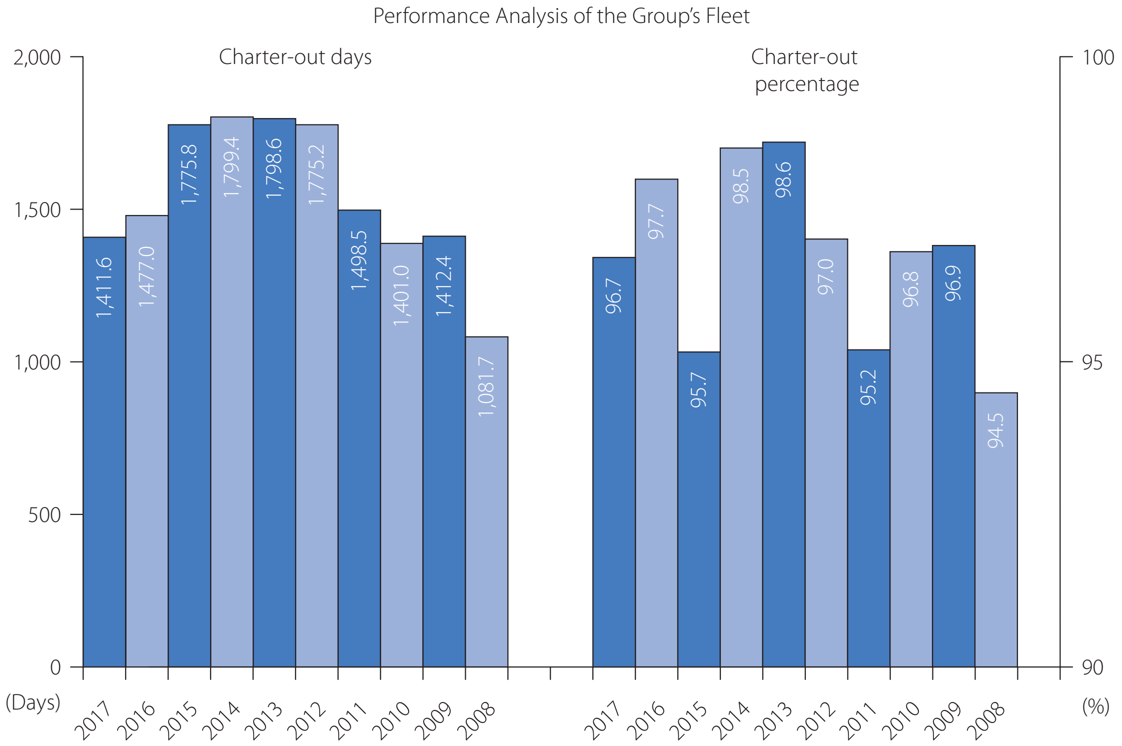


BDI year-high at 1,338 in March 2017, year-low at 450 in April 2016, year-average at 860.25
BPI year-high at 1,565 in December 2016, year-low at 535 in April 2016, year-average at 858.43

Following the depressed market condition of the previous year, the freight rate of the dry bulk marine transportation industry has long been fluctuated and hovered at low levels in 2016. The freight market of panamax vessels did not further increase until the fourth quarter of 2016 and after the Spring Festival of 2017 when there was increase in seasonal demand for marine transportation of bulk grains. The average Baltic Dry Index for panamax vessels was 858 points during the period from 1 April 2016 to 31 March 2017, rising by 216 points as compared to 642 points of the corresponding period of 2016. The corresponding average daily charter rate was US$6,867, which represented an increase of US$1,737 as compared to US$5,130 of average daily charter rate for the same period in 2016. However, the issues which made the operation difficult in the industry, including oversupply of dry bulk vessels and the minor growth in the demand for dry bulk marine transportation, remain. While there was an approximately 2% growth in the carrying capacities of dry bulk fleet in 2016, the increase in demand for marine transportation was only approximately 1%, which resulted in the unresolved contradiction of demand-supply imbalance of vessels. This situation has also led to a minimal number of vessels rental transactions in the freight market and the freight rate for spot market continued to be under pressure. Since it is expected only 2% growth in the demand for marine transportation of dry bulk cargoes this year, the oversupply of vessels will still be the main factor for the trend of the freight rate, which could only be alleviated and changed over a longer period of time and a relatively longer cycle for adjustment is necessary.

Given the slow global economic growth and the decreasing forecast growth rates of the economy and the total international trade volume by the International Monetary Fund (IMF), there was only 1% growth in the demand for marine transportation of dry bulk cargoes in 2016. The favourable factor in the spot freight market was that there was a larger substantial growth in China's import volume of dry bulk cargo, of which the import volume of iron ore and coal exceeded 1 billion tons and 0.2 billion tons, representing an annual growth of approximately 7% and 23%, respectively. Besides, the import volumes of iron ore/coal/soybean remained on upward trends, which made significant contribution to the stability of dry bulk marine transportation market. It is expected that the import volume growth of the dry bulk cargoes in China will still be able to maintain, which would be a drive to the stability and rebound of the spot freight rate. With the rebound of the freight market, the price for various types of second-hand dry bulk vessels saw a larger rebound, of which the price of the 5-year second-hand panama vessels increased by approximately 50% as compared to that of last year, with even larger increase in old vessels. We hope the increase in vessel price will give an impetus to the further rebound of the freight market, and will eventually improve the supply and demand dynamics of the spot freight market and lead the market to recover as soon as possible.

Business Review



The Group's vessels were under sound operation in the year ended 31 March 2017. Currently, the fleet size is 319,923 dwt, and the average age of the fleet is 11 years. The fleet maintained a high operational level with an occupancy rate of 96.69% this year. The average daily charter rate of the Group's vessels was approximately US$5,554, representing an increase of approximately 12% as compared to the corresponding period last year, which was lower than the daily rate level of US$6,867 of similar vessel market index. The reasons for the lower income were that: (1) the daily charter rate of the fleet's 90,000 ton post-panamax vessels was lower than that of standard vessels, which dragged down the overall income of the fleet; (2) the age of two vessels of the fleet exceeded 15 years. The income of such vessels generated from operating in the spot market was lower than the income level of 5-year vessels when calculating the income of the standard vessels; (3) two vessels underwent dock repair and special examination this year. The Group's fleet achieved a record of safe operation with zero adverse incident, and all vessels were operating in the spot market this year. All freight and chartering income were basically received with no significant receivables. The Group was able to exert stringent control over costs and expenses in the course of vessel management and strived to minimise voyage expenses to maintain the management expenses of vessels within budget.

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

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

On 23 December 2015, the Company, Mr. Yan Kim Po ("Mr. Yan"), Ms. Lam Kwan ("Ms. Lam") and Mr. Yin Hai entered into the sales and purchase agreement pursuant to which the Company agreed to acquire from Mr. Yan, Ms. Lam and Mr. Yin Hai the entire issued share capital of Top Build for a total consideration of US$54.0 million which was settled by way of issue of convertible bonds in the total principal amount of US$54.0 million, which may be converted into 381,843,064 Shares at the conversion price of HK$1.096 per Share at the exchange rate of HK$7.75 to US$1.0 ("Acquisition"). Top Build indirectly via its subsidiaries holds 91% interest in 海南華儲實業有限公司 which holds two parcels of land located at Meidian Slope, Hongqi Town, Qiongshan District, Haikou, Hainan Province, the PRC (the "Lands"). Completion of the Acquisition took place on 10 May 2016. According to the preliminary development proposal of the Lands, the development of the Lands will comprise (i) a trading centre and exhibition facilities for trading in tree seedlings and other nursery stocks; (ii) services apartments; and (iii) office, retail, car parking and other ancillary facilities.

Further details of the Acquisition and the Top Build Convertible Bonds are set out in the announcements of the Company dated 23 December 2015 and 10 May 2016, and the circular of the Company dated 15 April 2016.

Outlook

Market outlook

There is a further increase in the spot freight rate for dry bulk cargo market after the Spring Festival in 2017. The increase in freight rate is driven by the continuous growth of seasonal demand for marine transportation of bulk grains from the South America, as well as the import volume of iron ore and coal in China. It is expected that both the spot freight rate and average daily income of vessels in this year will be higher than those of last year. The actual transaction price of spot freight rate is currently at a relatively high level. We hope that such rebound will last for a longer period. However, there will be no substantial change in the current supply glut of vessels as the dry bulk fleet will continue to expand while the growth in dry bulk marine transportation is merely predicted to be 3% in this year. Therefore the current supply glut of dry bulk vessels will remain and the spot freight market will continue to be under pressure from such excess supply of vessels. The International Monetary Fund (IMF) forecasts the global economic growth and the international trade volume in 2017 to be 3.5% and 3.8%, respectively, which are both higher than those of the forecast in last year. We hope that the recovery of economic and trade environment can push forward the growth of demand for marine transportation. Given the slow global economic growth, the oversupply of dry bulk vessels will continue to affect the freight market and limit the increase in spot freight rate. Notwithstanding that the seasonal demand for transportation could strengthen the short-term demand growth at particular times and locations, its impact on the overall market is limited. As China's import volume of iron ore remains at a high level and the import volume of coal has increased, the spot freight rate for large vessels (capesize vessels) has been pushed up. It is expected that there will be a further increase in the spot freight rate in this year. With the increase in the spot freight rate, the transaction of the vessel rental market commences to be active and the transaction volume has also increased. Both cargo owners and charterers control their risks by limiting transportation capacity and it is expected to have positive effect on the spot freight market.

According to statistics from shipping broker companies, marine transportation demand from major dry bulk cargoes such as iron ore and coal would increase as compared to last year, of which the growth for import volume of iron ore and coal would be 7% and 5%, respectively, which is expected to support the stability and growth of the spot freight rate this year. Changes in the volume of other cargoes would only have little influence on the overall demand growth of marine transportation of dry bulk cargoes. However, the increasing volume of imported dry bulk food in China will be positive to the demand for panamax vessels.

The dry bulk fleet is expected to grow at a faster pace this year than that of last year due to the fleet expansion as a result of similar number of the orders of newly-built vessels and reduction in dismantling old vessels with the rebound in prices for second-hand dry bulk vessels. Recently, the price for bunker fuel has rebounded which is attributable to stability of crude oil price and is expected to remain volatile with the change in crude oil price.

Given the lower rate and fluctuation in spot freight market, the Group will maintain its prudent operating strategies by enhancing the daily management of vessels, providing better transportation services to customers and seeking for more reputable and reliable charterers at higher rates, thus generating more operational revenue for the Company. Meanwhile, the Group will strictly control operating costs and reduce all unnecessary expenses.

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

On the other hand, driven by the PRC's strong economic growth and development, the PRC's flower and plant market had grown substantially in the past five years. Currently, there is no sizable and professionally managed flower and plant wholesale trade centre established in Guangdong, Guangxi and Hainan Provinces of the PRC. Moreover, according to the 12th five-year plan of the PRC government, Hongqi Town, where the Land is located, is regarded as one of the national core development towns of the PRC with a view to developing Hongqi Town into a key tourist spot within the region. Based on the available information, the latest development plan of Hongqi Town will comprise of, among other things, a hi-technology business zone for plantation of tropical flowers and tree saplings, a floral exhibition theme park, and areas for hotel. Upon completion of the envisaged developments above, it is expected that Hongqi Town will become one of the core tropical flower and plant hi-technology plantation zone in Hainan Province. The Acquisition not only diversifies the Group's business and increase the Group's income streams, but also brings a long term and stable income to improve the Group's financial performance.

FINANCIAL REVIEW

As announced by the Company on 10 May 2016, completion of the Acquisition took place on 10 May 2016. Accordingly, the Group is beneficially interested in the entire issued share capital of Top Build, which indirectly via its subsidiaries holds 91% interest in 海南華儲實業有限公司 which holds the Lands.

The Group adopts merger accounting for common control combination in respect of the Acquisition as mentioned in Note 2.1 to the Condensed Consolidated Financial Statements in this results announcement. The comparative amounts in the Condensed Consolidated Financial Statements are restated as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

Revenue

Revenue of the Group decreased from approximately US$9.1 million for the year ended 31 March 2016 to approximately US$8.1 million for the year ended 31 March 2017, representing a decrease of approximately US$1.0 million, or approximately 11.4%. It comprised chartering income of US$7.9 million (2016: US$8.7 million) and interest income from money lending business of approximately US$0.2 million (2016: US$0.5 million). Such decrease in revenue of the Group was mainly attributable to the decrease in voyage charter income and dry docking maintenance of two vessels during the year. The average Daily TCE of the Group's fleet increased from approximately US$4,967 for the year ended 31 March 2016 to approximately US$5,554 for the year ended 31 March 2017, which represented an increase of approximately 11.8% as compared to last year.

Cost of services

Cost of services of the Group decreased from approximately US$15.0 million for the year ended 31 March 2016 to approximately US$8.9 million for the year ended 31 March 2017, representing a decrease of approximately US$6.1 million or approximately 40.9%. The decrease of cost of services was mainly due to decrease in depreciation after impairment losses of vessels recognized in the year ended 31 March 2016 and during the year; and reduce in bunker cost during the year.

Gross loss

The Group recorded gross loss of approximately US$0.8 million for the year ended 31 March 2017 as compared with gross loss of approximately US$5.9 million for the year ended 31 March 2016, representing a difference of approximately US$5.1 million, while the gross loss margin improved from approximately 64.2% for the year ended 31 March 2016 to approximately 9.5% for the year ended 31 March 2017. The improvement in gross loss margin of the Group was mainly attributable to the slight improvement in average Daily TCE of the Group's fleet, the decrease in depreciation after impairment of vessels recognised and reduce in bunker cost.

General and administrative expenses

General and administrative expenses of the Group decreased by approximately US$0.9 million or approximately 27.0%, which was mainly due to the share options granted on 30 April 2015 being fully accounted for as expenses and decrease in other administrative expenses of approximately US$0.1 million during the year ended 31 March 2016.

Finance costs

Finance costs of the Group increased from approximately US$2.1 million for the year ended 31 March 2016 to approximately US$4.6 million for the year ended 31 March 2017, representing an increase of approximately US$2.5 million or approximately 117.1%. Such increase was mainly attributable to the finance costs incurred for the issuance of the US$54.0 million Top Build Convertible Bonds.

Loss and total comprehensive loss for the year

The Group incurred a loss of approximately US$21.7 million for the year ended 31 March 2017 as compared with approximately US$41.1 million for the year ended 31 March 2016. Such change was mainly due to (i) the decrease in the gross loss of the Group of approximately US$5.1 million; (ii) the impairment losses of approximately US$16.0 million of the Group's vessels (2016: US$29.6

million), (iii) the change in valuation of investment property from other loss of US$1.1 million for the year ended 31 March 2016 to other gain of US$2.2 million, (iv) the decrease in share based payments, and (v) the increase in finance costs.

Liquidity, financial resources, capital structure and gearing ratio

As at 31 March 2017, the Group's cash and cash equivalent amounted to approximately US$0.3 million (2016: approximately US$0.9 million), of which approximately 43.0% was denominated in US$ and approximately 55.4% in HK$. Outstanding bank loans amounted to approximately US$33.7 million (2016: approximately US$41.2 million) and other borrowings amounted to approximately US$43.3 million (2016: approximately US$3.8 million), which were denominated in US$.

As at 31 March 2016 and 31 March 2017, the Group had a gearing ratio (being the bank loans and other borrowings of the Group divided by the total assets of the Group) of approximately 31.3% and 65.7% respectively. The increase in gearing ratio as at 31 March 2017 was mainly due to the issue of the Top Build Convertible Bonds on 10 May 2016.

The Group recorded net current liabilities of approximately US$22.8 million as at 31 March 2017 and approximately US$35.3 million as at 31 March 2016. Such improvement was mainly due to the non-current bank borrowings of approximately US$34.4 million being reclassified as current liabilities as at 31 March 2016 for the Group's vessels did not meet certain Vessel Ratio requirements of certain bank borrowings, entitling the banks to request for remedial actions by the Group, while as at 31 March 2017, such kind of reclassification was not needed. Also, bank borrowings totalling US$19.0 million repayable within twelve months from 31 March 2017 were presented as current liabilities at 31 March 2017.

The Group monitors the current and expected liquidity requirements regularly to mitigate the effects of fluctuations in cash flows. The Company has entered into three loan facility agreements with Ablaze Rich on 17 February 2015, 28 April 2015 and 19 January 2017 for loan facilities in the total amount of US$3,000,000 (the "First Facility"), US$2,000,000 (the "Second Facility") and US$3,000,000 (the "Third Facility") respectively. The full loan amount had been drawn down by the Company under the First Facility, the Second Facility and Third Facility. The First Facility was repayable on or before 16 February 2017, the Second Facility was repayable on or before 27 April 2017 and the Third Facility will be repayable on or before 18 January 2019 respectively. These loan facilities were unsecured and carried an interest of 4% per annum. As at 31 March 2017, the drawn amount under the First Facility and the drawn amount US$1,000,000 under the Second Facility had been fully repaid by the Company with the net proceeds from the placing of new Shares in June 2015. The remaining drawn amount US$1,000,000 under the Second Facility had been fully repaid by the Company on 27 April 2017. The drawn amount under Third Facility had not been repaid yet. The disinterested members of the Board (including the independent non-executive Directors) consider that as the First Facility, the Second Facility and the Third Facitity are all on normal commercial terms or better and are not secured by the assets of the Group, the receipt of financial assistance by the Group thereunder are fully exempt under Rule 14A.90 of the Listing Rules.

On 29 June 2016, the Company entered into a deed of funding undertakings (the "Deed") with Ablaze Rich, Mr. Yan and Ms. Lam pursuant to which Ablaze Rich, Mr. Yan and Ms. Lam have undertaken to provide funding to the Group when funding notice shall be issued by the Company within twelve months of the date of the deed. The funding when provided shall be treated as an "advance" to the Company from Ablaze Rich, Mr. Yan and Ms. Lam and shall be repayable by the Company after at least twelve months from the funding draw down date. The total amount of the aforesaid advances outstanding at any time shall not exceed US$30 million. The undertakings shall cease to have effect after twelve months from the date of the deed or upon the Company or any member of the Group having obtained long-term external bank borrowings or other sources of long-term financing with a principal amount of not less than US$30 million, whichever is the earlier.

On 30 September 2016, the Company renewed the Deed. Ablaze Rich, Mr. Yan and Ms. Lam have undertaken to provide funding to the Group when funding notice shall be issued by the Company within fourteen months of the date of the deed. The undertakings shall cease to have effect after fourteen months from the date of the deed or upon the Company or any member of the Group having obtained long-term external bank borrowings or other sources of long-term financing with a principal amount of not less than US$30 million, whichever is the earlier. The other terms remained unchanged.

On 31 March 2017, the Company renewed the Deed. Ablaze Rich, Mr. Yan and Ms. Lam have undertaken to provide funding to the Group when funding notice shall be issued by the Company within fifteenth months of the date of the deed. The undertakings shall cease to have effect after fifteenth months from the date of the deed or upon the Company or any member of the Group having obtained long-term external bank borrowings or other sources of long-term financing with a principal amount of not less than US$30 million, whichever is the earlier. The other terms remained unchanged. The above deeds entered on 30 September 2016 and 29 June 2016 were superseded by this renewed Deed, and had ceased to be effective from 31 March 2017.

The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations.

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

Convertible Bonds

On 5 July 2013, the Company entered into the Subscription Agreement with Ablaze Rich in respect of the issue and subscription of the First Convertible Bonds in an aggregate principal amount of US$3,000,000, which may be converted into 19,763,513 Shares at the conversion price of HK$1.184 per conversion share at the exchange rate of HK$7.8 to US$1.0.

The completion of the issue and subscription of the First Convertible Bonds took place on 2 September 2013. The net proceeds from the issue of the First Convertible Bonds had been fully utilised as general working capital of the Group.

Further details of the issue of the First 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.

As at 31 March 2017, the entire principal amount of the First Convertible Bonds remained outstanding.

As announced by the Company on 10 May 2016, completion of the Acquisition took place on 10 May 2016 and the Top Build Convertible Bonds for the aggregate principal amount of US$54,000,000 were issued.

As at 31 March 2017 , the entire principal amount of the Top Build Convertible Bonds remained outstanding.

Exposure to fluctuations in exchange rate 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$ and those of the Group's PRC subsidiary was primarily denominated in RMB. 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.

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 31 March 2017 was US$10.9 million (2016: US$12 million).

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

Pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on the Stock Exchange (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 31 March 2017, the Group recorded outstanding bank loans of approximately US$33.7 million and all the bank loans carried interest at floating rate. The bank loans, namely the GH FORTUNE/GH PROSPERITY Loan, the GH POWER Loan, the GH GLORY Loan and the GH HARMONY Loan, were for financing the acquisition costs of vessels of the Group and were secured by, inter alia, the following:

- corporate guarantee from the Company;
- first preferred mortgages over the vessels held by the Group;
- assignment of the charter-hire income and insurance in respect of the vessels held by the Group;
- charges over shares of each of the Group companies holding those vessels.

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 Director without the lender's prior consent.

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

Save as disclosed above, the Directors have confirmed that, as at the date of this results announcement, there are no other circumstances that would trigger a disclosure obligation under Rules 13.13 to 13.19 of the Listing Rules.

Notes:

1. "GH FORTUNE/GH PROSPERITY Loan" represents a term loan for the aggregate principal amount of US$16 million in two tranches for the purpose of financing or refinancing the acquisition costs of GH FORTUNE and GH PROSPERITY. US$10.4 million of the principal amount of such term loan shall be repaid by 20 quarterly instalments, and US$5.6 million thereof shall be repaid by 12 quarterly instalments, commencing three months from 5 December 2013.

2. "GH POWER Loan" represents a term loan for the principal amount of US$39 million for financing the acquisition costs of GH POWER. The principal amount shall be repaid by 40 quarterly instalments commencing three months from 11 February 2008.

3. "GH GLORY Loan" represents a term loan for the principal amount of US$26 million for financing the acquisition costs of GH GLORY. 70% of the principal amount of the bank loan shall be repayable by 28 consecutive quarterly instalments of US$650,000 commencing three months from the drawdown date, and the remaining 30% of the principal amount of the loan to be repaid together with the last quarterly instalment.

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

Charges on assets

As at 31 March 2017, the Group had pledged the following assets to banks as securities against banking facilities granted to the Group:

	2017	2016
	US$'000	*US$'000*
Property, plant and equipment	**50,313**	68,468
Pledged bank deposits	**3,031**	3,313
	53,344	71,781

Contingent liabilities

The Group had no material contingent liabilities as at 31 March 2017.

Employees' remuneration and retirement scheme arrangements

As at 31 March 2017, the Group had 95 employees (2016: 93 employees). For the year ended 31 March 2017, the total salaries and related costs (including Directors' fees and share-based payments) amounted to approximately US$4.3 million (2016: US$5.4 million). It is the Group's policy to remunerate its employees according 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.

CODE ON CORPORATE GOVERNANCE PRACTICES (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 year ended 31 March 2017 and up to the date of this results announcement, the Company had been in compliance with the code provisions set out in the CG Code.

MODEL CODE FOR DIRECTOR'S SECURITIES TRANSACTIONS (THE "MODEL CODE")

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules 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 for the year ended 31 March 2017 and up to the date of this results announcement.

DIVIDEND

At the Board meeting held on 23 June 2017, the Directors did not recommend the payment of any final dividend to the shareholders of the Company for the year ended 31 March 2017.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Shares for the year ended 31 March 2017.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this results announcement, there is sufficient public float of more than 25% of the Company's issued Shares as required under the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has reviewed the accounting principles and practices adopted by the Group and the audited financial statements for the year ended 31 March 2017 and discussed auditing, internal control and financial reporting matters including with the Group's external auditors. There were no disagreements from the auditors or the Audit Committee in respect of the accounting policies adopted by the Company.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below sections set out an extract of the report by PricewaterhouseCoopers, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 March 2017.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial

Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw your attention to Note 2.1.1 to the consolidated financial statements which states that the Group reported a net loss attributable to equity holders of US$21,882,000. As at the same date, the Group's current liabilities exceeded its current assets by US$22,787,000. In addition, the Group failed to comply with certain vessel ratio requirement of a bank borrowing of approximately US$10,906,000 as at 31 March 2017, entitling the bank to request for remedial action by the Group, failing which may result in default of that bank borrowing. These events or conditions, along with other matters as set forth in Note 2.1.1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.greatharvestmg.com). The annual report of the Company for the year ended 31 March 2017 will also be despatched to the shareholders of the Company and published on the aforesaid websites in due course in accordance with the Listing Rules.

For and on behalf of the Board
Great Harvest Maeta Group Holdings Limited
Yan Kim Po
Chairman

Hong Kong, 23 June 2017

As at the date of this announcement, the executive Directors are Mr. Yan Kim Po, Ms. Lam Kwan and Mr. Cao Jiancheng; and the independent non-executive Directors are Mr. Cheung Kwan Hung, Dr. Chan Chung Bun, Bunny and Mr. Wai Kwok Hung.