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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 2016

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 2016 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Note	**2016** ***US$'000***	2015 *US$'000*
Revenue	3	**9,135**	15,195
Cost of services	4	**(14,997)**	(21,848)
Gross loss		**(5,862)**	(6,653)
Other gains/(losses) — net		**206**	(396)
Other income		**310**	44
General and administrative expenses	4	**(3,129)**	(2,610)
Impairment losses	4	**(29,600)**	(25,623)
Operating loss		**(38,075)**	(35,238)
Finance income	5	**3**	4
Finance costs	5	**(2,102)**	(2,172)
Finance costs — net		**(2,099)**	(2,168)

	Note	2016 US$'000	2015 US$'000
Loss before income tax		**(40,174)**	(37,406)
Income tax expense	6	**(66)**	—
Loss for the year and total comprehensive loss attributable to owners of the Company		**(40,240)**	(37,406)
Loss per share attributable to owners of the Company for the year			
— Basic and diluted	7	**(US4.49 cents)**	(US4.51 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Note	2016 US$'000	2015 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**68,468**	102,935
Pledged bank deposits		**1,750**	3,774
		70,218	106,709
Current assets			
Loan receivables		**6,795**	—
Trade and other receivables	9	**1,313**	2,389
Pledged bank deposits		**1,563**	3,378
Cash and cash equivalents		**863**	421
		10,534	6,188
Asset classified as held for sale		—	3,608
		10,534	9,796
Total assets		**80,752**	116,505
EQUITY			
Equity attributable to owners of the Company			
Share capital		**1,174**	1,064
Reserves		**33,253**	52,285
Total equity		**34,427**	53,349
LIABILITIES			
Non-current liabilities			
Borrowings		—	47,192
Convertible bonds		**3,810**	3,604
Derivative financial instruments		**213**	278
		4,023	51,074
Current liabilities			
Other payables and accruals		**1,132**	2,070
Borrowings		**41,170**	10,012
		42,302	12,082
Total liabilities		**46,325**	63,156
Total equity and liabilities		**80,752**	116,505

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 money lending business. 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 ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by certain financial assets and 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 HKFRS 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.

2.1.1 Going concern basis

For the year ended 31 March 2016, the Group reported a net loss of US$40,240,000 and a net cash outflow from operating activities of US$9,254,000. As at 31 March 2016, the Group's current liabilities exceeded its current assets by US$31,768,000. As at the same date, the Group's borrowings amounted to US$44,980,000, of which approximately US$41,170,000 are repayable within one year while its cash and cash equivalents amounted to US$863,000 only.

As at 31 March 2016, the Group had total outstanding bank borrowings of approximately US$41,170,000. The Group has failed to comply with a restrictive undertaking clause set out in loan agreements in connection with the ratio of vessel's market value together with value of security to outstanding borrowing amount (the "Vessel Ratio"). Pursuant to the respective loan agreements, the bank borrowings 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 at the date of the approval of these consolidated financial statements, the Group has not obtained the waivers from the relevant banks from complying with the relevant Vessel Ratio requirement. According to HKAS 1 "Presentation of Financial Statements", bank borrowings with original maturity after 31 March 2017 of approximately US$34,367,000 have been reclassified as current liabilities.

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 2016. The directors are of the opinion that, taking into account the following, 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 2016:

(i) In respect of certain bank borrowings of approximately US$29,181,000, the Group is in the process of taking the necessary remedial actions as required by the bank. In addition, management has been actively negotiating with the bank to revise the existing terms and conditions of the bank borrowings for the continuous compliance of the Vessel Ratio requirement. Based on the latest communication with the bank, the directors are of the opinion that the terms and conditions of the bank borrowings will be timely revised.

(ii) Management also maintains continuous communication with the banks and the directors are of the opinion that all the existing bank borrowings, including those that the Group has failed to comply with the Vessel Ratio requirement, will continue to be available to the Group for the next twelve months from 31 March 2016 and be repaid in accordance with the original repayment schedules.

(iii) On 29 June 2016, Ablaze Rich Investments Limited, the ultimate holding company of the Group, 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 shall be issued at the discretion of the Company to Ablaze Rich Investments Limited and the Guarantors within twelve 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 Investments Limited 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 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$30,000,000, whichever is the earlier.

(iv) The Group has been negotiating with a bank to issue convertible bonds of US$35,000,000 with a maturity period of thirty-six months. The directors expect that the issuance of the convertible bonds will be completed by the end of November 2016.

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 2016. 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 the successful fulfillment of the following plans:

(i) Completion of the necessary remedial actions as required by the bank as well as the revision of the terms and conditions of certain bank borrowings of US$29,181,000 and thus the continuous compliance of the undertaking requirement;

(ii) Continuous availability of the Group's existing bank borrowings and with the repayments to be made in accordance with the original repayment schedules;

(iii) Ablaze Rich Investments Limited and the Guarantors will be able to provide the funding advance to the Group as and when needed and with the advance repayable beyond twelve months from the balance sheet date;

(iv) Generation of adequate operating cash flow; and

(v) Obtaining additional sources of financing 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 disclosure

(a) Amendments to existing standards adopted by the Group for the financial year beginning 1 April 2015, but do not have significant financial impact to the Group.

HKAS 19 (2011) (Amendments)	Defined Benefit Plans: Employee Contribution
HKFRS (Amendments)	Improvements to HKFRS 2010–2012 Cycles
HKFRS (Amendments)	Improvements to HKFRS 2011–2013 Cycles

(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 2015 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
HKAS 1 (Amendments)	Disclosure Initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Classification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants	1 January 2016
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements	1 January 2016
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	*Note*
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception	1 January 2016
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS (Amendments)	Improvements to HKFRS 2012 — 2014 Cycles	1 January 2016

Note: The effective date was to be determined.

The Group will apply the above new standards, amendments to existing standards and annual improvement projects as and when they become effective. The Group has already commenced an assessment of the impact of these new standards, amendments to existing standards and annual improvement projects, and will adopt them when they become effective.

(c) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosure of certain information in the consolidated financial statements.

3 REVENUE AND SEGMENT INFORMATION

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

	2016	2015
	US$'000	*US$'000*
Time charter income	**7,843**	13,970
Voyage charter income	**840**	1,225
Interest income	**452**	—
	9,135	15,195

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers (i.e. executive directors) in order to allocate resources to segments and to assess their performance. The money lending business does not meet the quantitative threshold required by HKFRS 8 for reportable segment, the management concluded that this segment should not be reported. The information reported to the Group's chief operating decision makers for the purpose of resource allocation and assessment of performance is prepared based on the overall operation of vessels on a combined basis, hence the Group has only one operating segment.

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

Segment assets and liabilities

No assets and liabilities are included in the Group's segment reporting that are submitted to and reviewed by the chief operating decision makers internally. Accordingly, no segment assets and liabilities are presented.

Geographical information

Due to the nature of the provision of vessel chartering services, which are carried out internationally, the directors consider that it is not meaningful to provide the financial information by geographical segment. Accordingly, geographical segment revenue for the provision of vessel chartering services is not presented.

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:

	2016	2015
	US$'000	*US$'000*
Customer A	**1,945**	4,452
Customer B	**1,338**	1,701
Customer C	**1,171**	990
Customer D *(Note)*	**977**	—
Customer E *(Note)*	**970**	—
	6,401	7,143

Note:

No revenue was generated from customer D and E for the year ended 31 March 2015.

4 EXPENSES BY NATURE

Operating loss is stated after charging the following:

	2016	2015
	US$'000	*US$'000*
Crew expenses (included in cost of services)	**3,317**	4,353
Depreciation of property, plant and equipment	**5,658**	7,824
Bunker expenses	**1,739**	3,600
Operating lease rental for land and buildings	**354**	334
Auditor's remuneration — audit services	**169**	153
Provision for trade receivables impairment	**7**	11
Impairment losses		
— property, plant and equipment	**29,600**	20,612
— asset classified as held for sale	**—**	5,011
Employee benefit expense (including directors' emoluments)	**2,056**	1,323

5 FINANCE COSTS — NET

	2016	2015
	US$'000	*US$'000*
Finance income		
Interest income	**(3)**	(4)
Finance costs		
Interest expense on borrowings	**1,498**	1,693
Interest expense on convertible bonds	**201**	187
Arrangement fee on bank borrowings	**213**	239
Interest expense on derivative financial instruments		
— interest rate swap	**190**	53
	2,102	2,172
Finance costs — net	**2,099**	2,168

6 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year. 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.

	2016	2015
	US$'000	*US$'000*
Current income tax		
— Hong Kong profits tax	**66**	—

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.

	2016	2015
Loss attributable to owners of the Company *(US$'000)*	**40,240**	37,406
Weighted average number of ordinary shares in issue *(thousands)*	**896,549**	830,000
Basic loss per share *(US cents per share)*	**4.49**	4.51

(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 2016 and 2015 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 2016 (2015: Nil).

9 TRADE AND OTHER RECEIVABLES

	2016	2015
	US$'000	*US$'000*
Trade receivables	**600**	1,525
Less: Provision for impairment of trade receivables	**(16)**	(11)
Trade receivables, net	**584**	1,514
Prepayments and deposits	**729**	875
	1,313	2,389

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

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

As at 31 March 2016 and 2015, the ageing analysis of the trade receivables based on invoice date was as follows:

	2016	2015
	US$'000	*US$'000*
0–30 days	**535**	1,473
31–365 days	**47**	41
Over 365 days	**18**	11
	600	1,525

10 EVENT AFTER THE BALANCE SHEET DATE

(a) Completion of major and connected transaction involving the issue of convertible bonds

On 23 December 2015, the Company entered into a sale and purchase agreement with Mr. Yan Kim Po, Ms. Lam Kwan and Mr. Yin Hai (brother of Mr. Yan Kim Po) to acquire 100% equity interest in Top Build Group Ltd ("Top Build") and its subsidiaries (together, "Top Build Group") at a consideration of US$54,000,000 in total which will be settled by way of issue of the convertible bonds with principal amount of US$54,000,000 in total. On 10 May 2016, the acquisition was completed, Top Build became a direct wholly-owned subsidiary of the Company.

(b) Deed of funding undertakings

On 29 June 2016, Ablaze Rich Investments Limited, the ultimate holding company of the Group, 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 shall be issued at the discretion of the Company to Ablaze Rich Investments Limited and the Guarantors within twelve months of the date of the deed. The total amount of funding undertakings shall not exceed US$30,000,000.

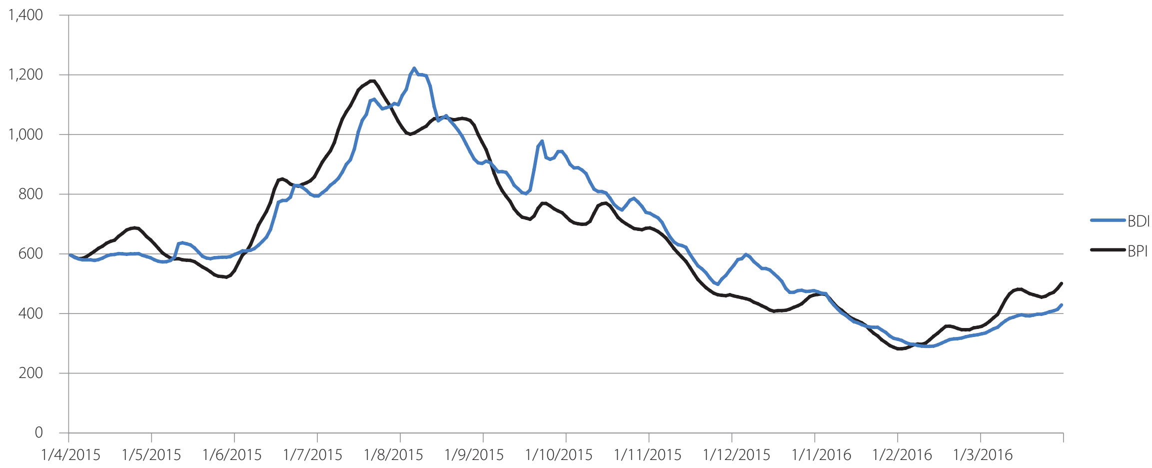
The funding when provided shall be treated as an advance to the Company and be repayable by the Company at a suitable time to be agreed among the Company, Ablaze Rich Investments Limited and the Guarantors, but in any event shall only be repaid after at least twelve months from the funding draw down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

The undertakings shall cease to have effect after 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$30,000,000, whichever is the earlier.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

Daily Variation Chart of Baltic Dry Index (BDI) and Baltic Panamax Index (BPI)
1 April 2015–31 March 2016



BDI year-high at 1,222 in August 2015, year-low at 290 in February 2016, year-average at 654.95
BPI year-high at 1,179 in July 2015, year-low at 282 in February 2016, year-average at 642.00

2015 was another very difficult year for the dry bulk marine transportation industry. The freight rate of dry bulk cargoes has been stagnant since early 2015. During the year ended 31 March 2016, the Baltic Dry Index continuously broke the record of its lowest level. Taking panamax vessels as example, the average Baltic Dry Index was 642 points in the year ended 31 March 2016, dropping by 146 points from 788 points last year, which represented a decrease by approximately 18%. The average daily charter rate recorded by the Baltic Dry Index was US$5,130, which represented a decrease of approximately US$1,199 as compared to the daily rate US$6,329 last year. The reason for the plight of the freight market remained attributable to the oversupply of dry bulk vessels. According to the statistics of vessel agencies, the dry bulk fleet further expanded by approximately 2% in 2015, notwithstanding the oversupply of dry bulk vessels in 2014. Nevertheless, the demand for marine transportation of dry bulk cargoes recorded zero increase, which intensified the contradiction of demand-supply imbalance of dry bulk vessels. Since it is unlikely to see a surge in the demand for marine transportation of dry bulk cargoes, the demand-supply contradiction of dry bulk vessels will still be the main factor for the suppression of the freight rate, which could only be alleviated and changed over a relatively long period of time.

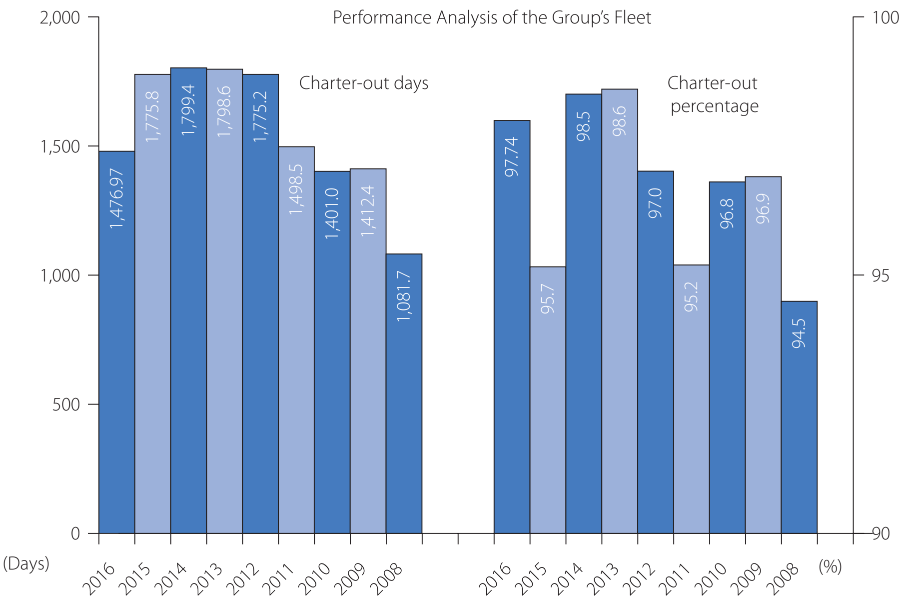
During the period between July and August in 2015, the freight rate rebounded in the spot market. The Baltic Dry Index once hit its yearly high of 1,222 points, which only reflected the increasing volatility in the freight market, with the spot freight rate still hovering at low levels.

Given the slow global economic growth, there was zero increase in demand for marine transportation of dry bulk cargoes in 2015. There had once been a hope on the China's import volume of dry bulk cargo, yet it failed to meet the market expectation. Furthermore, there were a plunge in coal import and also an overall decrease in import volume of dry bulk cargoes. The dry bulk fleet size recorded a net growth of approximately 18.12 million dwt this year, putting considerable pressure on the freight market. Due to the depressed freight market, the price for second-hand vessels slumped, extending the double depression of freight rate and vessel price in the dry bulk marine transportation market.

However, there are currently some slightly positive factors for the dry bulk marine transportation market. Firstly, China's import of iron ore could be maintained at more than 900 million tons. Secondly, there was an increase in the volumes of bulk grain import and steel/fertiliser export in China. These two factors were supportive to the struggling freight market of the dry bulk vessels. In addition, the considerable reduction in bunker fuel price can lower the transportation costs. It is anticipated that the increase in vessel dismantling will alleviate the imbalance between demand and supply and eventually lead to a recovery in the spot freight market.

Vessel owners were under great operating pressure due to the depressed freight rate of dry bulk vessels. Besides, new policies and regulations promulgated in various areas around the world further pushed up the operating and management costs of vessels. In particular, both the implementation of new environmental regulations and the use of ultralow sulphur fuel are causing the vessel owners to face the severe operating environment.

Business Review



The Group's vessels were under sound operation in the year ended 31 March 2016. The size of the Group's fleet has a total carrying capacity of 319,923 dwt, and the average age of the fleet is 10 years. The fleet maintained a high operational level with an occupancy rate of 97.74% this year. The average daily charter rate of the Group's vessels was approximately US$4,967, which represented a decrease of approximately 34% as compared to the corresponding period last year. The reasons for the income decline were that the freight rate of dry bulk cargoes in the spot market was lower than that in 2015, and the daily charter rate of the fleet's 90,000 ton post-panamax vessel(s) was lower than that of standard vessels, which dragged down the overall income of the fleet. If only the standard vessels are considered, the daily income of the fleet was slightly higher than the market income of the vessels of the same kind. The Group's fleet achieved a record of safe operation with zero adverse incident, and all vessels were operating in the spot market in 2016. The Group was able to exert stringent control over costs and expenses in the course of vessel management and strived to minimise voyage expenses to maintain the management expenses of the 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.

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

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

On 1 October 2015, the Group acquired Access Key Investment Limited, which is interested in the entire issued share capital of Well Century International Limited ("WCI"), a company incorporated in Hong Kong and holding money lenders licence, from Mr. Yan and Ms. Lam at a total consideration of less than US$10,000 which was determined based on the total assets of these companies. The money lending business of the Group commenced operation in October 2015 and an interest income of approximately US$0.5 million was generated for the six months ended 31 March 2016. As at 31 March 2016, the outstanding loan receivables amounted to approximately US$6.8 million.

In addition, on 4 November 2015, the Group acquired Delight Beauty Investments Limited ("DBI"), a company incorporated in the BVI. The Group intends to conduct securities investment through DBI. As at the date of this announcement, DBI has not yet commenced operation.

On 23 December 2015, the Company, Mr. Yan, Ms. Lam and Mr. Yin Hai entered into a sale 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 Group Ltd. for a total consideration of US$54.0 million which would be 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 ("Shares") of the Company at the conversion price of HK$1.096 per Share at the exchange rate of HK$7.75 to US$1.0. 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

The market is pessimistic about the outlook of the spot freight rate for dry bulk cargoes in 2016. It is believed that both the spot freight rate and average daily income of vessels will stay at low levels. Taking Panamax vessels as an example, market statistics show that the average daily charter rate was only US$2,901 as of the first quarter of 2016, and there will be no substantial change to the current supply glut of vessels. Although the increment in the number of dry bulk vessels this year is already at the rough of recent years, the growth in dry bulk marine transportation is predicted to be zero in 2016. Therefore, the spot freight market has been under downward pressure. The International Monetary Fund (IMF) has been lowering its forecast of the global economic growth of this year. With the latest forecast economic growth rate being 3.2% and international trade volume being only 3.4%, both have little positive impact on the growth of demand for marine transportation. Given the bleak global economic growth, the oversupply of dry bulk vessels will continue to affect the freight market and keep the spot freight rate at low levels. 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. In addition, the new canal in Panama has allowed vessel transport in June this year, leading to changes on trading pattern of vessel operation. Therefore, its impact on marine transportation demand is yet to be observed by the market.

According to statistics from shipping broker companies, marine transportation demand from major dry bulk cargoes such as iron ore and coal would not increase much this year. Provided that there is no expansion in the Chinese steel industry, there would only be approximately 2% change on marine transportation demand from iron ore throughout the year. With the significant drop of 100 million tons of marine transportation demand from coal last year, it is expected that the marine transportation demand would be unchanged this year and without further reduction. Meanwhile, 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, after entering the grain loading season in South America, the congestion at the grain loading ports has become more serious, and the current waiting time for the grain loading of vessels has reached the length of one month. Such situation reduces the availability of these vessels, which in turn affects the utilisation rate of and alleviates the pressure of the oversupply situation of corresponding vessel types. There are some positive factors in the freight rate market of dry bulk cargoes, which will play a supportive role in the market. For example, with the rapid economic growth in India, there will be a larger increase of coal import to India and the demand for dry bulk vessels will also increase. Previously the bauxite imported to China was mainly the export from Indonesia, but China has to switch to areas with longer transportation distance for bauxite import (such as West Africa) due to the restriction on raw ore export imposed by Indonesian government, and thereby increasing the mileage of marine transportation of vessels. The dry bulk fleet is expected to grow at a slower pace of 2% this year when full delivery is made for of the orders of newly-built vessels. Nevertheless, the market still hopes to alleviate the fleet expansion by dismantling more old vessels in order to facilitate a spot freight rebound. Recently, the price for bunker fuel has declined which is attributable to falling crude oil price and is expected to stay low for a longer period. This will have a positive impact on vessel operations.

Given the depressed spot freight market, the Group will maintain its prudent operating strategies by enhancing the daily management of vessels, providing better transportation services to customers and seeking 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.

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. The size of the PRC flower and plant market had been growing at a compound annual growth rate ("CAGR") of approximately 18.85% between 2010 and 2014 and the total value of flower and plant exported from the PRC had grown significantly by a CAGR of approximately 12.30% between 2010 and 2013. 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

Revenue

Revenue of the Group decreased from approximately US$15.2 million for the year ended 31 March 2015 to approximately US$9.1 million for the year ended 31 March 2016, representing a decrease of approximately US$6.1 million, or approximately 39.9%. It comprised chartering income of US$8.7 million (2015: US$15.2 million) and interest income from the newly acquired money lending business of approximately US$0.5 million (2015: Nil). Time charter income of approximately US$7.8 million (constituted approximately 90.3% of the chartering revenue of the Group) (2015: approximately US$14.0 million, constituted approximately 91.9% of the chartering revenue of the Group) and voyage charter income of approximately US$0.9 million (constituted approximately 9.7% of the chartering revenue of the Group) (2015: approximately US$1.2 million, constituted approximately 8.1% of the chartering revenue of the Group) for the year ended 31 March 2016. Such decrease in revenue of the Group was mainly attributable to the decrease in average daily time charter equivalent ("Daily TCE") of the Group's fleet and with the handover of a vessel of the Group in May 2015, the Group's fleet reduced from five vessels to four vessels. The average Daily TCE of the Group's fleet decreased from approximately US$7,571 for the year ended 31 March 2015 to approximately US$4,967 for the year ended 31 March 2016, which represented a decrease of approximately 34% as compared to last year.

Cost of services

Cost of services of the Group decreased from approximately US$21.8 million for the year ended 31 March 2015 to approximately US$15.0 million for the year ended 31 March 2016, representing a decrease of approximately US$6.8 million or approximately 31.4%. The decrease of cost of services was mainly due to the reduction of the Group's fleet size and decrease in depreciation after impairment of vessels recognized in the year ended 31 March 2015.

Gross profit/loss

The Group recorded gross loss of approximately US$5.9 million for the year ended 31 March 2016 as compared with gross loss of approximately US$6.7 million for the year ended 31 March 2015, representing a difference of approximately US$0.8 million, while the gross margin deteriorated from approximately –43.8% for the year ended 31 March 2015 to approximately –64.2% for the year ended 31 March 2016. The deterioration in gross margin of the Group was mainly attributable to the decrease in average Daily TCE of the Group's fleet size.

General and administrative expenses

General and administrative expenses of the Group increased by approximately US$0.5 million or approximately 19.9%, 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$0.3 million during the year ended 31 March 2016.

Finance costs

Finance costs of the Group decreased from approximately US$2.2 million for the year ended 31 March 2015 to approximately US$2.1 million for the year ended 31 March 2016, representing a decrease of approximately US$0.1 million or approximately 3.2%. Such decrease was mainly attributable to the repayment of loan from ultimate holding company.

Loss and total comprehensive loss for the year

The Group incurred a loss of approximately US$40.2 million for the year ended 31 March 2016 as compared with approximately US$37.4 million for the year ended 31 March 2015. Such change was mainly due to (i) the decrease in the gross loss of the Group of approximately US$0.8 million; (ii) the impairment losses of approximately US$29.6 million of the Group's vessels (2015: US$25.6 million), and (iii) the loss of approximately US$0.5 million on disposal of a vessel incurred during the year ended 31 March 2015.

Liquidity, financial resources, capital structure and gearing ratio

As at 31 March 2016, the Group's cash and cash equivalent amounted to approximately US$0.9 million (2015: approximately US$0.4 million), of which approximately 33.3% was denominated in US$ and approximately 66.5% in HK$. Outstanding bank loans amounted to approximately US$41.2 million (2015: approximately US$54.2 million) and other borrowings amounted to approximately US$3.8 million (2015: approximately US$6.6 million), which were denominated in US$.

As at 31 March 2015 and 31 March 2016, 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 52.2% and 55.7% respectively. The increase in gearing ratio as at 31 March 2016 was mainly due to the impairment of vessels recognized during the year which had substantially reduced the total assets of the Group despite a bank loan and loan from ultimate holding company had been repaid during the year ended 31 March 2016.

The Group recorded net current liabilities of approximately US$31.8 million as at 31 March 2016 and approximately US$2.3 million as at 31 March 2015. Such deterioration 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 had failed to comply with an undertaking requirement of certain bank borrowings.

The Group monitors the current and expected liquidity requirements regularly to mitigate the effects of fluctuations in cash flows. The Company has entered into two loan facility agreements with Ablaze Rich on 17 February 2015 and 28 April 2015 for loan facilities in the total amount of US$3,000,000 (the "First Facility") and US$2,000,000 (the "Second Facility") respectively. The full loan amount had been drawn down by the Company under the First Facility and would be repayable on or before 16 February 2017, while US$1,000,000 had been drawn down by the Company under the Second Facility and would be repayable on or before 27 April 2017. Both loan facilities were unsecured and carried an interest of 4% per annum. As at 31 March 2016, the drawn amount under the First Facility and the Second Facility had been fully repaid by the Company with the net proceeds from the placing of new Shares in June 2015. The disinterested members of the Board (including the independent non-executive Directors) consider that as the First Facility and Second Facility are on terms that are normal commercial terms or better and are not secured by the assets of the Group, the receipt of financial assistance by the Group thereunder are fully exempt under Rule 14A.90 of the Listing Rules.

Up to the date of this announcement, the Company has come up with one of the banks an arrangement to remediate the undertaking requirement of bank borrowings. The management maintains continuous communication with the banks and the Directors are of the opinion that bank borrowings will continue to be available to the Group for the next twelve months from 31 March 2016.

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.

The Group has been negotiating with a targeted bank to issue convertible bonds of US$35 million with a maturity period of thirty-six months. The Directors expect the funds from the issuance of the convertible bonds will be completed by end of November 2016.

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 a subscription agreement with Ablaze Rich in respect of the issue and subscription of the convertible bonds in an aggregate principal amount of the convertible bonds (the "Convertible Bonds") in the 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 subscription took place on 2 September 2013. The net proceeds from the issue of the Convertible Bonds had been fully utilised as general working capital of the Group.

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

As at 31 March 2016, the entire principal amount of the Convertible Bonds remained outstanding.

Placing of new Shares under general mandate

On 9 June 2015, the Company entered into a placing agreement ("Placing Agreement") with a placing agent, pursuant to which the placing agent has agreed to place, on a best endeavour basis, up to 83,000,000 new Shares to not less than six placees at the placing price of HK$1.982 per Share. The closing price as quoted on the Stock Exchange of Hong Kong Limited ("Stock Exchange") on 9 June 2015, being the date of the Placing Agreement, was HK$2.15 per Share. The Placing was completed and a total of 83,000,000 Shares were allotted and issued on 23 June 2015 to not less than six placees.

The Company considered that it was in the interests of the Company to raise capital from the equity market in order to enhance the capital base of the Company. Please refer to the announcements of the Company dated 9 June 2015 and 23 June 2015 for details of the Placing. The net proceeds, after deducting related placing commission, professional fees and all related expenses, were approximately US$20 million (equivalent to a net price of approximately HK$1.880 per Share). The Company intends to use the net proceeds for the Group's general working capital purposes. As at 31 March 2016, the net proceeds had been utilised by the Group for repayment of the First Facility and the Second Facility, the money lending business and general working capital.

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$. 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 2016 was US$12 million (2015: US$13.1 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 2016, the Group recorded outstanding bank loans of approximately US$41.2 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 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 2016, the Group had pledged the following assets to banks as securities against banking facilities granted to the Group:

	2016 ***US$'000***	2015 *US$'000*
Property, plant and equipment	**68,468**	102,932
Asset classified as held for sale	—	3,608
Pledged bank deposits	**3,313**	7,152
	71,781	113,692

Contingent liabilities

The Group had no material contingent liabilities as at 31 March 2016.

Employees' remuneration and retirement scheme arrangements

As at 31 March 2016, the Group had 93 employees (2015: 120 employees). For the year ended 31 March 2016, the total salaries and related costs (including Directors' fees and share-based payments) amounted to approximately US$5.4 million (2015: US$5.7 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 2016 and up to the date of this 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 2016 and up to the date of this announcement.

DIVIDEND

At the Board meeting held on 30 June 2016, the Directors did not recommend the payment of any final dividend to the shareholders of the Company for the year ended 31 March 2016.

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 2016.

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 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 2016 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 2016.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2016, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

We draw attention to Note 2.1.1 to the consolidated financial statements which states that the Group reported a net loss of US$40,240,000 and an operating cash outflow of US$9,254,000. As at the same date, the Group's current liabilities exceeded its current assets by US$31,768,000. In addition, the Group failed to comply with an undertaking requirement of certain bank borrowings. The Group is yet to obtain the waivers of compliance from the relevant banks and it has not completed the remedial actions as required by the banks. These 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 qualified 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 2016 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, 30 June 2016

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.