



## UNI-ASIA HOLDINGS LIMITED

Registration No: CR - 72229

(Incorporated in the Cayman Islands with limited liability on 17 March 1997)

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

#### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Para-graph	4 <sup>th</sup> Quarter ("4Q")			Full year ("FY")		
		2015 US\$'000	2014 US\$'000	% Change	2015 US\$'000	2014 US\$'000	% Change
Charter Income		7,956	5,464	46%	30,465	19,396	57%
Fee income	[8(ii)]	2,375	1,345	77%	7,796	6,729	16%
Hotel income		8,648	8,463	2%	33,345	34,971	(5%)
Investment returns	[8(iv)]	1,617	1,334	21%	3,961	4,672	(15%)
Interest income		236	177	33%	718	818	(12%)
Other income		216	143	51%	767	548	40%
<b>Total income</b>		<b>21,048</b>	<b>16,926</b>	<b>24%</b>	<b>77,052</b>	<b>67,134</b>	<b>15%</b>
Employee benefits expenses		(3,729)	(3,719)	0%	(12,875)	(14,060)	(8%)
Amortisation and depreciation		(2,625)	(1,699)	55%	(9,634)	(6,097)	58%
Vessel operating expenses		(3,795)	(2,228)	70%	(13,613)	(8,306)	64%
Hotel lease expenses		(2,697)	(2,811)	(4%)	(11,327)	(11,880)	(5%)
Hotel operating expenses		(3,494)	(3,491)	0%	(13,596)	(14,834)	(8%)
Other expenses		(1,336)	(1,932)	(31%)	(5,142)	(5,583)	(8%)
Impairment of property, plant and equipment		(1,400)	(680)	106%	(1,400)	(680)	106%
Net foreign exchange (loss)/ gain		(3)	208	(101%)	(558)	(82)	N/M
<b>Total operating expenses</b>		<b>(19,079)</b>	<b>(16,352)</b>	<b>17%</b>	<b>(68,145)</b>	<b>(61,522)</b>	<b>11%</b>
<b>Operating profit</b>		<b>1,969</b>	<b>574</b>	<b>N/M</b>	<b>8,907</b>	<b>5,612</b>	<b>59%</b>
Finance costs – interest expense		(1,034)	(634)	63%	(3,821)	(2,344)	63%
Finance costs – others		(65)	(23)	183%	(278)	(137)	103%
Allocation to Tokumei Kumiai* investors		(168)	39	N/M	(908)	118	N/M
<b>Profit/ (Loss) before tax</b>		<b>702</b>	<b>(44)</b>	<b>N/M</b>	<b>3,900</b>	<b>3,249</b>	<b>20%</b>
Income tax expense		(223)	(809)	(72%)	(380)	(1,141)	(67%)
<b>Profit/ (Loss) for the period/ year</b>		<b>479</b>	<b>(853)</b>	<b>156%</b>	<b>3,520</b>	<b>2,108</b>	<b>67%</b>
Attributable to:							
Owners of the parent		5	(853)	101%	2,696	2,150	25%
Non-controlling interests		474	-	N/M	824	(42)	N/M
		<b>479</b>	<b>(853)</b>	<b>156%</b>	<b>3,520</b>	<b>2,108</b>	<b>67%</b>

\* Tokumei Kumiai ("TK") refers to a form of silent partnership structure used in Japan. Allocation to TK investors refers to share of profit and loss attributable to other TK investors of the TK structure.

	4 <sup>th</sup> Quarter ("4Q")			Full year ("FY")		
	2015 US\$'000	2014 US\$'000	% Change	2015 US\$'000	2014 US\$'000	% Change
Profit/ (Loss) for the period/ year	479	(853)	156%	3,520	2,108	67%
Other comprehensive (expense)/ income for the period/ year, net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	(162)	(1,272)	87%	171	(2,099)	108%
Net movement on cash flow hedges	156	(73)	N/M	(22)	(15)	47%
Other comprehensive (expense)/ income for the period/ year, net of tax:	(6)	(1,345)	100%	149	(2,114)	107%
Total comprehensive income/ (expense) for the period/ year	473	(2,198)	122%	3,669	(6)	N/M
Attributable to:						
Owners of the parent	2	(2,194)	100%	2,850	43	N/M
Non-controlling interests	471	(4)	N/M	819	(49)	N/M
	473	(2,198)	122%	3,669	(6)	N/M

N/M: Not meaningful

1 (b) (i) A statement of financial position for the group and the issuer, together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 December 2015 US\$'000	31 December 2014 US\$'000	31 December 2015 US\$'000	31 December 2014 US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties	8,565	11,771	-	-
Intangible assets	69	69	-	-
Property, plant and equipment	171,715	130,444	408	561
Loans receivable	5,050	5,886	2,050	2,886
Loans to subsidiaries	-	-	8,186	9,168
Investments	46,946	45,070	24,190	24,355
Investments in subsidiaries	-	-	65,555	53,923
Rental deposit	2,445	1,585	-	-
Finance lease receivable	7,812	-	-	-
Derivative financial instruments	117	218	531	328
Deferred tax assets	33	26	-	-
Deposits for purchase of vessels	6,846	13,899	-	-
<b>Total non-current assets</b>	<b>249,598</b>	<b>208,968</b>	<b>100,920</b>	<b>91,221</b>
<b>Current assets</b>				
Investments	27	1,108	-	-
Loans receivable	200	900	200	900
Loans to subsidiaries	-	-	12,207	11,142
Derivative financial instruments	-	96	440	96
Finance lease receivable	279	-	-	-
Accounts receivable	3,811	2,969	65	68
Amounts due from subsidiaries	-	-	1,691	754
Prepayments, deposits and other receivables	5,488	2,836	523	318
Tax recoverable	379	498	-	-
Assets held for sale	18,028	-	-	-
Deposits pledged as collateral	6,008	5,188	4,006	5,188
Cash and bank balances	30,334	36,321	8,051	13,872
<b>Total current assets</b>	<b>64,554</b>	<b>49,916</b>	<b>27,183</b>	<b>32,338</b>
<b>Total assets</b>	<b>314,152</b>	<b>258,884</b>	<b>128,103</b>	<b>123,559</b>

	Group		Company	
	31 December 2015 US\$'000	31 December 2014 US\$'000	31 December 2015 US\$'000	31 December 2014 US\$'000
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	75,167	75,167	75,167	75,167
Share premium	31,319	31,319	31,319	31,319
Retained earnings	30,811	30,333	4,789	4,567
Hedging reserve	(14)	8	(1)	(16)
Exchange reserve	875	699	-	-
Share based compensation reserve	32	-	32	-
Capital reserve	(117)	(117)	-	-
<b>Total equity attributable to owners of the parent</b>	138,073	137,409	111,306	111,037
Non-controlling interests	2,101	1,003	-	-
<b>Total equity</b>	140,174	138,412	111,306	111,037
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	109,842	87,865	1,966	3,343
Due to Tokumei Kumiai investors	603	689	-	-
Deferred tax liabilities	1,236	1,293	-	-
Derivative financial instruments	414	202	531	344
Other payables	80	80	-	-
<b>Total non-current liabilities</b>	112,175	90,129	2,497	3,687
<b>Current liabilities</b>				
Borrowings	54,524	22,943	12,485	7,505
Accounts payable	2,784	2,422	5	-
Amounts due to subsidiaries	-	-	628	393
Other payables and accruals	3,657	4,469	741	937
Derivative financial instruments	484	280	441	-
Income tax payable	354	229	-	-
<b>Total current liabilities</b>	61,803	30,343	14,300	8,835
<b>Total liabilities</b>	173,978	120,472	16,797	12,522
<b>Total equity and liabilities</b>	314,152	258,884	128,103	123,559

**NOTES:-**

The Group's non-current assets increased by 19.4% from \$209.0 million on 31 December 2014 to \$249.6 million on 31 December 2015. Property, Plant and Equipment increased by \$41.3 million from \$130.4 million to \$171.7 million due to the delivery of two vessels under Uni-Asia Shipping group and acquisition of one containership by the Group in 2015. On the other hand, with the delivery of vessels under Uni-Asia Shipping group, certain Deposits for Purchase of Vessels were transferred to Property, Plant and Equipment, resulting in decline in Deposits for Purchase of Vessels from \$13.9 million to \$6.8 million. The Group also invested in finance lease investment resulting in \$7.8 million in finance lease receivable under non-current assets and \$0.3 million under current assets on 31 December 2015.

Current assets increased \$14.7 million from \$49.9 million on 31 December 2014 to \$64.6 million on 31 December 2015. As part of financing of our assets, a vessel under "property, plant and equipment" was identified for a sale and lease back transaction and is classified as "assets held for sale" as at 31 December 2015. An investment property is also classified as "assets held for sale" as it was disposed of in early 2016. Prepayments, deposits and other receivables increased by \$2.7 million from \$2.8 million on 31 December 2014 to \$5.5 million on 31 December 2015 due partly to increase in prepayment of vessel related expenses as a result of increased vessels. Cash and bank balances reduced by \$6.0 million.

Total liabilities increased to \$174.0 million on 31 December 2015 from \$120.5 million on 31 December 2014 due mainly to increase in borrowings for property and ship related investments.

1 (b) (ii) Aggregate amount of group's borrowings and debt securities.

	As at 31 December 2015		As at 31 December 2014	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	35,143	19,381	16,172	6,771
Amount repayable after one year	104,905	4,937	75,303	12,562
Total	140,048	24,318	91,475	19,333

**Details of any collaterals**

The Group's borrowings are secured by means of:

- legal mortgages over certain cash deposits of the holding company
- legal mortgages over investment properties of the subsidiaries
- legal mortgages over vessels of the subsidiaries
- a legal mortgage over a freehold property under the category of "Property, plant and equipment" of a subsidiary

1 (c) A statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Full year	
		2015 US\$'000	2014 US\$'000
<b>Cash flows from operating activities</b>			
Profit before tax		3,900	3,249
Adjustments for:			
Investment returns		(3,961)	(4,672)
Amortisation and depreciation		9,634	6,097
Loss on disposal of property, plant and equipment		3	10
Impairment of property, plant and equipment		1,400	680
Provision/ (reversal of provision) for accounts receivable		61	(2)
Net foreign exchange loss		558	82
Interest income		(718)	(818)
Finance costs – interest expense		3,821	2,344
Finance costs – others		278	137
Allocation to Tokumei Kumiai investors		908	(118)
Share based compensation		32	-
Operating cash flows before changes in working capital		15,916	6,989
Changes in working capital:			
Net change in accounts receivable		(932)	(763)
Net change in prepayments, deposits and other receivables		(4,025)	(551)
Net change in accounts payable		416	163
Net change in other payables and accruals		(1,031)	(259)
Cash flows generated from operations		10,344	5,579
Interest received on bank balances		106	164
Tax paid		(148)	(943)
Net cash flows generated from operating activities	[A]	10,302	4,800
<b>Cash flows from investing activities</b>			
Purchase of investment properties		(9,955)	(2,136)
Purchase of investments		(8,259)	(19,510)
Proceeds from sale of investment properties		9,279	2,444
Proceeds from redemption/ sale of investments		8,100	6,303
Investment in finance lease		(8,091)	-
Deposits for purchase of vessels		7,053	(9,314)
Purchase of property, plant and equipment		(86,756)	(23,910)
Deconsolidation of consolidated entities		2,055	-
Contribution from Tokumei Kumiai investors		429	157
Redemption of Tokumei Kumiai investors		(1,416)	(496)
Loans advanced		(200)	(4,219)
Loans repaid		1,732	8,305
Interest received from loans and finance lease		692	721
Net (increase)/ decrease in deposits pledged as collateral		(856)	2,191
Income proceeds from investments		2,157	2,228
Settlement of derivative financial instruments		292	786
Proceeds from property rental		121	281
Net cash flows used in investing activities	[B]	(83,623)	(36,169)

	Note	Full year	
		2015 US\$'000	2014 US\$'000
<b>Cash flows from financing activities</b>			
New borrowings		113,568	41,618
Repayment of borrowings		(39,714)	(14,185)
Interests paid on borrowings		(3,568)	(2,259)
Other finance cost paid		(504)	(199)
Payment of lease obligation		-	(14)
Dividend paid		(2,218)	(2,338)
Contribution from non-controlling interests		-	5
Payment to non-controlling interest		(31)	(54)
Net cash flows generated from financing activities	[C]	67,533	22,574
Net decrease in cash and cash equivalents		(5,788)	(8,795)
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the year		36,321	47,566
Net decrease in cash and cash equivalents		(5,788)	(8,795)
Effects of foreign exchange rate changes, net		(199)	(2,450)
Cash and cash equivalents at end of the year		30,334	36,321

**NOTES:**

The Group's cash and cash equivalents decreased by \$6.0 million in FY2015 due mainly to the followings:

- [A] Cash flows generated from operating activities amounted to \$10.3 million for FY2015 compared to \$4.8 million in 2014. As the fleet under Uni-Asia Shipping increases, as well as the addition of a containership in the Group's portfolio, increase in charter income contributed to increase in operating cash flow.
- [B] Cash flows used in investing activities were \$83.6 million for 2015 due mainly to payment for delivery and acquisition of vessels (under Purchase of Property, Plant and Equipment) as well as investments in small residential property projects (under Purchase of Investment Properties and Purchase of Investments). Payment for investments were partially offset by proceeds from investments.
- [C] Cash flows generated from financing activities were \$67.5 million in FY2015 due mainly to new borrowings in 2015 to finance investment acquisitions offset by scheduled borrowings repayments. Dividend for FY2014 approved in AGM was paid in 2Q2015.

**1 (d) (i) A statement for the group and the issuer showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>Group</b>	<b>Share capital US\$'000</b>	<b>Share premium US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Hedging reserve US\$'000</b>	<b>Exchange reserve US\$'000</b>	<b>Share based compensation reserve US\$'000</b>	<b>Capital reserve US\$'000</b>	<b>Total equity attributable to owners of the parent US\$'000</b>	<b>Non-controlling interests US\$'000</b>	<b>Total equity US\$'000</b>
At 1 January 2014	75,167	31,319	30,521	23	2,791	-	(117)	139,704	509	140,213
Profit/ (loss) for the year	-	-	2,150	-	-	-	-	2,150	(42)	2,108
Other comprehensive expense	-	-	-	(15)	(2,092)	-	-	(2,107)	(7)	(2,114)
Total comprehensive income/ (expense)	-	-	2,150	(15)	(2,092)	-	-	43	(49)	(6)
Capital reserve	-	-	-	-	-	-	-	-	592	592
Dividend in respect of 2013	-	-	(2,338)	-	-	-	-	(2,338)	-	(2,338)
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	5	5
Payment to non-controlling interests	-	-	-	-	-	-	-	-	(54)	(54)
At 31 December 2014	75,167	31,319	30,333	8	699	-	(117)	137,409	1,003	138,412
At 1 January 2015	75,167	31,319	30,333	8	699	-	(117)	137,409	1,003	138,412
Profit for the year	-	-	2,696	-	-	-	-	2,696	824	3,520
Other comprehensive (expense)/ income	-	-	-	(22)	176	-	-	154	(5)	149
Total comprehensive income/ (expense)	-	-	2,696	(22)	176	-	-	2,850	819	3,669
Capital reserve	-	-	-	-	-	-	-	-	310	310
Dividend in respect of 2014	-	-	(2,218)	-	-	-	-	(2,218)	-	(2,218)
Payment to non-controlling interests	-	-	-	-	-	-	-	-	(31)	(31)
Accrual of share based compensation	-	-	-	-	-	32	-	32	-	32
At 31 December 2015	75,167	31,319	30,811	(14)	875	32	(117)	138,073	2,101	140,174

<b>Company</b>	<b>Share capital US\$'000</b>	<b>Share premium US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Hedging reserve US\$'000</b>	<b>Share based compensation reserve US\$'000</b>	<b>Total equity US\$'000</b>
At 1 January 2014	75,167	31,319	11,589	(30)	-	118,045
Loss for the year	-	-	(4,684)	-	-	(4,684)
Other comprehensive income	-	-	-	14	-	14
Total comprehensive (expense)/ income	-	-	(4,684)	14	-	(4,670)
Dividend in respect of 2013	-	-	(2,338)	-	-	(2,338)
At 31 December 2014	75,167	31,319	4,567	(16)	-	111,037
At 1 January 2015	75,167	31,319	4,567	(16)	-	111,037
Profit for the year	-	-	2,440	-	-	2,440
Other comprehensive income	-	-	-	15	-	15
Total comprehensive income	-	-	2,440	15	-	2,455
Dividend in respect of 2014	-	-	(2,218)	-	-	(2,218)
Accrual of share based compensation	-	-	-	-	32	32
At 31 December 2015	75,167	31,319	4,789	(1)	32	111,306



- 1 (d) (ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in share capital for the three months from the last reporting date of 30 September 2015 to the current reporting date of 31 December 2015.

The Company did not have any convertibles or treasury shares as at 31 December 2015 and 31 December 2014.

- 1 (d) (iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31 December 2015	As at 31 December 2014
Total number of issued shares	46,979,280 <sup>(1)</sup>	469,792,800

<sup>(1)</sup> Total number of issued shares after 10-to-1 share consolidation

- 1 (d) (iv) **A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 **Whether the figures have been audited or reviewed and in accordance with which auditing standard of practice.**

The figures have not been audited or reviewed.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and method of computation in the financial statements for the current financial year as compared with the audited financial statements for the financial year ended 31 December 2014.

- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There are no significant changes to the accounting policies and method of computation in the financial statements for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2014. The adoptions of the new or revised IFRSs that are effective for the annual period beginning 1 January 2015 do not have a significant impact on the Group's results of operations and financial position.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	4 <sup>th</sup> Quarter			Full year		
	2015	Adjusted 2014 <sup>(2)</sup>	2014	2015	Adjusted 2014 <sup>(2)</sup>	2014
Profit/ (Loss) attributable to owners of the parent (US\$'000)	5	(853)	(853)	2,696	2,150	2,150
Weighted average number of ordinary shares in issue ('000)	46,979	46,979	469,793	46,979	46,979	469,793
Earnings/ (Loss) per share (US cents per share) - basic and diluted	0.01	(1.82)	(0.18)	5.74	4.58	0.46

<sup>(2)</sup> Numbers are adjusted for weighted average number of ordinary shares in issue and earnings per share. The adjusted number is based on or is calculated based on the number of shares after 10-to-1 share consolidation.

**7 Net asset value for the group per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	31 December 2015	Adjusted 31 December 2014 <sup>(3)</sup>	31 December 2014
Net asset value per ordinary share based on issued share capital at the end of (in US\$)	2.98	2.95	0.29

<sup>(3)</sup> The adjusted number is calculated based on the number of shares after 10-to-1 share consolidation.

**8 A review of the group performance, to the extent necessary for a reasonable understanding of the group's business. It must include discussion of any significant factors that affected the turnover, costs, and earnings for the current financial period report on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the group during current financial period reported on:**

**Review of Income Statement**

**Total Income**

Total income of the Group was \$77.1 million for FY2015, a 15% increase from FY2014. Changes in major components of total income, including charter income, fee income, hotel income and investment returns are explained below.

(i) Charter Income

Charter income increased by 57% from \$19.4 million in FY2014 to \$30.5 million in FY2015. In FY2014, 6 vessels under the Group's ship owning subsidiary, Uni-Asia Shipping Limited contributed to charter income. The delivery of 2 new vessels in February 2015 and March 2015 increased the fleet size of dry bulk carriers owned by Uni-Asia Shipping Limited to 8 as at 31 December 2015, thereby increasing the charter income for FY2015. Further, a containership acquired in April 2015 by the Group also contributed to the increase in charter income. The increase is in line with the Group's strategy to build up recurring charter income.

(ii) Fee Income

Breakdown of Fee Income:	4 <sup>th</sup> Quarter ("4Q")			Full year ("FY")		
	2015 US\$'000	2014 US\$'000	% Change	2015 US\$'000	2014 US\$'000	% Change
Asset management and administration fee	475	556	(15%)	2,384	2,394	(0%)
Arrangement and agency fee	1,804	649	178%	4,652	2,431	91%
Brokerage commission	96	107	(10%)	663	435	52%
Incentive fee	-	33	(100%)	97	1,469	(93%)
	2,375	1,345	77%	7,796	6,729	16%

Total fee income increased by 16% to \$7.8 million in FY2015 from \$6.7 million in FY2014.

Asset management and administration fee remained fairly stable in FY2015 as compared to FY2014.

Arrangement and agency fee increased by 91% to \$4.7 million in FY2015 from \$2.4 million in FY2014 due mainly to deals closed in the last quarter of 2015, resulting in \$1.8 million arrangement and agency fee in 4Q2015.

(iii) Hotel Income

Average Japanese Yen exchange rate against US Dollars for FY2015 depreciated around 14.3% compared to that of FY2014. The depreciation of JPY resulted in an increase in visitors to Japan. This pushed up occupancy and daily room rates across most hotels in Japan. The Group's hotels benefited from such increase in occupancy and daily room rates. In Japanese Yen terms, the Group's Hotel Income increased from JPY3.7 billion in FY2014 to JPY4.0 billion in FY2015. However, due to depreciation of Japanese Yen against US Dollars, the Group's hotel income in US Dollars terms reduced by 5% from \$35.0 million in FY2014 to \$33.3 million in FY2015.

(iv) Investment Returns

Breakdown of Investment Returns:	4 <sup>th</sup> Quarter ("4Q")			Full year ("FY")		
	2015 US\$'000	2014 US\$'000	% Change	2015 US\$'000	2014 US\$'000	% Change
Interest on bond	-	2	(100%)	2	10	(80%)
Realised (loss)/ gain on investment property	(2)	436	(100%)	3,352	1,302	157%
Realised gain/ (loss) on investments						
- shipping	156	44	N/M	486	195	149%
- hotel and residential	79	(1,508)	105%	1,656	(266)	N/M
- small residential property developments	285	(61)	N/M	810	712	14%
- distressed asset	-	81	(100%)	900	1,287	(30%)
- listed shares	-	-	N/M	478	60	N/M
Property rental income	-	55	(100%)	121	281	(57%)
Fair value adjustment on investment properties	330	1,800	(82%)	(952)	1,284	(174%)
Fair value adjustment on investments						
- shipping	(134)	(2,161)	94%	(3,152)	(2,645)	(19%)
- hotel and residential	(50)	1,565	(103%)	541	1,704	(68%)
- small residential property developments	(332)	309	N/M	(552)	32	N/M
- office property	995	-	N/M	995	-	N/M
- listed shares	(4)	15	(127%)	(400)	14	N/M
Net gain/ (loss) on derivative financial instruments	294	757	(61%)	(324)	702	(146%)
	1,617	1,334	21%	3,961	4,672	(15%)

In 4Q2015, the Group recognised \$1.0 million fair valuation gain for its investment in the second Hong Kong property development project. In FY2015, the Group recognised \$3.2 million fair valuation losses from shipping portfolio due to the depressed shipping market. On the property segment, the Group disposed of some of its investments from its hotel and residential portfolio in Japan, resulting in a classification of realised gain on investment in hotel and residential while reversing fair value adjustments previously recognised for the same investments. Investment returns was \$4.0 million for FY2015, a decrease of 15% from FY 2014.

### **Total Operating Expenses**

Total operating expenses for the Group increased 11% from \$61.5 million in FY2014 to \$68.1 million in FY2015. Employee Benefits Expenses, Hotel Lease Expenses and Hotel Operating Expenses reduced by 8%, 5% and 8% respectively due to cost control as well as depreciation in Japanese Yen against US Dollars. Amortisation and Depreciation, and Vessel Operating Expenses increased due to new vessels delivered in FY2015.

### **Operating Profit**

The Group posted an operating profit of \$8.9 million for FY2015, a 59% increase from FY2014.

### **Net Profit After Tax**

Finance costs increased by 63% in FY2015 compared to FY2014 due to increased borrowings to finance new investments.

Tax expense decreased by 67% in FY2015 compared to FY2014 due to sale of China office units held under the subsidiary in China in FY2014 resulting in higher tax expense in FY2014.

As a result of the aforementioned factors, the Group posted a net profit of \$3.5 million for FY2015, an increase of 67% from FY2014.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, and variance between it and the actual results.**

Not applicable. The Group has not provided a forecast.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operated and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Shipping charter rates are expected to remain depressed until demand growth recovers. On the other hand, low fleet growth expected in the next two years especially for small handysize bulk carriers may alleviate overcapacity and stabilise rates. Although the Group, with its relatively young fleet, is in a good position to withstand a downturn in the shipping market and capture the demand growth when the market starts to recover, a prolonged period of depressed shipping charter rates may affect the performance of the Group.

On the other hand, the Group remains optimistic of its property business which focuses on respective markets in Hong Kong and Japan, and shall carefully balance its portfolio to achieve an optimal growth in shareholders' value.

**11 Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?**

Yes.

The Directors are pleased to announce a proposed first and final dividend of S\$0.0625 per share for the financial year ended 31 December 2015. Payment of the said dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

Name of dividend	Proposed first and final ordinary dividend
Dividend type	Cash
Dividend amount per share	S\$0.0625
No. of ordinary shares in issue	46,979,280
Total dividend amount	S\$2,936,205
Tax rate	Cayman Islands tax-exempt dividend

These financial statements do not reflect this proposed final dividend, which will be accounted for in shareholder's equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

**(b) Corresponding period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

Yes.

Name of dividend	Proposed first and final ordinary dividend
Dividend type	Cash
Dividend amount per share	S\$0.00625
No. of ordinary shares in issue	469,792,800
Total dividend amount	S\$2,936,205
Tax rate	Cayman Islands tax-exempt dividend

**(c) Date payable**

To be announced at a later date.

**(d) Books closure date**

To be announced at a later date.

**12 If no dividend has been declared/ recommended, a statement to that effect.**

Not applicable.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate for IPTs from the Group's shareholders.

**14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

**15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Business segments**

The segment results are as follows:

	Investment and Asset Management of Ships and Properties, Ship Finance Arrangement US\$'000	Ship Owning and Chartering US\$'000	Investment and Asset Management of Properties in Japan US\$'000	Hotel Operations in Japan US\$'000	Eliminations US\$'000	Group US\$'000
<b><u>Year ended 31 December 2015:</u></b>						
Total income						
External customers	11,961	27,193	3,745	33,435	-	76,334
Interest income	491	4	222	1	-	718
Inter-segment	1,854	-	1,692	194	(3,740)	-
	14,306	27,197	5,659	33,630	(3,740)	77,052
Results						
Amortisation and depreciation	(952)	(8,454)	(185)	(54)	11	(9,634)
Impairment of property, plant and equipment	-	(1,400)	-	-	-	(1,400)
Finance costs - interest expense	(606)	(3,173)	(193)	(29)	180	(3,821)
Finance costs – others	(109)	(244)	(25)	(5)	105	(278)
Allocation to Tokumei Kumiai Investors	(908)	-	-	-	-	(908)
(Loss)/ profit before tax	(681)	623	3,127	889	(58)	3,900
Other segment item is as follows:						
Capital expenditure	47,379	49,244	25	77	-	96,725
<b><u>Year ended 31 December 2014:</u></b>						
Total income						
External customers	7,674	20,227	3,336	35,079	-	66,316
Interest income	810	7	1	-	-	818
Inter-segment	1,531	-	644	229	(2,404)	-
	10,015	20,234	3,981	35,308	(2,404)	67,134
Results						
Amortisation and depreciation	(77)	(5,729)	(244)	(53)	6	(6,097)
Impairment of property, plant and equipment	-	(680)	-	-	-	(680)
Finance costs - interest expense	(219)	(1,992)	(176)	(29)	72	(2,344)
Finance costs – others	(13)	(235)	-	(5)	116	(137)
Allocation to Tokumei Kumiai Investors	68	-	50	-	-	118
(Loss)/ profit before tax	(914)	2,299	1,793	143	(72)	3,249
Other segment item is as follows:						
Capital expenditure	2,767	25,588	29	27	-	28,411

The segment assets and liabilities are as follows:

	Investment and Asset Management of Ships and Properties, Ship Finance Arrangement US\$'000	Ship Owning and Chartering US\$'000	Investment and Asset Management of Properties in Japan US\$'000	Hotel Operations in Japan US\$'000	Eliminations US\$'000	Group US\$'000
<b>As at 31 December 2015:</b>						
Segment assets						
Total assets	170,334	177,481	25,367	10,592	(69,622)	314,152
Segment liabilities						
Total liabilities	44,569	113,808	14,825	6,213	(5,437)	173,978
<b>As at 31 December 2014:</b>						
Segment assets						
Total assets	155,181	142,584	14,821	9,894	(63,596)	258,884
Segment liabilities						
Total liabilities	26,497	90,694	8,369	6,229	(11,317)	120,472

- 16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

For review of performance, please refer to item 8.

- 17 A breakdown of sales as follows:-

	2015 US\$'000	2014 US\$'000	% Change
Total income reported for first half year	38,022	33,063	15%
Profit after tax for first half year	4,169	2,708	54%
Total income reported for second half year	39,030	34,071	15%
Loss after tax for second half year	(649)	(600)	8%

- 18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	31 December 2015 S\$'000	31 December 2014 S\$'000
Ordinary - Proposed first and final Dividend	2,936	2,936

- 19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13).

**BY THE ORDER OF THE BOARD**

Michio Tanamoto  
Chairman, CEO  
24 February 2016