ANNUAL REPORT 2014

CONSOLIDATING FORWARD

UNI-ASIA HOLDINGS LIMITED
Registration No. CR-72229

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

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MISSION STATEMENT

Uni-Asia aims to be a truly trusted partner for our clients as a *producer of alternative investment opportunities* and *an integrated service provider relating to alternative investments* so as to deliver value to the Group's shareholders, clients and employees. To achieve this vision, we strive to improve the quality of our services to our clients, develop innovative new products to expand our clients' base for further growth, and strengthen our investment portfolio so as to generate recurrent returns.

PRODUCER OF ALTERNATIVE INVESTMENT OPPORTUNITIES

Uni-Asia produces and offers alternative investment opportunities for assets such as vessels and properties to our clients.

AN INTEGRATED SERVICE PROVIDER RELATING TO ALTERNATIVE INVESTMENTS

Uni-Asia provides integrated services relating to alternative asset investments such as

1. finance arrangement;
2. sale and purchase brokerage of ships and properties;
3. ship chartering as a ship owner;
4. ship chartering brokerage;
5. ship technical management;
6. project management;
7. property leasing arrangements;
8. property management;
9. construction management; and
10. hotel operation.

BUSINESS MODEL

1

- Acquire assets at competitive prices.
- Provide to clients solutions relating to alternative assets including ship finance arrangement, sale and purchase arrangement.

2

- Manage and/or operate assets to enhance asset value and recurrent income.

3

- Capital returns.
- Recurrent income including charter income, hotel income, administration fee income.
- Ad hoc fee including finance arrangement fee.

CHAIRMAN'S MESSAGE

Mr Michio Tanamoto
Chairman and CEO

DEAR VALUED SHAREHOLDERS,

On behalf of the Board and management, I am pleased to present to you the annual report of Uni-Asia Holdings Limited and its subsidiaries (the "Group" or "Uni-Asia") for the financial year ended 31 December 2014 ("FY2014"). In FY2014, the Group achieved an after tax profit of US$2.1 million. The Group has experienced numerous peaks and troughs in the volatile business environment since its founding in 1997. While FY2014's result was not a trough for the Group, neither was it a peak that management has worked hard for. However, the Group is determined that with our strong business foundation, as well as our dedication and resilience, our best days lie ahead of us. With this confidence, the Board has proposed an ordinary dividend of 0.625 Singapore cents per share, the same dividend amount as last year, subject to your approval at the forthcoming Annual General Meeting on 29 April 2015.

" THE GROUP IS DETERMINED THAT WITH OUR STRONG BUSINESS FOUNDATION, AS WELL AS OUR DEDICATION AND RESILIENCE, OUR BEST DAYS LIE AHEAD OF US."

OVERVIEW OF FY2014

SHIPPING

Shipping market has been sluggish for a prolonged period. The Baltic Dry Index, which is a barometer of health of the dry bulk industry as well as the broader global economy, had remained weak in 2014 due to depressed commodity prices and lower Chinese iron ore and coal imports. Most of our vessels under Uni-Asia Shipping Limited ("Uni-Asia Shipping"), the Group's ship owning subsidiary, are contracted to charterers with medium term fixed time charter rates. Such contracts are less susceptible to market fluctuations and had helped to buffer the dismayed performance of the few vessels in Uni-Asia Shipping's portfolio with index-linked floating time charter rates. In 2014, Uni-Asia Shipping took delivery of an additional newly ordered dry bulk carrier. After tax profit of Uni-Asia Shipping was US$2.2 million for FY2014.

Global container shipping market has been hit hard by severe tonnage glut. Inflow of ultra-large Post-Panamax vessels contributed to the rapid expansion of global container fleet. While the Group has not been investing in container vessels in recent years, the container vessels in the Group's existing portfolio have not been spared from the current adverse container market. In particular, the valuation of three 3,500 TEU container vessels purchased in 2007 and held by Akebono Fund, in which the Group has 36.45% interests, were severely hit, resulting in the Group recognising additional fair valuation losses in FY2014.

CHAIRMAN'S MESSAGE

PROPERTY AND HOTEL

While shipping market was difficult in 2014, it proved to be another good year for our property segment. The Group's investments in small residential property projects continue to contribute to the Group's bottomline as we sold 3 projects in 2014 with good returns due to the rising property market in Tokyo. Other than small residential property investments, the Group had also disposed of hotel and residential projects held under investment funds and investment companies in Japan. Such investment funds and investment companies, in which the Group has a minority stake, are managed by Uni-Asia Capital (Japan) Limited ("UACJ"). As a result of such disposal, UACJ was able to earn arrangement and incentive fees, as well as enjoy capital returns. In addition to managing investments, UACJ utilised her small residential property project management expertise to help our clients with construction management of similar projects. UACJ would source for suitable land, develop the property and find tenants for the property. For FY2014, UACJ recorded an after tax profit of US$1.8 million.

In Hong Kong, the Group joined a consortium with other third party non-related investors led by First Group Holdings Limited in a bid and won the land at 650 Cheung Sha Wan Road. The land is currently being developed into a commercial office building to be completed by 2017. The Group's proportionate share in this investment is around 13.3% at US$10.4 million.

Meanwhile in China, the Group disposed of 5 of the 14 office units in China Shine Plaza in Guangzhou, China. The Group is now looking to dispose of the remaining of these office units.

Turning to our hotel business in Japan, our hotels enjoyed good average occupancy rates throughout the year and recorded an after tax profit of US$0.1 million for FY2014 as Japan witnessed increased tourist arrivals in 2014 due mainly to the weak Japanese yen. Our hotel operating subsidiary in Japan, Vista Hotel Management Co., Ltd, clinched a new hotel operating contract in 2014 for Hotel Vista Sendai. This hotel is currently under construction and is slated to open in the spring of 2016.

FY2015 AND BEYOND

Uni-Asia aims to be a truly trusted partner for our clients as a producer of alternative investment opportunities and an integrated service provider relating to alternative investments so as to deliver value to the Group's shareholders, clients and employees.

To achieve this vision, we strive to improve the quality of our services to our clients, develop innovative new products to expand our clients' base for further growth, and strengthen our investment portfolio so as to generate recurrent returns.

As part of this strategy, Uni-Asia Shipping has been building up its fleet with newer and better newbuilding vessels over the past years. Uni-Asia Shipping owns nine dry bulk carriers, of which six were delivered and chartered out as at 31 December 2014 and two more vessels were delivered on 9 February 2015 and 2 March 2015. The last of the nine will be delivered in 2016. In addition, Uni-Asia Shipping will commercially manage three dry bulk carriers held by three joint investment companies which Uni-Asia Holdings Limited owns 18% in each of these companies. Together, Uni-Asia Shipping will boast a fleet of twelve vessels. Our strategy of having Uni-Asia Shipping providing a stable recurrent income base is slowly taking shape and will bear dividend in the coming years.

In the current shipping markets and the outlook of rising interest rate, we see potential in our structured finance arrangement business in arranging cost effective financing solutions for our clients. Our team is working hard to source for new deals and create innovative solutions to our clients so as to boost our structured finance arrangement business.

In property market arena, we will continue to expand our small residential property project portfolio and our construction management business in Japan, as well as explore new business opportunities with our expertise in Japan property. While we disposed of our property investments that had generated good returns, we will continue to allocate resources to property investments so our portfolio can be continually renewed to generate recurrent profit and cash flow.

ACKNOWLEDGEMENT AND APPRECIATION

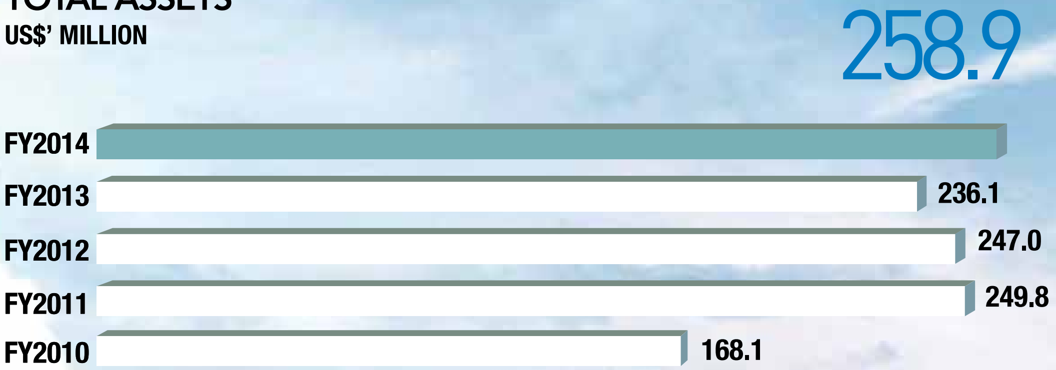
In 2014, my co-founder and good friend, Mr Kazuhiko Yoshida decided to retire as the Chairman and CEO of the Group as he believes that it is important for a company to have a continual renewal of new blood so as to reach greater heights. On behalf of the Board and management, I wish to thank Mr Yoshida for his leadership, vision and many valuable contributions to the Group.

I would also like to take this opportunity to thank Uni-Asia's Board of Directors, management and employees for the hard work, dedication and commitment, as well as to thank our clients, business partners, bankers and our shareholders for the constant faith and support in Uni-Asia.

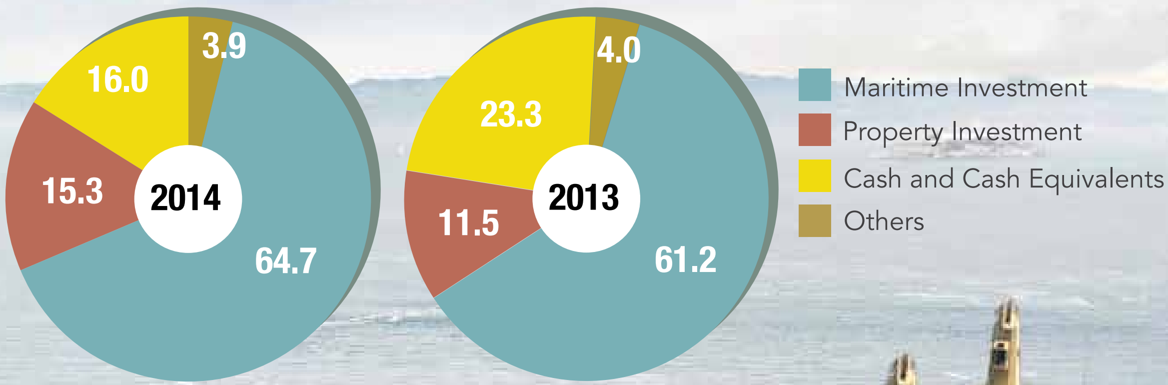
Michio Tanamoto
Chairman and CEO
Uni-Asia Holdings Limited
18 March 2015

GROUP FINANCIAL HIGHLIGHTS

TOTAL ASSETS
US$' MILLION

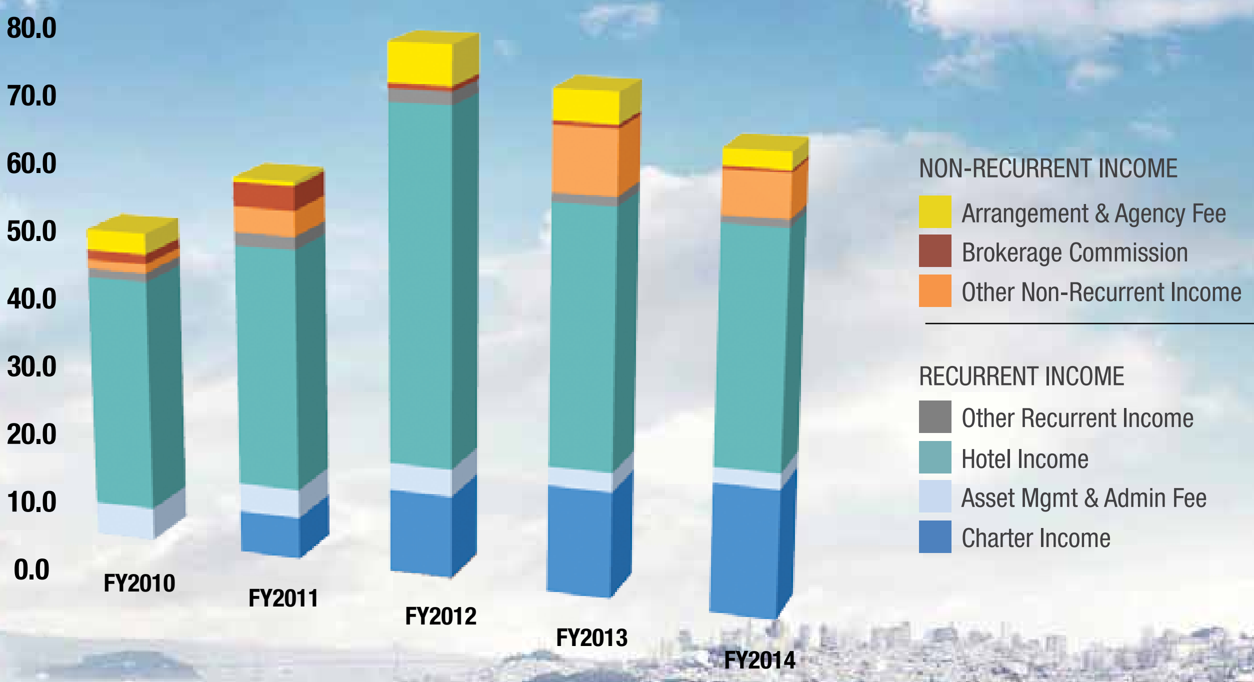


TOTAL ASSETS ALLOCATION (%)



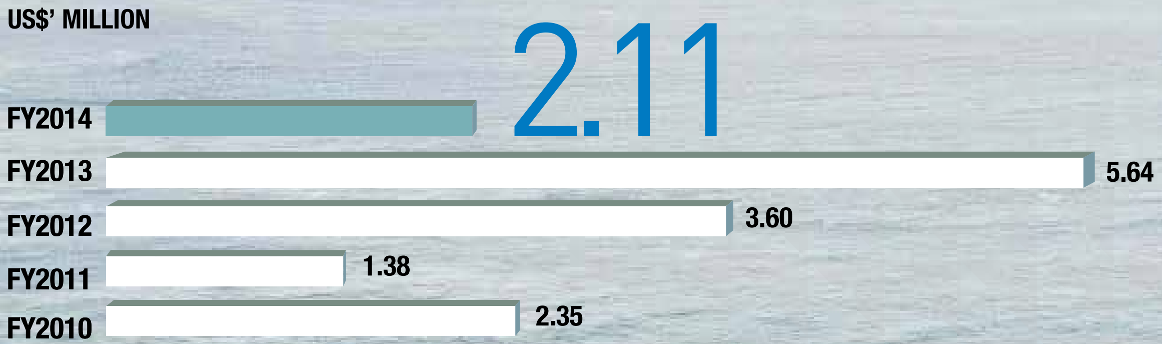
TOTAL INCOME TREND

US$' MILLION



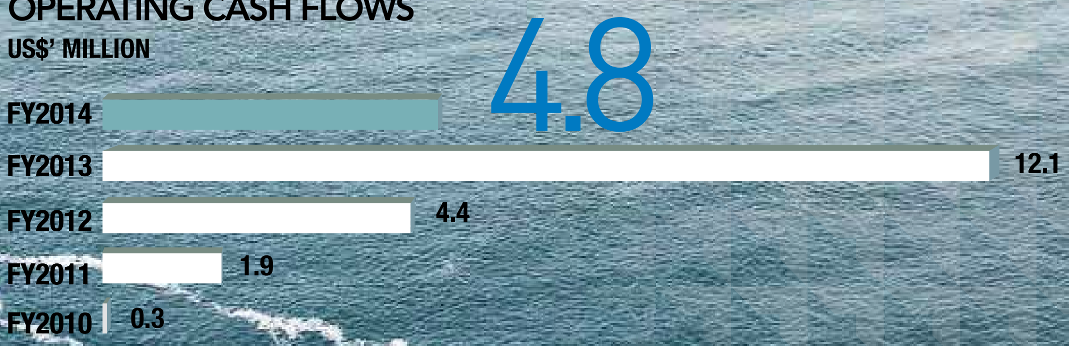
NET PROFIT AFTER TAX

US$' MILLION



OPERATING CASH FLOWS

US$' MILLION



GROUP FINANCIAL REVIEW

1. GROUP FINANCIAL PERFORMANCE

Selected Data	FY2014 US$'000	FY2013 US$'000	Change %
Charter income	19,396	16,190	20%
Fee income	6,729	8,769	(23%)
Hotel income	34,971	38,735	(10%)
Investment returns	4,672	7,287	(36%)
Interest and other income	1,366	2,897	(53%)
Total income	67,134	73,878	(9%)
Employee benefits expenses	(14,060)	(16,165)	(13%)
Amortisation and depreciation	(6,097)	(5,283)	15%
Vessel operating expenses	(8,306)	(7,287)	14%
Hotel lease expenses	(11,880)	(11,772)	1%
Hotel operating expenses	(14,834)	(16,749)	(11%)
Other operating expenses	(6,345)	(6,081)	4%
Total operating expenses	(61,522)	(63,337)	(3%)
Operating profit	5,612	10,541	(47%)
Finance Costs - interest expense	(2,344)	(2,233)	5%
Finance Costs - others	(137)	(276)	(50%)
Allocation to Tokumei Kumiai investors	118	(2,223)	105%
Profit before tax	3,249	5,809	(44%)
Income tax expense	(1,141)	(168)	N/M
Profit for the year	2,108	5,641	(63%)

TOTAL INCOME

Total income of the Group was $67.1 million for FY2014, a 9% decline from FY2013. 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 20% from $16.2 million for FY2013 to $19.4 million for FY2014. In July 2014, the sixth vessel owned by Uni-Asia Shipping Limited, the Group's ship owning subsidiary, was delivered and chartered out. This contributed to the Group's charter income. The increase in charter income is in line with the Group's strategy to build up a recurrent income base from charter income.

(II) FEE INCOME

Total fee income decreased by 23% to $6.7 million in FY2014 from $8.8 million in FY2013. The major components of fee income include arrangement and agency fee, asset management and administration fee as well as incentive fee.

Arrangement and agency fees are mainly fee derived from ad hoc structured finance arrangement deals. Arrangement and agency fees declined by 46% from $4.5 million for FY2013 to $2.4 million for FY2014 due to absence of significant arrangement deals in FY2014, as many ship owners adopted a wait-and-see approach towards ship acquisition in view of the uncertain ship market and global economy.

Asset management and administration fee saw a reduction of 18% for FY2014 compared to FY2013 as the assets under management by the Group's Japan subsidiary, Uni-Asia Capital (Japan) Limited ("UACJ") decreased as many of the funds managed by UACJ reached the end of the management period.

On the other hand, the realisation of the investment under management by UACJ contributed to the Group's incentive fee income. Incentive fee for the Group was $1.5 million for FY2014 compared to $0.8 million for FY2013.

(III) HOTEL INCOME

In FY2014, the Group's hotel income had increased in JPY terms as compared to FY2013 due to increase in tourists into Japan, but due to depreciation of JPY against USD, FY2014 hotel income was $35.0 million compared to $38.7 million in FY2013 in USD terms. Average occupancy rate and daily rate of the Group's hotels had increased vis-à-vis 2013.

(IV) INVESTMENT RETURNS

In FY2014, the Group partially disposed of its Guangzhou office properties, resulting in a booking of $1.3 million realised gain on investment properties while reversing of $0.9 million of fair value gain previously recognised for the same properties. Realised receipt of $1.2 million investment returns from a distressed asset investment was booked in 1Q2014. However, the Group recognised fair value losses mainly from its container ships in the portfolio as a result of the continued depressed container shipping market. Net fair value losses from shipping investment were $2.6 million for FY2014. Investment returns were positive $4.7 million for FY2014, a decrease of 36% from FY2013.

TOTAL OPERATING EXPENSES

Total operating expenses for the Group declined 3% from $63.3 million in FY2013 to $61.5 million in FY2014.

Employee benefits expenses and hotel operating expenses reduced by 13% and 11% respectively in FY2014 compared to FY2013 mainly due to depreciation of JPY against USD as well as reduced average number of hotels under operation in FY2014 compared to FY2013. On the other hand, in line with the increase in vessel fleet, depreciation expense and vessel operating expenses increased by 15% and 14% respectively for FY2014 compared to FY2013.

OPERATING PROFIT

The Group posted an operating profit of $5.6 million for FY2014.

NET PROFIT AFTER TAX

Finance costs increased by 5% in FY2014 compared to FY2013 due mainly to increase in borrowings to finance delivery of vessel.

The Group posted a net profit of $2.1 million for FY2014.

GROUP FINANCIAL REVIEW

2. GROUP FINANCIAL POSITIONS

Selected Data	31 Dec 2014 US$'000	31 Dec 2013 US$'000
Total assets	**258,884**	**236,147**
Property, plant and equipment	130,444	111,923
Investments (current and non-current)	46,178	33,745
Deposits for purchase of vessels	13,899	6,895
Deposits pledged as collateral	5,188	7,378
Cash and bank balances	36,321	47,566
Other assets	26,854	28,640
Total liabilities	**120,472**	**95,934**
Borrowings (current and non-current)	110,808	86,113
Other liabilities	9,664	9,821
Total shareholders' equity	**138,412**	**140,213**

The Group's total assets increased by 10% from $236.1 million on 31 December 2013 to $258.9 million on 31 December 2014. Property, plant and equipment increased by $18.5 million due mainly to the delivery of an additional vessel to the Group. Investments increased by $12.4 million due mainly to the Group's investment in a commercial office development project in Hong Kong. Deposits for purchase of vessels increased by $7.0 million due mainly to scheduled payments for ships under construction.

Total liabilities increased to $120.5 million on 31 December 2014 from $95.9 million on 31 December 2013 due mainly to increase in borrowings for property and ship related investments.

Total shareholders' equity decreased $1.8 million due mainly to negative exchange reserve from translation of Japan subsidiaries as a result of depreciation of JPY against USD.

3. GROUP CASH FLOWS

Selected Data	FY2014 US$'000	FY2013 US$'000
Net cash flows generated from operating activities	4,800	12,142
Net cash flows (used in)/ generated from investing activities	(36,169)	4,472
Net cash flows generated from/ (used in) financing activities	22,574	(10,008)
Net (decrease)/ increase in cash and cash equivalents	(8,795)	6,606
Net effects of foreign exchange rate changes	(2,450)	(2,306)
Cash and cash equivalents at beginning of the year	47,566	43,266
Cash and cash equivalents at end of the year	36,321	47,566

The Group's cash and cash equivalents decreased by $11.3 million from $47.6 million in FY2013 to $36.3 million in FY2014.

Cash flows generated from operating activities amounted to $4.8 million for FY2014 compared to $12.1 million in FY2013. While charter income and incentive fee contributed to FY2014 operating cash flow, lower ad hoc finance arrangement fees coupled with lower asset management fee income from subsidiary, UACJ, resulted in lower operating cash flow for FY2014 compared to FY2013.

Cash flows used in investing activities were $36.2 million for FY2014 due to ship and property investments made in FY2014, including the Group's investment in a new commercial office development project at 650 Cheung Sha Wan Road in Hong Kong as well as payment for delivery of wholly owned vessel in July 2014.

Cash flows generated from financing activities were $22.6 million in FY2014 due mainly to new borrowings in FY2014 to finance investment acquisitions offset by scheduled borrowings repayments. Dividend for FY2013 approved in AGM was paid in 2Q2014.

CORPORATE MILESTONES

2014

- Mr Kazuhiko Yoshida retired as Chairman and CEO and was appointed Counsellor to the Chairman and CEO.
- Mr Michio Tanamoto was appointed Chairman and CEO, and Mr Masaki Fukumori was appointed COO of the Group.
- Placed order for a 51% owned handysize bulker. Ships owned by Uni-Asia Shipping increased to 9 and ship portfolio under Uni-Asia Shipping including ships under commercial management increased to 12.
- Took delivery of the 6th vessel owned by Uni-Asia Shipping in July.
- The Group invested in its second Hong Kong property redevelopment project at 650 Cheung Sha Wan Road. The land is being developed into a commercial office building to be completed by 2017.
- Completed sale of 3 small residential projects.
- Sold 5 of the 14 office units in China Shine Plaza in Guangzhou, China.
- Business office in Hong Kong moved to 30/F., Prosperity Millennia Plaza, No. 663 King's Road, North Point, Hong Kong.

2013

- Company name was changed from Uni-Asia Finance Corporation to "Uni-Asia Holdings Limited" to better reflect the business of the Company.
- Established a new subsidiary in Taiwan.
- Acquired 51% stake in Wealth Ocean Ship Management Shanghai Co., Ltd, a ship management company to boost the Group's ship management capability.

2012

- Capital Advisers changed its company name to Uni-Asia Capital (Japan) Ltd. ("UACJ").
- Completed and sold first small residential project "ALERO ShimoMeguro".

2011

- Restructured the Company's shareholding structure in Japan subsidiaries with wholly owned subsidiary Uni-Asia Hotels Limited ("Uni-Asia Hotels") acquiring the shares of the three hotel operating companies from Capital Advisers. Uni-Asia Hotels is now the main subsidiary group of the Company focusing on hotel operating business.
- Issued 156,597,600 new shares by way of Rights Issue. Paid-up capital was increased from US$50,111,232 comprising 313,195,200 shares to US$75,166,848 comprising 469,792,800.
- Increased equity interest in Capital Advisers to 99.5%.

2010

- Increased equity interest in Capital Advisers to 96.9%.
- Uni-Asia Shipping Limited was established as a wholly owned subsidiary of the Company to invest wholly or majority in ships.

2009

- Issued 52,199,200 new shares via private placement. Paid-up capital was increased from US$41,759,360 comprising 260,996,000 shares to US$50,111,232 comprising 313,195,200 shares.

2008

- Increased equity interest in Capital Advisers to 92.7%.
- Increased equity interest in Uni Ships and Management Limited to 100%.

2007

- Successfully listed on the Main Board of Singapore Exchange Securities Trading Limited.
- Acquired 14 office units in China Shine Plaza located in Guangzhou, China.

2005

- Capital Advisers acquired Sun Vista Co., Ltd, a hotel operating company from an unrelated third party. This is the beginning of the Group's venture into hotel operating business.

2003

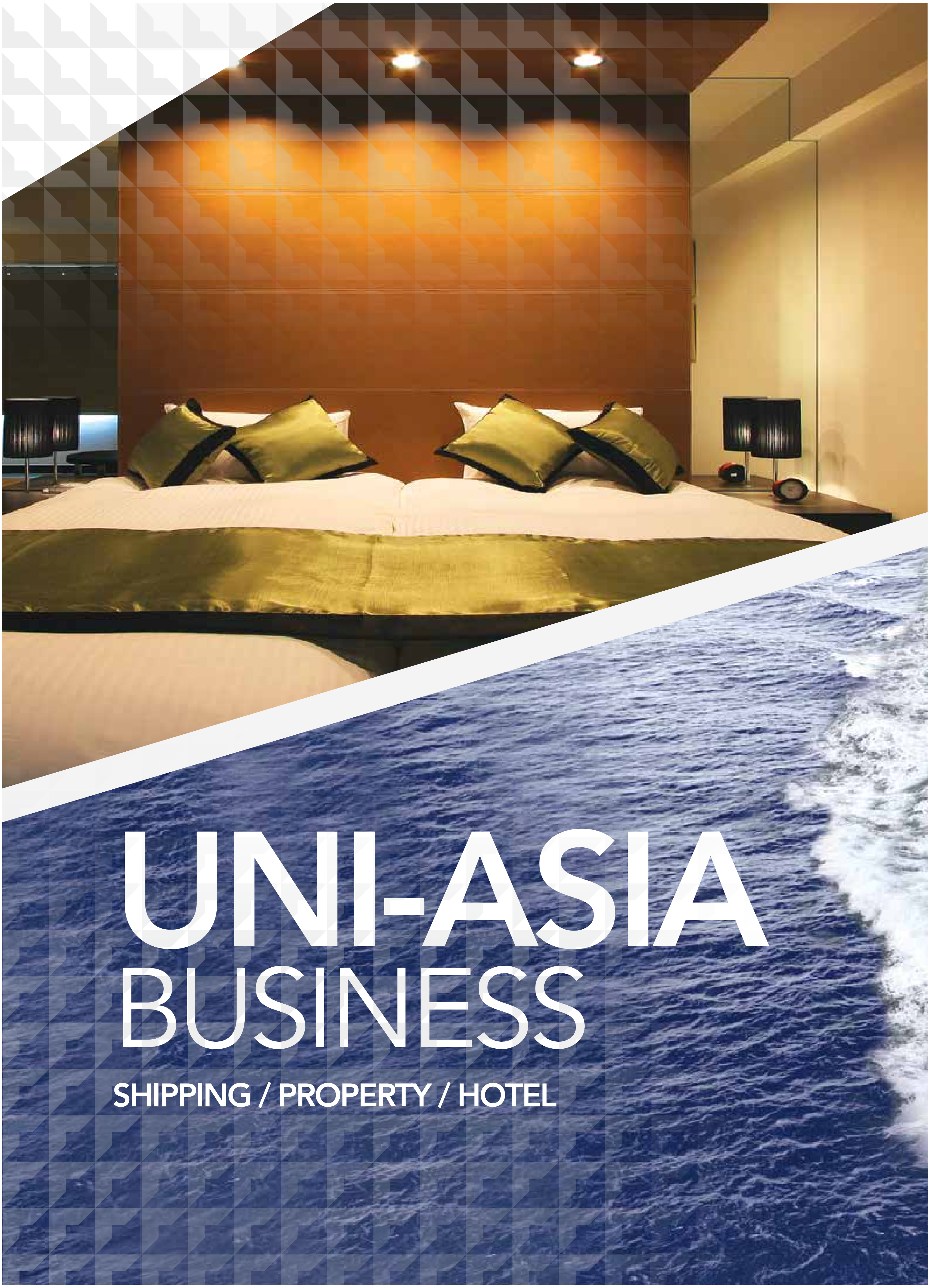
- Capital Advisers issued new shares to third parties. Our equity interest in Capital Advisers was reduced to 44.8%.

2000

- Capital Advisers Co., Ltd. ("Capital Advisers") was established as a wholly owned subsidiary of the Company in Japan for property investment and management.

1997

- Uni-Asia Finance Corporation ("Uni-Asia") was incorporated in the Cayman Islands with business presence in Hong Kong and Singapore.



UNI-ASIA BUSINESS

SHIPPING / PROPERTY / HOTEL

SHIPPING BUSINESS

SERVICES OFFERED BY THE GROUP'S SHIPPING ARM

The business strategy employed by the Group towards shipping is to offer one-stop integrated ship-related service solutions for clients. Ship investors can approach us for ship investments; ship operators can look for us for ship chartering and management; and ship owners can contact us for ship finance arrangement solutions. The Group's shipping business is managed by Uni-Asia Holdings Limited and its wholly-owned subsidiaries, Uni-Asia Shipping Limited ("Uni-Asia Shipping"), Uni-Asia Capital (Singapore) Limited, as well as Uni Ships and Management Limited. Each of these teams has its own area of responsibilities yet work closely with each other to derive the greatest value from the Group's shipping arm. The following are the services we offer:

UNI-ASIA SHIPPING LIMITED

- Owning of ships
- Chartering of ships to third party ship operators
- Commercial management of ships

UNI-ASIA HOLDINGS LIMITED & UNI-ASIA CAPITAL (SINGAPORE) LIMITED

- Investment management of ships under joint investment companies and shipping funds
- Management and administration of joint investment companies and shipping funds
- Finance arrangement solutions
- Tax oriented lease arrangement

UNI SHIPS AND MANAGEMENT LIMITED

- Shipping related brokerage services for chartering as well as sale and purchase of ships
- Technical management of ships

UNI-ASIA SHIPPING

Uni-Asia Shipping has been earmarked as the Group's shipping owning subsidiary focusing on owning a fleet of dry bulk carriers to provide a stable recurrent charter income base to the Group. Further, Uni-Asia Shipping is able to provide commercial management of ships and has started providing such services to external clients. Uni-Asia Shipping is appointed as a commercial manager for 3 ships under joint investment companies and will receive recurrent commercial management fee income.

SHIP PORTFOLIO LIST UNDER UNI-ASIA SHIPPING

UNI-ASIA HOLDINGS LIMITED

100%

UNI-ASIA SHIPPING LIMITED

	Subsidiary Name	DWT	Shipyard	Built	Delivered/ Delivery	Charter Status
83%	Hope Bulkship S.A.	29,000	Y-Nakanishi	May-2011	May-2011	On time charter
100%	Karat Bulkship S.A.	28,709	Shin-Kurushima	Jun-2007	May-2011	On time charter
100%	Imperial Bulkship S.A.	29,100	Y-Nakanishi	Jun-2012	Jun-2012	On time charter
100%	Luna Bulkship S.A.	28,300	Kanda	May-2001	Sep-2011	On time charter
100%	Jade Bulkship S.A.	37,000	Onomichi	Jun-2013	Jun-2013	On time charter
100%	Jubilee Bulkship S.A.	37,000	Imabari	Jul-2014	Jul-2014	On time charter
51%	Regina Bulkship S.A.	37,000	Imabari	Feb-2015	Feb-2015	On time charter
100%	Mable Bulkship S.A.	37,000	Imabari	Mar-2015	Mar-2015	On time charter
100%	Nora Bulkship S.A.	37,000	Imabari	Newbuilding	1Q 2016	Charter fixed

SHIPPING BUSINESS

The Group has extensive experience in ship asset investment management and administration, commercial and technical management of ships as well as arrangement of financing solutions for assets including ships. By investing in joint investment and shipping fund, the Group is able to enjoy investment returns and at the same time receive fees from administrating and managing these investments.

SHIP PORTFOLIO LIST UNDER JOINT SHIP INVESTMENT COMPANIES AND SHIPPING FUND

	Type	Capacity	Year of Built	Shipyard	Flag	Remarks
1	Product Tanker	47,094 DWT	2004	Onomichi	Panama	Held by Akebono Fund
2	Product Tanker	50,000 DWT	2010	Onomichi	Panama	Held by Akebono Fund
3	Container	3,500 TEU	2007	Hyundai Mipo	Italy	Held by Akebono Fund
4	Container	3,500 TEU	2007	Hyundai Mipo	Italy	Held by Akebono Fund
5	Container	3,500 TEU	2007	Hyundai Mipo	Italy	Held by Akebono Fund
6	Bulker	29,000 DWT	2009	Y-Nakanishi	Hong Kong	
7	Bulker	37,300 DWT	2011	Imabari	Hong Kong	
8	Bulker	29,000 DWT	2012	Y-Nakanishi	Singapore	
9	Container	4,300 TEU	2007	Hyundai Mipo	Panama	
10	Container	4,300 TEU	2007	Hyundai Mipo	Panama	
11	Bulker	57,000 DWT	1Q2015	Tsuneishi	Hong Kong	Commercially managed by Uni-Asia Shipping
12	Bulker	57,000 DWT	4Q2015	Tsuneishi	Hong Kong	On order / To be commercially managed by Uni-Asia Shipping
13	Bulker	37,000 DWT	2Q2016	Imabari	Hong Kong	On order / To be commercially managed by Uni-Asia Shipping

In terms of ship management, the Group owns Wealth Ocean Ship Management Shanghai Co., Ltd, a ship management company based in Shanghai. Having a ship management company allows us to better control the management of our vessels thereby delivering better value to our vessel charterers. At the same time, our ship management company is able to ensure better upkeep of our vessels thus preserving the value of our vessels.

Uni-Asia's strategy is to be an integrated service provider for maritime investment. We differentiate ourselves from other players by being able to offer our clients and investors a wide array of maritime services from ship investment, ship chartering and ship management, to ship finance arrangement solutions. This strategy provides us with resilience as well growth in the long term.


UNI-ASIA'S STRATEGY IS TO BE AN INTEGRATED SERVICE PROVIDER FOR MARITIME INVESTMENT OFFERING A WIDE ARRAY OF MARITIME SERVICES

PROPERTY BUSINESS

SERVICES OFFERED BY THE GROUP'S PROPERTY INVESTMENT AND MANAGEMENT ARM

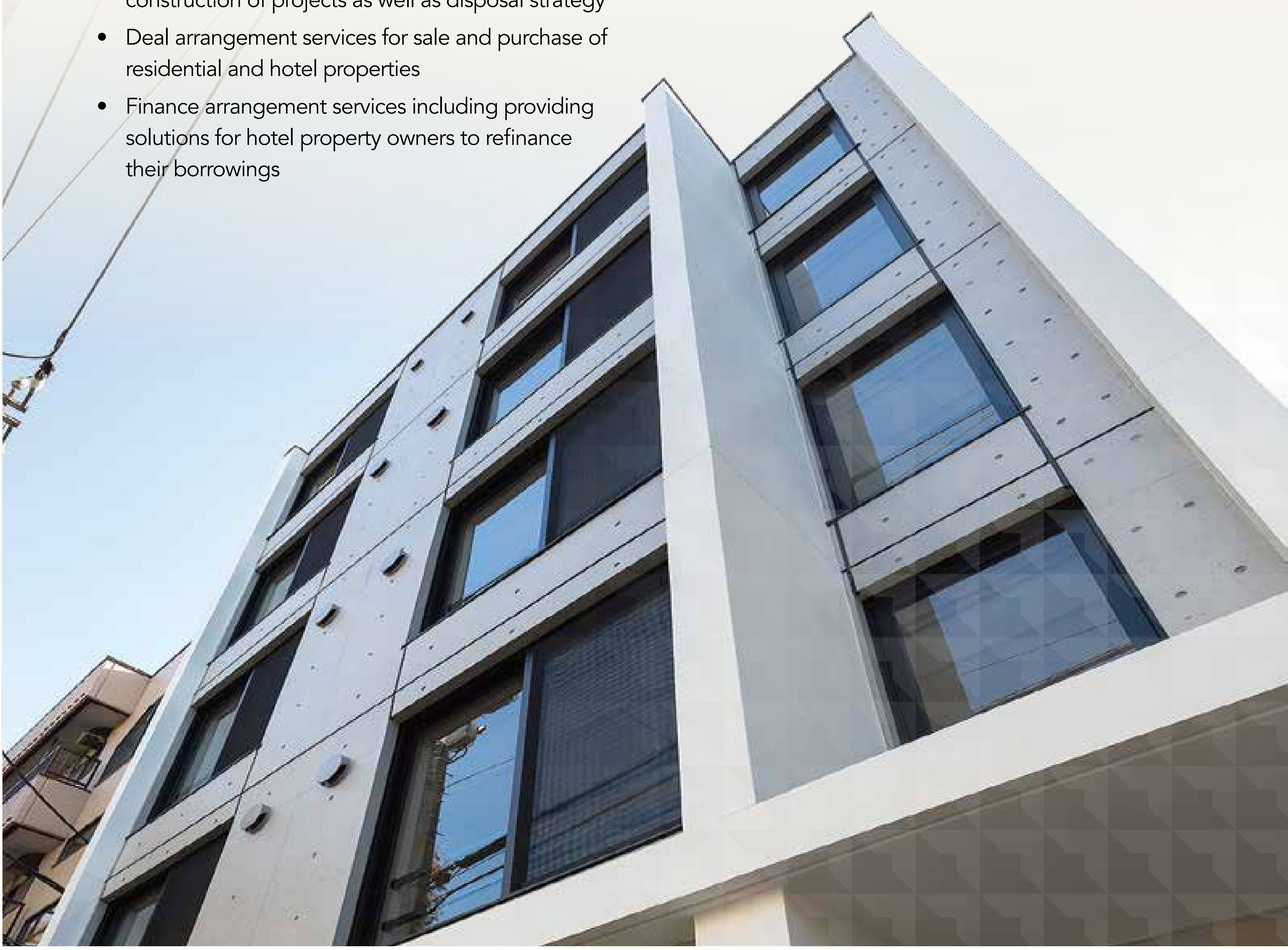
The Property Investment and Management business of the Group is managed by Property Investment Department ("PID") in Hong Kong as well as the property investment and management arm in Japan, Uni-Asia Capital (Japan) Limited ("UACJ"). The two teams each has its own area of focus, yet work hand-in-hand to leverage on each other's strengths to create positive synergies for the Group. The following are the services offered:

UNI-ASIA CAPITAL (JAPAN) LIMITED

- Property investment advisory in Japan
- Management of property investment funds, including residential and hotel funds. Expertise includes deal sourcing, cash flow management and disposal strategy
- Management of small residential property development projects in Tokyo under the brand name "ALERO". Expertise includes sourcing for suitable sites, overseeing of design and construction of projects as well as disposal strategy
- Deal arrangement services for sale and purchase of residential and hotel properties
- Finance arrangement services including providing solutions for hotel property owners to refinance their borrowings

PROPERTY INVESTMENT DEPARTMENT IN HONG KONG

- Property investment advisory
- Investment / joint investment in property projects in China, Hong Kong, Japan and other countries in Asia
- Introduction of investors in Asia ex-Japan for investments into Japan and vice versa
- Marketing of small residential projects in Tokyo to investors
- Distressed assets management



HONG KONG PROPERTY INVESTMENTS

1ST HONG KONG PROPERTY PROJECT

- The Group's 1st investment into Hong Kong property redevelopment project was a project at 35 Hung To Road in Kwun Tong, Kowloon East, Hong Kong invested in 2010 which was successfully completed in 2013.
- The Group invested US$2.2m and obtained US$8.3m including cost, gain and fees.

2ND HONG KONG PROPERTY PROJECT

- The Group's 2nd Hong Kong property redevelopment project is located at 650 Cheung Sha Wan Road in Hong Kong.
- The Group has a proportionate share of around 13.3% or HKD80.0 million (around USD10.4 million).
- The land is being developed into a commercial office building slated to be completed by 2017.

1. Original building on the land before demolition

2. Original building while undergoing demolition

3. Current land after demolition

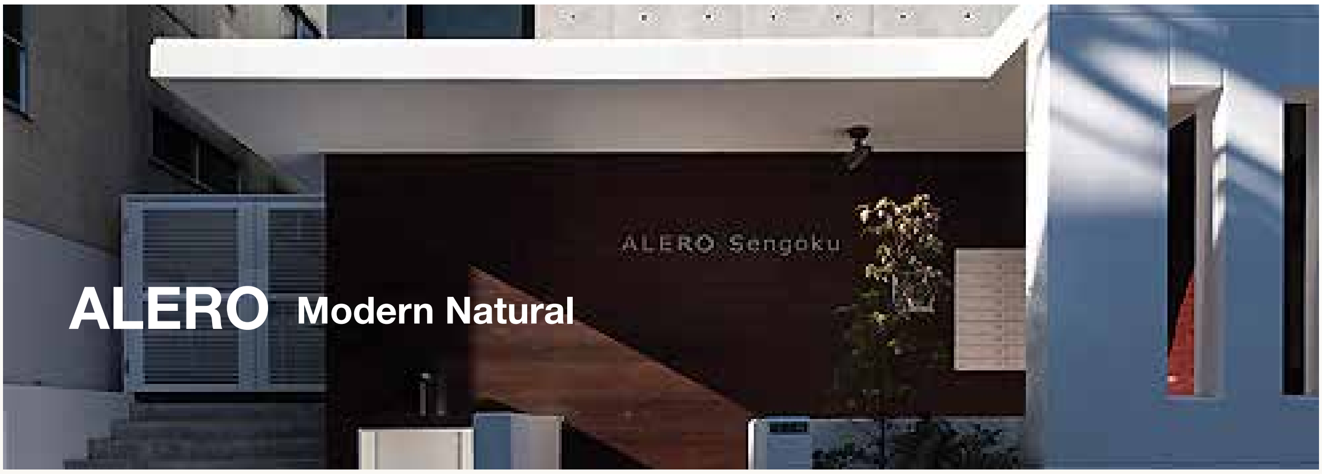
4. Designer's drawings on completed building

CHINA PROPERTY INVESTMENT

- The Group invested in 14 office units in China Shine Plaza in Guangzhou China with a total gross area of 1,320 sqm in 2007.
- 5 of the units were sold in 2014 with a gain.

China Shine Plaza in Guangzhou, China

PROPERTY BUSINESS

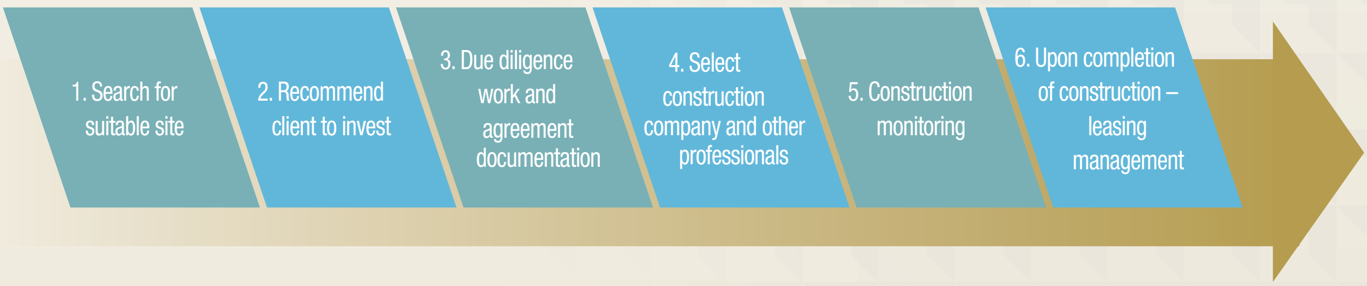


SMALL RESIDENTIAL PROPERTY PROJECTS IN JAPAN

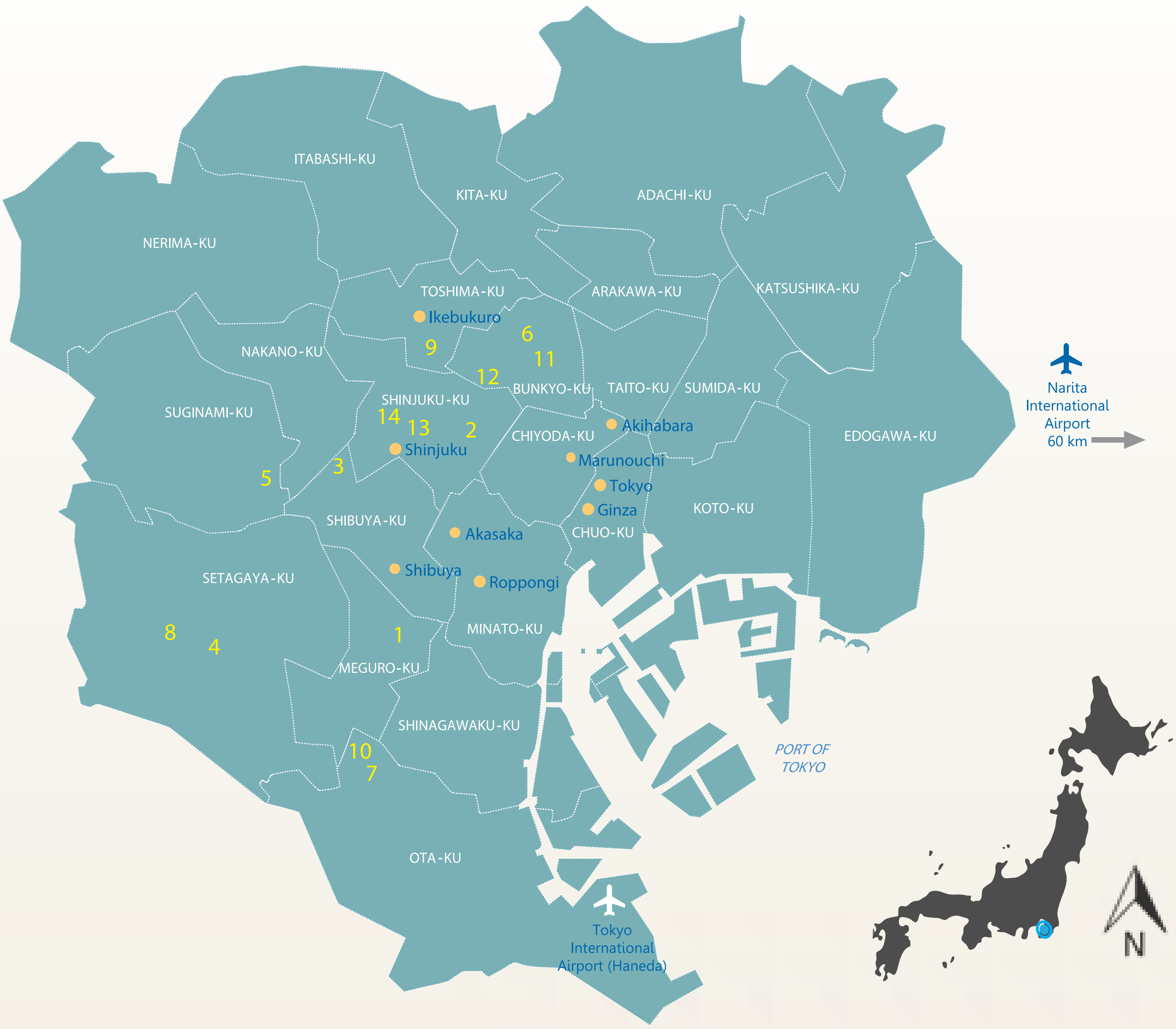
- In Japan, the Group specializes in small residential property projects in Tokyo.
- The Group would source for suitable sites, invest in the site and redevelop the sites into 4 - 5 storey buildings with 10 - 30 units of studio or maisonette type flats.
- These units are popular with working singles/couple.
- These projects are marketed under the brand name of "ALERO".
- The Group's exit strategy is either to sell the property en bloc or lease out for rental income.

CONSTRUCTION MANAGEMENT IN JAPAN

- Utilising our Small Residential Property project expertise, UACJ helps external clients with construction management of similar projects. An overview of construction management process:



SMALL RESIDENTIAL PROJECTS IN TOKYO, JAPAN



SOLD **1. ShimoMeguro Project** Completed in Sep 2012	FOR LEASE **8. ChitoseFunabashi Project** Completed in Nov 2014
SOLD **2. Akebonobashi Project** Completed in Mar 2013	FOR LEASE **9. Mejiro Project** Completed in Nov 2014
SOLD **3. Hatagaya Project** Completed in Jun 2013	**10. Ookayama3 Project** Scheduled for completion in Aug 2015
SOLD **4. Sakura-shimmachi Project** Completed in Oct 2013	**11. Hakusan2 Project** Scheduled for completion in Sep 2015
SOLD **5. Honancho Project** Completed in Jan 2014	**12. Edogawabashi Project** Scheduled for completion in Jul 2015
SOLD **6. Sengoku Project** Completed in Mar 2014	**13. Nishi Waseda Project** Scheduled for completion in Feb 2016
SOLD **7. Ookayama Project** Completed in Jul 2014	**14. Takadanobaba Project** Scheduled for completion in Jun 2016

As at 28 February 2015

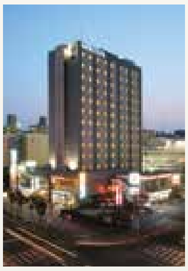
HOTEL BUSINESS

The Group's hotel operating arm, Vista Hotel Management Co., Ltd ("VHM") operates 8 hotels under "Hotel Vista" brand name and 1 hotel under "JAL City Naha". VHM licenses "Hotel Vista" brand name to the hotel operator of Hotel Vista Grande Osaka.

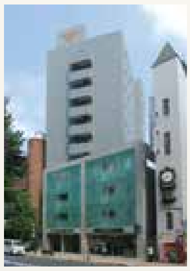
The rooms in our hotels adopt a unique yet functional layout design such as the separation of bathroom and washroom. Such designs are popular with Japanese customers. Accordingly, VHM hotels received good reviews from customers on online travel websites and have many repeat customers.


Hotel: Hotel Vista Sapporo Najima Kohen
Location: Sapporo Hokkaido
Number of rooms: 113


Hotel: Hotel Vista Kamata, Tokyo
Location: Kamata, Tokyo
Number of rooms: 105

Hotel: Hotel Vista Ebina
Location: Ebina, Kanagawa
Number of rooms: 176

Hotel: Hotel Vista Atsugi
Location: Atsugi, Kanagawa
Number of rooms: 165


Hotel: Hotel Vista Premio Kyoto
Location: Kyoto, Kyoto
Number of rooms: 84


Hotel: Hotel Vista Kumamoto Airport
Location: Kumamoto, Kumamoto
Number of rooms: 139

Hotel Vista Premio Kyoto is listed in "MICHELIN Guide KANSAI 2015".
This hotel is listed as a two–Michelin star and is the first time being listed.

SERVICES OFFERED BY VISTA HOTEL MANAGEMENT CO., LTD

- Hotel operations under "Hotel Vista" brand name or a brand name as dictated by the owner of the hotel
- Hotel pre-opening services, including assistance in planning of hotel layout and logistic advisory
- Hotel development advisory
- Hotel renovation and improvement management
- Licensing of the "Hotel Vista" brand name

Hotel: Hotel Vista Shimizu
Location: Shimizu, Shizuoka
Number of rooms: 152

Hotel: Hotel Vista Premio Dojima
Location: Dojima, Osaka
Number of rooms: 141

Hotel: Hotel JAL City Naha
Location: Naha, Okinawa
Number of rooms: 304

Hotel: Hotel Vista Grande Osaka
Location: Soemoncho, Osaka
Number of rooms: 304

"Hotel Vista" brand name is licensed to the operator of Hotel Vista Grande Osaka.

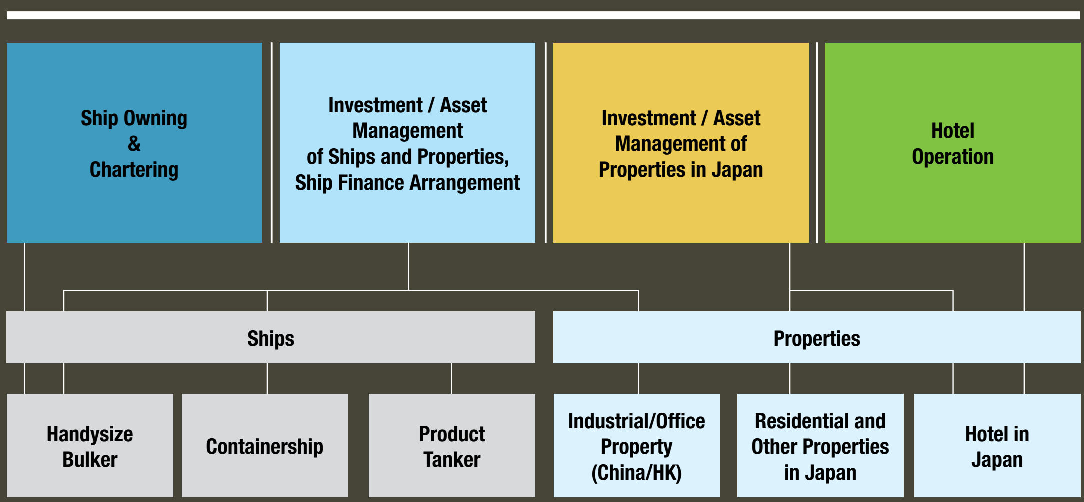
NEW HOTEL OPERATING CONTRACTS FOR HOTELS UNDER CONSTRUCTION

1. Hotel Vista Premio Yokohama Minato-Mirai (scheduled for opening in 2017 spring)
   - The hotel will be built in "Minato Mirai 21" ("MM21") in Yokohama Bay area with 232 rooms.
   - Construction of the hotel started in January 2015.
   - MM21 is an area in Yokohama Bay that is seeing a growth in the number of companies, restaurants, shops and cultural facilities. International conferences are often being held in MM21 area and the area is expected to get more popular in the future.

2. Hotel Vista Sendai (scheduled for opening in 2016 spring)
   - This is the first time VHM operates Hotel Vista in Tohoku area.
   - Sendai is the central business city of Tohoku area. Many companies set up their branches in Sendai as a hub to other parts of Tohoku.
   - The hotel is approximately 4 minutes' walk from Sendai station. A new subway station, Miyagino-dori station scheduled for opening in 2015, is one minute's walk from the hotel.
   - Construction of the hotel started in January 2015.
   - The hotel will have 238 rooms.

BUSINESS SEGMENTS

UNI-ASIA GROUP OF COMPANIES



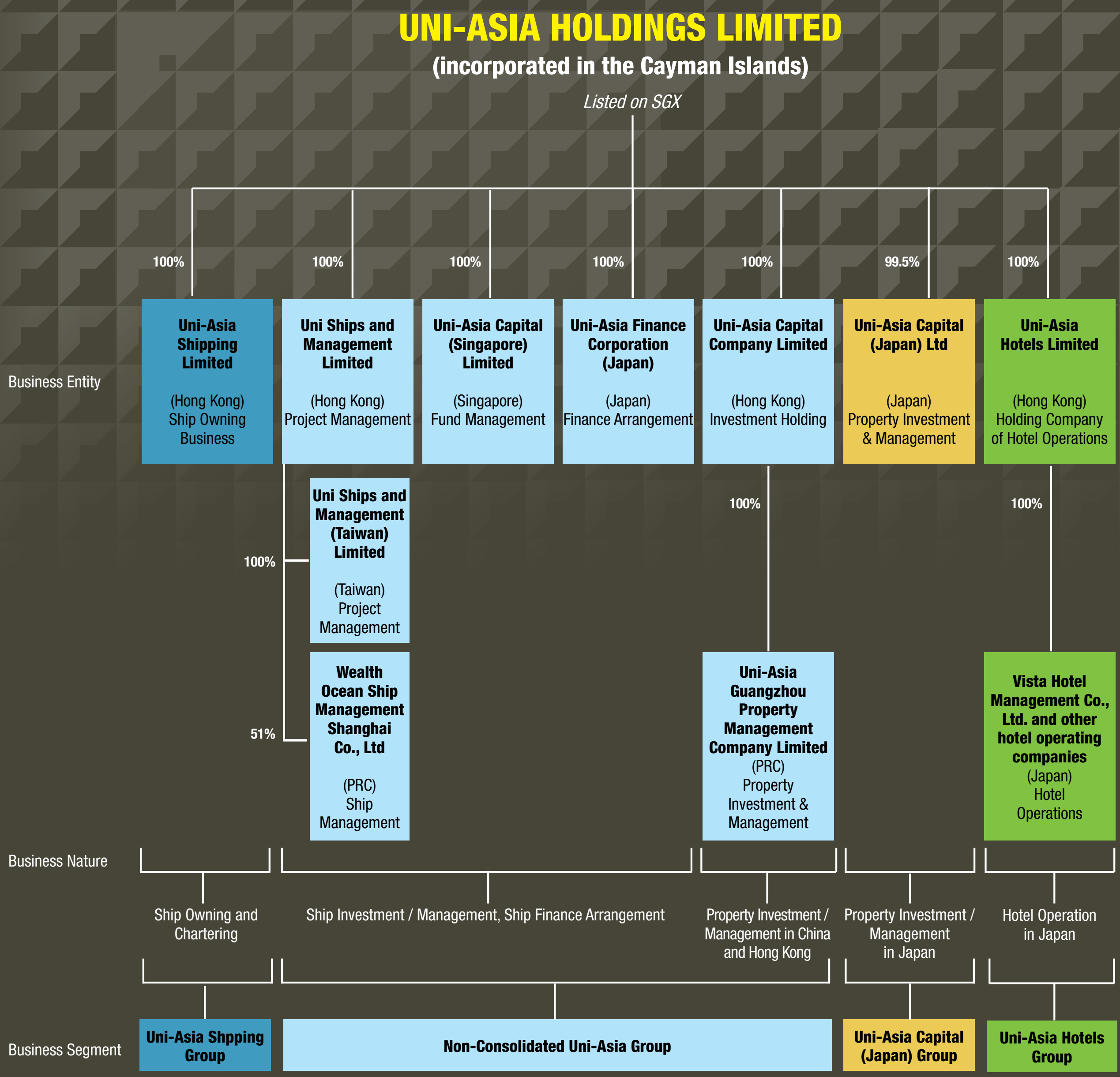
INCOME STRUCTURE

Our income can be categorised as:

1. Charter income / 2. Fee income / 3. Hotel income / 4. Investment returns / 5. Interest income

		BUSINESS SEGMENTS AND ACTIVITIES			
		Non-Consolidated Uni-Asia	**Uni-Asia Shipping**	**Uni-Asia Capital (Japan)**	**Uni-Asia Hotels**
	Accounting Item	**Investment / Asset Management of Ships and Properties, Ship Finance Arrangement**	**Ship Owning and Chartering**	**Investment / Asset Management of Properties in Japan**	**Hotel Operation**
INCOME NATURE – Charter Income			Chartering vessels to third parties		
INCOME NATURE – Fee Income	Arrangement & Agency Fee	Ship finance arrangement / agency work		Property finance arrangement, acquisition & disposal of properties	
	Project Management Fee	Initiation / origination of investment projects (vessels / properties)			
	Brokerage Commission	Brokering of vessel sale-purchase / vessel charter		Brokering of property sale-purchase	
	Incentive Fee	Divestment arrangement of vessel under management		Hotel fund asset management (improvement of hotel performance)	
	Asset Management & Administration Fee	Management of private investment fund / co-investment (vessels / properties)		Management of private property investment fund	
INCOME NATURE – Hotel Income	Hotel Income			Hotel income from the hotel owned or consolidated by Uni-Asia Capital (Japan)	Hotel operation by management / lease contract with a hotel owner
INCOME NATURE – Investment Returns	Interest on Performance Note	Investment in private ship investment fund			
	Realised Gain / (Loss)	Investment in ship / property owning companies (dividends)	Disposal of vessels owned	Investment in property fund (dividends), disposal of properties	
	Fair Value Adjustment	Fair valuation of investment in ship / property owning company, private ship investment fund and properties		Fair valuation of investment in property investment fund	
	Property Rental	Rental from investment properties			
INCOME NATURE – Interest Income	Interest Income	Bridge loan / shareholders' loan to private ship investment fund, co-investment and private property	Bank deposit interest	Bank deposit interest	Bank deposit interest

CORPORATE ORGANISATION



As at 28 February 2015
Above represents major group companies only for illustrative purpose.

NUMBER OF EMPLOYEES AS AT 31 DECEMBER 2014

HONG KONG	SINGAPORE	CHINA	JAPAN	TOTAL
29	8	11	223	271

Notes:
1. Number of employees includes executive directors.
2. Number of employees in Japan includes 193 hotel staff.

MANAGEMENT ORGANISATION

Management Committee

Mr. Michio Tanamoto
(Chairman)
Mr. Masaki Fukumori
Mr. Masahiro Iwabuchi
Mr. Kenji Fukuyado
Mr. Zac K. Hoshino
Mr. Lim Kai Ching
Mr. Katsuro Ouchi
Mr. Yukihiro Toda

Executive Director
Chairman & CEO

Mr. Michio Tanamoto

Board of Directors

Mr. Michio Tanamoto
(Chairman & CEO)
Mr. Masaki Fukumori
(Chief Operating Officer)
Mr. Ang Miah Khiang
(Lead Independent Non-Executive Director)
Mr. Ronnie Teo Heng Hock
(Independent Non-Executive Director)
Mr. Rajan Menon
(Independent Non-Executive Director)
Mr. Wu Kuang-hui
(Non-Executive Director)

Executive Director
Chief Operating Officer

Mr. Masaki Fukumori

Review Committee

Mr. Michio Tanamoto
(Chairman)
Mr. Masaki Fukumori
Mr. Lim Kai Ching

Internal Audit Office

Chief Internal Auditor for Japan Operation
Mr. Hiromasa Yakushiji

Managing Director
Mr. Kenji Fukuyado

- Maritime Asset Management Department (MAMD)
  - Department Head Executive Vice President
    Mr. Matthew Yuen Wai Keung

Managing Director
Mr. Zac K. Hoshino

- Maritime Business Department (MBD)
  - Department Head
    Mr. Zac K. Hoshino
    - General Manager
      Ms. Ally Chiu
    - General Manager
      Mr. Yukihiro Rob Hata

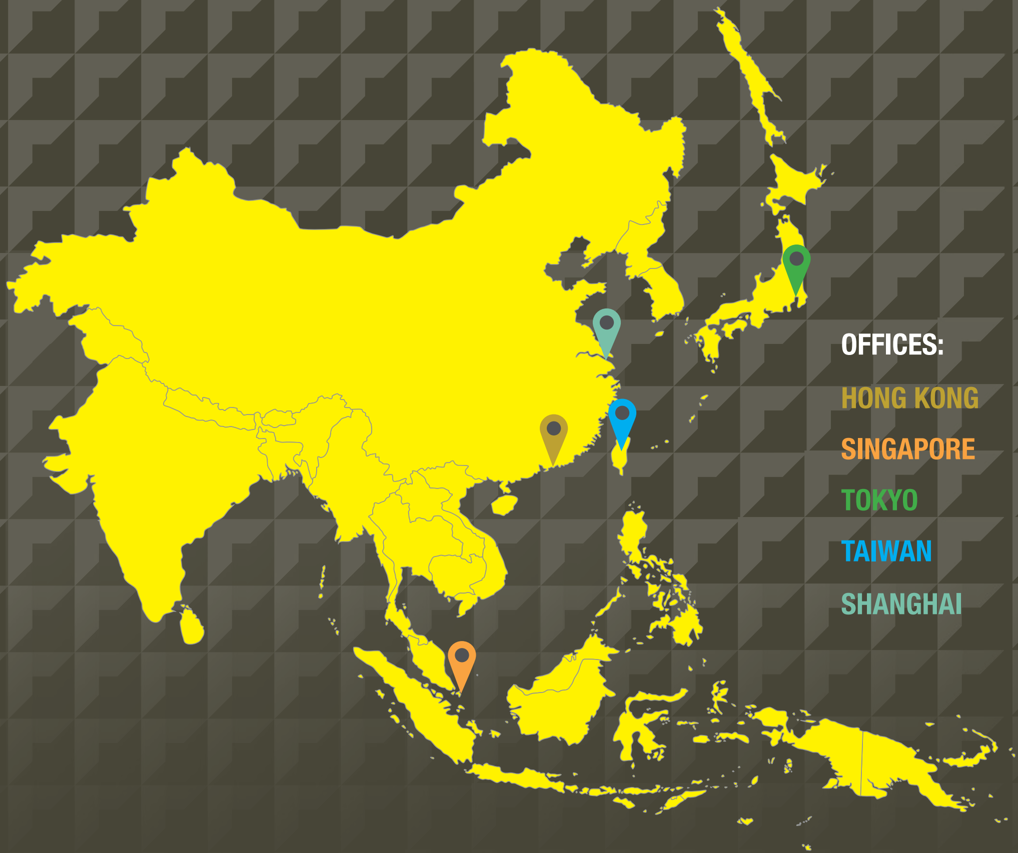
Senior Managing Director
Mr. Masahiro Iwabuchi

- Property Investment Department (PID)
  - Department Head
    Mr. Masahiro Iwabuchi
- Uni-Asia Capital (Japan) Ltd. (UACJ)
  - President
    Mr. Yukihiro Toda
- Vista Hotel Management Co., Ltd. (VHM)
  - President
    Mr. Katsuro Ouchi

Group Chief Financial Officer
Mr. Lim Kai Ching

- Financial Management Department (FMD)
  - Department Head Executive Vice President
    Mr. Makoto Tokozume

CORPORATE INFORMATION



OFFICES:

HONG KONG

SINGAPORE

TOKYO

TAIWAN

SHANGHAI

HONG KONG

UNI-ASIA HOLDINGS LIMITED

30/F., Prosperity Millennia Plaza,
No. 663 King's Road,
North Point
Hong Kong

Tel: (852) 2528 5016
Fax: (852) 2528 5020

SINGAPORE

UNI-ASIA CAPITAL (SINGAPORE) LIMITED

8 Shenton Way
#37-04 AXA Tower
Singapore 068811

Tel: (65) 6438 1800
Fax: (65) 6438 1500

TAIWAN

UNI SHIPS AND MANAGEMENT (TAIWAN) LIMITED

11F., No. 456, Section 4,
Xinyi Dist, Taipei 11052,
Taiwan

Tel: (886) 2 7746 8191

SHANGHAI

WEALTH OCEAN SHIP MANAGEMENT SHANGHAI CO., LTD

Room 2106,
Yongda International Tower,
2277 Longyang Road,
Pudong District, Shanghai, 201204,
China

Tel: (8621) 5888 8007
Fax: (8621) 5888 8053

JAPAN

UNI-ASIA FINANCE CORPORATION (JAPAN)

MD Kanda Building 7F,
9-1 Kanda Mitoshirocho, Chiyoda-ku,
Tokyo, Japan, 101-0053

Tel: (81) 3 3518 9255

JAPAN

UNI-ASIA CAPITAL (JAPAN) LTD.

MD Kanda Building 7F,
9-1 Kanda Mitoshirocho, Chiyoda-ku,
Tokyo, Japan, 101-0053

Tel: (81) 3 3518 9200

JAPAN

VISTA HOTEL MANAGEMENT CO., LTD.

MD Kanda Building 7F,
9-1 Kanda Mitoshirocho, Chiyoda-ku,
Tokyo, Japan, 101-0053

Tel: (81) 3 3518 9220

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Michio Tanamoto
(Chairman and Chief Executive Officer)

Masaki Fukumori
(Executive Director and Chief Operating Officer)

NON-EXECUTIVE DIRECTORS

Ang Miah Khiang
(Lead Independent Non-Executive Director)

Ronnie Teo Heng Hock
(Independent Non-Executive Director)

Rajan Menon
(Independent Non-Executive Director)

Wu Kuang-hui
(Non-Executive Director)

AUDIT COMMITTEE

Ang Miah Khiang (Chairman)
Ronnie Teo Heng Hock
Rajan Menon
Wu Kuang-hui

REMUNERATION COMMITTEE

Rajan Menon (Chairman)
Ang Miah Khiang
Ronnie Teo Heng Hock

NOMINATING COMMITTEE

Ronnie Teo Heng Hock (Chairman)
Ang Miah Khiang
Rajan Menon

COMPANY SECRETARY

Joanna Lim Lan Sim, ACIS

SHARE REGISTRAR AND SINGAPORE SHARE TRANSFER AGENT

Tricor Barbinder Share Registration Services
80 Robinson Road #02-00
Singapore 068898

AUDITOR

Ernst & Young LLP
One Raffles Quay North Tower, Level 18
Singapore 048583

Partner-in-charge: Wilson Woo Siew Wah
(Appointed in 2014)

PRINCIPAL BANKERS

MIZUHO BANK LIMITED

Hong Kong Branch
17/F., Two Pacific Place
88 Queensway
Hong Kong

THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED

Head Office
1 Queen's Road Central, Hong Kong

BANK SINOPAC

Hong Kong Branch
18/F., One Peking
1 Peking Road
Tsim Sha Tsui, Hong Kong

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.

No. 100, Chi Lin Road, Taipei 10424, Taiwan, R.O.C.

CTBC BANK CO., LTD.

No 168, Jingmao 2nd Road, Nangang Dist.,
Taipei 11568, Taiwan, R.O.C.

THE BANK OF EAST ASIA, LIMITED

Singapore Branch
60 Robinson Road BEA Building
Singapore 068892

COMPANY REGISTRATION NO. CR-72229

REGISTERED OFFICE

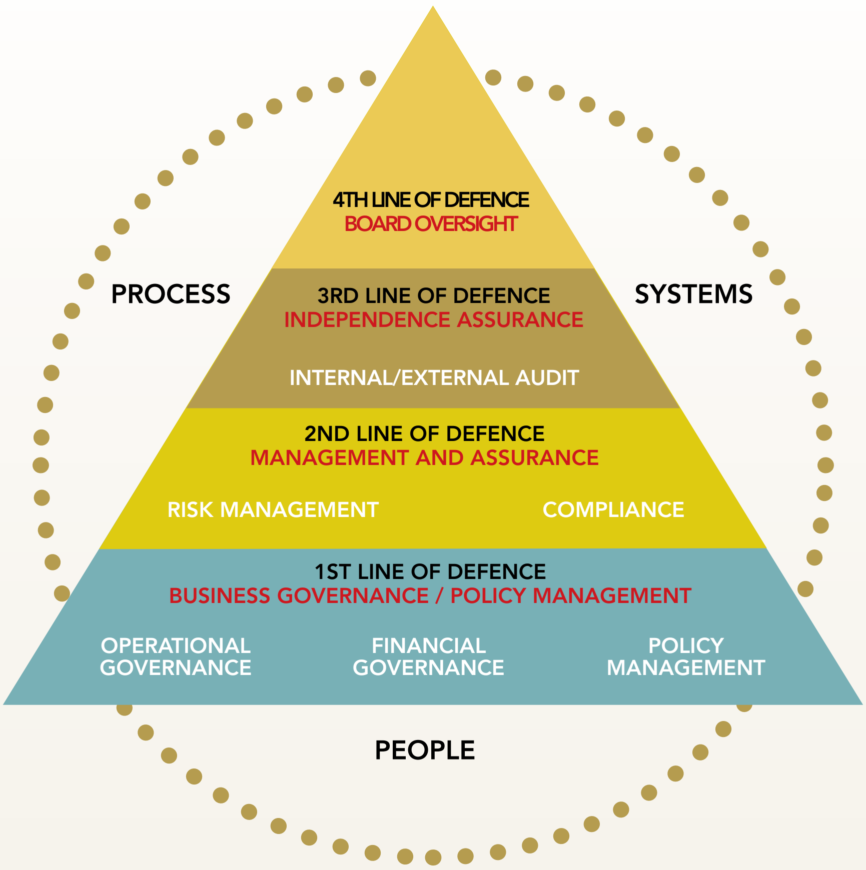
P.O. Box 309
Ugland House
Grand Cayman
KY 1-1104
Cayman Islands
Tel: (1 345) 949 8066
Fax: (1 345) 949 8080

CORPORATE WEBSITES

(available in English and Japanese):

Uni-Asia Holdings Limited: www.uni-asia.com
Uni-Asia Shipping Limited: www.uniasiashipping.com
Uni-Asia Capital (Japan) Ltd: www.uni-asia.co.jp
Vista Hotel Management Co., Ltd.: www.hotel-vista.jp

RISK MANAGEMENT



RISK MANAGEMENT FRAMEWORK

In 2012, the Group engaged external consultants from KPMG Services Pte Ltd ("KPMG") to set up an Enterprise Risk Management ("ERM") Framework ("ERM Framework"), which governs the risk management process in the Group. Through this framework, risk capabilities and competencies would be continuously enhanced. The ERM Framework also enables the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. The risk management process in place covers, inter alia, financial, operational and compliance risks faced by the Group. The key risks of the Group are deliberated by the Management and reported to the Audit Committee ("AC"). The AC reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and vis-à-vis the external and internal environment which the Group operates in.

Complementing the ERM framework is a Group-wide system of internal controls, which includes the Code of Conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business process.

To ensure that internal controls and risk management processes are adequate and effective, the AC is assisted by various independent professional service providers. External auditors provide assurance over the risk of material misstatements in the Group's financial statements. Internal auditors provide assurance that controls over the key risks of the Group is adequate and effective.

INVESTMENT APPROVAL PROCESS

An important component of the Group's overall risk management is the investment approval process. The process aims to be robust in managing downside risk when deploying the Group's resources for investments while at the same time prompt in capitalising potential investment opportunities.

A summary of the Group's investment process is as follows. Members of the Review Committee are listed on page 29 "Management Organisation".

STEP 1

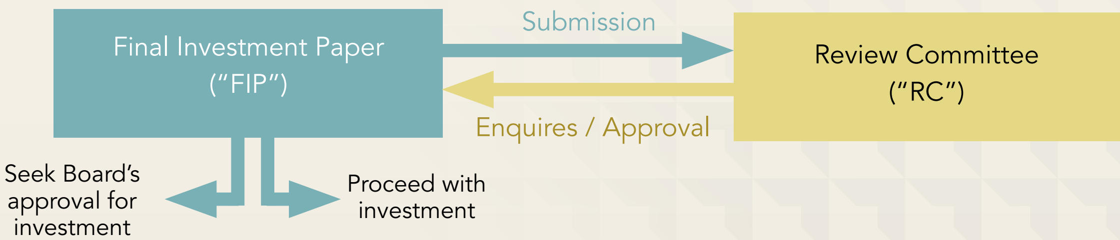
Brief project summary is prepared in the form of "Concept Paper" to seek approval for resources to be deployed for further analysis

STEP 2

A detailed analysis is done to seek in principle approval for the investment subject to final due diligence and satisfactory documentation.

STEP 3

A Final Investment Paper is prepared with final conditions of the project.



Investments made are monitored on an ongoing basis by RC and Management Committee ("MC"). Members of MC are listed on page 29 "Management Organisation".

INVESTOR RELATIONS

THE GROUP'S INVESTOR RELATIONS COMMITMENT

Since our listing in 2007, the Group has upheld a firm commitment to effective communication with the investment community. We strive to achieve a high standard of disclosure and corporate transparency through timely dissemination of relevant, credible and material information within legal and regulatory requirements on the Singapore Stock Exchange and company website. This is to enable shareholders and potential investors to gain a good understanding of our operations, keep abreast of corporate developments, and assess our business strategies in order to make sound investment decisions.

The Group's investor relations function is led by the CEO and senior management team, with the assistance of professional investor relations company, Financial PR Pte Ltd.

SHAREHOLDERS

In addition to regular updates on SGXNet and the company website, the Group provides shareholders with a review of the latest financial year during its annual general meetings ("AGM"). During the meeting, shareholders are encouraged to make use of the open and direct channel of communication with the Group's board of directors so that we may understand and address any concerns. At other times of the year, shareholders may present queries through the company website or through the Group's investor relations officers.

ANALYSTS, FUNDS AND POTENTIAL SHAREHOLDERS

To promote our presence within the investment community, the Group's senior management holds quarterly briefings for analysts and fund managers. We also conduct one-on-one meetings with those who are keen to know us better in order to increase our visibility in the region's financial markets.




The Group also takes every available opportunity to introduce ourselves to a broader base of potential shareholders through events organised by recognised institutions. During the year, the Group presented at SGX 2014 Retail Seminar at Tampines Regional Library to around 40 attendees and at the Insights to 2014 Stock Market event at The Star Gallery to around 700 attendees.

MEDIA

Where possible, the Group also conducts interviews with print and broadcast media to extend our reach to target a broader stakeholder audience. During the year, the Group has been featured in a range of paper and online media including Seatrade Global, Voyager, SeaShipNews, and NextInsight.

CONCLUSION

The Group aims to be a truly trusted partner for our clients as a producer of alternative investment opportunities and an integrated service provider relating to alternative investments so as to deliver value to the Group's shareholders, clients and employees. The support and trust of the investment community is important for the Group to achieve this goal. The Group endeavours to achieve our investment relations objectives of being timely, accurate and transparent.

Investor Relations Contact
Mr Romil Singh
Tel: 65 9116 0900
Email: romil@financialpr.com.sg

Ms Reyna Mei
Tel: 65 9237 9336
Email: reyna@financialpr.com.sg

BOARD OF DIRECTORS

Mr Michio Tanamoto
Chairman and Chief Execute Officer

Mr Masaki Fukumori
Executive Director and Chief Operating Officer

Mr Ang Miah Khiang
Lead Independent Non-Executive Director

Mr Michio Tanamoto was appointed as Chairman and Chief Executive Officer of the Uni-Asia Holdings Limited in April 2014 and concurrently Chairman of Management Committee and Reviewing Committee. He is one of the founders who established the Company in 1997 and has been a Director since then. He has over 34 years of experience in financial sector based in Japan, Hong Kong and Singapore. In 1980, Mr Tanamoto joined The Hokkaido Takushoku Bank, Ltd. and was a senior manager of Takugin International (Asia) Limited in Hong Kong, the offshore merchant banking arm of The Hokkaido Takushoku Bank, Ltd. between 1988 and 1993. Following which, Mr Tanamoto was a deputy general manager of the Singapore Branch of The Hokkaido Takushoku Bank, Ltd. from 1995 to 1997. Mr Tanamoto is also currently Managing Director of Uni-Asia Capital (Singapore) Limited and Chairman of Uni-Asia Capital (Japan) Ltd. He is also a Director of the Company's subsidiaries including Uni-Asia Finance Corporation (Japan), Uni Ships and Management Limited, Uni-Asia Shipping Limited, Uni-Asia Capital Company Limited and Vista Hotel Management Co. Ltd. He obtained a bachelor's degree in law from Hitotsubashi University of Japan in 1980.

Mr Masaki Fukumori was appointed as Chief Operating Officer of the Group on 30 April 2014 following the appointment as Executive Director in March 2012. Mr Fukumori joined our Group in August 1997 and acted as Head of our Structured Finance Department. He initiated the Maritime Investment Department in 2002. He has extensive experience in marketing and syndication in the banking industry specialising in the shipping and aviation sectors spanning over 30 years as well as ship investment and investment management. Between 1985 and 1993, he was a marketing manager at The Hokkaido Takushoku Bank, Ltd. After which, he was a senior marketing manager at Takugin International (Asia) Limited from 1993 to 1997. Mr Fukumori is currently Chief Executive Officer of Uni-Asia Shipping Limited and a director of Uni Ships and Management Limited, Uni-Asia Hotels Limited, and other ship owning companies in which the Company invests. Mr Fukumori holds a bachelor's degree in business administration from Yokohama National University obtained in 1985.

Mr Ang Miah Khiang was appointed as our Independent Director on 26 June 2007 and chairs the Audit Committee. He is also the Lead Independent Director since 19 March 2008. He spent the greater part of his career in the small-medium sized enterprise financing business, having held the position of Managing Director of GE Commercial Financing (Singapore) Ltd, formerly known as Heller Financial (S) Ltd. He was also concurrently regional director for GE related businesses in Asia Pacific. He currently holds various non-executive directorship positions and provides advisory services from time to time. Mr Ang is a Fellow of the Institute of Singapore Chartered Accountants and holds a Bachelor of Accountancy degree from the University of Singapore. He is also an independent director of Ley Choon Group Holdings Ltd, Baker Technology Ltd and PS Group Holdings Ltd.

Mr Ronnie Teo Heng Hock
Independent Non-Executive Director

Mr Ronnie Teo Heng Hock was previously Managing Director of DBS Asset Management Ltd and General Manager of DBS Finance Limited. Mr Teo holds a Bachelor of Social Sciences (Honours) degree in Economics from the University of Singapore. Mr Teo is concurrently an independent director of Berger International Limited and EnGro Corporation Limited.

Mr Rajan Menon
Independent Non-Executive Director

Mr Rajan Menon graduated from University of Singapore in 1971 with Bachelor of Laws (Honours). He was admitted as an Advocate & Solicitor of the Supreme Court of Singapore in 1973 and is a solicitor of the Supreme Court of England & Wales. He is also a fellow of the Chartered Institute of Arbitrators, United Kingdom, the Singapore Institute of Arbitrators, the Malaysian Institute of Arbitrators and the Singapore Institute of Directors respectively. He is currently a Senior Partner with RHTLaw Taylor Wessing LLP. He was conferred the Public Service Medal (Pingat Bakti Masyarakat, PBM) by the President of the Republic of Singapore and the Friend of Labour Award by the National Trades Union Congress. He is a member of the Board of Directors and the Audit Committee of Berger International Limited. He is a member of the board of directors of Chartered Institute of Arbitrators (Singapore) Limited, Special Olympics Asia Pacific Pte. Ltd, Tangreat Investments Pte Ltd, RHT Corporate Advisory Pte Ltd, RHT Capital Pte Ltd, RHT Academy Pte. Ltd, RHT ARC Comms & Relations Pte Ltd, RHT i-Assets Advisory Pte Ltd and RHT Lex Ultra Pte Ltd.

Mr Wu Kuang-hui
Non-Executive Director

Mr Wu Kuang-hui joined Evergreen Group in 1987 and has been Chief Financial Officer of Evergreen Group and Evergreen Marine Corporation (Taiwan) Ltd. since December 2010. His in-depth knowledge and well extensive experience in various finance positions help re-shape and thrive business support functions within Evergreen Group. He was engaged in Evergreen Group international hotel business including Hong Kong, Taichung, Bangkok, Paris and Penang. He was involved in container port business including Colon in Panama, Taranto in Italy, Vungtau in Vietnam and also Evergreen Sky Catering Corporation, Group Captive Reinsurance Company, and cross-border shipping M&A in Italia Marittima S.P.A. (formerly known as Lloyd Triestino Di Navigazion S.P.A.) in Italy from 1988 to 1999. Before joining Evergreen Marine Corp. (Taiwan) Ltd., he has been Chief Financial Officer of EVA Airways Corporation from 2002 to 2010. He has not been director of any other listed companies over the preceding three years. Mr Wu received a MBA under National Sun Yat-Sen University in1987 and a bachelor degree from Tunghai University in 1983.

KEY MANAGEMENT

Mr Masahiro Iwabuchi
Senior Managing Director

Mr Masahiro Iwabuchi was appointed as Senior Managing Director of the Company on 30 April 2014 and is currently responsible for the Group's property investments. He joined the Company when it was established in 1997 and has been in charge of the Property (and Distressed Asset) Investment Department since then. He has extensive experience in the banking industry throughout Asia including Japan, Indonesia, Singapore, Hong Kong and the PRC, having spent some 13 years with The Hokkaido Takushoku Bank, Ltd. He has accumulated a property investment expertise in PRC, Japan and Hong Kong afterwards. He is also currently a director of Uni-Asia Guangzhou Property Management Co., Ltd, UNI SALA Capital Investment Ltd, Uni-Asia Hotels Limited, Uni-Asia Capital (Japan) Ltd, Vista Hotel Management Co., Ltd and some asset holding companies in which the Company invests. He completed Licensing Examination for HKSI Specialist Certificate (Asset Management, Corporate Finance, Derivatives and Securities). Mr Iwabuchi graduated with a bachelor's degree in economics from Hirosaki University of Japan in 1985. In addition to Japanese, Mr Iwabuchi speaks fluent Mandarin.

Mr Zac K. Hoshino
Managing Director

Mr Zac K. Hoshino was appointed as Managing Director of the Company on 1 February 2013 and currently is responsible for Maritime Business Department. He joined our Company in September 2007. He has extensive experience with chartering, operating, and contracting in Japanese shipping company for more than 28 years including Singapore and Hong Kong representative between 2002 and 2007. He is currently the Managing Director of Uni Ship and Management Limited, and a director of some vessel owning companies in which the Company invests. Mr Hoshino graduated with a bachelor's degree in mercantile marine science from Tokyo University of Mercantile Marine in 1984.

Mr Kenji Fukuyado
Managing Director

Mr Kenji Fukuyado was appointed as Managing Director of the Company on 1 February 2013, responsible for Maritime Asset Management Department. He joined our Group in 2001 and was the Managing Director of Uni-Asia Finance Corporation (Japan) from May 2003 to December 2005. He was transferred to our head office in Hong Kong in January 2006 and was Head of Structure Finance Department from January 2006 to December 2009 and Head of Maritime Investment Department from January 2010 to January 2013. Mr Fukuyado has over 25 years of experience in the finance industry, including structured finance such as tax lease, corporate finance and asset management. Between 1987 and 1998, he worked for The Hokkaido Takushoku Bank, Ltd. in Japan and Hong Kong. He is currently holding directorships of some vessel owning companies in which the Group invests. Mr Fukuyado graduated with a bachelor's degree in law from Waseda University in 1987.

Mr Lim Kai Ching
Group Chief Financial Officer

Mr Lim Kai Ching joined Uni-Asia in June 2011 and was appointed as Chief Financial Officer in August 2011. Mr Lim was promoted to Group Chief Financial Officer on 5 January 2015. Mr Lim has over 17 years of experience in areas including finance, accounting, audit and risk management. Prior to joining Uni-Asia, Mr Lim worked for State Street Fund Services (Singapore) Pte Ltd. Between April 2008 to January 2009, he was the Financial Controller of a PRC-based seafood processing company. From June 2007 to April 2008, Mr Lim was Vice President with the Group, responsible for the Company's on-going listing matters and financial reporting of private shipping fund for which the Group acts as fund manager. Between June 1999 and June 2007, Mr Lim was with Government of Singapore Investment Corporation Pte Ltd. Mr Lim graduated with a Bachelor of Accountancy (Honours) from Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants.

Mr Katsuro Ouchi
President of Vista Hotel Management Co., Ltd.

Mr Matthew Yuen Wai Keung
Executive Vice President

Mr Katsuro Ouchi was appointed as President of Vista Hotel Management Co., Ltd. in October 2009 and is currently responsible for hotel operation business in Japan. Mr Ouchi has over 40 years of experience in financial sector. He joined The Hokkaido Takushoku Bank, Ltd. in 1971 and was Managing Director of Takugin International (Asia) Limited in Hong Kong, the offshore merchant banking arm of The Hokkaido Takushoku Bank, Ltd. from 1991 to 1995. He joined The Chuo Trust & Banking Co., Ltd. in 1998 and was Managing Officer of The Chuo Mitsui Trust and Banking Co., Ltd. from May 2000 to September 2002. Mr Ouchi graduated with a bachelor's degree in law from Waseda University in 1971.

Mr Matthew Yuen Wai Keung joined our Company in October 1997. He is now Executive Vice President and head of Maritime Asset Management Department. He is also General Manager of Uni Ships & Management (Taiwan) Limited. Prior to this, Mr Yuen worked in several international banks, specializing in corporate banking and syndications. Mr Yuen graduated from The Chinese University of Hong Kong with a second class (upper) honours degree in business administration and received his MBA from The Australian Graduate School of Management, University of New South Wales. Mr Yuen is a member of the Association of Chartered Certified Accountants (ACCA).

Mr Yukihiro Toda
President of Uni-Asia Capital (Japan) Ltd.

Mr Makoto Tokozume
Executive Vice President

Mr Yukihiro Toda was appointed as President of Uni-Asia Capital (Japan) Ltd. on 1 December 2011, and is responsible for property investment business in Japan. Mr Toda has been Chief Investment Officer of Uni-Asia Capital (Japan) Ltd. since February 2000, responsible for overall real estate fund management business. From 1985 to 1998, Mr Toda had worked for The Hokkaido Takushoku Bank, Ltd. in Tokyo, Korea and Hong Kong, and HSBC Securities Tokyo Branch, where he was mainly engaged in international finance, structured finance and origination of syndicated loans. Mr Toda graduated with a bachelor's degree in economics from Yokohama National University in 1985.

Mr Makoto Tokozume is currently the head of Finance Management Department and Chief Financial Officer of Uni-Asia Shipping Limited, a wholly owned subsidiary of the Group. He joined our Group in January 2008 and had stationed in Singapore as a member of Uni-Asia Capital (Singapore) Ltd, being responsible for investor relations and corporate matters. He was transferred to our head office in Hong Kong and took new responsibility in 2013.He has over 27 years working experience in financial industry in Japan, Singapore and Hong Kong having spent 11 years with Hokkaido Takushoku Bank, Ltd. and nine years with The Bank of Tokyo-Mitsubishi Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ Ltd.). He graduated from Keio University with a bachelor's degree in economics in 1986. He also received his MBA from The University of Hull, UK. He is registered as Certified Public Accountant of USA.

KEY MANAGEMENT

Mr Yukihiro Rob Hata
General Manager

Ms Kam Siu Lin
Senior Assistant to the Chairman & CEO

Mr Yukihiro Rob Hata joined our Company in September 2013. Based in Hong Kong, he is now General Manager responsible for the Group's shipping activity, particularly ship management and sales & purchase. He also takes the responsibility as General Manager of Uni-Asia Shipping Limited and Uni Ships and Management Limited. Prior to joining Uni-Asia, Mr Hata has 18 years' extensive shipping experience both in Japan and Hong Kong, including 15 years with Sojitz Corporation (formerly known as Nissho Iwai Corporation), a major Japanese trading firm, specializing in sales & purchase, chartering and project development, and two years with Univan Ship Management Limited, specializing in third party ship management. Mr Hata graduated with a bachelor's degree from College of Liberal Arts, International Christian University, Tokyo, Japan, in 1997.

Ms Kam Siu Lin was appointed as the Senior Assistant to the Chairman and CEO responsible for the distressed asset investment and property investment in PRC in December 1998. She has extensive networks in PRC, especially in Guangdong, Beijing, Shanghai and Hong Kong. Ms Kam started her banking career at Hokkaido Takushoku Bank in March 1985 and was appointed as a chief representative of Guangzhou representative office of the bank in 1994 and afterwards. She is also currently a director of Uni-Asia Guangzhou Property Management Co., Ltd.

Ms Ally Chiu
General Manager

Ms Ally Chiu joined our Company in Feb 2012. Based in Hong Kong, she is now General Manager responsible for the Group's shipping activity, particularly in chartering and operation. She also takes the responsibility as General Manager of Uni-Asia Shipping Limited. Prior to joining Uni-Asia, Ms Ally worked with ship-owning firm (Sincere Industrial Corp., Taiwan) during 1996 - 2011 and ship-broker house (Maxmart Shipping & Trading Co. Ltd., Taiwan) during 1994 - 1996. Ms Ally graduated with a bachelor's degree in Shipping and Transportation Management from National Taiwan Ocean University in 1994.

Mr Kazuhiko Yoshida
Counsellor

Mr Kitaro Onishi
Senior Advisor to Vista Hotel Management Co., Ltd.

Mr Kazuhiko Yoshida was appointed as Counsellor to the Chairman and CEO of Uni-Asia Holdings Limited in April 2014. Previously he was Executive Director, Chairman and CEO of our Group. He is one of the founders who established the Company in 1997. He has extensive experience in structured finance of vessels and aircraft. Between 1986 and 1992, he was a senior manager in The Sumitomo Trust and Banking Co., Ltd. following which, he was a Director/Deputy General Manager of Takugin International (Asia) Limited, the offshore merchant banking arm of The Hokkaido Takushoku Bank, Ltd. from 1992 to 1997. Mr Yoshida obtained a bachelor's degree in engineering from the Hokkaido University in Japan in 1976.

Mr Kitaro Onishi was appointed as Senior Advisor to Uni-Asia Capital (Japan) Ltd. and Vista Hotel Management Co., Ltd. on 1 December 2011 while he resigned from Senior Advisor of Uni-Asia Capital (Japan) Ltd. on 30th of November, 2014. He had been leading the Group's property investment business as the President of Uni-Asia Capital (Japan) Ltd. since May 2004. Mr Onishi has extensive experience in property investment business and was an investment banker. He worked for Goldman Sachs Group in the USA as well as in Japan from August 1988 to April 1992. From May 1992 to September 1998, he was with Kajima Corporation, one of the biggest general construction companies in Japan. In October 1998, he joined Credit Suisse Group as a director of the Tokyo branch and was the representative of the Tokyo wholly-owned subsidiary of Credit Suisse. Mr Onishi graduated from Waseda University in 1977.

Mr Hiromasa Yakushiji
Senior Advisor to Chairman & CEO
Internal Auditor of Uni-Asia Capital (Japan) Ltd. & Vista Hotel Management Co., Ltd.

Mr P. Phillip Phillips
Advisor to Chairman & CEO

Mr Hiromasa Yakushiji was appointed as the Senior Advisor to the Chairman and CEO of Uni-Asia Holdings Limited in November 2007. He is also currently an Internal Auditor of Uni-Asia Capital (Japan) Ltd. and Vista Hotel Management Co., Ltd. He has over 43 years of experience in financial sector with experience in London and New York. He joined The Sumitomo Trust and Banking Co., Ltd. having held the board member position from June 1991 to June 1999 and was Managing Director responsible for international division between June 1997 and June 1999. He retired from the bank in June 1999 and then managed the bank group companies as CEO till June 2005. Mr Yakushiji graduated with a bachelor's degree in economics from Keio University in 1966.

Mr P. Phillip Phillips was appointed as an Advisor to the Chairman and CEO of Uni-Asia Holdings Limited in May 2010. Mr Phillips cooperates with the Group in the arrangement, origination and placement of financial transactions for itself and for its clients. Currently living and working in London, Mr Phillips was between 1990 and March 2010 a Managing Director and a founding equity partner of Capstar Partners, a New York based structured asset finance firm. A graduate of Oxford University, Mr Phillips was formerly a Vice President in the Private Equity and Leasing Group of Bankers Trust Company, in its London, Seoul and Tokyo offices. He has significant expertise in Japanese, US and UK tax based leasing as well as ship and aircraft financing.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

Uni-Asia Holdings Limited (the "Company") is strongly committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "Group"). The board of directors of the Company (the "Board") recognises the importance of good corporate governance and the offering of high standards of accountability to the shareholders.

This report, set out in a tabular form, describes the Company's corporate governance processes and structures that were in place throughout the financial year, with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "Code") issued on 2 May 2012.

The Board confirms that for the financial year ended 31 December 2014, the Company has adhered to the principles and guidelines as set out in the Code, where applicable, and has specified and explained the deviation from the Code in this report. The Board considers that the alternative corporate governance practices are sufficient to meet the underlying objective of the Code.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Guidelines of the Code	Corporate Governance Practices of the Company
1.1	The Board oversees the business affairs of the Company and assumes responsibility for the Group's overall strategic plans, key operational initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices.
1.2	All directors exercise due diligence and independent judgment, and are obliged to act in good faith and in the best interests of the Company.
1.3	To facilitate effective management, certain functions have been delegated to various board committees, namely the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"), each of whose members are drawn from members of the Board (together "Board Committees" and each a "Board Committee"). Each of these Board Committees has its own written terms of reference and its actions are reported to and monitored by the Board. Minutes of the Board Committee meetings are available to all Board members. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group.
1.4	The schedule of all the Board Committee meetings for the calendar year is usually given to all the directors well in advance. Besides the scheduled meetings, the Board has held meetings as and when required. The Company's Articles of Association (the "Articles") allow a Board meeting to be conducted by means of telephone and video conference or similar communications equipment. A record of the directors' attendance at meetings of Board and Board Committees for the financial year ended 31 December 2014 ("FY2014"), as well as frequency of such meetings, is set out in Table 1.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
1.5	The Company has formulated guidelines setting forth matters reserved for the Board's decision. The management of the Company (the "Management") was also given clear directions on matters (including set thresholds for certain operational matters relating to subsidiaries) that require the Board's approval. In addition, the Board has adopted a set of internal controls which sets out approval limits for financial transactions conducted by the Company, investments, lending, borrowings, guarantees and cheque signatories' arrangements. Approval sub-limits are also provided at management levels to facilitate operational efficiency. Certain material corporate actions that require the Board's approval are as follows:- ▪ approval of quarterly results announcements; ▪ approval of annual results and financial statements; ▪ recommendation of dividends; ▪ convening of shareholders' meetings; ▪ authorisation of material acquisitions/disposal of assets; ▪ authorisation of major transactions; ▪ approval of internal audit report. The Board likewise reviews and approves all corporate actions for which shareholders' approval is required.
1.6	New directors, upon appointment, will be briefed on the business and organisation structure of the Group to ensure that they are familiar with the Group's structure, businesses and operations. The directors may participate in seminars and/or discussion groups to keep abreast of the latest developments which are relevant to the Group. Directors also have the opportunity to visit the Group's operational facilities and meet with the management to gain a better understanding of the Group's business operations. The Company has adopted a directors' training policy and has an on-going budget for all directors to attend appropriate courses, conferences and seminars for them to stay abreast of relevant business developments and outlook. These include programmes run by the Singapore Institute of Directors or other training institutions. The Board as a whole is updated regularly on risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members. New releases issued by the Singapore Exchange Securities Trading Limited ("SGX-ST") and Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the directors are circulated to the Board. The Company Secretary and Management inform the directors of upcoming conferences and seminars relevant to their roles as directors of the Company. Annually, the external auditors update the AC and the Board on new or revised financial reporting standards, in particular standards that could have a material impact on the Group's consolidated financial statements.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
1.7	A formal letter is sent to newly-appointed directors upon their appointment explaining their duties and obligations as director. New directors, upon appointment, will also be briefed on their duties and obligations as directors. The directors are also informed of regulatory changes initiated by or affecting the Company.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Guidelines of the Code	Corporate Governance Practices of the Company
2.1	The Board comprises six directors of whom three are independent non-executive directors; two are executive directors and one non-executive director as at the date of this report. A summary of the current composition of the Board and its committee is set out in Table 2.
2.2	Currently, the Chairman of the Board and the CEO of the Company is the same person. In addition, the Chairman is part of the management team and he is not an independent director. However, there is a strong independent element on the Board, with independent directors constituting half of the Board.
2.3	The NC, which reviews the independence of each director on an annual basis, adopts the Code's definition of what constitutes an independent director. None of the independent non-executive directors has a relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement.
2.4	The Company has no independent non-executive director who has served on the Board beyond nine years.
2.5	The directors consider that the Board is of the appropriate size and with the right mix of skills and experience, taking into account the nature and the scope of operations of the Group.
2.6	The NC and the Board recognize the importance of an appropriate balance and diversity of industry knowledge, skills, backgrounds, experience and professional qualifications in building an effective Board. For this purpose, the NC reviews the Board's collective skills matrix regularly. As a group, the directors bring with them a broad range of expertise and experience in areas such as accounting, law, finance, business and management, industry knowledge, strategic planning and customer-based experience and knowledge. The diversity of the directors' experience allows for the useful exchange of ideas and views. The profile of all Board members is set out in the section entitled 'Board of Directors'.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
2.7	The non-executive directors aim to assist in the development of proposals on strategy by constructively challenging Management. The non-executive directors would also review the performance of Management in meetings.
2.8	Where warranted, the non-executive directors meet without the presence of Management or the executive directors to review any matters that must be raised privately.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Guidelines of the Code	Corporate Governance Practices of the Company
3.1	As part of the Group's succession plan, Mr Michio Tanamoto, one of the Group's founders and Executive Director, has succeeded Mr Kazuhiko Yoshida (the immediate past Chairman and CEO) as Chairman and CEO of the Company in FY2014. Mr Tanamoto assumes the instrumental role of developing the business of the Group and provides the Group with strong leadership and strategic vision. All major decisions made by the Chairman and CEO are endorsed by the Board. As Chairman, he is responsible for Board processes and ensures the integrity and effectiveness of the governance process of the Board. The Board believes that the independent non-executive directors have demonstrated high commitment in their role as directors and have ensured that there is a good balance of power and authority.
3.2	As the Chairman and CEO, he, with the assistance of the Company Secretary and Management, schedules Board meetings as and when required and prepares the agenda for Board meetings. In addition, he sets guidelines on and ensures quality, quantity, accurateness and timeliness of information flow between the Board, Management and shareholders of the Company. He encourages constructive relations between the Board and Management and between the executive directors and the independent directors. He also takes a leading role in ensuring the Company's drive to achieve and maintain a high standard of corporate governance practices.
3.3	The Board has appointed Mr Ang Miah Khiang, an independent and non-executive director, as the Lead Independent Director. Mr Ang will be available to address shareholders' concerns when contact through the normal channels of the Chairman, the CEO, the Chief Operating Officer ("COO") or the Group Chief Financial Officer ("Group CFO") (or equivalent) has failed to provide a satisfactory resolution or when such contact is inappropriate.
3.4	Where warranted, the lead independent director meet without the presence of Management or the executive directors to review any matters that must be raised privately before providing feedback to the Chairman of the Board.

CORPORATE GOVERNANCE REPORT

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Guidelines of the Code	Corporate Governance Practices of the Company
4.1	The NC, regulated by a set of written terms of reference, comprises three members, all of whom, including the Chairman, are independent non-executive directors. The lead independent director is a member of the NC. The names of the members of the NC are disclosed in Table 2. The Board considers Mr Ronnie Teo Heng Hock, Mr Ang Miah Khiang and Mr Rajan Menon to be independent as they do not have any existing business or professional relationships with the Group or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company.
4.2	The principal functions of the NC stipulated in its terms of reference are summarized as follows: (a) Reviews and makes recommendations to the Board on relevant matters relating to:- ▪ all board appointments; ▪ board succession plans for directors, the Chairman and for the CEO; ▪ process for board performance evaluation; ▪ board training and professional development programs; (b) Reviews the Board structure, size and composition and makes recommendations to the Board with regards to any adjustments that are deemed necessary; (c) Determines the independence of the Board; (d) Makes recommendations to the Board for the continuation of services of any executive director who has reached the age of 60 or otherwise; (e) Assesses the effectiveness of the Board and the academic and professional qualifications of each individual director; and (f) Reviews and recommends directors retiring by rotation for re-election at each Annual General Meeting ("AGM"). In accordance with the Articles, one-third, or if their number is not a multiple of three, the number nearest to but not less than one-third of the directors are required to retire from office by rotation at each AGM (provided that no director holding office as executive director whose term of office under a service contract with the Company is a fixed term that is unexpired and continuing as at the time of the relevant AGM, shall be subject to retirement by rotation or be taken into account in determining the number of directors to retire).

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
	All newly appointed directors will have to retire at the next AGM following their appointments. The retiring directors are eligible to offer themselves for re-election. The following directors will retire by rotation at the forthcoming AGM and have been re-nominated for re-election: Rajan Menon (Article 100) Wu Kuang-hui (Article 100) The NC has recommended the nomination of the directors retiring by rotation for re-election at the forthcoming AGM. The Board has accepted the NC's recommendation and accordingly, the above-mentioned directors will be offering themselves for re-election at the forthcoming AGM. Mr Rajan Menon, a member of the NC, has accordingly abstained from reviewing and approving his own re-election.
4.3	The NC determines the independence of each director annually based on the definitions and guidelines of independence set out in the Code. In respect of the financial year ended 31 December 2014, the NC performed a review of the independence of the directors. The NC has determined that the non-executive director, Mr Wu Kuang-hui, is non-independent. Mr Wu is a nominee of Evergreen International S.A., a substantial (9.98%) shareholder of the Company. The NC is satisfied that half of the Board comprises independent non-executive directors.
4.4	Where a director has multiple board representations, the NC also considers whether or not the director is able to and has adequately carried out his duties as a director of the Company. The NC is satisfied that sufficient time and attention are being given by the directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations. The NC, with the concurrence of the Board, has decided not to fix a limit on the number of board representations of each director as it considers that the board representations presently held by its directors do not impede the performance of their duties to the Company.
4.5	No alternate director has been appointed to the Board.
4.6	The NC is responsible for identifying and recommending new board members to the Board, after considering the necessary and desirable competencies of the candidates which include; (i) academic and professional qualifications; (ii) industry experience; (iii) number of other directorships; (iv) relevant experience as a director; and (v) ability and adequacy in carrying out required tasks.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
	The NC leads the process for board appointments and make recommendations to the Board. The integrated process of appointment includes: i developing a framework on desired competencies and diversity on board; ii assessing current competencies and diversity on board; iii developing desired profiles of new directors; iv initiating search for new directors including external search, if necessary; v shortlisting and interviewing potential director candidates; vi recommending appointments and retirements to the board; vii election at general meeting.
4.7	The profile of all Board members is set out in the section entitled 'Board of Directors'. The date of the directors' initial appointment and last re-election and their directorships are disclosed in Table 3. Except as disclosed in Table 3, there were no other directorships or chairmanships held by the directors over the preceding three years in other listed companies.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

Guidelines of the Code	Corporate Governance Practices of the Company
5.1 to 5.3	The Board has, through the NC, implemented an annual evaluation process to assess the effectiveness of the Board as a whole and the contribution of each individual director. The NC is also responsible for deciding how the Board's performance may be evaluated and considers practical methods to assess the effectiveness of the Board. The NC adopted a formal system of evaluating the Board as a whole, annually. A Board performance evaluation was carried out and the assessment parameters include evaluation of the Board's composition, size and diversity, Board processes and procedures, Board accountability, evaluation and succession planning. The annual evaluation exercise provides an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes had allowed him to discharge his duties effectively and to propose changes which may be made to enhance the Board effectiveness as a whole. The results of the overall performance of the Board pointed towards a highly satisfactory situation in most areas and there is still room for further improvement in the areas such as capital budgets and strategic plans review, board oversight and succession planning. Action plans for improvement will be formulated.

CORPORATE GOVERNANCE REPORT

Access to Information

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Guidelines of the Code	Corporate Governance Practices of the Company
6.1	The members of the Board are provided with adequate and timely information prior to Board meetings, and on an on-going basis. The Board has separate and independent access to the Group's senior management and the Company Secretary at all times. Requests for information by the Board are dealt with promptly by Management. The Board is informed of all material events and transactions as and when they occur. These include relevant information and explanatory notes on matters that are presented to the Board, such as budgets, forecasts and business models.
6.2	In relation to budgets, any material variance between projections and actual results are disclosed and explained. Timely updates on developments in accounting matters, legislation, government policies and regulations affecting the Group's business operations are provided to all directors.
6.3	The Company Secretary attends and prepares minutes of all Board and Board committee meetings and is responsible for ensuring that Board's procedures are followed and that the Company's Memorandum, Articles of Association and relevant rules and regulations are complied with. The Company Secretary assists the Chairman by preparing meeting agendas, attending Board and Board Committee meetings and preparing minutes of Board proceedings. Under the direction of the Chairman, the Company Secretary, with the support of the Management, ensures good information flows within the Board and the Board Committees and between senior management and non-executive directors.
6.4	The appointment and replacement of the Company Secretary is a matter for the Board.
6.5	The Board seeks independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The directors, whether as a group or individually, may seek and obtain legal and other independent professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their roles and responsibilities as directors.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	**Corporate Governance Practices of the Company**
7.1	The RC, regulated by a set of written terms of reference, comprises three members, all of whom are independent non-executive directors. The names of the members of the RC are disclosed in Table 2.
	The principal function of the RC is to ensure that a formal and transparent procedure is in place for fixing the remuneration framework for the Board and key management personnel of the Group.
7.2	Under its terms of reference, the RC is responsible for reviewing and recommending a remuneration framework for the Board and the Company's key management personnel. The RC considers all aspects of remuneration namely, director's fees, salaries, allowances and other benefits-in-kind. All remuneration matters are ultimately approved by the Board.
	The RC's recommendation for directors' fees had been made in consultation with the Chairman of the Board and had been endorsed by the entire Board, following which the recommendation is tabled for shareholders' approval at the Company's AGM. No member of the RC or the Board participated in the deliberation of his own remuneration.
7.3	No independent consultant is engaged for advising on the remuneration of all directors.
7.4	The Service Agreements of the executive directors are for a period of three years and will expire on the date on which the AGM of the Company is held immediately subsequent to the third anniversary of the Service Agreements. There are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the executive directors.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Guidelines of the Code	**Corporate Governance Practices of the Company**
8.1	**ANNUAL REMUNERATION REPORT**
	REMUNERATION POLICY IN RESPECT OF EXECUTIVE DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL
	The remuneration of the Company's directors and key management personnel has been formulated to attract, retain and motivate individuals the Group relies on to achieve its business strategy and create long-term value for its shareholders. The RC believes that fair performance-related pay should motivate good performance and that rewards should be closely linked to and commensurate with it.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company

The Chairman and CEO is the same person and he is consulted by the RC on matters relating to the other executive directors and key management personnel who report to him on matters relating to the performance of the Company. He duly abstained from participation in discussions and decisions on his own remuneration.

Where appropriate, the RC reviews the service contracts of the Company's executive directors and key management personnel. The compensation commitments in service contracts are reviewed periodically and notice periods for termination are also reviewed to ensure that they are not excessively long. The Company has entered into separate service agreements ("Service Agreements") with the executive directors, Mr Michio Tanamoto and Mr Masaki Fukumori. Under the Service Agreements, the housing allowance of the executive directors is subject to annual review by the Board after the first year of appointment.

8.2 **LONG-TERM INCENTIVE PLANS**

The Company has a share option scheme known as the Uni-Asia Share Option Scheme (the "Scheme") which is administered by the RC. There were no options granted during FY2014 to subscribe for unissued shares of the Company. No shares were issued during FY2014 by virtue of the exercise of options to take up unissued shares of the Company. There were no unissued shares of the Company under option at the end FY2014.

8.3 **POLICY IN RESPECT OF NON-EXECUTIVE DIRECTORS' REMUNERATION**

In reviewing the recommendation for independent non-executive directors' remuneration for FY2014, the RC had continued to adopt a framework of base fees for serving on the Board and Board Committees, as well as fees for chairing Board Committees. The fees take into consideration the amount of time and effort that each Board member may be required to devote to their role.

	S$
Base fee of Directors	50,000
AC Chairman	10,000
AC Member	5,000
NC/RC Chairman	5,000
NC/RC Member	2,500
Lead Independent Director	2,500

Mr Wu Kuang-hui did not receive any Directors' fees during FY2014 as he is a representative Director appointed by a substantial shareholder to represent the substantial shareholder on the Board of the Company.

Fees for independent non-executive directors are subject to the approval of shareholders at the AGM. Executive directors and representative/nominee directors appointed by substantial shareholders to represent them on the Board of the Company do not receive directors' fees.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
8.4	In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individuals.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Guidelines of the Code | **Corporate Governance Practices of the Company**

9.1 to 9.3

LEVEL AND MIX OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL (WHO ARE NOT ALSO DIRECTORS OR THE CEO) FOR THE YEAR ENDED 31 DECEMBER 2014.

The actual remuneration of each director and the top five key management personnel has been disclosed in the respective bands. The Company discloses the actual remuneration paid to each director using a narrower band of S$100,000 to improve transparency.

The compensation structure for the key management personnel (who are not directors or the CEO), of the Group's subsidiaries consists of three key components – fixed salary, variable incentive (performance bonus) and benefits-in-kind (including housing benefits).

Table 4 and Table 4A sets out the breakdown of the remuneration of the directors and the top six key management personnel (who are not directors or the CEO), respectively, for FY2014.

Except as disclosed in Table 4 of this report, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Regarding the Code's recommendation to fully disclose the remuneration of directors and the top five key management personnel (who are not directors or the CEO), given the confidentiality of and commercial sensitivity attached to remuneration matters, the Company believes that disclosing remuneration in the respective bands and disclosing in aggregate the total remuneration paid to the directors and the top five key management personnel (who are not directors or the CEO) provide sufficient overview of the remuneration of directors and the top five key management personnel (who are not directors or the CEO).

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
9.4	**REMUNERATION OF EMPLOYEES WHO ARE IMMEDIATE FAMILY MEMBERS OF A DIRECTOR OR THE CHIEF EXECUTIVE OFFICER**
	There is no immediate family member (defined in the Listing Manual of the SGX-ST as the spouse, child, adopted child, step-child, brother sister and parent) of a director or the CEO in the employment of the Company whose annual remuneration exceeded S$50,000 during FY2014.
9.5 and 9.6	**DETAILS OF THE UNI-ASIA SHARE OPTION SCHEME (THE "SCHEME")**
	The Scheme, which has been approved by shareholders of the Company, is administered by the RC.
	The Scheme will provide eligible participants with an opportunity to participate in the equity of the Company as well as to motivate them to perform better through increased loyalty and dedication to the Company.
	Executive, non-executive and independent directors and full-time employees of the Group are eligible to participate in the Scheme. Directors who are controlling shareholders of the Company and their associates (as defined in the Listing Manual of the SGX-ST) are not eligible to participate in the Scheme.
	The number of options to be offered to a participant of the Scheme shall be determined by the RC, which takes into account criteria such as the rank, performance, number of years of service and potential for future development of that participant.
	The exercise price for each share in respect of which an option is exercisable shall be fixed at:
	(a) A price equal to the average of the last dealt prices for a share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the period of three consecutive market days immediately prior to the relevant date of grant ("Market Price") but in no event shall the exercise price per share be less than its par value ("Market Price Options"); or
	(b) A price which is set at a discount to the Market Price, provided the maximum discount shall not exceed 20% of the Market Price but in no event shall the exercise price per share be less than its par value ("Incentive Options").
	Each eligible participant who has been granted Market Price Options shall be entitled to exercise at any time after the first anniversary of the date of grant of that option. Each eligible participant who has been granted Incentive Options shall be entitled to exercise at any time after the second anniversary of the date of grant of that option.
	All options must be exercised before the expiry of the 10 years from the date of grant in the case of employees and before the expiry of five years in the case of non-executive directors and independent directors.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
	Special provisions dealing with the lapsing or permitting the earlier exercise of options under certain circumstances include the termination of the participant's employment or appointment in the Group.
	The Scheme shall continue to be in operation for a maximum period of 10 years commencing from 26 June 2007, being the adoption date of the Scheme.
	The nominal amount of the aggregate number of shares over which the RC may grant options on any date, when aggregated with the nominal amount of the number of shares issued and issuable in respect of all options granted under the Scheme and other share option schemes of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the date of the relevant grant.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Guidelines of the Code	Corporate Governance Practices of the Company
10.1	The Board provides shareholders with a detailed and balanced explanation and analysis of the Company's performance and prospects on a quarterly basis. Management provides the Board with management accounts of the Group's performance, position and prospects upon request.
10.2	The following policies were established:- (a) Investor Relations Policy; (b) Directors' Training Policy; (c) Policy on Matters reserved for the Board; and (d) Dividend Policy.
10.3	The Management provides the Board and Board Committees with a continual flow of relevant information on a timely basis in order that it may effectively discharge its duties.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
11.1	The Group's system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss. During the year, the AC, on behalf of the Board and through the assistance of internal and external auditors, had reviewed the effectiveness of the Group's material internal control systems as well as its financial, operational and compliance controls, and risk management systems. The process used by the AC to monitor and review the effectiveness of the system of internal controls and risk management includes:- (i) discussions with management on risks identified by management; (ii) the audit processes; (iii) the review of internal and external audit plans; and (iv) the review of significant issues arising from internal and external audits.
11.2	The Group had engaged external consultants from KPMG Services Pte Ltd in 2012 to set up an Enterprise Risk Management ("ERM") Framework (the "ERM Framework"), which governs the risk management process in the Group. Through this framework, risk capabilities and competencies would be continuously enhanced. The ERM Framework also enables the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. The risk management process in place covers, inter alia, financial, operational and compliance risks faced by the Group. The key risks of the Group are deliberated by the Management and reported to the AC. The AC reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and vis-à-vis the external and internal environment which the Group operates in. Complementing the ERM framework is a Group-wide system of internal controls, which includes the Code of Conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business processes. To ensure that internal controls and risk management processes are adequate and effective, the AC is assisted by various independent professional service providers. External auditors provide assurance over the risk of material misstatements in the Group's financial statements. Internal auditors (both outsourced and in-house) provide assurance that controls over the key risks of the Group is adequate and effective.
11.3 Also Rule 1207(10) of SGX-ST Listing Manual	The Board is responsible for ensuring that management maintains a sound system of internal controls to safeguard shareholders' investment and the Group's assets. For FY2014, based on (i) the Group's framework of management control, (ii) the internal control policies and procedures established and maintained by the Group as well as (iii) the regular audits, monitoring and reviews performed by the internal and external auditors, the Board, with the concurrence of the AC, is of the opinion that the systems of internal controls and risk management within the Group are adequate and effective, including the financial, operational, compliance and information technology controls and risk management that has been maintained by the Group's management and that was in place throughout the financial year.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
	The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.
	Any material non-compliance and internal control weaknesses noted during the internal audit and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system.
	The Board has received assurance from the CEO, the COO and the Group CFO that the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances as well as the effectiveness of the Company's risk management and internal control systems.
11.4	The Company has not put in place a Risk Management Committee. However, Management have in place a financial risk management policy and regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the directors and AC. Details of the Group's risk management policy are set out in Note 27 "Financial Risk Management" of the Notes to the Consolidated Financial Statements.

AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

Guidelines of the Code	Corporate Governance Practices of the Company
12.1	The AC, regulated by a set of written terms of reference, comprises three independent non-executive directors and one non-executive director. The names of the members of the AC are disclosed in Table 2.
12.2	The AC has three members namely Mr Ang Miah Khiang, Mr Ronnie Teo Heng Hock and Mr Wu Kuang-hui who have accounting or related financial management expertise or experience.
12.3	The AC has full access to and the co-operation of Management and has full discretion to invite any director or executive officer to attend its meetings and has been given adequate resources to enable it to discharge its functions.
12.4	The AC performs the following functions: (a) reviews the annual and quarterly financial statements of the Company and the Group before submission to the Board for adoption;

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
	(b) reviews with the internal and external auditors, their audit plans and audit reports; (c) reviews the cooperation given by the Company's officers to the external auditors; (d) reviews interested person transactions and transactions falling within the scope of Chapter 10 of the SGX-ST Listing Manual; (e) nominates and reviews the appointment or re-appointment of external auditors; (f) reviews the independence of the external auditors annually; (g) undertakes such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and (h) undertakes such other functions and duties as may be required by statute or the Listing Manual and by such amendments made thereto from time to time. Apart from the above functions, the AC will commission and review the findings of internal investigations into matters where there is suspicion of fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation, which has or is likely to have a material impact on the operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing that particular transaction or voting on that particular resolution. In performing its functions, the AC: (i) has met with the internal and external auditors, without the presence of management, at least once a year; (ii) has explicit authority to investigate any matter within its terms of reference; (iii) has had full access to and cooperation from management and has full discretion to invite any director and executive officer to attend its meetings; and (iv) has been given reasonable resources to enable it to discharge its functions properly. The executive Management of the Company attends all meetings of the AC on invitation.
12.5	Annually, the AC meets (physically or via teleconference) separately with the internal and external auditors without the presence of Management.
12.6	The AC reviews annually the non-audit services provided by external auditors and determine whether the provision of such services affects their independence. The breakdown of fees (audit and non-audit services) paid to auditors are set out in Note 21 "Other Expenses" of the Notes to the Consolidated Financial Statements.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
	Having reviewed the nature and extent of non-audit services rendered by the external auditors to the Company for the year ended 31 December 2014, the AC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC had therefore recommended to the Board that the auditors, Ernst & Young LLP, be nominated for re-appointment as auditors at the forthcoming AGM of the Company.
	The auditors, Ernst & Young LLP, have indicated their willingness to accept re-appointment.
	In recommending the re-appointment of the auditors, the Audit Committee considered and reviewed various factors including the adequacy of resources, experience of supervisory and professional staff to be assigned to the audit, the size and complexity of the Group and its businesses and operations. Accordingly, the AC has recommended the re-appointment of Ernst & Young LLP as external auditors at the AGM of the Company.
12.7	The Company's Whistle-Blowing programme serves to encourage and to provide a channel for staff of the Group to report and raise, in good faith and in confidence, their concerns about possible improprieties in matters of financial reporting or other matters. To facilitate independent investigation of such matters and appropriate follow up actions, all whistle-blowing reports are directed to the AC via a dedicated email address. The Whistle-Blowing programme is communicated to all staff.
12.8	**Summary of AC's activities in 2014** (i) reviewed the financial statements of the Group before the announcement of the Group's quarterly and full-year results; (ii) reviewed the key areas of Management's judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a material impact on the financials; (iii) reviewed and approved both the Group internal auditor's and external auditor's plans to ensure that the plans covered sufficiently in terms of audit scope in reviewing the significant internal controls comprise financial, operational, information technology and compliance controls of the Company; (iv) reviewed the independence and objectivity of the internal and external auditors through discussions with the internal and external auditors; (v) reviewed non-audit fees; (vi) reviewed the appointment of different auditors for its subsidiaries; (vii) reviewed the accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group; (viii) reviewed the internal audit functions and discussed accounting implications of major transactions including significant financial reporting issues; and (ix) reviewed interested party transactions.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
Rule 1207(6) and Rules 712 and 715 and/or Rule 716 of the SGX-ST Listing Manual	The Board and AC have reviewed the appointment of different auditors for its subsidiaries Uni-Asia Guangzhou Property Management Company Limited and Wealth Ocean Ship Management (Shanghai) Co., Ltd and were satisfied that such appointments would not compromise the standard and effectiveness of the audit of the Group and that Rule 716 of the SGX-ST Listing Manual has been complied with. In appointing the audit firms for the Company, its subsidiaries and significant associated companies (the "Group"), the Audit Committee and the Board of Directors of the Company are satisfied that the Group has complied with Listing Rules 712, 715 and 716.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audit.

Guidelines of the Code	Corporate Governance Practices of the Company
13.1 to 13.4	The Group has outsourced its internal audit function to external audit professionals. Uni-Asia Capital (Japan) Ltd ("UACJ", formerly known as "Capital Advisers Co., Ltd.") and Vista Hotel Management Co. Ltd ("VHM"), the Company's subsidiaries in Japan, has an internal auditor performing the internal audit role in accordance with Japan's regulatory requirements, where applicable. The AC has initiated steps to undertake a high level review of the internal audit process in UACJ and VHM. Both external audit professionals and internal auditor of Japan report directly to the AC. The AC reviews and approves the annual audit plan and resources to ensure that the internal auditors have the necessary resources to adequately perform their duties. The AC has reviewed the adequacy of the internal audit function and is satisfied that the team is adequately resourced and has appropriate standing within the Company. The AC has also reviewed the training costs and programmes attended by the internal audit team to ensure that the staff continues to update their technical knowledge and auditing skills.
13.5	The internal auditor plans its internal audit schedules in consultation with the AC. The audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. In addition, the internal auditor may be involved in adhoc projects initiated by the Management which require the assurance of the internal auditor in specific areas of concerns. The AC reviews the activities of the internal auditors on a regular basis, including overseeing and monitoring the implementation of the improvements required on internal control weaknesses identified. The internal auditors conducted an annual review of the effectiveness of the Group's risk management and key internal control systems, including financial, operational and compliance controls, and risk management. Any material non-compliance or lapses in internal controls, together with recommendation for improvement, are reported to the AC. A copy of the report is also issued to the relevant department for its follow-up action. The timely and proper implementation of the required corrective, preventive or improvement measures are closely monitored.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Guidelines of the Code	Corporate Governance Practices of the Company
14.1	The Company is committed to regular and timely communication with shareholders as part of the organization's development to build systems and procedures that will enable the Group to compete internationally. The Company places great emphasis on investor relations and strives to maintain a high standard of transparency and to promote better investor communications. It aims to provide investors with clear, balanced and useful information, on a timely basis, about the Group's performance, financial position and prospects.
14.2	Management supported the Code's principle to encourage shareholder participation. Shareholders are encouraged to attend the AGM to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Notice of the general meeting is despatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 days or 21 days, as the case may be, before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the general meeting.
14.3	Whilst there is no limit imposed on the number of proxy votes for nominee companies, the Articles allow each shareholder to appoint up to two proxies to attend AGMs and any other general meeting.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Guidelines of the Code	Corporate Governance Practices of the Company
15.1 to 15.4	The Company has put in place an investor relations ("IR") policy to promote regular and proactive communication with its shareholders. The Company keeps its website updated and maintains dedicated IR section for shareholders' convenience. All the announcements disclosed through SGXNET are also posted on the Company's website. The Company conducts briefings regularly for the media, analysts, brokers and fund managers, with the presence of key management personnel. Briefings for investors are held in conjunction with the release of the Group's quarterly and full year results, with the presence of the CEO and Group CFO to answer the relevant questions which the investors may have.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
	In addition, the Company has appointed a professional investor relations firm to promote effective communication with shareholders. Any questions from shareholders could either be raised to the investor relations firm or the Company to be addressed by the CEO, Management and /or the Group CFO.
	It is the Board's policy that shareholders be informed of all major developments within the Group. Price-sensitive information and results are released to the public through SGXNET on a timely basis in accordance with the requirements of Singapore Exchange Securities Trading Limited. The Company does not practice selective disclosure.
	Further information on the Group's investor relations activities are disclosed under "Investor Relations" on Page 34.
15.5	The Company's dividend policy seeks to balance dividend return to shareholders with the need for long-term sustainable growth whilst aiming for an efficient capital structure.
	The declaration of a first and final Cayman Islands tax-exempt dividend of S$0.00625 per ordinary share has been proposed for FY2014.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Guidelines of the Code	Corporate Governance Practices of the Company
16.1	In general meetings, shareholders are given the opportunity to communicate their views and direct questions to Directors and Management regarding the Company. The Chairpersons of Board Committees are present at the AGM and other general meetings of shareholders, to assist the Board in addressing shareholders' questions. The minutes of the AGM are available to shareholders upon their request.
	At every AGM, the Company is likely to present a review on the Group's financial results and its business outlook to shareholders. Shareholders have the opportunity to participate effectively and to vote in the AGM either in person or by proxy.
	The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other issues are satisfactorily resolved. This is also subject to legislative amendment to recognise electronic voting.
16.2	Resolutions to be passed at general meetings are always separate and distinct in terms of issue and are consistent with the Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Corporate Governance Practices of the Company
16.3	The Chairman of the Board, Audit, Remuneration and Nominating Committees will be in attendance at the Company's AGM to address shareholders' questions relating to the work of the Board and Board Committees. The Company's external auditors, Ernst & Young LLP, have also been invited to attend the AGM and will be available to assist the directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.
16.4	The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the directors or the Management questions regarding the Company and its operations. The minutes of general meetings will be prepared and are available to shareholders upon their request.
16.5	To have greater transparency in the voting process, the Company has conducted the voting of all its resolutions by poll at all of its general meetings. The detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total numbers of votes cast for or against the resolutions are also announced after the meetings via SGXNET.

DEALING IN SECURITIES

Rule 1207(19) of the SGX-ST Listing Manual	The Company has adopted an internal policy to govern the conduct of securities transactions by its directors and employees. All directors and officers of the Company and its subsidiaries who have access to price sensitive information are required to refrain from dealing in the Company's securities at all times as provided under the provisions of the Securities and Futures Act Chapter 289. The directors and officers have been informed not to deal in the Company's shares whilst in possession of price sensitive information and during the periods commencing two weeks prior to the announcement of the Group's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Group's full year results and ending on the date of the announcement of the relevant results. The directors and officers are also discouraged from dealing in the Company's securities on short-term considerations. The directors and officers are required to observe insider trading provisions under the Securities and Futures Act Chapter 289 at all times even when dealing in the Company's securities within the permitted periods. Directors of the Company are required to report all dealings to the Company Secretary.

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS

Rule 1207(8) of the SGX-ST Listing Manual

Save for the Service Agreements entered into with Mr Michio Tanamoto and Mr Masaki Fukumori, which are still subsisting as at the end of FY2014, there are no material contracts involving the interests of the CEO, the directors or controlling shareholders entered into by the Group which are still subsisting as at the end of the financial year or entered into during the financial year.

INTERESTED PERSON TRANSACTIONS

Rule 1207(17) of the SGX-ST Listing Manual

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC, and that transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. All interested person transactions are subject to review by the AC.

The aggregate value of the interested person transactions entered into during the financial year under review is as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
	Nature	**Amount USD'million**	**Nature**	**Amount USD'million**
Yamasa Co., Ltd	Equity contribution to 2 joint investment companies	1.44	Nil	Nil
Yamasa Co., Ltd	Sales of 2 ordinary shares for 3 joint investment companies	0.19	Nil	Nil

CORPORATE GOVERNANCE REPORT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Rule 1207(7) of the SGX-ST Listing Manual on Statement of Direct and Deemed Interest of each Director

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company except as follows:

	Direct Interest		Deemed Interest	
Name of director and company in which interests are held	**Holdings at beginning of the year 01/01/2014**	**Holdings at end of the year 31/12/2014**	**Holdings at beginning of the year 01/01/2014**	**Holdings at end of the year 31/12/2014**
The Company				
Michio Tanamoto	8,953,125	9,453,125	–	–
Masaki Fukumori	7,893,000	8,320,000	–	–

There have been no changes in the above directors' interest as at 21 January 2015.

TABLE 1 – ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS FOR FY2014

	BOARD		AUDIT		REMUNERATION		NOMINATING	
	No. of Meetings	No of Meetings Attended	No. of Meetings	No of Meetings Attended	No. of Meetings	No of Meetings Attended	No. of Meetings	No of Meetings Attended
*Kazuhiko Yoshida	2	2	–	–	–	–	2	2
Michio Tanamoto	5	5	–	–	–	–	–	–
Masaki Fukumori	5	5	–	–	–	–	–	–
Ang Miah Khiang	5	5	4	4	3	3	2	2
Ronnie Teo Heng Hock	5	5	4	4	3	3	2	2
Rajan Menon	5	5	4	4	3	3	2	2
Wu Kuang-hui (Proxy: Kao Pao-lien, Amy)	5	5	4	4	–	–	–	–

* Retired on 30 April 2014

CORPORATE GOVERNANCE REPORT

TABLE 2 – BOARD AND BOARD COMMITTEES

Name of Director	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
*Kazuhiko Yoshida	Immediate past Executive Chairman/Non-independent	–	Member	–
Michio Tanamoto	Executive Chairman/Non-independent	–	–	–
Masaki Fukumori	Executive/Non-independent	–	–	–
Ang Miah Khiang	Non-Executive/Independent	Chairman	Member	Member
Ronnie Teo Heng Hock	Non-Executive/Independent	Member	Chairman	Member
Rajan Menon	Non-Executive/Independent	Member	Member	Chairman
Wu Kuang-hui	Non-Executive/Non-independent	Member	–	–

* Retired on 30 April 2014

TABLE 3 – DATE OF DIRECTORS' INITIAL APPOINTMENT, LAST RE-ELECTION AND THEIR DIRECTORSHIPS

Name of Director	Age	Date of initial appointment	Date of last re-election	Present directorships in listed companies	Past (preceding 3 years) directorships in listed companies
Michio Tanamoto	57	17/03/1997	–	Uni–Asia Holdings Limited	–
Masaki Fukumori	53	01/03/2012	–	Uni–Asia Holdings Limited	–
Ang Miah Khiang	61	26/06/2007	27/04/2012	(1) Uni–Asia Holdings Limited (2) Ley Choon Group Holdings Ltd (3) PS Group Holdings Ltd (4) Baker Technology Ltd	–
Ronnie Teo Heng Hock	65	26/06/2007	27/04/2012	(1) Uni–Asia Holdings Limited (2) EnGro Corporation Limited	New Toyo International Holdings Ltd
Rajan Menon	66	18/04/2008	26/04/2011	Uni-Asia Holdings Limited	–
Wu Kuang-hui	53	31/12/2010	26/04/2011	Uni-Asia Holdings Limited	–

CORPORATE GOVERNANCE REPORT

TABLE 4 - REMUNERATION OF DIRECTORS FOR FY2014

Name of Directors	Position	Breakdown Of Remuneration In Percentage (%)					Total Remuneration in compensation bands of S$100,000
		Directors' Fee	Salary %	Performance Bonus %	Benefits-in-Kind[1] %	Total	
*Kazuhiko Yoshida	Executive	–	51.40%	–	48.60%	100%	S$100,001 - S$200,000
Michio Tanamoto	Executive	–	54.09%	–	45.91%	100%	S$500,001 - S$600,000
Masaki Fukumori	Executive	–	60.34%	–	39.66%	100%	S$500,001 - S$600,000
Ang Miah Khiang	Independent	100%	–	–	–	100%	<S$100,000
Ronnie Teo Heng Hock	Independent	100%	–	–	–	100%	<S$100,000
Rajan Menon	Independent	100%	–	–	–	100%	<S$100,000
The Aggregate Total Remuneration (S$'000) of Directors						1,455	

* Retired on 30 April 2014

TABLE 4A - REMUNERATION OF KEY MANAGEMENT PERSONNEL (WHO ARE NOT ALSO DIRECTORS OR THE CEO) FOR FY2014

Name of Top 6 Key Management Personnel	Position	Breakdown Of Remuneration In Percentage (%)				Total Remuneration in compensation bands of S$250,000
		Salary %	Performance Bonus %	Benefits-in-Kind[1] %	Total	
Masahiro Iwabuchi	Senior Managing Director	69.18%	7.10%	23.72%	100%	S$250,001 - S$500,000
Kenji Fukuyado	Managing Director	95.36%	–	4.64%	100%	S$250,001 - S$500,000
Kiyomi Hoshino	Managing Director	95.23%	–	4.77%	100%	S$250,001 - S$500,000
Lim Kai Ching	Group Chief Financial Officer	94.20%	–	5.80%	100%	<S$250,000
Matthew Yuen	Executive Vice President	87.91%	–	12.09%	100%	<S$250,000
Makoto Tokozume	Executive Vice President	94.30%	–	5.70%	100%	<S$250,000
The Aggregate Total Remuneration (S$'000) of Top 6 Key Management Personnel					1,816	

Note:

(1) Benefits-in-kind include employer's contribution to defined contribution plan (e.g. Central Provident Fund), housing benefits etc.

FINANCIAL CONTENTS

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF UNI-ASIA HOLDINGS LIMITED
(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

We have audited the accompanying financial statements of Uni-Asia Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 70 to 145, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2014, the consolidated statement of changes in equity, income statement, statement of comprehensive income and cash flow statement of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2014, and the Group's financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
18 March 2015

BALANCE SHEETS

AS AT 31 DECEMBER 2014

	Notes	Group 2014 US$'000	Group 2013 US$'000	Company 2014 US$'000	Company 2013 US$'000
ASSETS					
Non-current assets					
Investment properties	5	11,771	10,109	–	–
Intangible assets	6	69	74	–	–
Property, plant and equipment	7	130,444	111,923	561	42
Loans receivable	8	5,886	8,811	2,886	5,811
Loans to subsidiaries	26(h)	–	–	9,168	5,310
Investments	9	45,070	31,199	24,355	25,137
Investments in subsidiaries	26	–	–	53,923	48,766
Rental deposit		1,585	1,610	–	–
Derivative financial instruments	10	218	230	328	102
Deferred tax assets	22(b)	26	27	–	–
Deposits for purchase of vessels		13,899	6,895	–	–
Total non-current assets		208,968	170,878	91,221	85,168
Current assets					
Investments	9	1,108	2,546	–	–
Loans receivable	8	900	2,100	900	1,100
Loans to subsidiaries	26(h)	–	–	11,142	5,524
Derivative financial instruments	10	96	27	96	27
Accounts receivable	11	2,969	3,135	68	94
Amounts due from subsidiaries	26(g)	–	–	754	373
Prepayments, deposits and other receivables		2,836	2,496	318	381
Tax recoverable		498	21	–	–
Deposits pledged as collateral	12	5,188	7,378	5,188	7,378
Cash and bank balances	13	36,321	47,566	13,872	30,215
Total current assets		49,916	65,269	32,338	45,092
Total assets		258,884	236,147	123,559	130,260

BALANCE SHEETS
AS AT 31 DECEMBER 2014

	Notes	Group 2014 US$'000	Group 2013 US$'000	Company 2014 US$'000	Company 2013 US$'000
EQUITY					
Equity attributable to owners of the parent					
Share capital	14	75,167	75,167	75,167	75,167
Share premium	14	31,319	31,319	31,319	31,319
Retained earnings		30,333	30,521	4,567	11,589
Hedging reserve	25(a)	8	23	(16)	(30)
Exchange reserve	25(b)	699	2,791	–	–
Capital reserve	25(c)	(117)	(117)	–	–
Total equity attributable to owners of the parent		137,409	139,704	111,037	118,045
Non-controlling interests		1,003	509	–	–
Total equity		138,412	140,213	111,037	118,045
LIABILITIES					
Non-current liabilities					
Borrowings	15	87,865	62,734	3,343	3,810
Finance lease obligations	29(d)	–	6	–	–
Due to Tokumei Kumiai investors		689	687	–	–
Derivative financial instruments	10	202	47	344	132
Deferred tax liabilities	22(b)	1,293	–	–	–
Other payables		80	30	–	–
Total non-current liabilities		90,129	63,504	3,687	3,942
Current liabilities					
Borrowings	15	22,943	23,379	7,505	6,262
Finance lease obligations	29(d)	–	8	–	–
Due to Tokumei Kumiai investors		–	519	–	–
Accounts payable	16	2,422	2,462	–	–
Amounts due to subsidiaries		–	–	393	198
Other payables and accruals		4,469	5,648	937	1,788
Derivative financial instruments	10	280	324	–	25
Income tax payable		229	90	–	–
Total current liabilities		30,343	32,430	8,835	8,273
Total liabilities		120,472	95,934	12,522	12,215
Total equity and liabilities		258,884	236,147	123,559	130,260

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Notes	2014 US$'000	2013 US$'000
Charter income		19,396	16,190
Fee income	17	6,729	8,769
Hotel income		34,971	38,735
Investment returns	18	4,672	7,287
Interest income	19	818	1,016
Other income		548	1,881
Total income		67,134	73,878
Employee benefits expenses	20	(14,060)	(16,165)
Amortisation and depreciation		(6,097)	(5,283)
Vessel operating expenses		(8,306)	(7,287)
Hotel lease expenses		(11,880)	(11,772)
Hotel operating expenses		(14,834)	(16,749)
Other expenses	21	(5,583)	(5,292)
Impairment of property, plant and equipment		(680)	(547)
Write-back of provision of onerous contracts		–	209
Net foreign exchange loss		(82)	(451)
Total operating expenses		(61,522)	(63,337)
Operating profit		5,612	10,541
Finance costs - interest expense	19	(2,344)	(2,233)
Finance costs - others		(137)	(276)
Allocation to Tokumei Kumiai* investors		118	(2,223)
Profit before tax		3,249	5,809
Income tax expense	22(a)	(1,141)	(168)
Profit for the year		2,108	5,641
Attributable to:			
Owners of the parent		2,150	5,448
Non-controlling interests		(42)	193
		2,108	5,641
Profit per share attributable to owners of the parent (US cents per share):			
- Basic and diluted	24	0.46	1.16

* 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Notes	2014 US$'000	2013 US$'000
Profit for the year		2,108	5,641
Other comprehensive expense for the year, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(2,099)	(1,149)
Net movement on cash flow hedges	10(a)	(15)	(1,027)
Other comprehensive expense for the year, net of tax		(2,114)	(2,176)
Total comprehensive (expense)/income for the year, net of tax		(6)	3,465
Attributable to:			
Owners of the parent		43	3,276
Non-controlling interests		(49)	189
		(6)	3,465

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Group	Share capital US$'000	Share premium US$'000	Retained earnings US$'000	Fair value reserve US$'000	Hedging reserve US$'000	Exchange reserve US$'000	Capital reserve US$'000	Total equity attributable to owners of the parent US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2013	75,167	31,319	26,965	9	1,050	3,936	(126)	138,320	234	138,554
Profit for the year	–	–	5,448	–	–	–	–	5,448	193	5,641
Other comprehensive expense for the year	–	–	–	–	(1,027)	(1,145)	–	(2,172)	(4)	(2,176)
Total comprehensive income/(expense) for the year	–	–	5,448	–	(1,027)	(1,145)	–	3,276	189	3,465
Capital reserve	–	–	–	(9)	–	–	9	–	–	–
Dividend in respect of 2012	–	–	(1,892)	–	–	–	–	(1,892)	–	(1,892)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	140	140
Payment to non-controlling interest	–	–	–	–	–	–	–	–	(54)	(54)
At 31 December 2013 and 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 for the year	–	–	–	–	(15)	(2,092)	–	(2,107)	(7)	(2,114)
Total comprehensive income/(expense) for the year	–	–	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 interest	–	–	–	–	–	–	–	–	(54)	(54)
At 31 December 2014	75,167	31,319	30,333	–	8	699	(117)	137,409	1,003	138,412

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Company	**Share capital** US$'000	**Share premium** US$'000	**Retained earnings** US$'000	**Hedging reserve** US$'000	**Total equity** US$'000
At 1 January 2013	75,167	31,319	16,133	–	122,619
Loss for the year	–	–	(2,652)	–	(2,652)
Other comprehensive expense for the year	–	–	–	(30)	(30)
Total comprehensive expense for the year	–	–	(2,652)	(30)	(2,682)
Dividend in respect of 2012	–	–	(1,892)	–	(1,892)
At 31 December 2013 and at 1 January 2014	75,167	31,319	11,589	(30)	118,045
Loss for the year	–	–	(4,684)	–	(4,684)
Other comprehensive income for the year	–	–	–	14	14
Total comprehensive expense/ (income) for the year	–	–	(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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Notes	2014 US$'000	2013 US$'000
Cash flows from operating activities			
Profit before tax		3,249	5,809
Adjustments for:			
Investment returns	18	(4,672)	(7,287)
Amortisation and depreciation		6,097	5,283
Realisation of negative goodwill arising on acquisition of a subsidiary		–	(9)
Loss on disposal of property, plant and equipment		10	–
Impairment of property, plant and equipment		680	547
Write-back of provision of onerous contracts		–	(209)
(Reversal of provision)/provision for accounts receivable		(2)	42
Net foreign exchange loss		82	451
Interest income	19	(818)	(1,016)
Finance costs - interest expense	19	2,344	2,233
Finance costs - others		137	276
Allocation to Tokumei Kumiai investors		(118)	2,223
Operating cash flows before changes in working capital		6,989	8,343
Changes in working capital:			
Net change in accounts receivable		(763)	4,035
Net change in prepayments, deposits and other receivables		(551)	(869)
Net change in accounts payable		163	(879)
Net change in other payables and accruals		(259)	1,525
Cash flows generated from operations		5,579	12,155
Interest received on bank balances		164	195
Tax paid		(943)	(208)
Net cash flows generated from operating activities		4,800	12,142

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Notes	2014 US$'000	2013 US$'000
Cash flows from investing activities			
Acquisition of a subsidiary		–	218
Purchase of investment properties		(2,136)	(3,791)
Purchase of investments		(19,510)	(4,044)
Proceeds from sale of investment properties		2,444	–
Proceeds from redemption/sale of investments		6,303	9,790
Proceeds from disposal of a hotel		–	16,807
Net cash inflow on acquisition of an investment		–	17
Deposits paid for purchase of vessels		(9,314)	(6,882)
Purchase of property, plant and equipment		(23,910)	(25,695)
Contribution from a Tokumei Kumiai investor		157	737
Redemption of Tokumei Kumiai investors		(496)	(3,338)
Loans advanced		(4,219)	(1,014)
Loans repaid		8,305	4,042
Interest received from loans		721	760
Net decrease in deposits pledged as collateral		2,191	8,586
Income proceeds from investments		2,228	5,896
Settlement of derivative financial instruments		786	2,033
Proceeds from property rental		281	350
Net cash flows (used in)/generated from investing activities		(36,169)	4,472
Cash flows from financing activities			
New borrowings		41,618	26,859
Repayment of borrowings		(14,185)	(32,523)
Interests paid on borrowings		(2,259)	(2,213)
Other finance cost paid		(199)	(165)
Payment of lease obligation		(14)	(8)
Dividend paid		(2,338)	(1,904)
Contribution from non-controlling interests		5	–
Payment to non-controlling interest		(54)	(54)
Net cash flows generated from/(used in) financing activities		22,574	(10,008)
Net (decrease)/increase in cash and cash equivalents		(8,795)	6,606
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the year		47,566	43,266
Net (decrease)/increase in cash and cash equivalents		(8,795)	6,606
Effects of foreign exchange rate changes, net		(2,450)	(2,306)
Cash and cash equivalents at end of the year	13	36,321	47,566

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. Corporate information

The principal activities of Uni-Asia Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") are finance arrangement, investment and investment management of alternative assets including primarily shipping and real estates in Japan, China and Hong Kong, and hotel operating in Japan.

The Company is an exempted company incorporated in the Cayman Islands on 17 March 1997 with limited liability and its shares are listed on the Singapore Exchange.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below. The financial statements are presented in United States dollars ("USD" or "US$") and all values are rounded to the nearest thousand ("US$'000"), except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of its subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies. The results of its subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, income and expenses, and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises: (i) the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost; (ii) the carrying amount of any non-controlling interest; and (iii) the cumulative translation differences recorded in equity; and recognises: (i) the fair value of the consideration received; (ii) the fair value of any investment retained; and (iii) any surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies and disclosures*

The accounting policies adopted are consistent with those of the previous year, except for the following new and amended standards effective as of 1 January 2014:

- Investment Entities - Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities and* IAS 27 *Separate Financial Statements*
- Offset Financial Assets and Financial Liabilities - Amendments to IAS 32 *Financial Instruments: Presentation*
- Recoverable Amount Disclosures for Non-Financial Assets - Amendments to IAS 36 *Impairment of Assets*
- Novation of Derivatives and Continuation of Hedge Accounting - Amendments to IAS 39 *Financial Instruments: Recognition and Measurement*
- IFRIC 21 *Levies*
- *Improvements to IFRSs - 2010-2012 Cycle*: Amendments to IFRS 13 - Short-term receivables and payables
- *Improvements to IFRSs - 2011-2013 Cycle*: Amendments to IFRS 1 – Meaning of 'effective IFRSs'

The adoption of these new standards did not have significant effect on the financial statements.

2.3 *Standards issued but not yet effective*

The Company has not adopted the following standards that have been issued but not yet effective:

Descriptions	**Effective for annual periods beginning on or after**
Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvement to the standard and interpretations (January 2014)	
(a) Amendments to IFRS 2 *Share Based Payment*	1 July 2014
(b) Amendments to IFRS 3 *Business Combinations*	1 July 2014
(c) Amendments to IFRS 8 *Operating Segments*	1 July 2014
(d) Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*	1 July 2014
(e) Amendments to IAS 24 *Related Party Disclosures*	1 July 2014
Improvement to the standard and interpretations (February 2014)	
(a) Amendments to IFRS 3 *Business Combinations*	1 July 2014
(b) Amendments to IFRS 13 *Fair Value Measurement*	1 July 2014
(c) Amendments to IAS 40 *Investment Property*	1 July 2014
Amendments to IAS 16 and IAS 41 *Agriculture - Bearer Plants*	1 January 2016
Amendments to IAS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

Descriptions	Effective for annual periods beginning on or after
Improvement to the standard and interpretations (November 2014)	
(a) Amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to IFRS 7 *Financial Instruments: Disclosures*	1 January 2016
(c) Amendments to IAS 19 *Employee Benefits*	1 January 2016
Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Amendments to IAS 1 *Disclosure Initiative*	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
IFRS 15 *Revenue from Contracts with Customers*	1 January 2017
IFRS 9 *Financial Instruments*	1 January 2018

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application except for IFRS 15 and IFRS 9 that the directors are currently determining the impact.

2.4 *Subsidiaries*

Subsidiaries are all entities that are controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.5 *Joint ventures*

A joint venture is an entity in which the Group has joint control over the net assets of the entity with the Group's joint venture partner. The Group has elected to apply the measurement exception where investments held by venture capital or similar entities are designated, upon initial recognition, as a fair value through profit or loss and are accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). Refer to policy 2.14 on financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.6 *Associates*

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. The Group has elected to apply the measurement exception where investments held by venture capital or similar entities are designated, upon initial recognition, as a fair value through profit or loss and are accounted for in accordance with IAS 39. Refer to policy 2.14 on financial assets.

2.7 *Revenue and other income recognition*

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be measured reliably, on the following recognition critieria:

Arrangement fee is recognised on delivery and upon completion of the transaction or service when all obligations associated with the transaction are completed and when the amount of revenue can be measured reliably.

Agency fee and brokerage commission are recognised when pre-agreed duties and functions of acting as an agent have been rendered.

Project management fee, asset management fee, administration fee, incentive fee and charter income are recognised when pre-agreed terms and services have been rendered.

Hotel income is recognised on a basis that reflects the timing, nature and value when the relevant services are provided.

Rental income is recognised on a straight-line basis over the leases terms.

Interest income is recognised on the effective interest basis.

Dividend income is recognised when the right to receive payment is established.

2.8 *Business combination and goodwill*

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair value of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.8 *Business combination and goodwill (cont'd)*

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.9 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.10 *Impairment of non-financial assets*

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises.

For assets excluding goodwill, an assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 *Property, plant and equipment*

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes expenditure that is directly attributable to the acquisition of the items. Vessel repairs and surveys costs are charged as expenses as they are incurred. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal and value in use.

Freehold land in hotel properties has unlimited useful life and therefore is not depreciated.

Leasehold improvements are depreciated over two years of the lease period while all other property, plant and equipment are depreciated at the following rates on a straight-line basis, which are deemed sufficient to write-off their costs to their residual values over their estimated useful lives: office equipment at 33 1/3%, hotel properties at 2.6%, vessels at 4.0% - 6.5%, motor vehicles at 8.8% and furniture and fixtures at 25% per annum.

An element of the cost of the vessel is attributed at acquisition to its service potential reflecting its maintained condition. This cost is depreciated over the period to the next dry-docking. Costs incurred on subsequent dry-docking of vessel are capitalised and depreciated on a straight-line basis over the estimated period until the next dry-docking. Gain or loss on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

The residual value, useful life and depreciation method are reviewed at each year end and adjusted prospectively, if appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.12 *Investment properties*

Investment properties are properties owned by the Group that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at fair value. Changes in fair value are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amount of the replaced components are written-off to profit or loss. The cost of maintenance, repairs and minor improvements is charged to the profit or loss when incurred.

On disposal of an investment property, the differences between the disposal proceeds and the carrying amount are recognised in profit or loss.

2.13 *Intangible assets (other than goodwill)*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each year end.

Trademark and licenses

Purchased trademark and licenses are measured at cost less any impairment losses and are amortised on the straight-line basis over their estimate useful lives of 3 to 10 years.

2.14 *Financial assets*

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale ("AFS") financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.14 *Financial assets (cont'd)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. Financial assets at fair value through profit or loss are carried in the balance sheets at fair value with net changes in fair value recognised in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue and other income recognition" above.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria under IAS 39 are satisfied.

The Group evaluates its financial assets at fair value through profit or loss (held for trading) to assess whether the intent to sell them in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification from financial assets at fair value through profit or loss to loans and receivables, AFS financial assets or held-to-maturity investments depends on the nature of the assets. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation as these instruments cannot be reclassified after initial recognition.

For investments that meet the definition under IAS 28 *Investments in Associates and Joint Ventures* ("IAS 28"), the Group has elected to apply the measurements exception where investments held by venture capital or similar entities are designated, upon initial recognition, as at fair value through profit or loss and are accounted for in accordance with IAS 39.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using effective interest method less any impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss. The loss arising from impairment is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.14 *Financial assets (cont'd)*

Subsequent measurement (cont'd)

(c) Available-for-sale ("AFS") financial investments

AFS financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as AFS are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, AFS financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the AFS financial investments revaluation reserve until the investment is derecognised, at which time the cumulative gains or losses is recognised in profit or loss in investments returns, or until the investments are determined to be impaired, when the cumulative gain or loss is reclassified from the AFS financial investments revaluation reserve to profit or loss in other expenses. Interests and dividends earned whilst holding the AFS financial investments are reported as investments returns and are recognised in profit or loss as investments return in accordance with the policies as set out in "Revenue and other income recognition" above.

When the fair value of unlisted equity investments cannot be reliably measured because: (a) the variability in the range of reasonable fair value estimates is significant for that investment; or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are measured at cost less any impairment losses.

Determination of fair value

Fair value for unquoted securities is estimated by the management. In determining fair value, the management makes use of market-based information and fair valuation models such as discounted cash flow models or residual method. In many instances the management also relies on financial data of investees and on estimates provided by the management of the investee companies as to the effect of future developments.

Performance notes are investments with income and maturity values which fluctuate based on the distributions received from underlying assets, which are generally investments in property development companies, distressed loans or shipping companies.

Fair value of performance notes or other collective investment schemes are determined by the Group's interests in the fair value of each scheme's underlying assets.

Although the management uses their best judgement in estimating the fair value of investments, there are inherent limitations in any estimation techniques. Future confirming events will also affect the estimates of fair value and the effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.14 *Financial assets (cont'd)*

Derecognition of financial assets

A financial asset is derecognised when:

- the right to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either: (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

  When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership of the assets. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognised an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

  Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the assets (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.14 *Financial assets (cont'd)*

Impairment of financial assets (cont'd)

(a) Financial assets carried at amortised cost (cont'd)

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the differences between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written-off when there is no realistic prospect of future recovery or other criteria for writing-off amounts charged to the allowance account against the carrying amount of impaired financial assets.

If in subsequent periods, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

(b) Available-for-sale ("AFS") financial investments

For AFS financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

In the case of equity investments classified as AFS, objective evidence of impairment include: (i) significant financial difficulty of the issuer or obligor; (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates and indicates that the cost of the investments in equity instruments may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investments below its costs. 'Significant' is to be evaluated against the original cost of the investments and 'prolonged' against the period in which the fair value has been below its original cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.14 *Financial assets (cont'd)*

Impairment of financial assets (cont'd)

(b) Available-for-sale ("AFS") financial investments (cont'd)

If an AFS financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.15 *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

(b) Financial liabilities at amortised cost

After initial recognition, financial liabilities at amortised cost including accounts payable and other payables, and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.15 Financial liabilities (cont'd)

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in profit or loss.

2.16 *Cash and bank balances*

Cash and cash equivalents include cash in hand, bank balances and short-term bank deposits.

2.17 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.17 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.18 *Employee benefits*

Pension obligations

Group companies have various defined contribution pension schemes in accordance with the local conditions and practices in the countries in which they operate. A defined contribution pension scheme is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee services in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis.

Once the contributions have been paid, the Group has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.19 *Derivative financial instruments and hedge accounting*

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instruments, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instruments' effectiveness of changes in the hedging instruments' fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

(a) *Fair value hedges*

The change in the fair value of an interest rate hedging derivative is recognised in profit or loss in investments return. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in profit or loss as investments return.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying values is amortised through profit or loss over the remaining term to maturity. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss as investments return.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instruments are also recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.19 *Derivative financial instruments and hedge accounting (cont'd)*

(b) *Cash flow hedges*

The effective portions of the gains or losses on the hedging instruments are recognised directly in other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in profit or loss.

Amounts recognised in other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss. If the hedging instruments expires or are sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, the amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

2.20 *Foreign currency translations*

The Group's consolidated financial statements are presented in USD, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency of exchange ruling at the end of the reporting period. All differences are taken to profit or loss with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on retranslation of a non-monetary item is treated in line with the recognition of the gain or loss on change in fair value of the item i.e., transaction differences on item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively.

The functional currencies of certain overseas subsidiaries are currencies other than the USD. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their profit or loss are translated into USD at the average exchange rates for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.20 *Foreign currency translations (cont'd)*

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amount of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and are translated at the closing rates.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into USD at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into USD at the average exchange rates for the year.

2.21 *Leases*

Leases that transfer substantially all the risks and rewards of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to profit or loss on the straight-line basis over the lease terms.

2.22 *Provision*

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounting present value amount arising from the passage of time is included in finance costs in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.23 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are recognised in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.24 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3. Segment information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit before tax from continuing operations.

(a) *Operating segments*

At 31 December 2014, the Group is organised on a worldwide basis into four main reportable segments (activities):

(i) Investments and Asset Management of Ships and Properties, Ship Finance Arrangement;

(ii) Ship Owning and Chartering;

(iii) Investments and Asset Management of Properties in Japan; and

(iv) Hotel Operations in Japan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. Segment information (cont'd)

(a) *Operating segments (cont'd)*

The segment results for the years ended 31 December 2014 were as follows :

2014	Investments & Asset Management of Ships and Properties, Ship Finance Arrangement	Ship Owning & Chartering	Investment & Asset Management of Properties in Japan	Hotel Operations in Japan	Eliminations	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
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 expenses	(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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. Segment information (cont'd)

(a) *Operating segments (cont'd)*

The segment results for the years ended 31 December 2013 were as follows:

2013	Investments & Asset Management of Ships and Properties, Ship Finance Arrangement	Ship Owning & Chartering	Investment & Asset Management of Properties in Japan	Hotel Operations in Japan	Eliminations	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Total income						
External customers	7,575	18,406	10,448	36,433	–	72,862
Interest income	1,007	7	1	1	–	1,016
Inter-segment	1,259	–	460	1,023	(2,742)	–
	9,841	18,413	10,909	37,457	(2,742)	73,878
Results						
Amortisation and depreciation	(41)	(4,534)	(656)	(58)	6	(5,283)
Impairment of property, plant and equipment	–	(547)	–	–	–	(547)
Finance costs - interest expenses	(313)	(1,537)	(355)	(28)	–	(2,233)
Finance costs - others	(18)	(246)	(133)	(5)	126	(276)
Allocation to Tokumei Kumiai investors	4	–	(2,227)	–	–	(2,223)
(Loss)/profit before tax	(1,181)	3,615	2,745	613	17	5,809
Other segment item is as follows:						
Capital expenditure	3,881	25,442	25	33	–	29,381

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. Segment information (cont'd)

(a) *Operating segments (cont'd)*

The segment assets and liabilities were as follows:

	Investments & Asset Management of Ships and Properties, Ship Finance Arrangement	Ship Owning & Chartering	Investments & Asset Management of Properties in Japan	Hotel Operations in Japan	Eliminations	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
As at 31 December 2014						
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
As at 31 December 2013						
Segment assets						
Total assets	149,803	115,123	17,389	9,649	(55,817)	236,147
Segment liabilities						
Total liabilities	15,838	71,041	11,822	5,905	(8,672)	95,934

Segment assets consist primarily of investment properties, property, plant and equipment, receivables, investments, deposits pledged as collateral, cash and bank balances, deposits for purchase of vessels and derivative financial instruments.

Segment liabilities consist primarily of borrowings, payables, accruals and derivative financial instruments.

Capital expenditure represents capital additions to investment properties (Note 5) and property, plant and equipment (Note 7).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. Segment information (cont'd)

(b) *Geographical information*

The Group's four operating segments operate in three main geographical areas, even though they are managed on a worldwide basis.

Global - the Global segment represents activities with assets or customers with no fixed location, which include ship finance arrangement, investments and asset management of ships, ship owning and chartering.

Asia (ex-Japan) - the Asia (ex-Japan) segment represents activities with assets or customers located in Asia (ex-Japan), which include ship finance arrangement, investments and asset management of properties.

Japan - the Japan segment represents activities with assets or customers located in Japan, which include ship finance arrangement, investments and asset management of properties and hotel operations.

	2014	**2013**
	US$'000	US$'000
Total income:		
Global	21,420	19,049
Asia (ex-Japan)	4,826	7,147
Japan	40,888	47,682
	67,134	73,878

During the year, revenue from one major customer amounted to US$16.5 million (2013: US$10.6 million) arising from fee income generated from ship owning and chartering segment.

	2014	**2013**
	US$'000	US$'000
Non-current assets:		
Global	166,394	142,071
Asia (ex-Japan)	20,059	6,716
Japan	22,515	22,091
	208,968	170,878

Income and non-current assets attributable to operating segments are based on the countries in which the customers are located. There is no sale between the geographical segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. Significant accounting judgements, estimates and assumptions

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below :

(a) *Estimation of fair value of investment properties*

The Group uses management's valuation in the fair valuation of investment properties. In the case of an internal valuation, the discounted cash flow method or capitalisation rate method is used which makes reference to the estimated or actual market rental values and equivalent yields. The determination of the fair value of the investment properties requires the use of estimates such as future cash flow from assets and discount rates applicable to those assets. These estimates are based on local market conditions existing at the end of each reporting date. The carrying amount of investment properties at 31 December 2014 was US$11.8 million (2013: US$10.1 million) and more details are disclosed in Note 5. The assumptions applied in determination of the valuation of these investment properties and their sensitivity analysis are described in Note 28 (c)(iii) and (iv).

(b) *Estimation of fair value of investments*

The Group uses both external valuation reports and management's valuation in the fair valuation of investments. Investments in shipping and office property are valued by accredited independent valuers while investments in hotel, residential, small residential property developments and distressed debt are valued by management. The valuations are based on the discounted cash flow method or residual method that makes reference to the estimated or actual market lease values, development costs and equivalent yields.

The estimates are based on considerations such as future financial performance of the investee and the economic condition of the industry in which the investee operates. The carrying amount of investments at 31 December 2014 was US$46.2 million (2013: US$33.7 million) and more details are disclosed in Note 9. The assumptions applied in determination of the valuation of these unlisted shares in property investments and their sensitivity analysis are described in Note 28 (c)(i) and (ii).

(c) *Impairment of property, plant and equipment*

During the year, there was one (2013: one) property, plant and equipment that was impaired. The carrying amount of this property, plant and equipment as at 31 December 2014 was US$14.3 million (2013: US$15.8 million).

The key assumptions used to determine the impairment of property, plant and equipment are further explained in Note 7(c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

5. Investment properties

	Note	Group 2014 US$'000	Group 2013 US$'000
At 1 January		10,109	6,658
Additions		2,136	3,791
Disposals		(1,142)	–
Fair value gain/(loss)	18	1,284	(527)
Currency translation differences		(616)	187
At 31 December		11,771	10,109

Certain investment properties were leased to third parties under operating leases and the leases have ended during the financial year. The details of which are included in Note 29(c).

The following amounts are recognised in profit or loss:

	Note	Group 2014 US$'000	Group 2013 US$'000
Rental income		281	350
Direct operating expenses arising from:			
- Investment properties that generated rental income	21	95	2
- Investment properties that did not generate rental income		87	55

Further particulars of the Group's investment properties are detailed below:

Location	Use	Tenure	Unexpired lease term
Rooms 701, 712-717, 719-725, 7/F, China Shine Plaza, 9 Lin He Xi Road, Tianhe District, Guangzhou, PRC (1)	Offices	Leasehold	41 years
4-1-16, Sengoku, Bunkyo-ku, Tokyo, Japan (2)	Residential	Freehold	–
2-4-18, Mejiro, Toshima-ku, Tokyo, Japan (3)	Residential	Freehold	–

(1) The Group uses management's valuation in the fair valuation of the investment property. Discounted cash flow method is used which makes reference to the estimated or actual market rental values and equivalent yields.

(2) This investment property is valued based on the sales and purchase agreement price which was sold in the subsequent year. This investment property amounting to US$4.0 million (2013: US$1.9 million) is mortgaged to secure bank borrowing of US$1.7 million (2013: US$1.2 million) (Note 15).

(3) The Group uses management's valuation in the fair valuation of the investment property. Capitalisation rate method is used which makes reference to the capitalisation rates of similar investment properties in the market. This investment property amounting to US$3.3 million (2013: US$1.9 million) is mortgaged to secure bank borrowing of US$2.0 million (2013: US$1.0 million) (Note 15).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. Intangible assets

Group	Goodwill	Other Intangible assets	Total
	US$'000	US$'000	US$'000
Cost			
At 1 January 2013	–	160	160
Additions	–	3	3
Acquisition of a subsidiary	67	–	67
Disposals	–	(26)	(26)
Currency translation differences	–	(27)	(27)
At 31 December 2013 and at 1 January 2014	67	110	177
Disposals	–	(103)	(103)
Currency translation differences	–	(1)	(1)
At 31 December 2014	67	6	73
Accumulated amortisation and impairment			
At 1 January 2013	–	140	140
Amortisation	–	13	13
Disposals	–	(26)	(26)
Currency translation differences	–	(24)	(24)
At 31 December 2013 and at 1 January 2014	–	103	103
Amortisation	–	4	4
Disposals	–	(103)	(103)
At 31 December 2014	–	4	4
Net book value			
At 31 December 2013	67	7	74
At 31 December 2014	67	2	69

Impairment testing of goodwill

Goodwill acquired through a business combination has been allocated to a cash-generating unit (CGU), which is the reportable segment under Investments & Asset Management of Ships and Properties, Ship Finance Arrangement.

The recoverable amounts of the CGU have been determined based on value in use calculation using cash flow projections from financial budget covering a six year period with terminal growth rate of 2%.

The management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

7. Property, plant and equipment

Group	Hotel properties	Vessels	Office equipment, furniture and fixtures	Total
	US$'000	US$'000	US$'000	US$'000
Cost				
At 1 January 2013	27,942	82,104	1,821	111,867
Additions	40	25,442	100	25,582
Acquisition of a subsidiary	–	–	8	8
Transfer from deposits for purchase of vessels	–	6,277	–	6,277
Disposals	(15,397)	–	(19)	(15,416)
Written-off	–	–	(178)	(178)
Currency translation differences	(3,748)	–	(172)	(3,920)
At 31 December 2013 and at 1 January 2014	8,837	113,823	1,560	124,220
Additions	23	23,227	664	23,914
Transfer	97	–	(97)	–
Transfer from deposits for purchase of vessels	–	2,361	–	2,361
Disposals	–	–	(784)	(784)
Written-off	–	–	(4)	(4)
Currency translation differences	(1,099)	–	119	(980)
At 31 December 2014	7,858	139,411	1,458	148,727

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. Property, plant and equipment (cont'd)

Group	Hotel properties	Vessels	Office equipment, furniture and fixtures	Total
	US$'000	US$'000	US$'000	US$'000
Accumulated depreciation and impairment				
At 1 January 2013	3,528	5,062	1,380	9,970
Charge for the year	605	4,528	137	5,270
Disposals	(2,725)	–	(19)	(2,744)
Impairment	–	547	–	547
Written-off	–	–	(178)	(178)
Currency translation differences	(459)	–	(109)	(568)
At 31 December 2013 and at 1 January 2014	949	10,137	1,211	12,297
Charge for the year	225	5,722	146	6,093
Transfer	35	–	(35)	–
Disposals	–	–	(774)	(774)
Impairment	–	680	–	680
Written-off	–	–	(4)	(4)
Currency translation differences	(148)	–	139	(9)
At 31 December 2014	1,061	16,539	683	18,283
Net book value				
At 31 December 2013	7,888	103,686	349	111,923
At 31 December 2014	6,797	122,872	775	130,444

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. Property, plant and equipment (cont'd)

Land and buildings included in the hotel properties are freehold.

(a) ***Assets pledged as security***

As at 31 December 2014, certain of the Group's hotel properties with a carrying amount of US$6.5 million (2013: US$7.6 million) were pledged to secure the Group's bank borrowings of US$3.8 million (2013: US$4.5 million) (Note 15).

As at 31 December 2014, the Group's vessels amounting to US$122.9 million (2013: US$103.7 million) were pledged to secure the Group's bank borrowings of US$80.0 million (2013: US$68.3 million) (Note 15).

(b) ***Assets held under finance leases***

The carrying amount of the office equipment, furniture and fixtures included an amount of US$Nil (2013: US$12,000) in respect of assets held under finance leases.

(c) ***Impairment of assets***

During the financial year, an impairment loss of US$680,000 (2013: US$547,000), representing the write-down of a vessel to its recoverable amount was recognised as "Impairment of property, plant and equipment" line item in profit or loss and under the reportable segment of Ship Owning & Chartering. The recoverable amount of the vessel was based on its value in use and the pre-tax discount rate used was 5.4% (2013: 6.0%).

If the discount rate used in the valuation had been 1% higher than management's estimate, the carrying amount of the vessel would have been US$791,000 (2013: US$883,000) lower.

Company	**Office equipment, furniture and fixtures**
	US$'000
Cost	
At 1 January 2013	868
Additions	28
Disposals	(16)
At 31 December 2013 and at 1 January 2014	880
Additions	571
Disposals	(745)
At 31 December 2014	706

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. Property, plant and equipment (cont'd)

(c) *Impairment of assets (cont'd)*

Company	Office equipment, furniture and fixtures
	US$'000
Accumulated depreciation	
At 1 January 2013	833
Charge for the year	21
Disposals	(16)
At 31 December 2013 and at 1 January 2014	838
Charge for the year	47
Disposals	(740)
At 31 December 2014	145
Net book value	
At 31 December 2013	42
At 31 December 2014	561

8. Loans receivable

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Non-current				
Interest rate at 12% per annum	836	953	836	953
Interest rate at 10% per annum	–	1,358	–	1,358
Interest rate at 5% per annum	5,050	6,500	2,050	3,500
	5,886	8,811	2,886	5,811
Current				
Interest rate at LIBOR + 1.5% per annum	–	1,000	–	–
Interest rate at 0% per annum	900	1,100	900	1,100
	900	2,100	900	1,100

The Group's loans receivable balance are receivables from related parties as disclosed in Note 30(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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9. Investments

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Non-current				
Financial assets at fair value through profit or loss:				
Unlisted shares				
- Shipping	17,829	12,294	17,728	12,180
- Hotel	504	970	–	12
- Residential	69	167	–	135
- Office property	14,827	–	–	–
- Small residential property developments	4,963	4,672	–	–
Unlisted performance notes				
- Shipping	6,627	12,810	6,627	12,810
Unlisted bond				
- Shipping	251	286	–	–
	45,070	31,199	24,355	25,137
Current				
Financial assets at fair value through profit or loss:				
Unlisted shares				
- Hotel	–	28	–	–
- Residential	–	1,423	–	–
Listed shares				
- Others	1,108	1,095	–	–
	1,108	2,546	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

9. Investments (cont'd)

Fair values of listed shares are based on bid price at the end of the reporting period. Fair value for unlisted shares, unlisted performance notes and unlisted bond are further explained in Note 28.

Shipping performance notes are redeemable semi-annually, in whole or in part, based on the net cash inflow from the operation or the disposal of underlying assets. There is no maturity date for the shipping performance notes invested by the Group.

There is no significant restriction on the ability of investments to transfer funds to the Group in the form of cash dividends, repayment of loans or advances.

At 31 December 2014, the Company has pledged the interest in share capital of investments as follows:

(a) US$6.5 million (2013: US$4.0 million) as security for investees' bank loans and interest rate swap; and

(b) US$0.6 million (2013: US$0.6 million) as security for investee's bank loan for purchase of a vessel.

Investment in joint ventures

The Group has investments in joint venture in the form of investments in unlisted shares.

Aggregate information about the Group's investments in joint ventures that are not individually material is as follows:

	2014 US$'000	2013 US$'000
Profit after tax	9,219	17,603
Other comprehensive income	(1,758)	4,295
Total comprehensive income	7,461	21,898

The Group's commitments in respect of its investment in joint ventures are disclosed in Note 29(e).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

10. Derivative financial instruments

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Non-current				
Financial assets at fair value through other comprehensive income:				
Cash flow hedge				
Interest rate swaps (a)	202	227	44	102
Financial assets at fair value through profit or loss:				
Derivatives not designated as hedge				
Interest rate swap (b)(i)	16	3	284	–
	218	230	328	102
Financial liabilities at fair value through other comprehensive income:				
Cash flow hedge				
Interest rate swap (a)	(16)	(30)	(60)	(132)
Financial liabilities at fair value through profit or loss:				
Derivatives not designated as hedge				
Interest rate swap (b)(i)	(186)	(17)	(284)	–
	(202)	(47)	(344)	(132)
Current				
Financial assets at fair value through profit or loss:				
Derivatives not designated as hedge				
Forward currency contracts (b)(ii)	96	27	96	27
	96	27	96	27
Financial liabilities at fair value through other comprehensive income:				
Cash flow hedge				
Interest rate swaps (a)	(178)	(174)	–	–
Financial liabilities at fair value through profit or loss:				
Derivatives not designated as hedge				
Interest rate swaps (b)(i)	(102)	(125)	–	–
Forward currency contracts (b)(ii)	–	(25)	–	(25)
	(280)	(324)	–	(25)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

10. Derivative financial instruments (cont'd)

(a) ***Cash flow hedge***

At 31 December 2014, the Group has interest rate swaps to hedge the interest rate risk of bank borrowings.

The interest rate swaps receive floating interest, pay fixed interest and mature between 2016 and 2018.

The terms and the payment dates of the interest rate swaps have been negotiated to match the terms of the bank borrowings. There were no highly probable transactions for which hedge accounting has been claimed that have not occurred and no significant element of hedge ineffectiveness requiring recognition in profit or loss. The cash flow hedge of the expected future interest payment of bank borrowings was assessed to be highly effective.

Below is a schedule indicating as at 31 December, the periods when the hedged forecast cash flows are expected to occur and when they are expected to affect profit or loss:

	Less than 1 year	**1 year to 5 years**
	US$'000	US$'000
2014		
Net cash (outflows)/inflows	(198)	207
2013		
Net cash outflows	254	622

The movements of hedging reserve during the years were as follows:

	2014	**2013**
	US$'000	US$'000
At 1 January	23	1,050
Loss recognised in other comprehensive income during the year	(15)	(8)
Gain reclassified to profit or loss during the year	–	(1,019)
At 31 December	8	23

(b) ***Derivatives not designated as hedging instruments***

At 31 December 2014, the Group has the following open positions:

(i) Interest rate swaps to manage its interest rate exposures. The interest rate swaps receive floating interest, pays fixed interest and mature between 2016 and 2021.

(ii) Foreign currency forward contracts which the Group entered into with a bank on behalf of an investee company. The Group will earn a fee through the spread in the foreign currency rate contracted with the bank and the investee company. There is no profit or loss exposure to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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11. Accounts receivable

	Group		Company	
	2014	**2013**	**2014**	**2013**
	US$'000	US$'000	US$'000	US$'000
Accounts receivable	3,039	3,214	68	94
Provision for impairment	(70)	(79)	–	–
	2,969	3,135	68	94

In general, the Group normally grants a credit period of 30 days to its customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. Accounts receivable are non-interest-bearing.

An aged analysis of the accounts receivable as at the end of the reporting period that past due but not impaired is as follows:

	2014	**2013**
	US$'000	US$'000
31 days to 60 days	164	44
Over 61 days	177	77
	341	121

The movements in the provision for impairment of accounts receivable are as follows:

	Note	**2014**	**2013**
		US$'000	US$'000
At 1 January		(79)	(379)
Reversal of provision/(provision for)	21	2	(42)
Written-off		–	336
Currency translation differences		7	6
At 31 December		(70)	(79)

The impairment of accounts receivable is individually determined to be impaired. The individually impaired accounts receivable relates to customers that were in financial difficulties. The Group does not hold any collateral or other credit enhancements over these balances.

Included in the Group's accounts receivable balance are receivables from related parties as disclosed in Note 30(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

12. Deposits pledged as collateral

As at 31 December 2014, the Group and the Company had deposits pledged as collateral against Japanese yen ("JPY" or "¥") denominated bank loan facilities. The aggregate amounts of certain deposits pledged shall not at any time be less than 110% of the outstanding amounts under the revolving JPY loan facilities and certain deposits pledged shall be subject to 90% loan to value ratio (Note 15).

13. Cash and bank balances

	Group		Company	
	2014	**2013**	**2014**	**2013**
	US$'000	US$'000	US$'000	US$'000
Cash at banks and in hand	26,792	26,296	8,568	12,282
Short-term time deposits	9,529	21,270	5,304	17,933
Cash and cash equivalents	36,321	47,566	13,872	30,215

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one month and one year depending on the immediate cash requirements of the Group and the Company and earn interest at the respective short-term time deposit rates.

14. Share capital and share premium

	Number of shares		Share capital		Share premium	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
	'000	'000	US$'000	US$'000	US$'000	US$'000
Authorised:						
Ordinary shares of US$0.16 each	750,000	750,000	120,000	120,000		
Issued and fully paid:						
At 1 January and 31 December	469,793	469,793	75,167	75,167	31,319	31,319

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

15. Borrowings

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Non-current				
Repayable per terms of loan facilities:				
- Secured	75,303	58,134	–	–
- Unsecured	12,562	4,600	3,343	3,810
	87,865	62,734	3,343	3,810
Current				
Repayable per terms of loan facilities:				
- Secured	16,172	23,073	4,066	6,262
- Unsecured	6,771	306	3,439	–
	22,943	23,379	7,505	6,262

The effective annual interest rates of the bank borrowings range from approximately 0.928% to 5.000% (2013: approximately 0.959% to 5.000%).

The Group's borrowings are secured by means of cash deposits (Note 12), investment properties (Note 5) and property, plant and equipment (Note 7).

16. Accounts payable

The accounts payable are non-interest-bearing and are normally settled on 30 days' terms.

17. Fee income

	2014	2013
	US$'000	US$'000
Arrangement and agency fee	2,431	4,499
Asset management and administration fee	2,394	2,925
Incentive fee	1,469	757
Brokerage commission	435	588
	6,729	8,769

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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18. Investment returns

	Notes	2014 US$'000	2013 US$'000
Interest on performance notes			
- Shipping	30(a)	–	241
Interest on bond		10	8
Realised gain on investment property		1,302	–
Realised gain on investments			
- Shipping		195	177
- Hotel and residential		(266)	687
- Hotel (classified under property, plant and equipment)		–	4,135
- Office property/small residential property developments	30(a)	712	5,291
- Distressed asset		1,287	–
- Listed shares		60	93
- Others		(36)	–
Property rental income		281	350
Fair value adjustment on investment properties	5	1,284	(527)
Fair value adjustment on investments			
- Shipping		(2,645)	(1,329)
- Hotel and residential		1,704	(693)
- Office property/small residential property developments		32	(3,037)
- Distressed asset		–	(2)
- Listed shares		14	(238)
Net gain on derivative financial instruments		738	2,131
		4,672	7,287

19. Interest income and expense

	2014 US$'000	2013 US$'000
Interest income from:		
- Cash and cash equivalents	172	172
- Bridging loans	646	844
	818	1,016
Interest expense on:		
- Borrowings	2,343	2,232
- Finance lease obligation	1	1
	2,344	2,233

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20. Employee benefits expenses

	2014	2013
	US$'000	US$'000
Salaries and benefits	13,875	15,989
Pension scheme contributions	185	176
	14,060	16,165

21. Other expenses

The following items have been included in arriving at other expenses:

	Note	2014	2013
		US$'000	US$'000
Operating lease expenses		1,338	1,270
Investment properties operating expenses	5	95	2
(Reversal of provision)/provision for accounts receivable	11	(2)	42
Business development expenses		966	956
Professional services fees		1,219	1,526
Audit fee paid to auditors of the Group		405	372
Audit fee paid to other auditors		11	2
Non-audit fee paid to auditors of the Group		7	2
Non-audit fee paid to other auditors		1	3
Tax and public dues		894	314
Miscellaneous		649	803
		5,583	5,292

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

22. Income tax

The Group's taxes on assessable profits have been calculated at tax rates prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

(a) *Income tax*

	Note	2014	2013
		US$'000	US$'000
Current income tax		543	160
Deferred tax	22(b)	598	8
Total tax expense for the year		1,141	168

A reconciliation between tax expense of the Group applicable to profit before tax using applicable rates and the tax expense for the year is as follows:

	2014	2013
	US$'000	US$'000
Profit before tax	3,249	5,809
Tax at domestic rates applicable to individual group entities	1,266	1,612
Tax effects of:		
Expenses not deductible for the tax purposes	3,908	3,394
Income not subject to tax	(4,582)	(4,385)
Utilisation of previously unrecognised tax losses	(591)	(796)
Deferred tax on disposal of investment properties	601	–
Deferred tax assets not recognised	453	333
Partial tax exemption and tax relief	–	–
Under/(over)provision in respect of prior years	20	(1)
Others	66	11
Tax expense for the year at the Group's effective rate of 35% (2013: 3%)	1,141	168

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

22. Income tax (cont'd)

(b) ***Deferred tax***

The movements in deferred tax assets during the years were as follows:

	Note	Provision US$'000
At 1 January 2013		42
Charged to income tax expense for the year	22(a)	(8)
Currency translation differences		(7)
At 31 December 2013 and at 1 January 2014		27
Credited to income tax expense for the year	22(a)	3
Currency translation differences		(4)
At 31 December 2014		26

The movements in deferred tax liabilities during the years were as follows:

	Note	Provision US$'000
At 1 January 2014		–
Charged to income tax expense for the year	22(a)	(601)
Charged to other expenses*		(637)
Currency translation differences		(55)
At 31 December 2014		(1,293)

* In relation to capital gain tax upon disposal of investment properties.

Unrecognised temporary differences relating to investments in subsidiaries and joint venture

At the end of the reporting period, no deferred tax liability (2013: US$Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries and joint venture as the timing and amount of earnings to be distributed by the Group's subsidiaries and joint venture is at the discretion of the Group and has yet to be determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

23. Dividends

A dividend of S$2.9 million (SG cents 0.625 per ordinary share) was paid in 2014 for financial year ended 31 December 2013. Subsequent to 31 December 2014, the directors of the Company proposed a dividend of SG cents 0.625 per ordinary share totalling S$2.9 million to be paid in respect of the year ended 31 December 2014. This dividend is subject to approval by shareholders at the Annual General Meeting ("AGM") and has not been included as a liability in the financial statements.

24. Profit per share

Basic and diluted profit per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year. The Company did not hold any potential dilutive ordinary shares during the financial year (2013: Nil).

The following table reflects the profit and share data used in computation of basic and diluted profit per share for the financial year ended 31 December 2014 and 2013.

	2014	**2013**
Profit attributable to owners of the parent (US$'000)	2,150	5,448
Weighted average number of ordinary shares in issue ('000)	469,793	469,793
Profit per share (US cents per share) - basic and diluted	0.46	1.16

25. Reserves

(a) ***Hedging reserve***

Hedging reserve represents the gains or losses of the cash flow hedge of derivative financial instruments until the hedged financial income or financial expense is recognised or when a forecast event occurs.

(b) ***Exchange reserve***

Exchange reserve represents exchange differences arising from translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) ***Capital reserve***

Capital reserve arose as a result of changes in the ownership interests of subsidiaries that do not result in a loss of control and were accounted for as equity transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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26. Investments in subsidiaries

	Company 2014 US$'000	Company 2013 US$'000
Unlisted shares, at cost	64,523	59,366
Provision for impairment	(10,600)	(10,600)
	53,923	48,766

(a) ***Details of principal investments in subsidiaries***

Details of the principal subsidiaries within the Group as at 31 December 2014 and 2013 were as follows:

Name	Note	Country/ place of incorporation	Proportion of ownership interest 2014 %	Proportion of ownership interest 2013 %	Principal activities and place of operation
Directly held:					
Uni-Asia Shipping Limited	(ii)	Hong Kong	100.00	100.00	Ship investment holding, Hong Kong
Uni-Asia Hotels Limited	(ii)	Hong Kong	100.00	100.00	Investment holding, Hong Kong
Uni-Asia Capital (Singapore) Limited	(i)	Singapore	100.00	100.00	Ship chartering arrangement, Singapore
Uni-Asia Capital Company Limited	(ii)	Hong Kong	100.00	100.00	Property investment, Hong Kong
Uni Ships and Management Limited	(ii)	Hong Kong	100.00	100.00	Project management, accounting and administration services, Hong Kong
Uni-Asia Capital (Japan) Ltd.	(v)	Japan	99.50	99.50	Property investment and management, Japan
Uni-Asia Finance Corporation (Japan)	(v)	Japan	100.00	100.00	Corporate finance services, Japan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

26. Investments in subsidiaries (cont'd)

(a) ***Details of principal investments in subsidiaries (cont'd)***

Name	Note	Country/ place of incorporation	Proportion of ownership interest 2014 %	2013 %	Principal activities and place of operation
Indirectly held:					
Hope Bulkship S.A.	(ii)	Panama	83.00	83.00	Ship owning and chartering, Panama
Imperial Bulkship S.A.	(ii)	Panama	100.00	100.00	Ship owning and chartering, Panama
Jade Bulkship S.A.	(ii)	Panama	100.00	100.00	Ship owning and chartering, Panama
Karat Bulkship S.A.	(ii)	Panama	100.00	100.00	Ship owning and chartering, Panama
Luna Bulkship S.A.	(ii)	Panama	100.00	100.00	Ship owning and chartering, Panama
Jubilee Bulkship S.A.	(ii)	Panama	100.00	100.00	Ship owning and chartering, Panama
Mable Bulkship S.A. (formerly known as Mars Bulkship S.A.)	(ii)	Panama	100.00	100.00	Ship owning and chartering, Panama
Nora Bulkship S.A.	(ii)	Panama	100.00	100.00	Ship owning and chartering, Panama
Regina Bulkship S.A.	(ii)	Panama	51.00	–	Ship owning and chartering, Panama
Uni Ships and Management (Taiwan) Limited	(v)	Taiwan	100.00	100.00	Promoting ship-related services, Taiwan
Wealth Ocean Ship Management Shanghai Co., Ltd	(iii)	People's Republic of China	51.00	51.00	Ship management, China
Uni-Asia Guangzhou Property Management Company Limited	(iv)	People's Republic of China	100.00	100.00	Property investment, China
United Wise Capital Investment Limited	(ii)	Hong Kong	69.57	–	Property investment, Hong Kong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

26. Investments in subsidiaries (cont'd)

(a) ***Details of principal investments in subsidiaries (cont'd)***

Name	Note	Country/ place of incorporation	Proportion of ownership interest 2014 %	Proportion of ownership interest 2013 %	Principal activities and place of operation
Indirectly held:					
Vista Hotel Management Co., Ltd	(v)	Japan	100.00	100.00	Hotel management and operator, Japan
株式会社サン・ビスタ (Sun Vista Co., Ltd)	(v)	Japan	–	100.00	Hotel management and operator, Japan
Sun Vista Naha Co., Ltd.	(v)	Japan	100.00	100.00	Hotel management and operator, Japan

Notes

(i) Audited by Ernst & Young LLP, Singapore;

(ii) Audited by Ernst & Young, Hong Kong;

(iii) Audited by上海光华会计师事务所, PRC;

(iv) Audited by广州正大中信会计师事务所, PRC; and

(v) Not required to be audited under the laws of the country of incorporation.

The table in the previous page lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

<u>Compliance with Rule 1207(6) of the SGX-ST Listing Manual</u>

In appointing the audit firms for the Group, the Audit Committee and the Board of Directors of the Company are satisfied that the Group has complied with Listing Rules 712, 715 and 716.

(b) In January 2014, the Group, through its wholly owned subsidiary, Uni-Asia Shipping Limited acquired 51% shares of Regina Bulkship S.A. for a consideration of US$5,100.

(c) In March 2014, the Group subscribed to new shares issued by Uni-Asia Shipping Limited. There is no change in its shareholding in Uni-Asia Shipping Limited.

(d) In April 2014, the Group, through its wholly owned subsidiary, Uni-Asia Capital Company Limited acquired 69.57% shares of United Wise Capital Investment Limited for a consideration of US$1,031.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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26. Investments in subsidiaries (cont'd)

(e) In October 2014, the 20% interest in Uni-Asia Finance Corporation (Japan) ("UAFJ") and the 6.6% interest in Uni-Asia Capital (Japan) Ltd ("UACJ") held by Offshore Property Investment Corporation were transferred to the Company. There was no change to the Company's effective interests in UAFJ (100%) and UACJ (99.5%) arising from the transfer.

(f) On 1 December 2014, the Group restructured its hotel operating companies under its wholly owned subsidiary, Uni-Asia Hotels Limited by the way of amalgamation of two hotel operating companies. Vista Hotel Management Co., Ltd., a wholly owned subsidiary of Uni-Asia Hotels Limited, completed a merger with Vista Hotel Management Co., Ltd's wholly owned subsidiary, Sun Vista Co., Ltd. to integrate the Group's hotel operating business in Japan.

(g) The amounts due from subsidiaries are unsecured, interest-free and have no fixed term of repayment.

(h) The loans to subsidiaries are unsecured, interest-free or interest bearing at rates from 0.5% to 2.5% (2013: 1.0% to 2.5%) and have fixed terms of repayment or repayable on demand.

(i) Corporate guarantees provided to banks/lenders for loans to subsidiaries amounted to US$80.6 million (2013: US$68.9 million).

27. Financial risk management

The Group is exposed to market risk (foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk from its finance arrangement and alternative investment management activities in shipping and real estate in Japan, Hong Kong and China. The Group also has mismatched JPY, Hong Kong dollars ("HKD" or "HK$") and Renminbi ("RMB") denominated assets and liabilities.

It is the management's intention to wherever possible hedge investments that are not denominated in USD. All hedging transactions are subject to Management Committee's approval and review.

Forward rate agreements and interest rate swap are used to manage the Group's own exposures to foreign exchange and interest rate risks as part of its asset and liability management process. The Group uses financial instruments such as currency forwards, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures. Financial instruments currently traded or held include cash and cash equivalents, investments, loans and receivables, accounts payable and borrowings.

(a) ***Market risk***

Market risk is the risk that the value of a financial instrument and investments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or factors affecting all financial instruments traded in or indexed to a market. The Group is exposed to market risk on financial instruments and investments that are valued at market prices which primarily consist of investments in shipping, properties and hotels, loans and marketable securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

27. Financial risk management (cont'd)

(a) *Market risk (cont'd)*

(i) *Foreign currency risk*

Foreign currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations when the future commercial transaction or recognised assets or liabilities are denominated in a currency other than the entity's functional currency. The Group's foreign exchange exposures give rise to market risk associated with exchange rate movements against the USD, the Group's functional and reporting currency.

The Group has certain investments including investments made in the form of loans in Japan, Hong Kong and China, whose net assets or capital value are exposed to foreign currency risk. The Group's investments in Japan and China are currently not hedged. The Group's investments in Hong Kong will not be hedged. The Group may use forward currency contracts to hedge its foreign currency loan exposure.

The Group has regional offices and presence in Hong Kong, Singapore, Japan, China and Taiwan. The Group's income is denominated mostly in USD and JPY while its operating expenses are mainly denominated in HKD, USD, Singapore dollars ("SGD" or "S$") and JPY.

The table below summarises the Group's major exposure to foreign currency risk:

(Amounts shown are in US$'000 equivalent)

2014	**JPY**	**HKD**	**Others**
Financial assets			
Investments	2,984	17,731	1,108
Rental deposit	1,585	–	–
Loans receivable	836	–	–
Derivative financial instruments	51	–	–
Accounts receivable	2,417	134	–
Financial assets included in prepayments, deposits and other receivables	92	193	122
Cash and bank balances	11,252	157	5,498
	19,217	18,215	6,728
Financial liabilities			
Borrowings	(16,689)	(6,978)	–
Due to Tokumei Kumiai investors	(689)	–	–
Accounts payable	(1,922)	(3)	(6)
Financial liabilities included in other payables and accruals	(1,879)	(402)	(957)
	(21,179)	(7,383)	(963)
Net financial (liabilities)/assets	(1,962)	10,832	5,765

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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27. Financial risk management (cont'd)

(a) *Market risk (cont'd)*

(i) *Foreign currency risk (cont'd)*

(Amounts shown are in US$'000 equivalent)

2013	JPY	HKD	Others
Financial assets			
Investments	4,771	2,889	1,095
Rental deposit	1,610	–	–
Loans receivable	2,311	–	–
Accounts receivable	2,901	24	–
Financial assets included in prepayments, deposits and other receivables	9	273	133
Cash and bank balances	10,853	4,675	2,609
	22,455	7,861	3,837
Financial liabilities			
Borrowings	(17,835)	–	–
Finance lease obligations	(14)	–	–
Due to Tokumei Kumiai investors	(1,206)	–	–
Accounts payable	(2,039)	–	(6)
Financial liabilities included in other payables and accruals	(2,651)	(183)	(724)
	(23,745)	(183)	(730)
Net financial (liabilities)/assets	(1,290)	7,678	3,107

Assuming a 5% change in USD against the JPY and HKD with all other variables being held constant, the effects arising from the net financial asset/(liability) position will be as follows:

	Profit before tax	
	2014	**2013**
	US$'000	US$'000
USD against JPY:		
- Strengthened	93	61
- Weakened	(93)	(61)
USD against HKD:		
- Strengthened	(516)	(366)
- Weakened	516	366

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

27. Financial risk management (cont'd)

(a) *Market risk (cont'd)*

(ii) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate from changes in market interest rates and the cash flow risks associated with the variability of cash flows from floating rate financial instruments. The Group is exposed to interest rate risk from interest rate re-pricing differences between customers' loans, borrowings, cash and cash equivalents and shareholders' capital.

The Group's cash balances are kept in interest bearing current accounts and on term deposits to maximise the level of return while maintaining an adequate level of liquidity. The Group's borrowings at variable rates are denominated in USD and JPY.

The Group may manage its interest rate risk through the use of interest rate swaps. These are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rates (e.g., fixed rate for floating rate) or a combination of all these (i.e., cross-currency interest rate swaps).

As at 31 December 2014, if USD market interest rates had been 100 basis point higher/lower with other variables held constant, profit/(loss) before tax for the year would have been US$596,000 (2013: US$305,000) higher/lower, mainly as a result of higher/lower net interest expense incurred on floating rate financial instruments.

As at 31 December 2014, if JPY market interest rates had been 40 basis point higher/lower with other variables held constant, profit/(loss) before tax for the year would have been US$8,000 (2013: US$28,000) higher/lower, mainly as a result of higher/lower net interest expense incurred on floating rate financial instruments.

(iii) *Price risk*

The Group is exposed to price risk on the shipping, hotel and property investments because the investments are classified on the balance sheets at fair value through profit or loss or at the lower of carrying values or recoverable amount. The Group seeks to manage such risk exposure by keeping a balanced portfolio, performing due diligence procedures, conducting routine analysis and updates on the market and investing through specialised fund structures. The Group maintains a diversified investment portfolio in shipping, hotel, residential, office, industrial properties and other alternative asset classes.

In case of ship investments in funds which represented 27% (2013: 51%) of the shipping portfolio, in most case, we are limited to a negative fair value loss equivalent to the initial investment amount.

In the case of investments into hotels through the specialised fund structures which represented 1% (2013: 3%) of the total investment portfolio, we are limited to a negative fair value loss equivalent to the outstanding investments amount. As at 31 December 2014, the carrying values of our hotels classified as property, plant and equipment amounted to US$6.8 million (2013: US$7.9 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

27. Financial risk management (cont'd)

(a) *Market risk (cont'd)*

(iii) *Price risk (cont'd)*

In the case of investments into residential properties through specialised fund structures which represented 0.1% (2013: 4%) of the total investment portfolio, we are limited to a negative fair value loss equivalent to the outstanding investments amount.

Assuming prices for ships change by 1% across the board with all other variables including tax rate being held constant, the effect on the Group's investment portfolio would be US$1.2 million (2013: US$1.3 million).

Assuming prices of real estate in China changed by 1% with all other variables including tax rate being held constant, the effect on the Group's investment portfolio would be US$45,000 (2013: US$63,000).

Assuming prices of small residential property developments in Japan changed by 1% with all other variables being held constant, the effect on the Group's investment portfolio would be US$100,000 (2013: US$35,000).

Assuming prices of office property development in Hong Kong changed by 1% with all others variables being held constant, the effect on the Group's investment portfolio would be US$175,000 (2013: US$Nil).

(b) *Credit risk*

Credit risk is the risk of loss resulting from the failure of counterparties to meet the terms of their obligations under a financial instrument or customer contract. The Group is exposed to credit risk from accounts receivable and loans receivable, deposits with banks and financial institutions, foreign exchange transactions, other financial instruments and counterparty default risk from investing activities. The Group seeks to minimise these risks by performing detailed reviews of loan counterparties or asset issuers and by either selling on participated loans to other parties or entering into offsetting loans payable when management wishes to preserve the Group's liquidity.

The Group deals only with customers of good credit standing and the loans are currently extended only to investees or related companies. Lastly, the business of hotel operation is conducted largely on cash basis. Under special circumstances, credit may be offered to corporate account holders but this represents a very marginal part of hotel business.

The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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27. Financial risk management (cont'd)

(b) *Credit risk (cont'd)*

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheets except as the following:

	2014	**2013**
	US$'million	US$'million
Corporate guarantees provided to banks/lenders	25.5	27.4

The corporate guarantees are provided for borrowings of maturity of 3 years. The Group does not expect the guarantees to default on the borrowings.

(c) *Liquidity risk*

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions in order to meet ongoing normal operating commitment and capital investment requirement. The table below analyses the maturity profile of the Group's financial liabilities (including derivative financial instruments) based on contractual undiscounted cash flows:

2014	**Less than 1 year**	**1 year to 5 years**	**Over 5 years**	**Total**
	US$'000	US$'000	US$'000	US$'000
Non-derivative cash flows				
Financial liabilities				
Borrowings	25,123	76,693	15,034	116,850
Due to Tokumei Kumiai investors	–	689	–	689
Financial liabilities included in accounts payable, other payables and accruals	5,976	80	–	6,056
	31,099	77,462	15,034	123,595
Derivative cash flows				
Cash inflows	9,945	225	26	10,196
Cash outflows	(10,149)	(213)	–	(10,362)
	(204)	12	26	(166)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

27. Financial risk management (cont'd)

(c) *Liquidity risk (cont'd)*

2013	**Less than 1 year**	**1 year to 5 years**	**Over 5 years**	**Total**
	US$'000	US$'000	US$'000	US$'000
Non-derivative cash flows				
Financial liabilities				
Borrowings	25,237	65,333	27	90,597
Finance lease obligations	8	6	–	14
Due to Tokumei Kumiai investors	519	687	–	1,206
Financial liabilities included in accounts payable, other payables and accruals	7,089	88	–	7,177
	32,853	66,114	27	98,994
Derivative cash flows				
Cash inflows	4,531	3	–	4,534
Cash outflows	(4,908)	(640)	–	(5,548)
	(377)	(637)	–	(1,014)

(d) *Capital management*

In the near term, the Group's objective in managing capital is to maintain an optimal capital structure in order to expand the size of the Group's investment portfolio. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell investments to reduce borrowings. The Group conducts regular cash flow analysis to determine the capital requirement of each department and the cash flow and financial position of all business activities in order to closely monitor the cash flow and capital structure of the Group. The Group may monitor capital using the gearing ratio, which is net debt divided by total equity.

	2014	**2013**
	US$'000	US$'000
Borrowing	110,808	86,113
Other liabilities	7,889	9,450
Less: cash and bank balances	(36,321)	(47,566)
Net debt	82,376	47,997
Total equity	138,412	140,213
Gearing ratio	59.5%	34.2%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Assets and liabilities measured at fair value

Financial instruments at fair value through profit or loss are designated upon initial recognition except for investment in listed shares are categorised as held for trading. Derivatives are categorised as held for trading unless they are designated as hedges.

The carrying value of financial instruments by classes as at the end of the reporting period are as follows:

Group	Loans and receivables	Financial assets at fair value through profit or loss	Derivative used for hedging
	US$'000	US$'000	US$'000
2014			
Financial assets			
Investments - listed	–	1,108	–
Investments - unlisted	–	45,070	–
Rental deposit	1,585	–	–
Loans receivable	6,786	–	–
Derivative financial instruments	–	112	202
Accounts receivable	2,969	–	–
Financial assets included in prepayments, deposits and other receivables	459	–	–
Deposits pledged as collateral	5,188	–	–
Cash and bank balances	36,321	–	–
	53,308	46,290	202

	Financial liabilities at amortised costs	Financial liabilities at fair value through profit or loss	Derivative used for hedging
	US$'000	US$'000	US$'000
Financial liabilities			
Borrowings	(110,808)	–	–
Financial liabilities included in accounts payable, other payables and accruals	(6,322)	–	–
Due to Tokumei Kumiai investors	(689)	–	–
Derivative financial instruments	–	(288)	(194)
	(117,819)	(288)	(194)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Assets and liabilities measured at fair value (cont'd)

Group	Loans and receivables US$'000	Financial assets at fair value through profit or loss US$'000	Derivative used for hedging US$'000
2013			
Financial assets			
Investments - listed	–	1,095	–
Investments - unlisted	–	32,650	–
Rental deposit	1,610	–	–
Loans receivable	10,911	–	–
Derivative financial instruments	–	30	227
Accounts receivable	3,135	–	–
Financial assets included in prepayments, deposits and other receivables	464	–	–
Deposits pledged as collateral	7,378	–	–
Cash and bank balances	47,566	–	–
	71,064	33,775	227

	Financial liabilities at amortised costs US$'000	Financial liabilities at fair value through profit or loss US$'000	Derivative used for hedging US$'000
Financial liabilities			
Borrowings	(86,113)	–	–
Finance lease obligations	(14)	–	–
Financial liabilities included in accounts payable, other payables and accruals	(7,420)	–	–
Due to Tokumei Kumiai investors	(1,206)	–	–
Derivative financial instruments	–	(167)	(204)
	(94,753)	(167)	(204)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Assets and liabilities measured at fair value (cont'd)

Company	**Loans and receivables** US$'000	**Financial assets at fair value through profit or loss** US$'000	**Derivative used for hedging** US$'000
2014			
Financial assets			
Loans receivable	3,786	–	–
Loans to subsidiaries	20,310	–	–
Investments - unlisted	–	24,355	–
Derivative financial instruments	–	380	44
Accounts receivable	68	–	–
Amounts due from subsidiaries	754	–	–
Financial assets included in prepayments, deposits and other receivables	203	–	–
Deposits pledged as collateral	5,188	–	–
Cash and bank balances	13,872	–	–
	44,181	24,735	44

	Financial liabilities at amortised costs US$'000	**Financial liabilities at fair value through profit or loss** US$'000	**Derivative used for hedging** US$'000
Financial liabilities			
Borrowings	(10,848)	–	–
Amounts due to subsidiaries	(393)	–	–
Financial liabilities included in accounts payable, other payables and accruals	(842)	–	–
Derivative financial instruments	–	(284)	(60)
	(12,083)	(284)	(60)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Assets and liabilities measured at fair value (cont'd)

Company	Loans and receivables US$'000	Financial assets at fair value through profit or loss US$'000	Derivative used for hedging US$'000
2013			
Financial assets			
Loans receivable	6,911	–	–
Loans to subsidiaries	10,834	–	–
Investments - unlisted	–	25,137	–
Derivative financial instruments	–	27	102
Accounts receivable	94	–	–
Amounts due from subsidiaries	373	–	–
Financial assets included in prepayments, deposits and other receivables	280	–	–
Deposits pledged as collateral	7,378	–	–
Cash and bank balances	30,215	–	–
	56,085	25,164	102

	Financial liabilities at amortised costs US$'000	Financial liabilities at fair value through profit or loss US$'000	Derivative used for hedging US$'000
Financial liabilities			
Borrowings	(10,072)	–	–
Amounts due to subsidiaries	(198)	–	–
Financial liabilities included in accounts payable, other payables and accruals	(1,643)	–	–
Derivative financial instruments	–	(25)	(132)
	(11,913)	(25)	(132)

The carrying amount of loans and receivables above approximates to their fair values due to the short-term maturities of these instruments.

(a) ***Fair value hierarchy***

The Group categorises fair value measurements using a fair value hierarchy that is depended on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Assets and liabilities measured at fair value (cont'd)

(a) *Fair value hierarchy (cont'd)*

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

Analysis of each class of assets and liabilities measured at fair value by level of fair value hierarchy as at the end of the reporting period was as follows:

Group	**Level 1** US$'000	**Level 2** US$'000	**Level 3** US$'000	**Total** US$'000
2014				
Recurring fair value measurements				
Financial assets				
Fair value through profit or loss				
Unlisted shares				
- Shipping	–	17,728	101	17,829
- Hotel	–	–	504	504
- Residential	–	–	69	69
- Office property	–	–	14,827	14,827
- Small residential property developments	–	–	4,963	4,963
Unlisted performance notes				
- Shipping	–	6,627	–	6,627
Unlisted bond				
- Shipping	–	–	251	251
Listed shares	1,108	–	–	1,108
Derivative financial instruments	–	112	–	112
Derivatives designated as hedge				
Derivative financial instruments	–	202	–	202
	1,108	24,669	20,715	46,492
Non-financial assets				
Investment properties	3,961	–	7,810	11,771
	5,069	24,669	28,525	58,263
Financial liabilities				
Fair value through profit or loss				
Derivative financial instruments	–	(288)	–	(288)
Derivatives designated as hedge				
Derivative financial instruments	–	(194)	–	(194)
	–	(482)	–	(482)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Assets and liabilities measured at fair value (cont'd)

(a) ***Fair value hierarchy (cont'd)***

Group	**Level 1** US$'000	**Level 2** US$'000	**Level 3** US$'000	**Total** US$'000
2013				
Recurring fair value measurements				
Financial assets				
Fair value through profit or loss				
Unlisted shares				
- Shipping	–	12,180	114	12,294
- Hotel	–	–	998	998
- Residential	–	–	1,590	1,590
- Office property/small residential property developments	–	–	4,672	4,672
Unlisted performance notes				
- Shipping	–	12,810	–	12,810
Unlisted bond				
- Shipping	–	–	286	286
Listed shares	1,095	–	–	1,095
Derivative financial instruments	–	30	–	30
Derivatives designated as hedge				
Derivative financial instruments	–	227	–	227
	1,095	25,247	7,660	34,002
Non-financial assets				
Investment properties	–	–	10,109	10,109
	1,095	25,247	17,769	44,111
Financial liabilities				
Fair value through profit or loss				
Derivative financial instruments	–	(167)	–	(167)
Derivatives designated as hedge				
Derivative financial instruments	–	(204)	–	(204)
	–	(371)	–	(371)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Assets and liabilities measured at fair value (cont'd)

(a) ***Fair value hierarchy (cont'd)***

Company	**Level 1** US$'000	**Level 2** US$'000	**Level 3** US$'000	**Total** US$'000
2014				
Recurring fair value measurements				
Financial assets				
Fair value through profit or loss				
Unlisted shares				
- Shipping	–	17,728	–	17,728
Unlisted performance notes				
- Shipping	–	6,627	–	6,627
Derivative financial instruments	–	380	–	380
Derivatives designated as hedge				
Derivative financial instruments	–	44	–	44
	–	24,779	–	24,779
Financial liabilities				
Fair value through profit or loss				
Derivative financial instruments	–	(284)	–	(284)
Derivatives designated as hedge				
Derivative financial instruments	–	(60)	–	(60)
	–	(344)	–	(344)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Assets and liabilities measured at fair value (cont'd)

(a) ***Fair value hierarchy (cont'd)***

Company	**Level 1** US$'000	**Level 2** US$'000	**Level 3** US$'000	**Total** US$'000
2013				
Recurring fair value measurements				
Financial assets				
Fair value through profit or loss				
Unlisted shares				
- Shipping	–	12,180	–	12,180
- Hotel	–	–	12	12
- Residential	–	–	135	135
Unlisted performance notes				
- Shipping	–	12,810	–	12,810
Derivative financial instruments	–	27	–	27
Derivatives designated as hedge				
Derivative financial instruments	–	102	–	102
	–	25,119	147	25,266
Financial liabilities				
Fair value through profit or loss				
Derivative financial instruments	–	(25)	–	(25)
Derivatives designated as hedge				
Derivative financial instruments	–	(132)	–	(132)
	–	(157)	–	(157)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Assets and liabilities measured at fair value (cont'd)

(a) *Fair value hierarchy (cont'd)*

The movements in fair value measurements in Level 3 during the years were as follows:

Group	Unlisted shares and unlisted bond	Investment properties	Total
	US$'000	US$'000	US$'000
At 1 January 2013	19,354	6,658	26,012
Fair value adjustment recognised in profit or loss	(3,732)	(527)	(4,259)
Purchases	2,184	3,791	5,975
Disposals	(8,681)	–	(8,681)
Arising from business combination	(166)	–	(166)
Currency translation differences	(1,299)	187	(1,112)
At 31 December 2013 and at 1 January 2014	7,660	10,109	17,769
Fair value adjustment recognised in profit or loss	1,736	(228)	1,508
Purchases	17,512	1,392	18,904
Disposals	(6,059)	(1,142)	(7,201)
Transfers out of Level 3	–	(1,887)	(1,887)
Currency translation differences	(134)	(434)	(568)
At 31 December 2014	20,715	7,810	28,525

During the years 2014 and 2013, there was no transfer of fair value measurements between Levels 1 and 2.

The Group transferred an investment property from Level 3 to Level 1 of the fair value hierarchy. The carrying amount of the total financial assets transferred was US$1.9 million.

The property was transferred from Level 3 into Level 1 as it was sold subsequent to year end. Prior to the transfer, the fair value of the property was determined using residual method which makes reference to the estimated capitalisation rate and development costs. Since the transfer, the fair value of the property is based on its exit price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Assets and liabilities measured at fair value (cont'd)

(b) ***Level 2 Fair value measurements***

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

(i) *Shipping investments carried at fair value through profit or loss*

Fair values of shipping investments are determined by the Group's interests in the fair value of each scheme's underlying assets such as vessels. The valuation of vessels uses discounted cash flow with market observable inputs such as charter hire rates and vessel resale prices.

(ii) *Derivative financial instruments*

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

(c) ***Level 3 Fair value measurements***

Description of significant unobservable inputs used in Level 3 fair value measurements are as follows:

Descriptions	Note	Fair value at 31 December 2014	Valuation techniques	Significant unobservable inputs	Range
		US$'000			
Unlisted shares:					
- Office property	(i)	14,827	Residual method	Gross development value per square foot	HK$14,500
				Development cost per square foot	HK$2,600
				Discount rate	5%
- Small residential property developments	(ii)	4,963	Residual method	Gross capitalisation rate	5.5%
				Monthly rental per square meter	JPY3,021 - JPY3,717

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Assets and liabilities measured at fair value (cont'd)

(c) ***Level 3 Fair value measurements (cont'd)***

Descriptions	Note	Fair value at 31 December 2014 US$'000	Valuation techniques	Significant unobservable inputs	Range
Investment properties:					
- Small residential property developments	(iii)	3,296	Capitalisation rate method	Gross capitalisation rate	5.5%
				Monthly rental per square meter	JPY3,486 - JPY4,332
- Office premises	(iv)	4,514	Discounted cash flow	Long term sustainable growth rate	1.0%
				Capitalisation rate	3.92%

(i) Assuming gross development value, development cost and discount rate for underlying assets held by an investee company change by 1% with all other variables held constant, the effect on profit before tax would be US$311,000, US$118,000 and US$466,000, respectively.

(ii) Assuming gross capitalisation rate and monthly rental income for underlying assets held by an investee company change by 1% with all other variables held constant, the effect on profit before tax would be US$293,000 and US$13,000, respectively.

(iii) Assuming gross capitalisation rate and monthly rental income for small residential property change by 1% with all other variables held constant, the effect on profit before tax would be US$371,000 and US$16,000, respectively.

(iv) Assuming long term sustainable growth rate and capitalisation rate for office premises change by 1% with all other variables held constant, the effect on profit before tax would be US$652,000 and US$854,000, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Assets and liabilities measured at fair value (cont'd)

(d) ***Valuation policies and procedures***

Management oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For valuation performed by external valuation experts, management reviews the appropriateness of the valuation methodologies and assumptions adopted as well as evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources or internal sources if necessary and appropriate.

Management documents and reports its analysis and results of the external valuations to the Board of Directors on a quarterly basis.

29. Commitments

(a) ***Capital commitments***

Capital expenditure contracted for at the end of the reporting period but not recognised in the consolidated financial statements of the Group was as follows:

	Group	
	2014	**2013**
	US$'000	US$'000
Capital commitments in respect of:		
- Vessels under construction	48,969	75,166
- Investment properties under construction	–	693
	48,969	75,859

29. Commitments (cont'd)

(b) ***Operating lease commitments - the Group as lessee***

The Group leases certain of its office and hotel properties and office equipments under operating lease arrangements. The remaining term for the leases range from three months to fourteen years.

At the end of the reporting period, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due were as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	US$'000	US$'000	US$'000	US$'000
Premises and office equipment				
Within one year	998	1,611	638	1,061
Later than one year and not later than five years	1,466	327	1,324	93
	2,464	1,938	1,962	1,154
Hotel properties				
Within one year	5,424	6,862	–	–
Later than one year and not later than five years	18,327	24,379	–	–
Later than five years	19,980	32,170	–	–
	43,731	63,411	–	–

(c) ***Operating lease commitments - the Group as lessor***

The Group has leases for certain of its vessels and sub-leases for a portion of the hotel under operating lease arrangements. The commercial property leases on its investment properties has expired during the financial year. These non-cancellable leases have remaining lease terms range from six months to seven years.

Future minimum rentals receivables under non-cancellable operating leases at the end of the reporting period were as follows:

	Group	
	2014	**2013**
	US$'000	US$'000
Rental income from investment properties		
Within one year	–	117
Later than one year and not later than five years	–	–
	–	117

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

29. Commitments (cont'd)

(c) ***Operating lease commitments - the Group as lessor (cont'd)***

Future minimum charter income receivables under non-cancellable operating leases at the end of the reporting period were as follows:

	Group	
	2014	**2013**
	US$'000	US$'000
Charter income from vessels/vessels under construction		
Within one year	21,383	21,035
Later than one year and not later than five years	69,697	69,165
Later than five years	11,553	24,432
	102,633	114,632

Future minimum hotel income receivables under non-cancellable operating leases at the end of the reporting period were as follows:

	Group	
	2014	**2013**
	US$'000	US$'000
Hotel income from hotel under management		
Within one year	58	66
Later than one year and not later than five years	39	105
	97	171

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

29. Commitments (cont'd)

(d) *Finance lease commitments*

The Group has finance leases for certain items of hotel properties and office equipment, furniture and fixtures. These leases have expired and no renewal was made during the financial year.

Future minimum lease payments under finance lease together with the present value of net minimum lease payments were as follows:

	Group			
	Minimum lease payments		Present value of payments	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Within one year	–	9	–	8
Later than one year and not later than five years	–	6	–	6
	–	15	–	14
Less: amount representing finance charges	–	(1)	–	–
Present value of minimum lease payments	–	14	–	14

(e) *Investment commitments*

	Group		Company	
	2014	2013	2014	2013
	US$'million	US$'million	US$'million	US$'million
Loan investments	1.3	2.5	1.3	2.5
Loan to joint venture companies	2.6	2.1	1.3	1.3
	3.9	4.6	2.6	3.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

30. Related party transactions

(a) In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Group and related parties in the normal course of business:

Group	2014 Investee companies US$'000	2014 Other related companies US$'000	2013 Investee companies US$'000	2013 Other related companies US$'000
Consolidated income statement				
Fee income				
Arrangement and agency fee	77	519	1,267	1,944
Brokerage commission	423	–	263	–
Incentive fee	969	179	566	183
Asset management and administration fee	1,697	75	2,161	96
Hotel income	–	–	807	–
Investment returns				
Interest on performance notes				
- Shipping (Note 18)	–	–	241	–
Realised gain on investments				
- Shipping	177	–	177	–
- Hotel and residential	(330)	–	687	–
- Office property/small residential property developments (Note 18)	712	–	5,291	–
Net gain on derivative financial instruments	(19)	–	36	–
Interest income from participation in bridging loan	560	–	772	–
Other income	204	–	204	–
Vessel operating expenses	–	–	(387)	–
Hotel leases	(1,892)	–	(3,193)	–
Consolidated balance sheets				
Loans receivable (Note 8)	6,786	–	10,911	–
Accounts receivable (Note 11)	374	–	374	136
Borrowings	(4,641)	–	–	–
Corporate guarantees provided to banks/lenders (Note 27(b))	25,500	–	27,400	–

Other related companies refer to shareholders of the Group and entities invested by an investee company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

30. Related party transactions (cont'd)

(b) *Compensation of key management personnel and directors*

	Group	
	2014	**2013**
	US$'000	US$'000
Short-term benefits	1,855	2,708
Employer's contribution to defined contribution plans	47	55
Other welfare and allowances	478	541
	2,380	3,304

Included in the above is total compensation to directors of the Group amounting to US$1,108,000 (2013: US$1,912,000).

The compensation of directors and key management personnel is reviewed by the remuneration committee and is subject to the necessary approval.

31. Approval of the financial statements

The financial statements of the Group for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 18 March 2015.

STATISTICS OF SHAREHOLDINGS
AS AT 11 MARCH 2015

SHARE CAPITAL

Number of Issued Shares	:	469,792,800
Share Capital	:	USD75,166,848
Class of Shares	:	Ordinary Shares
Voting Rights	:	On show of hands - one vote On a poll - one vote for every ordinary share

The Company has no treasury shares as at 11 March 2015.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 11 MARCH 2015

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDINGS	NO. OF SHARES	% OF SHAREHOLDINGS
1 - 99	70	1.74	754	0.00
100 - 1,000	99	2.46	94,014	0.02
1,001 - 10,000	1,566	38.94	10,380,258	2.21
10,001 - 1,000,000	2,258	56.14	136,374,813	29.03
1,000,001 - and above	29	0.72	322,942,961	68.74
Grand Total	**4,022**	**100.00**	**469,792,800**	**100.00**

TOP 20 LARGEST SHAREHOLDERS AS AT 11 MARCH 2015

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	165,651,111	35.26
2	EVERGREEN INTERNATIONAL S.A	46,875,000	9.98
3	HSH NORDBANK AG	12,500,000	2.66
4	MICHIO TANAMOTO	9,453,125	2.01
5	YOSHIDA KAZUHIKO	8,953,125	1.91
6	FUKUMORI MASAKI	8,320,000	1.77
7	OCBC SECURITIES PRIVATE LTD	7,949,000	1.69
8	EXENO YAMAMIZU CORPORATION	7,687,500	1.64
9	CITIBANK NOMINEES SINGAPORE PTE LTD	7,359,000	1.57
10	UOB KAY HIAN PTE LTD	6,439,500	1.37
11	YEO SENG BUCK	4,620,000	0.98
12	LECK HANG WEI	4,291,000	0.91
13	PHILLIP SECURITIES PTE LTD	3,237,700	0.69
14	MAYBANK NOMINEES (SINGAPORE) PTE LTD	3,186,000	0.68
15	MAYBANK KIM ENG SECURITIES PTE LTD	2,681,000	0.57
16	KENJI FUKUYADO	2,600,000	0.55
17	PHONG CHONG YEE	2,510,000	0.53
18	CIMB SECURITIES (SINGAPORE) PTE LTD	2,352,000	0.50
19	WONG YUN HEY	2,318,000	0.49
20	LI YAN	2,025,000	0.43
	TOTAL	311,008,061	66.19

STATISTICS OF SHAREHOLDINGS
AS AT 11 MARCH 2015

SUBSTANTIAL SHAREHOLDERS as at 11 March 2015
as shown in the Company's Register of Substantial Shareholders

Name of Substantial Shareholders	Shareholding registered in name of substantial shareholders		Other shareholdings in which substantial shareholders are deemed to have an interest	
	No of Shares	% of Issued Shares	No of Shares	% of Issued Shares
Yamasa Co., Ltd	–	–	157,214,111 (1)	33.46%
Evergreen International S.A.	46,875,000	9.98%	–	–

Notes:-

(1) Shares registered in the name of DBS Vickers Securities (Singapore) Pte Ltd.

Public Shareholdings

Based of the information available to the Company as at 11 March 2015, approximately 51.91% of the total number of issued shares of the Company is held by the public and thereof, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Uni-Asia Holdings Limited (the "**Company**") will be held at Anson III, Level 2, M Hotel Singapore, 81 Anson Road Singapore 079908 on Wednesday, April 29, 2015 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the year ended December 31, 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final Cayman Islands tax-exempt dividend of S$0.00625 per ordinary share for the financial year ended December 31, 2014. **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to the Company's Articles of Association:

Mr Rajan Menon	(Retiring under Article 100)	**(Resolution 3)**
Mr Wu Kuang-hui	(Retiring under Article 100)	**(Resolution 4)**

Mr Rajan Menon will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and he will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

[See Explanatory Note (a)]

4. To approve Directors' fees of S$192,500 for the financial year ending December 31, 2015, payable quarterly in arrears (2014: S$192,500). **(Resolution 5)**

[See Explanatory Note (b)]

5. To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7(i) Authority to allot and issue shares

"That pursuant to the Listing Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Company's Articles of Association, authority be and is hereby given to the directors to:-

(A) (i) issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise, and /or

(ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) of the Company at the time this Resolution is passed, after adjusting for:-

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with the provisions of the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(d) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier; or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments." **(Resolution 7)**

7(ii) Authority to offer and grant options and to allot and issue shares under the Uni-Asia Share Option Scheme

"That approval be and is hereby given to the Directors to:

(a) offer and grant options in accordance with the Uni-Asia Share Option Scheme (the "**Scheme**") and the Memorandum and Articles of Association of the Company;

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(b) to allot and issue such shares (the "**Scheme Shares**") as may be required to be issued pursuant to the exercise of options under the Scheme provided always that the aggregate number of Scheme Shares over which options granted when added to the number of shares issued and issuable in respect of all options granted under the Scheme shall not exceed fifteen percent (15%) of the issued shares in the Company from time to time." **(Resolution 8)**

NOTICE OF BOOK CLOSURE DATE FOR DIVIDEND

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Book and the Register of Members of the Company will be closed on May 12, 2015 for the purpose of preparing dividend warrants. Duly completed transfers received by the Company's Share Registrar and Singapore Share Transfer Agent at 80 Robinson Road #02-00 Singapore 068898 up to 5.00 p.m. on May 11, 2015 will be registered to determine shareholders' entitlement to the proposed dividend. The first and final Cayman Islands tax-exempt dividend of S$0.00625 per ordinary share for the financial year ended 31 December 2014, if approved at the Annual General Meeting, will be paid on May 27, 2015.

By Order of the Board

Joanna Lim Lan Sim
Company Secretary

Singapore, 7 April 2015

Explanatory Note

(a) In relation to Ordinary Resolutions 3 and 4 proposed in item 3 above, the detailed information on Messrs Rajan Menon and Wu Kuang-hui are set out in the section entitled "Board of Directors" and Table 3 in the Corporate Governance Report section of the Company's 2014 Annual Report. There are no relationships (including immediate family relationships) between Mr Menon and/or Mr Wu and the other directors of the Company.

(b) In relation to Ordinary Resolution 5 proposed in item 4 above, the Board of Directors proposes the payment of directors' fees to all Independent Non-Executive Directors to be approved by shareholders in advance during the forthcoming Annual General Meeting. Upon approval, the directors' fees would then be paid in arrears on a quarterly basis by the Company.

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Statement Pursuant to Article 44 of the Company's Articles of Association

The effect of the resolutions under the heading "Special Business" in this Notice of the Annual General Meeting are:-

(i) The Ordinary Resolution 7 proposed in item 7(i) above, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares and convertible securities in the Company. The number of shares and convertible securities that the Directors may issue under this Resolution would not exceed 50% of the total number of issued shares (excluding treasury shares) of the Company at the time of the passing of this Resolution. For issue of shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company. The aggregate number of shares which may be issued shall be based on the total number of issued shares (excluding treasury shares) of the Company at the time that Ordinary Resolution 7 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 7 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

(ii) The Ordinary Resolution 8 proposed in item 7(ii) above, if passed, will empower the Directors of the Company to grant options and issue shares pursuant to the Uni-Asia Share Option Scheme which was approved at the Extraordinary General Meeting of the Company on 26 June 2007.

Notes:

1. With the exception of The Central Depository (Pte) Limited who may appoint more than two proxies, a member of the Company entitled to attend and vote at a meeting of the Company who is the holder of two or more shares shall be entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar and Singapore Share Transfer Agent, Tricor Barbinder Share Registration Services, either by hand at 80 Robinson Road, #11-02 Singapore 068898 or by post at 80 Robinson Road, #02-00 Singapore 068898 not less than 48 hours before the time appointed for the Annual General Meeting.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

4. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting.

5. **Personal data privacy:**

   By submitting a proxy form (including a Depositor Proxy Form) appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("AGM") and/or any adjournment thereof, a member of the Company and/or a Depositor (i) consents to the collection, use and disclosure of the personal data of the member and/or Depositor by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member and/or Depositor discloses the personal data of the proxy(ies) and/or representative(s) of the member and/or Depositor to the Company (or its agents), the member and/or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member and/or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the breach of warranty of the member and/or Depositor.

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UNI-ASIA
HOLDINGS LIMITED
Registration No. CR-72229

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

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