



UNI-ASIA HOLDINGS LIMITED

Registration No: CR - 72229

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

FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2015

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF SECOND QUARTERLY RESULTS

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

	Note	2 nd Quarter			Half year ended 30 June		
		2015 US\$'000	2014 US\$'000	% Change	2015 US\$'000	2014 US\$'000	% Change
Charter Income	8(i)	7,838	4,390	79%	13,859	9,016	54%
Fee income	8(ii)	1,393	2,327	(40%)	3,790	3,545	7%
Hotel income	8(iii)	7,788	8,440	(8%)	15,493	16,838	(8%)
Investment returns	8(iv)	4,479	1,240	261%	4,269	2,939	45%
Interest income		118	211	(44%)	270	443	(39%)
Other income		164	106	55%	341	282	21%
Total income		21,780	16,714	30%	38,022	33,063	15%
Employee benefits expenses		(3,054)	(3,482)	(12%)	(6,078)	(6,958)	(13%)
Amortisation and depreciation		(2,338)	(1,426)	64%	(4,288)	(2,798)	53%
Vessel operating expenses		(3,618)	(1,954)	85%	(6,053)	(3,866)	57%
Hotel lease expenses		(2,501)	(2,658)	(6%)	(5,221)	(5,635)	(7%)
Hotel operating expenses		(3,239)	(3,646)	(11%)	(6,492)	(7,311)	(11%)
Other expenses		(1,349)	(1,182)	14%	(2,647)	(2,323)	14%
Net foreign exchange gain/ (loss)		21	(8)	N/M	(478)	(45)	N/M
Total operating expenses		(16,078)	(14,356)	12%	(31,257)	(28,936)	8%
Operating profit		5,702	2,358	142%	6,765	4,127	64%
Finance costs – interest expense		(954)	(548)	74%	(1,679)	(1,096)	53%
Finance costs – others		(72)	(27)	167%	(119)	(88)	35%
Allocation to Tokumei Kumiai* investors		(752)	18	N/M	(748)	72	N/M
Profit before tax		3,924	1,801	119%	4,219	3,015	40%
Income tax expense		(40)	(285)	(86%)	(50)	(307)	(84%)
Profit for the period		3,884	1,516	156%	4,169	2,708	54%
Attributable to:							
Owners of the parent		3,794	1,498	153%	3,995	2,722	47%
Non-controlling interests		90	18	N/M	174	(14)	N/M
		3,884	1,516	156%	4,169	2,708	54%

* 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.

	2 nd Quarter			Half year ended 30 June		
	2015 US\$'000	2014 US\$'000	% Change	2015 US\$'000	2014 US\$'000	% Change
Profit for the period	3,884	1,516	156%	4,169	2,708	54%
Other comprehensive (expense)/ income for the period, net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	(259)	(36)	N/M	140	(86)	263%
Net movement on cash flow hedges	101	(120)	184%	(87)	(87)	-
Other comprehensive expense for the period, net of tax	(158)	(156)	1%	53	(173)	131%
Total comprehensive income for the period	3,726	1,360	174%	4,222	2,535	67%
Attributable to:						
Owners of the parent	3,637	1,341	171%	4,049	2,551	59%
Non-controlling interests	89	19	N/M	173	(16)	N/M
	3,726	1,360	174%	4,222	2,535	67%

N/M: Not meaningful

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

	Group		Company	
	30 June 2015 US\$'000	31 December 2014 US\$'000	30 June 2015 US\$'000	31 December 2014 US\$'000
ASSETS				
Non-current assets				
Investment properties	11,228	11,771	-	-
Intangible assets	70	69	-	-
Property, plant and equipment	211,298	130,444	479	561
Loans receivable	5,050	5,886	2,050	2,886
Loans to subsidiaries	-	-	23,709	9,168
Investments	42,295	45,070	22,081	24,355
Investments in subsidiaries	-	-	54,255	53,923
Rental deposit	1,886	1,585	-	-
Derivative financial instruments	325	218	548	328
Deferred tax assets	22	26	-	-
Deposits for purchase of vessels	9,908	13,899	-	-
Total non-current assets	282,082	208,968	103,122	91,221
Current assets				
Investments	898	1,108	-	-
Loans receivable	-	900	-	900
Loans to subsidiaries	-	-	17,985	11,142
Derivative financial instruments	-	96	-	96
Accounts receivable	4,147	2,969	56	68
Amounts due from subsidiaries	-	-	731	754
Prepayments, deposits and other receivables	5,119	2,836	410	318
Tax recoverable	4	498	-	-
Deposits pledged as collateral	5,173	5,188	4,936	5,188
Cash and bank balances	34,042	36,321	5,707	13,872
Total current assets	49,383	49,916	29,825	32,338
Total assets	331,465	258,884	132,947	123,559

	Group		Company	
	30 June 2015 US\$'000	31 December 2014 US\$'000	30 June 2015 US\$'000	31 December 2014 US\$'000
EQUITY				
Equity attributable to owners of the parent				
Share capital	75,167	75,167	75,167	75,167
Share premium	31,319	31,319	31,319	31,319
Retained earnings	32,110	30,333	2,338	4,567
Hedging reserve	(79)	8	(9)	(16)
Exchange reserve	840	699	-	-
Capital reserve	(117)	(117)	-	-
Total equity attributable to owners of the parent	139,240	137,409	108,815	111,037
Non-controlling interests	1,455	1,003	-	-
Total equity	140,695	138,412	108,815	111,037
LIABILITIES				
Non-current liabilities				
Borrowings	126,042	87,865	-	3,343
Due to Tokumei Kumiai investors	672	689	-	-
Deferred tax liabilities	1,293	1,293	-	-
Derivative financial instruments	354	202	548	344
Other payables	78	80	-	-
Total non-current liabilities	128,439	90,129	548	3,687
Current liabilities				
Borrowings	56,243	22,943	22,283	7,505
Accounts payable	2,275	2,422	-	-
Amounts due to subsidiaries	-	-	589	393
Other payables and accruals	3,125	4,469	673	937
Derivative financial instruments	612	280	39	-
Income tax payable	76	229	-	-
Total current liabilities	62,331	30,343	23,584	8,835
Total liabilities	190,770	120,472	24,132	12,522
Total equity and liabilities	331,465	258,884	132,947	123,559

NOTES:

The Group's non-current assets increased by 35.0% from \$209.0 million on 31 December 2014 to \$282.1 million on 30 June 2015. Property, Plant and Equipment increased by \$80.9 million from \$130.4 million to \$211.3 million due to the delivery of two vessels under Uni-Asia Shipping group in 1Q2015, and acquisition of two containerships by the Group. On the other hand, with the delivery of vessels under Uni-Asia Shipping group, certain Deposits for Purchase of Vessels were transferred to Property, Plant and Equipment, resulting in decline in Deposits for Purchase of Vessels from \$13.9 million to 9.9 million.

Current assets was \$49.4 million on 30 June 2015 which is around the same as \$49.9 million on 31 December 2014. Accounts Receivables increased by \$1.1 million from \$3.0 million on 31 December 2014 to \$4.1 million on 30 June 2015 due mainly to receivable of proceeds from disposed investments. Prepayments, deposits and other receivables increased by \$2.3 million from \$2.8 million on 31 December 2014 to \$5.1 million on 30 June 2015 due mainly to increase in prepayment of vessel operating expenses by increased vessels.

Total liabilities increased to \$190.8 million on 30 June 2015 from \$120.5 million on 31 December 2014 due mainly to increase in borrowings for property and ship related investments. Total liabilities include current liabilities which had increased from \$30.3 million on 31 December 2014 to \$62.3m on 30 June 2015 resulting in a negative working capital (i.e. current assets less current liabilities). The negative working capital was due mainly to the following:

- (i) reclassification of a \$10.4 million borrowing from non-current liabilities to current liabilities as the borrowing is due in May 2016. This borrowing is collateralised by a ship under Property, Plant and Equipment which value is above the borrowed amount. The borrowing may be re-financed closer to due date.
- (ii) A short-term bridging loan of \$11.5 million taken to finance the acquisition of the second containership acquired from Akebono Fund. This bridging loan was repaid upon obtaining a long term borrowing secured by the containership in July 2015.

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

	As at 30 June 2015		As at 31 December 2014	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	27,436	28,807	16,172	6,771
Amount repayable after one year	123,033	3,009	75,303	12,562
Total	150,469	31,816	91,475	19,333

Details of any collaterals

The Group's borrowings are secured by means of:

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

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

	Note	Half year ended 30 June	
		2015 US\$'000	2014 US\$'000
Cash flows from operating activities			
Profit before tax		4,219	3,015
Adjustments for:			
Investment returns		(4,269)	(2,939)
Amortisation and depreciation		4,288	2,798
Loss on disposal of property, plant and equipment		-	3
Provision for accounts receivable		(42)	-
Net foreign exchange loss		478	45
Interest income		(270)	(443)
Finance costs – interest expense		1,679	1,096
Finance costs – others		119	88
Allocation to Tokumei Kumiai investors		748	(72)
Operating cash flows before changes in working capital		6,950	3,591
Changes in working capital:			
Net change in accounts receivable		(699)	29
Net change in prepayments, deposits and other receivables		(2,612)	(47)
Net change in accounts payable		(45)	(332)
Net change in other payables and accruals		(1,564)	(1,742)
Cash flows generated from operations		2,030	1,499
Interest received on bank balances		69	78
Tax reimbursed/ (paid)		294	(313)
Net cash flows generated from operating activities	[A]	2,393	1,264
Cash flows from investing activities			
Purchase of investment properties		(6,733)	(1,456)
Purchase of investments		(1,136)	(15,847)
Proceeds from sale of investment properties		9,321	1,651
Proceeds from redemption/ sale of investments		4,315	2,281
Deposits paid for purchase of vessels		3,991	(9,460)
Purchase of property, plant and equipment		(85,343)	(758)
Redemption of Tokumei Kumiai investors		(750)	(508)
Loans advanced		-	(4,219)
Loans repaid		1,732	5,291
Interest received from loans		219	378
Net decrease in deposits pledged as collateral		14	1,136
Proceeds from investments		1,557	1,323
Settlement of derivative financial instruments		270	88
Proceeds from property rental		122	182
Net cash flows used in investing activities	[B]	(72,421)	(19,918)

	Note	Half year ended 30 June	
		2015 US\$'000	2014 US\$'000
Cash flows from financing activities			
New borrowings		87,243	16,392
Repayment of borrowings		(14,745)	(7,958)
Interest paid on borrowings		(1,500)	(1,095)
Other finance cost paid		(327)	(40)
Payment of lease obligation		-	(4)
Dividend paid		(2,218)	(2,338)
Contribution from non-controlling interests		-	5
Payment to non-controlling interest		(31)	(54)
Net cash flows generated from financing activities	[C]	68,422	4,908
Net decrease in cash and cash equivalents		(1,606)	(13,746)
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the period		36,321	47,566
Net decrease in cash and cash equivalents		(1,606)	(13,746)
Effects of foreign exchange rate changes, net		(673)	447
Cash and cash equivalents at end of the period		34,042	34,267

NOTES:

The Group's cash and cash equivalents decreased by \$2.3 million in 1H2015 due mainly to the followings:

- [A] Cash flows generated from operating activities amounted to \$2.4 million for 1H2015 compared to \$1.3 million in 1H2014. As the fleet under Uni-Asia Shipping increases, as well as the addition of containerships in the Group's portfolio, increase in charter income contributed to increase in operating cash flow.
- [B] Cash flows used in investing activities were \$72.4 million for 1H2015 due mainly to payment for delivery and acquisition of vessels as well as investments in small residential property projects (under Purchase of Investment Properties and Purchase of Investments). Payment for investments were partially offset by proceeds from investments.
- [C] Cash flows generated from financing activities were \$68.4 million in 1H2015 due mainly to new borrowings in 1H2015 to finance investment acquisitions offset by scheduled borrowings repayments. Dividend for FY2014 approved in AGM was paid in 2Q2015.

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

Group	Share capital US\$'000	Share premium US\$'000	Retained earnings 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 2014	75,167	31,319	30,521	23	2,791	(117)	139,704	509	140,213
Profit/ (loss) for the period	-	-	2,722	-	-	-	2,722	(14)	2,708
Other comprehensive expense	-	-	-	(87)	(84)	-	(171)	(2)	(173)
Total comprehensive income/ (expense)	-	-	2,722	(87)	(84)	-	2,551	(16)	2,535
Dividend in respect of 2013	-	-	(2,338)	-	-	-	(2,338)	-	(2,338)
Capital reserve	-	-	-	-	-	-	-	592	592
Contribution from non-controlling interests	-	-	-	-	-	-	-	5	5
Payment to non-controlling interest	-	-	-	-	-	-	-	(54)	(54)
At 30 June 2014	75,167	31,319	30,905	(64)	2,707	(117)	139,917	1,036	140,953
At 1 January 2015	75,167	31,319	30,333	8	699	(117)	137,409	1,003	138,412
Profit for the period	-	-	3,995	-	-	-	3,995	174	4,169
Other comprehensive (expense)/ income	-	-	-	(87)	141	-	54	(1)	53
Total comprehensive income/ (expense)	-	-	3,995	(87)	141	-	4,049	173	4,222
Dividend in respect of 2014	-	-	(2,218)	-	-	-	(2,218)	-	(2,218)
Capital reserve	-	-	-	-	-	-	-	310	310
Payment to non-controlling interest	-	-	-	-	-	-	-	(31)	(31)
At 30 June 2015	75,167	31,319	32,110	(79)	840	(117)	139,240	1,455	140,695

Company	Share capital US\$'000	Share premium US\$'000	Retained earnings 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 2014	75,167	31,319	11,589	(30)	-	-	118,045	-	118,045
Loss for the period	-	-	(350)	-	-	-	(350)	-	(350)
Other comprehensive income	-	-	-	4	-	-	4	-	4
Total comprehensive (expense)/ income	-	-	(350)	4	-	-	(346)	-	(346)
Dividend in respect of 2013	-	-	(2,338)	-	-	-	(2,338)	-	(2,338)
At 30 June 2014	75,167	31,319	8,901	(26)	-	-	115,361	-	115,361
At 1 January 2015	75,167	31,319	4,567	(16)	-	-	111,037	-	111,037
Loss for the period	-	-	(11)	-	-	-	(11)	-	(11)
Other comprehensive income	-	-	-	7	-	-	7	-	7
Total comprehensive (expense)/ income	-	-	(11)	7	-	-	(4)	-	(4)
Dividend in respect of 2014	-	-	(2,218)	-	-	-	(2,218)	-	(2,218)
At 30 June 2015	75,167	31,319	2,338	(9)	-	-	108,815	-	108,815

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

The Company has undertaken a share consolidation of every 10 ordinary shares into one consolidated share in the issued share capital of the Company which was effective on 4 June 2015.

The number of issued share capital changed from 469,792,800 to 46,979,280 issued shares (excluding treasury shares).

The Company did not have any convertibles or treasury shares as at 30 June 2015, 31 December 2014 and 30 June 2014.

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

	As at 30 June 2015	As at 31 December 2014
Total number of issued shares	46,979,280 ⁽¹⁾	469,792,800

⁽¹⁾ Total number of issued shares after share consolidation

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

Not applicable.

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

The figures have not been audited or reviewed.

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

Not applicable.

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

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

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

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

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

	2 nd Quarter			Half year ended 30 June		
	2015	Adjusted 2014 ⁽²⁾	2014	2015	Adjusted 2014 ⁽²⁾	2014
Profit attributable to owners of the parent (US\$'000)	3,794	1,498	1,498	3,995	2,722	2,722
Weighted average number of ordinary shares in issue ('000)	46,979	46,979	469,793	46,979	46,979	469,793
Earnings per share (US cents per share) - basic and diluted	8.08	3.19	0.32	8.50	5.79	0.58

⁽²⁾ Numbers are adjusted for weighted average number of ordinary shares in issue and earnings per share. The adjusted number is based on or is calculated based on the number of shares after share consolidation.

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

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

	30 June 2015	Adjusted 31 December 2014 ⁽³⁾	31 December 2014
Net asset value per ordinary share based on issued share capital at the end of (in US\$)	2.99	2.95	0.29

⁽³⁾ The adjusted number is calculated based on the number of shares after share consolidation.

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

Review of Income Statement

Total Income

Total income of the Group was \$38.0 million for 1H2015, a 15% increase from 1H2014. Changes in major components of total income, including charter income, fee income, hotel income and investment returns are explained below.

- (i) Charter Income

Charter income increased by 54% from \$9.0 million in 1H2014 to \$13.9 million in 1H2015. In 1H2014, 5 vessels under the Group's ship owning subsidiary, Uni-Asia Shipping Limited contributed to charter income. The delivery of 3 vessels in July 2014, February 2015 and March 2015 increased the fleet size of dry bulk carriers owned by Uni-Asia Shipping Limited to 8 as at 30 June 2015, thereby increasing the charter income for 1H2015. Further, a containership acquired in April 2015 by the Group also contributed to the increase in charter income. The increase is in line with the Group's strategy to build up recurring charter income.

(ii) Fee Income

Breakdown of Fee Income:	2 nd Quarter			Half year ended 30 June		
	2015 US\$'000	2014 US\$'000	% Change	2015 US\$'000	2014 US\$'000	% Change
Asset management & administration fee	696	726	(4%)	1,272	1,311	(3%)
Arrangement and agency fee	507	527	(4%)	1,976	1,055	87%
Brokerage commission	98	105	(7%)	448	210	113%
Incentive fee	92	969	(91%)	94	969	(90%)
	1,393	2,327	(40%)	3,790	3,545	7%

Fee income increased by 7% to \$3.8 million in 1H2015 from \$3.5 million in 1H2014.

The Group earned more arrangement fees and brokerage commission in 1H2015, resulting in an increase in Arrangement and Agency Fee and Brokerage Commission for 1H2015 compared to 1H2014.

(iii) Hotel Income

While Hotel income in Japanese Yen terms increased due to better performance of the hotels under operations in 1H2015 compared to 1H2014, Hotel income in US Dollars terms reduced by 8% from \$16.8 million in 1H2014 to \$15.5 million in 1H2015 as Japanese Yen depreciated more than 16.8% compared to 2014. Hotel income in Japanese Yen terms was JPY1.86 billion for 1H2015 compared to JPY1.73 billion for 1H2014.

(iv) Investment Returns

Breakdown of Investment Returns:	2 nd Quarter			Half year ended 30 June		
	2015 US\$'000	2014 US\$'000	% Change	2015 US\$'000	2014 US\$'000	% Change
Interest on bond	-	2	(100%)	2	5	(60%)
Realised gain on investment properties	1,882	866	117%	3,367	866	289%
Realised gain/ (loss) on investments						
- shipping	104	63	65%	183	107	71%
- hotel and residential	752	67	N/M	762	63	N/M
- small residential property developments	-	158	(100%)	525	158	232%
- distressed debt	448	-	N/M	845	1,206	(30%)
- listed shares	478	-	N/M	478	-	N/M
Property rental income	53	92	(42%)	122	182	(33%)
Fair value adjustment on investment properties	-	(516)	(100%)	(1,338)	(516)	(159%)
Fair value adjustment on investments						
- shipping	(665)	(25)	N/M	(1,410)	91	N/M
- hotel and residential	1,422	1,228	16%	1,422	1,254	13%
- small residential property developments	391	(632)	162%	(153)	(349)	56%
- listed shares	(473)	91	N/M	(389)	76	N/M
Net gain/ (loss) on derivative financial instruments	87	(154)	156%	(147)	(204)	28%
	4,479	1,240	261%	4,269	2,939	45%

In 2Q2015, the Group disposed of an investment property resulting in a realised gain on investment properties of \$1.9 million. The Group also recorded a fair value gain of \$1.4 million from an investment in Japan which the underlying investment had been disposed of for a gain. Accordingly, investment returns was \$4.5 million for 2Q2015 compared to \$1.2 million for 2Q2014. Investment returns for 1H2015 was \$4.3 million compared to \$2.9 million for 1H2014.

Total Operating Expenses

Total operating expenses for the Group increased 8% from \$28.9 million in 1H2014 to \$31.3 million in 1H2015. Employee benefits expenses, hotel lease expenses and hotel operating expenses reduced by 13%, 7% and 11% respectively due to cost control as well as depreciation in Japanese Yen against US Dollars. Amortisation and Depreciation, and Vessel Operating Expenses increased due to new vessels delivered after 1H2014.

Operating Profit

The Group posted an operating profit of \$6.8 million for 1H2015, a 64% increase from 1H2014.

Net Profit After Tax

Finance costs increased by 53% in 1H2015 compared to 1H2014 due to increased borrowings to finance new investments.

Tax expense decreased by 84% in 1H2015 compared to 1H2014 due to sale of China office units held under the subsidiary in China in 2014 resulting in higher tax expense in 1H2014.

As a result of the aforementioned factors, the Group posted a net profit of \$4.2 million for 1H2015 compared to \$2.7 million for 1H2014.

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

Not applicable. The Group has not provided a forecast.

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

Shipping charter rates are expected to remain depressed until demand growth accelerates. On the supply side, there has been increasing vessel scrapping of older and less-efficient vessels that have higher operating costs, and net fleet growth of dry bulkers could be the lowest in a decade. The low fleet growth in the next two years may alleviate overcapacity and stabilize rates. As the majority of our vessels are less than 5 years old, the Group is in a good position to withstand the downturn on the shipping market, and capture the demand growth when the market starts to recover.

The Group will continue to implement the strategy to build a recurring income base, evaluate the investment opportunities on the market in shipping, property and hotel businesses, and make appropriate decisions to support long-term and sustainable growth.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/ recommended by the Directors for the second quarter ended 30 June 2015.

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

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

BY THE ORDER OF THE BOARD

Michio Tanamoto
Chairman and CEO
13 August 2015

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter ended 30 June 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors



Michio Tanamoto
Chairman and CEO

Date: 13 August 2015



Masaki Fukumori
COO