



## 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 SEPTEMBER 2015

#### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF THIRD 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	3 <sup>rd</sup> Quarter ("3Q")			9 Months ended 30 September ("9M")		
		2015 US\$'000	2014 US\$'000	% Change	2015 US\$'000	2014 US\$'000	% Change
Charter Income		8,650	4,916	76%	22,509	13,932	62%
Fee income	[8(ii)]	1,631	1,839	(11%)	5,421	5,384	1%
Hotel income		9,204	9,670	(5%)	24,697	26,508	(7%)
Investment returns	[8(iv)]	(1,925)	399	N/M	2,344	3,338	(30%)
Interest income		212	198	7%	482	641	(25%)
Other income		210	123	71%	551	405	36%
<b>Total income</b>		<b>17,982</b>	<b>17,145</b>	<b>5%</b>	<b>56,004</b>	<b>50,208</b>	<b>12%</b>
Employee benefits expenses		(3,068)	(3,383)	(9%)	(9,146)	(10,341)	(12%)
Amortisation and depreciation		(2,721)	(1,600)	70%	(7,009)	(4,398)	59%
Vessel operating expenses		(3,765)	(2,212)	70%	(9,818)	(6,078)	62%
Hotel lease expenses		(3,409)	(3,434)	(1%)	(8,630)	(9,069)	(5%)
Hotel operating expenses		(3,610)	(4,032)	(10%)	(10,102)	(11,343)	(11%)
Other expenses		(1,159)	(1,328)	(13%)	(3,806)	(3,651)	4%
Net foreign exchange loss		(77)	(245)	(69%)	(555)	(290)	91%
<b>Total operating expenses</b>		<b>(17,809)</b>	<b>(16,234)</b>	<b>10%</b>	<b>(49,066)</b>	<b>(45,170)</b>	<b>9%</b>
<b>Operating profit</b>		<b>173</b>	<b>911</b>	<b>(81%)</b>	<b>6,938</b>	<b>5,038</b>	<b>38%</b>
Finance costs – interest expense		(1,108)	(614)	80%	(2,787)	(1,710)	63%
Finance costs – others		(94)	(26)	N/M	(213)	(114)	87%
Allocation to Tokumei Kumiai* investors		8	7	14%	(740)	79	N/M
<b>(Loss)/ Profit before tax</b>		<b>(1,021)</b>	<b>278</b>	<b>N/M</b>	<b>3,198</b>	<b>3,293</b>	<b>(3%)</b>
Income tax expense		(107)	(25)	N/M	(157)	(332)	(53%)
<b>(Loss)/ Profit for the period</b>		<b>(1,128)</b>	<b>253</b>	<b>N/M</b>	<b>3,041</b>	<b>2,961</b>	<b>3%</b>
Attributable to:							
Owners of the parent		(1,304)	281	N/M	2,691	3,003	(10%)
Non-controlling interests		176	(28)	N/M	350	(42)	N/M
		<b>(1,128)</b>	<b>253</b>	<b>N/M</b>	<b>3,041</b>	<b>2,961</b>	<b>3%</b>

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

	3 <sup>rd</sup> Quarter ("3Q")			9 Months ended 30 September ("9M")		
	2015 US\$'000	2014 US\$'000	% Change	2015 US\$'000	2014 US\$'000	% Change
(Loss)/ Profit for the period	(1,128)	253	N/M	3,041	2,961	3%
Other comprehensive income/ (expense) for the period, net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	193	(741)	126%	333	(827)	140%
Net movement on cash flow hedges	(91)	145	(163%)	(178)	58	N/M
Other comprehensive income/ (expense) for the period, net of tax	102	(596)	117%	155	(769)	120%
Total comprehensive (expense)/ income for the period	(1,026)	(343)	(199%)	3,196	2,192	46%
Attributable to:						
Owners of the parent	(1,201)	(314)	N/M	2,848	2,237	27%
Non-controlling interests	175	(29)	N/M	348	(45)	N/M
	(1,026)	(343)	(199%)	3,196	2,192	46%

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 September 2015 US\$'000	31 December 2014 US\$'000	30 September 2015 US\$'000	31 December 2014 US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties	12,018	11,771	-	-
Intangible assets	69	69	-	-
Property, plant and equipment	191,423	130,444	441	561
Loans receivable	5,050	5,886	2,050	2,886
Loans to subsidiaries	-	-	8,172	9,168
Investments	46,482	45,070	25,354	24,355
Investments in subsidiaries	-	-	54,626	53,923
Rental deposit	2,005	1,585	-	-
Finance lease receivable	7,914	-	-	-
Derivative financial instruments	5	218	1,149	328
Deferred tax assets	48	26	-	-
Deposits for purchase of vessels	4,510	13,899	-	-
<b>Total non-current assets</b>	<b>269,524</b>	<b>208,968</b>	<b>91,792</b>	<b>91,221</b>
<b>Current assets</b>				
Investments	30	1,108	-	-
Loans receivable	-	900	-	900
Loans to subsidiaries	-	-	20,737	11,142
Derivative financial instruments	-	96	23	96
Finance lease receivable	300	-	-	-
Accounts receivable	3,442	2,969	276	68
Amounts due from subsidiaries	-	-	346	754
Prepayments, deposits and other receivables	4,449	2,836	490	318
Tax recoverable	327	498	-	-
Deposits pledged as collateral	7,659	5,188	5,372	5,188
Cash and bank balances	31,676	36,321	7,681	13,872
<b>Total current assets</b>	<b>47,883</b>	<b>49,916</b>	<b>34,925</b>	<b>32,338</b>
<b>Total assets</b>	<b>317,407</b>	<b>258,884</b>	<b>126,717</b>	<b>123,559</b>

	Group		Company	
	30 September 2015 US\$'000	31 December 2014 US\$'000	30 September 2015 US\$'000	31 December 2014 US\$'000
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	75,167	75,167	75,167	75,167
Share premium	31,319	31,319	31,319	31,319
Retained earnings	30,806	30,333	2,518	4,567
Hedging reserve	(170)	8	(5)	(16)
Exchange reserve	1,034	699	-	-
Capital reserve	(117)	(117)	-	-
<b>Total equity attributable to owners of the parent</b>	138,039	137,409	108,999	111,037
Non-controlling interests	1,630	1,003	-	-
<b>Total equity</b>	139,669	138,412	108,999	111,037
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	104,164	87,865	-	3,343
Due to Tokumei Kumiai investors	6	689	-	-
Deferred tax liabilities	1,262	1,293	-	-
Derivative financial instruments	655	202	1,149	344
Other payables	80	80	-	-
<b>Total non-current liabilities</b>	106,167	90,129	1,149	3,687
<b>Current liabilities</b>				
Borrowings	65,202	22,943	15,060	7,505
Accounts payable	2,321	2,422	-	-
Amounts due to subsidiaries	-	-	878	393
Other payables and accruals	3,264	4,469	603	937
Derivative financial instruments	594	280	28	-
Income tax payable	190	229	-	-
<b>Total current liabilities</b>	71,571	30,343	16,569	8,835
<b>Total liabilities</b>	177,738	120,472	17,718	12,522
<b>Total equity and liabilities</b>	317,407	258,884	126,717	123,559

**NOTES:**

The Group's non-current assets increased by 29.0% from \$209.0 million on 31 December 2014 to \$269.5 million on 30 September 2015. Property, Plant and Equipment increased by \$61.0 million from \$130.4 million to \$191.4 million due to the delivery of two vessels under Uni-Asia Shipping group and acquisition of one containership by the Group in 9M2015. 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 \$4.5 million. The Group also invested in finance lease investment resulting in \$7.9 million in finance lease receivable under non-current assets and \$0.3 million under current assets on 30 September 2015.

Current assets decreased \$2 million from \$49.9 million on 31 December 2014 to \$47.9 million on 30 September 2015. Prepayments, deposits and other receivables increased by \$1.6 million from \$2.8 million on 31 December 2014 to \$4.4 million on 30 September 2015 due partly to increase in prepayment of vessel operating expenses by increased vessels. Cash and bank balances reduced by \$4.6 million.

Total liabilities increased to \$177.7 million on 30 September 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 \$71.6 million on 30 September 2015 resulting in a negative working capital (i.e. current assets less current liabilities) of \$23.7 million. The negative working capital was due mainly to reclassification of \$27.6 million borrowings from non-current liabilities to current liabilities as the borrowings are due within the coming year. These borrowings are collateralised by vessels under Property, Plant and Equipment. The borrowings may be re-financed closer to due date.

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

	As at 30 September 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	46,412	18,790	16,172	6,771
Amount repayable after one year	99,205	4,959	75,303	12,562
<b>Total</b>	<b>145,617</b>	<b>23,749</b>	<b>91,475</b>	<b>19,333</b>

**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	9 Months ended 30 September	
		2015 US\$'000	2014 US\$'000
<b>Cash flows from operating activities</b>			
Profit before tax		3,198	3,293
Adjustments for:			
Investment returns		(2,344)	(3,338)
Amortisation and depreciation		7,009	4,398
Loss on disposal of property, plant and equipment		-	10
Provision for accounts receivable		(41)	-
Net foreign exchange loss		555	290
Interest income		(482)	(641)
Finance costs – interest expense		2,787	1,710
Finance costs – others		213	114
Allocation to Tokumei Kumiai investors		740	(79)
Operating cash flows before changes in working capital		11,635	5,757
Changes in working capital:			
Net change in accounts receivable		(478)	(730)
Net change in prepayments, deposits and other receivables		(2,519)	(1,105)
Net change in accounts payable		130	(138)
Net change in other payables and accruals		(1,402)	(2,267)
Cash flows generated from operations		7,366	1,517
Interest received on bank balances		86	120
Tax paid		(49)	(840)
Net cash flows generated from operating activities	[A]	7,403	797
<b>Cash flows from investing activities</b>			
Deemed disposal of a subsidiary		511	-
Purchase of investment properties		(7,652)	(1,237)
Purchase of investments		(5,968)	(17,515)
Proceeds from sale of investment properties		9,284	1,651
Proceeds from redemption/ sale of investments		5,793	5,424
Investment in finance lease		(8,214)	-
Deposits refunded/ (paid) for purchase of vessels		9,389	(2,303)
Purchase of property, plant and equipment		(86,679)	(25,301)
Redemption of Tokumei Kumiai investors		(1,416)	(508)
Loans advanced		-	(4,219)
Loans repaid		1,732	5,791
Interest received from loans and finance lease		403	536
Net (increase)/ decrease in deposits pledged as collateral		(2,464)	1,911
Proceeds from investments		1,782	2,051
Settlement of derivative financial instruments		267	30
Proceeds from property rental		121	226
Net cash flows used in investing activities	[B]	(83,111)	(33,463)

	Note	9 Months ended 30 September	
		2015 US\$'000	2014 US\$'000
<b>Cash flows from financing activities</b>			
New borrowings		103,877	35,373
Repayment of borrowings		(27,495)	(10,565)
Interests paid on borrowings		(2,519)	(1,636)
Other finance costs paid		(471)	(93)
Payment of lease obligation		-	(14)
Dividend paid		(2,218)	(2,338)
Contribution from non-controlling interests		-	5
Payment to non-controlling interest		(31)	(54)
Net cash flows generated from financing activities	[C]	71,143	20,678
Net decrease in cash and cash equivalents		(4,565)	(11,988)
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		(4,565)	(11,988)
Effects of foreign exchange rate changes, net		(80)	(1,051)
Cash and cash equivalents at end of the period		31,676	34,527

**NOTES:**

The Group's cash and cash equivalents decreased by \$4.6 million in 9M2015 due mainly to the followings:

- [A] Cash flows generated from operating activities amounted to \$7.4 million for 9M2015 compared to \$0.8 million in 9M2014. As the fleet under Uni-Asia Shipping increases, as well as the addition of a containership in the Group's portfolio, increase in charter income contributed to increase in operating cash flow.
- [B] Cash flows used in investing activities were \$83.1 million for 9M2015 due mainly to payment for delivery and acquisition of vessels (under Purchase of property, plant and equipment) as well as investments in small residential property projects (under Purchase of Investment Properties and Purchase of Investments). Payment for investments were partially offset by proceeds from investments.
- [C] Cash flows generated from financing activities were \$71.1 million in 9M2015 due mainly to new borrowings in 9M2015 to finance investment acquisitions offset by scheduled borrowings repayments. Dividend for FY2014 approved in AGM was paid in 2Q2015.

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

<b>Group</b>	<b>Share capital US\$'000</b>	<b>Share premium US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Hedging reserve US\$'000</b>	<b>Exchange reserve US\$'000</b>	<b>Capital reserve US\$'000</b>	<b>Total equity attributable to owners of the parent US\$'000</b>	<b>Non-controlling interests US\$'000</b>	<b>Total equity US\$'000</b>
At 1 January 2014	75,167	31,319	30,521	23	2,791	(117)	139,704	509	140,213
Profit/ (loss) for the period	-	-	3,003	-	-	-	3,003	(42)	2,961
Other comprehensive income/ (expense)	-	-	-	58	(824)	-	(766)	(3)	(769)
Total comprehensive income/ (expense)	-	-	3,003	58	(824)	-	2,237	(45)	2,192
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 September 2014	75,167	31,319	31,186	81	1,967	(117)	139,603	1,007	140,610
At 1 January 2015	75,167	31,319	30,333	8	699	(117)	137,409	1,003	138,412
Profit for the period	-	-	2,691	-	-	-	2,691	350	3,041
Other comprehensive (expense)/ income	-	-	-	(178)	335	-	157	(2)	155
Total comprehensive income/ (expense)	-	-	2,691	(178)	335	-	2,848	348	3,196
Dividend in respect of 2014	-	-	(2,218)	-	-	-	(2,218)	-	(2,218)
Capital reserve	-	-	-	-	-	-	-	310	310
Payment to non-controlling interest	-	-	-	-	-	-	-	(31)	(31)
At 30 September 2015	75,167	31,319	30,806	(170)	1,034	(117)	138,039	1,630	139,669

<b>Company</b>	<b>Share capital US\$'000</b>	<b>Share premium US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Hedging reserve US\$'000</b>	<b>Exchange reserve US\$'000</b>	<b>Capital reserve US\$'000</b>	<b>Total equity attributable to owners of the parent US\$'000</b>	<b>Non-controlling interests US\$'000</b>	<b>Total equity US\$'000</b>
At 1 January 2014	75,167	31,319	11,589	(30)	-	-	118,045	-	118,045
Loss for the period	-	-	(1,557)	-	-	-	(1,557)	-	(1,557)
Other comprehensive income	-	-	-	10	-	-	10	-	10
Total comprehensive (expense)/ income	-	-	(1,557)	10	-	-	(1,547)	-	(1,547)
Dividend in respect of 2013	-	-	(2,338)	-	-	-	(2,338)	-	(2,338)
At 30 September 2014	75,167	31,319	7,694	(20)	-	-	114,160	-	114,160
At 1 January 2015	75,167	31,319	4,567	(16)	-	-	111,037	-	111,037
Profit for the period	-	-	169	-	-	-	169	-	169
Other comprehensive income	-	-	-	11	-	-	11	-	11
Total comprehensive income	-	-	169	11	-	-	180	-	180
Dividend in respect of 2014	-	-	(2,218)	-	-	-	(2,218)	-	(2,218)
At 30 September 2015	75,167	31,319	2,518	(5)	-	-	108,999	-	108,999



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

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

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

	<b>As at 30 September 2015</b>	<b>As at 31 December 2014</b>
Total number of issued shares	46,979,280 <sup>(1)</sup>	469,792,800

<sup>(1)</sup> 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.**

	3 <sup>rd</sup> Quarter			9 Months ended 30 September		
	2015	Adjusted 2014 <sup>(2)</sup>	2014	2015	Adjusted 2014 <sup>(2)</sup>	2014
(Loss)/ Profit attributable to owners of the parent (US\$'000)	(1,304)	281	281	2,691	3,003	3,003
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	(2.78)	0.60	0.06	5.73	6.39	0.64

<sup>(2)</sup> Numbers are adjusted for weighted average number of ordinary shares in issue and earnings per share. The adjusted number is based on or is calculated based on the number of shares after 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 September 2015	Adjusted 31 December 2014 <sup>(3)</sup>	31 December 2014
Net asset value per ordinary share based on issued share capital at the end of (in US\$)	2.97	2.95	0.29

<sup>(3)</sup> 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 \$56.0 million for 9M2015, a 12% increase from 9M2014. 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 62% from \$13.9 million in 9M2014 to \$22.5 million in 9M2015. In 9M2014, 6 vessels under the Group's ship owning subsidiary, Uni-Asia Shipping Limited contributed to charter income. The delivery of 2 new vessels in February 2015 and March 2015 increased the fleet size of dry bulk carriers owned by Uni-Asia Shipping Limited to 8 as at 30 September 2015, thereby increasing the charter income for 9M2015. 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:	3 <sup>rd</sup> Quarter ("3Q")			9 Months ended 30 September ("9M")		
	2015 US\$'000	2014 US\$'000	% Change	2015 US\$'000	2014 US\$'000	% Change
Asset management & administration fee	637	527	21%	1,909	1,838	4%
Arrangement and agency fee	872	727	20%	2,848	1,782	60%
Brokerage commission	119	118	1%	567	328	73%
Incentive fee	3	467	(99%)	97	1,436	(93%)
	1,631	1,839	(11%)	5,421	5,384	1%

Total fee income remained fairly stable with \$5.4 million in 9M2015.

The Group earned more arrangement fees and brokerage commission in 9M2015, resulting in an increase in Arrangement and Agency Fee and Brokerage Commission for 9M2015 compared to 9M2014. This helped to offset the decrease in incentive fee income in 9M2015 as compared to 9M2014. In 2014, incentive fee income was earned by a subsidiary in Japan when assets under management by the subsidiary were disposed in 2014.

(iii) Hotel Income

While Hotel income in Japanese Yen terms increased due to better performance of the hotels under operations in 9M2015 compared to 9M2014, Hotel income in US Dollars terms reduced by 7% from \$26.5 million in 9M2014 to \$24.7 million in 9M2015 as the average Japanese Yen rate for 9M2015 depreciated around 17.7% compared to that of 9M2014. Hotel income in Japanese Yen terms was JPY3.0 billion for 9M2015 compared to JPY2.7 billion for 9M2014.

(iv) Investment Returns

Breakdown of Investment Returns:	3 <sup>rd</sup> Quarter ("3Q")			9 Months ended 30 September ("9M")		
	2015 US\$'000	2014 US\$'000	% Change	2015 US\$'000	2014 US\$'000	% Change
Interest on bond	-	3	(100%)	2	8	(75%)
Realised gain on investment properties	(13)	-	N/M	3,354	866	N/M
Realised gain/ (loss) on investments						
- shipping	147	44	N/M	330	151	119%
- hotel and residential	815	1,179	(31%)	1,577	1,242	27%
- small residential property developments	-	615	(100%)	525	773	(32%)
- distressed debt	55	-	N/M	900	1,206	(25%)
- listed shares	-	60	(100%)	478	60	N/M
Property rental income	(1)	44	(102%)	121	226	(46%)
Fair value adjustment on investment properties	56	-	N/M	(1,282)	(516)	(148%)
Fair value adjustment on investments						
- shipping	(1,608)	(575)	(180%)	(3,018)	(484)	N/M
- hotel and residential	(831)	(1,115)	25%	591	139	N/M
- small residential property developments	(67)	72	(193%)	(220)	(277)	21%
- listed shares	(7)	(77)	91%	(396)	(1)	N/M
Net (loss)/ gain on derivative financial instruments	(471)	149	N/M	(618)	(55)	N/M
	(1,925)	399	N/M	2,344	3,338	(30%)

The continued depressed shipping market resulted in the Group recognising additional fair value losses from its shipping portfolio in 3Q2015. On the property segment, the Group disposed of some of its investments from its hotel and residential portfolio in Japan, resulting in a classification of realised gain on investment in hotel and residential while reversing fair value adjustments previously recognised for the same investments. Losses on derivative financial instruments were mainly from fair valuation losses on interest rate swaps for hedging potential increase in interest expense. Investment returns was \$2.3 million for 9M2015, a decrease of 30% from the same period in 2014.

## **Total Operating Expenses**

Total operating expenses for the Group increased 9% from \$45.2 million in 9M2014 to \$49.1 million in 9M2015. Employee benefits expenses, hotel lease expenses and hotel operating expenses reduced by 12%, 5% 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 9M2014.

## **Operating Profit**

The Group posted an operating profit of \$6.9 million for 9M2015, a 38% increase from 9M2014.

## **Net Profit After Tax**

Finance costs increased by 63% in 9M2015 compared to 9M2014 due to increased borrowings to finance new investments.

Tax expense decreased by 53% in 9M2015 compared to 9M2014 due to sale of China office units held under the subsidiary in China in 2014 resulting in higher tax expense in 9M2014.

As a result of the aforementioned factors, the Group posted a net profit of \$3.0 million for 9M2015.

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

Not applicable. The Group has not provided a forecast.

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

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

As such, the Group is cautiously deploying its funds so as to continue implementing the strategy to build a recurring income base with the aim of achieving sustainable long-term 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 third quarter ended 30 September 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.

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

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

**BY THE ORDER OF THE BOARD**

Michio Tanamoto  
Chairman and CEO  
13 November 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 third quarter ended 30 September 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors



Michio Tanamoto  
Chairman and CEO



Masaki Fukumori  
COO

Date: 13 November 2015