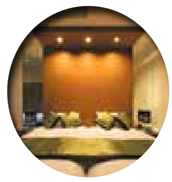
UNI-ASIA HOLDINGS LIMITED

Registration No. CR-72229

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



Building Up Fundamentals

annual report 2015

CONTENTS

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. ship chartering as a ship owner;
3. shipbroking (sale & purchase, and ship chartering);
4. ship technical / commercial management;
5. project management;
6. sale and purchase brokerage of properties;
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 and property finance arrangement, sale and purchase arrangement.

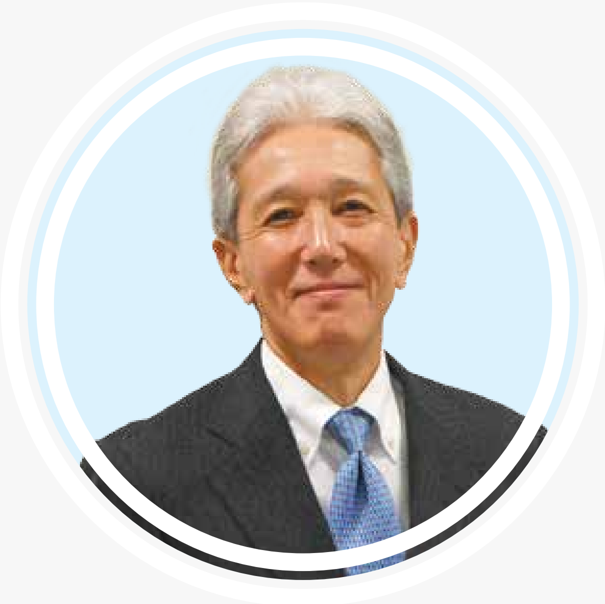
2

- 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

Build on **Fundamentals,** Strengthen **Capabilities**

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 2015 ("FY2015"). It has been widely reported that the shipping market, in particular the dry bulk market, is in its worst shape in 30 years. Some players are running into difficulties, with some others going under. Notwithstanding these difficult conditions, the Group achieved an after tax profit of US$3.5 million in FY2015. We remain confident of the sound long-term fundamentals in our shipping, property and hotel operating businesses. As a show of our confidence, the Board has proposed an ordinary dividend of 6.25 Singapore cents per share, the same dividend amount per share (adjusted for share consolidation) as last year, subject to your approval at the forthcoming Annual General Meeting on 29 April 2016.

A downturn is a double edged sword. It can either be the worst of times for one to thrive or the best of times for one to build on one's fundamentals and strengthen one's capabilities. We will dig in our heels and not let this downturn disrupt our growth plans. At the same time, we will capitalise on the current opportunities to enjoy the fruits when the upturn comes. I shall explain how we plan to achieve this.

First, let me start with our shipping business. Our ship owning business can be broadly categorised into ships owned through our subsidiaries (which are consolidated into our Group accounts) and ships owned through joint-investment companies (which are booked as fair valued investments).

Our main ship owning subsidiary is Uni-Asia Shipping Limited ("Uni-Asia Shipping"), which focuses on small handysize dry bulk carriers. As at date of this report, Uni-Asia Shipping has a portfolio of 9 handysize dry bulk carriers. Most of these 9 ships are contracted to charterers with medium-term, fixed time charter rates, therefore are less susceptible to the current dismal dry bulk market. However, charters for some of the older ships in Uni-Asia Shipping's portfolio were contracted for short period and suffered from lower market rate when charters were renewed. This impacted Uni-Asia Shipping's performance in 2015 as Baltic Dry Index hit new low. Notwithstanding the current market conditions, our fleet of ships under

Uni-Asia Shipping has an average age of less than 5 years and they were built by Japanese shipbuilders. Such ships are of higher reliability, fuel efficiency and of better value retention. Therefore, with a strong, and relatively young fleet, we are better poised than other players to benefit when the shipping cycle turns around.

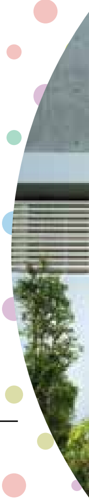
In 2015, we acquired two containerships from Akebono Fund – one wholly owned by Uni-Asia while another under a joint investment company. The acquisition of these two containerships provides us the opportunities to enjoy the upside of the containership market.

For our ships under joint-investment companies, we currently own 14 ships, of which, 1 will be delivered in 2016 and 4 from 2018 onwards. While the current market may apply downward pressure to the values of existing ships in our joint-investment portfolio, resulting in us taking in fair valuation losses in 2015, we need to ensure we have new ships ready when the market turns around. By buying ships through joint-investment companies, and with delivery from 2018 onwards, we can ensure we are still a player when market recovers yet limit our capital outlay.

For shipping related services, we now provide ship commercial management services to our joint-investment companies in addition to other suite of services that we provide. We are also exploring new markets and reaching out new clients for our services, including finance arrangement services. In this regard, we have opened a representative office in Seoul, South Korea in 2015 to reach out to potential clients in South Korea. Together with our Hong Kong, Tokyo, Shanghai, and Taiwan office, we have a reasonably good presence in North Asia for reaching out to existing and potential clients. This will help ensure a good deal flow to support our fee related business.

CHAIRMAN'S MESSAGE

There was a time when the market conditions were not so favourable for our property and hotel operating businesses. It was with sheer determination, resilience and hard work that we grew our property and hotel operating businesses into what they are today. We are now facing similar headwinds in our shipping business. We will use the same determination, resilience and hard work to steer our shipping business into a brighter future.



Turning to our property business, the development of our second Hong Kong property project is proceeding as scheduled and would be completed in 2017. Meanwhile, we are preparing to source for a third suitable property project in Hong Kong so that we can enjoy returns from such projects beyond 2017.

Meanwhile, Japan property market is still favourable. Our small residential project business continues to expand. We sold 3 projects in 2015, and now have 9 projects under construction and a few pipeline projects under assessment. Our research has shown that there are still potential in Japan property market. Notwithstanding this, we are cautious in our selection of projects yet bold to ensure this business continues to contribute to our bottom-line.

For our hotel operating business, occupancy and daily room rates continued to be good. Our hotel operating business contributed US$ 0.7 million to our bottom-line in 2015. The construction of two new hotels in Sendai and Yokohama which we will operate are progressing as scheduled. We will start operating Hotel Vista Sendai from 27 April 2016 while the hotel in Yokohama is scheduled to open in the summer of 2017. Further, the Group has secured a new hotel operating contract for a hotel in Nagoya. This hotel is now in the planning stage for redevelopment and the opening date is planned for the summer of 2017. With more hotels under operation, our hotel operating business will be an important contributor to our Group's growth.

Our property and hotel operating businesses have played an important part in supporting the Group's bottom-line in 2015. However, there was a time when the market conditions were not so favourable for our property and hotel operating businesses. It was with sheer determination, resilience and hard work that we grew our property and hotel operating businesses into what they are today. We are now facing similar headwinds in our shipping business. We will use the same determination, resilience and hard work to steer our shipping business into a brighter future.

I thank you all for your unwavering support, and seek your continued support so we can succeed together. I would also like to thank Uni-Asia's Board of Directors, management and employees for the hard work, dedication and commitment, as well as our clients, business partners, bankers and our shareholders for the continued faith and support. We shall build on our fundamentals and strengthen our capabilities, and together, we shall enjoy the fruits of Uni-Asia's success.

Michio Tanamoto
Chairman and CEO
Uni-Asia Holdings Limited

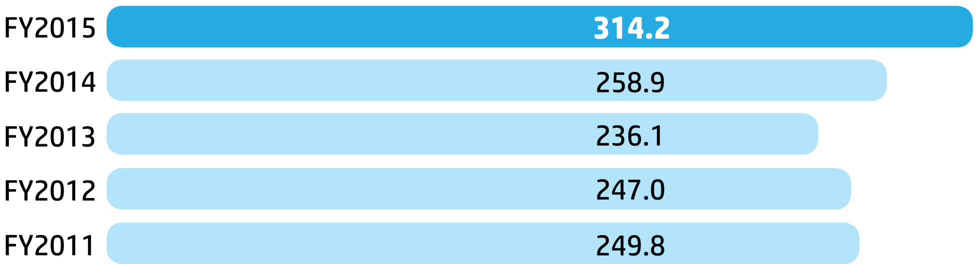
GROUP FINANCIAL HIGHLIGHTS

SHARE CAPITAL INFORMATION

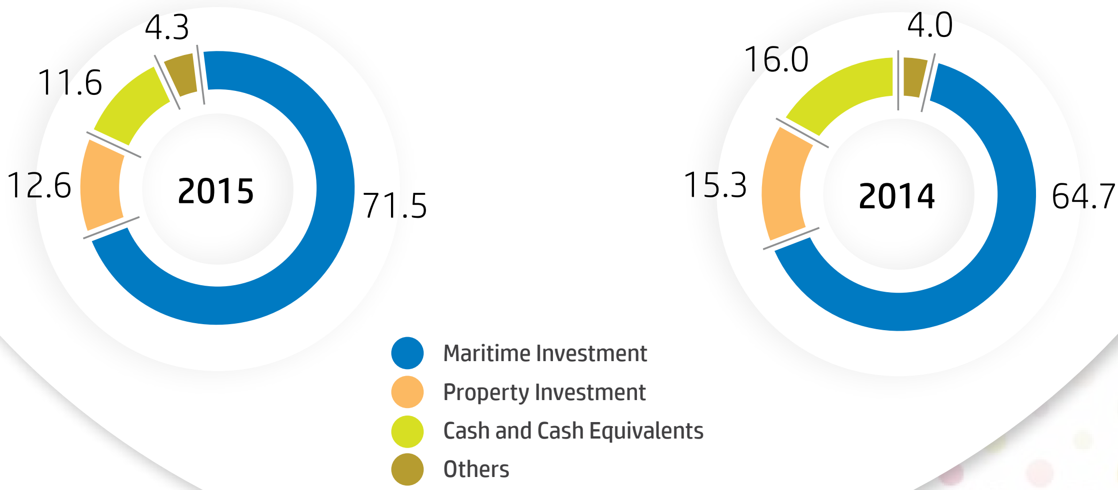
46,979,280 ordinary shares of par value US$1.60 each
SGX Stock Code: AYF
Bloomberg Stock Code: UNIAF:SP

TOTAL ASSETS

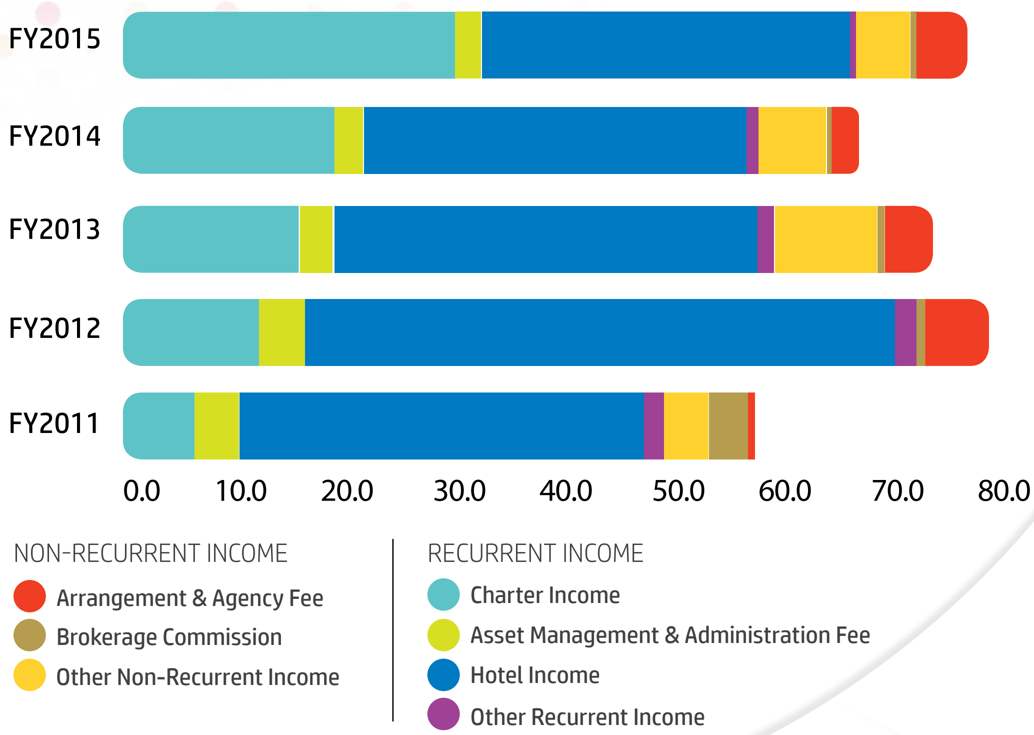
US$' MILLION



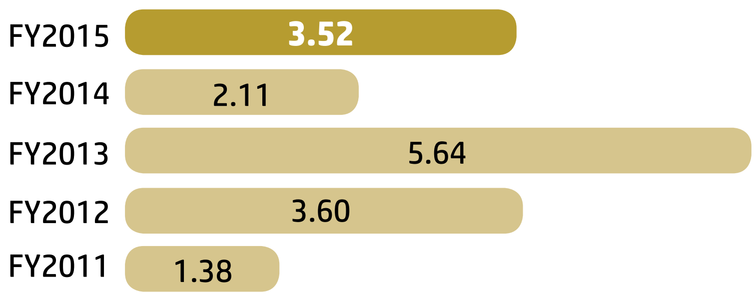
TOTAL ASSETS ALLOCATION (%)



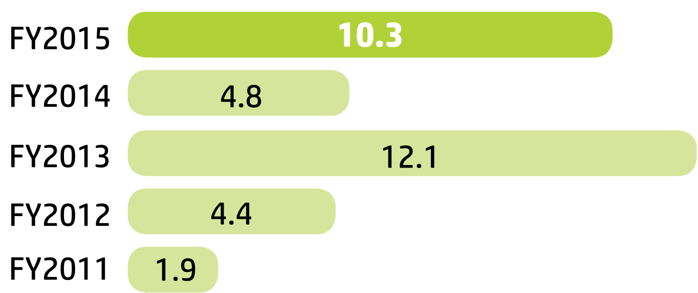
TOTAL INCOME TREND
US$' MILLION



NET PROFIT AFTER TAX
US$' MILLION



OPERATING CASH FLOWS
US$' MILLION



GROUP FINANCIAL REVIEW

1. GROUP FINANCIAL PERFORMANCE

Selected Data	FY2015 US$'000	FY2014 US$'000	Change %
Charter Income	30,465	19,396	57%
Fee income	7,796	6,729	16%
Hotel income	33,345	34,971	(5%)
Investment returns	3,961	4,672	(15%)
Interest and other income	1,485	1,366	9%
Total income	77,052	67,134	15%
Total operating expenses	(68,145)	(61,522)	11%
Operating profit	8,907	5,612	59%
Profit before tax	3,900	3,249	20%
Income tax expense	(380)	(1,141)	(67%)
Profit for the year	3,520	2,108	67%

TOTAL INCOME

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

(I) CHARTER INCOME

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

(II) FEE INCOME

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

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

Arrangement and agency fee increased by 91% to $4.7 million in FY2015 from $2.4 million in FY2014 due mainly to deals closed in FY2015.

(III) HOTEL INCOME

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

(IV) INVESTMENT RETURNS

In FY2015, the Group recognised $3.2 million fair valuation losses from shipping portfolio due to the depressed shipping market. On the property segment, the Group disposed of some of its investments from its hotel and residential portfolio in Japan, resulting in a classification of realised gain on investment in hotel and residential while reversing fair value adjustments previously recognised for the same investments. Investment returns was $4.0 million for FY2015, a decrease of 15% from FY2014.

TOTAL OPERATING EXPENSES

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

OPERATING PROFIT

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

NET PROFIT AFTER TAX

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

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

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

2. CASH FLOWS

Selected Data	FY2015 US$'000	FY2014 US$'000
Net cash flows generated from operating activities	10,302	4,800
Net cash flows used in investing activities	(83,623)	(36,169)
Net cash flows generated from financing activities	67,533	22,574
Net decrease cash and cash equivalents	(5,788)	(8,795)
Net effects of foreign exchange rate changes	(199)	(2,450)
Cash and cash equivalents at beginning of the year	36,321	47,566
Cash and cash equivalents at end of the year	30,334	36,321

The Group's cash and cash equivalents decreased by $6.0 million from $36.3 million in FY2014 to $30.3 million in FY2015.

Cash flows generated from operating activities amounted to $10.3 million for FY2015 compared to $4.8 million in 2014. As the fleet under Uni-Asia Shipping increases, as well as the addition of a containership in the Group's portfolio, increase in charter income contributed to increase in operating cash flow.

Cash flows used in investing activities were $83.6 million for 2015 due mainly to payment for delivery and acquisition of vessels (under Purchase of Property, Plant and Equipment) as well as investments in small residential property projects (under Purchase of Investment Properties and Purchase of Investments). Payment for investments were partially offset by proceeds from investments.

Cash flows generated from financing activities were $67.5 million in FY2015 due mainly to new borrowings in 2015 to finance investment acquisitions offset by scheduled borrowings repayments. Dividend for FY2014 approved in AGM was paid in 2Q2015.

Note: References to "$" are to United States Dollars unless otherwise stated.

CORPORATE MILESTONES

2015

- Took delivery of the 7th vessel owned by Uni-Asia Shipping in February.
- Took delivery of the 8th vessel owned by Uni-Asia Shipping in March.
- Acquisition of two 3,500TEU containerships from Akebono Fund, one of which is 100% owned while another 50% owned.
- Completed 10-to-1 share consolidation. Number of shares is now 46,979,280 shares although paid-up capital remains as US$75,166,848.
- Established new wholly owned subsidiary Uni Ships and Management Korea Ltd. in South Korea to promote the Company's ship-related services.
- 99.5% owned subsidiary Uni-Asia Capital (Japan) Ltd. was designated as the Group's investment holding arm in Japan and changed its company name to Uni-Asia Investment Ltd.
- Wholly owned subsidiary Uni-Asia Finance Corporation (Japan) was designated as the Group's investment advisory and asset management arm in Japan and changed its company name to Uni-Asia Capital (Japan) Ltd.

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.

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 shares.
- Increased equity interest in Capital Advisers to 99.5%.

2014

- 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.
- 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.

2012

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

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.
- Launched Akebono Fund.

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.
- Launched container vessel fund which focus on investment of container vessels.

2004

- Launched private ship investment fund Searex 1 & II
- Established the GCAP Fund, which is jointly managed by Grosvenor Asia and Capital Advisers through Grosvenor Capital Advisers Fund Management Co. Ltd.

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.

1998

- Expanded into investment in alternative assets, including distressed assets.

1997

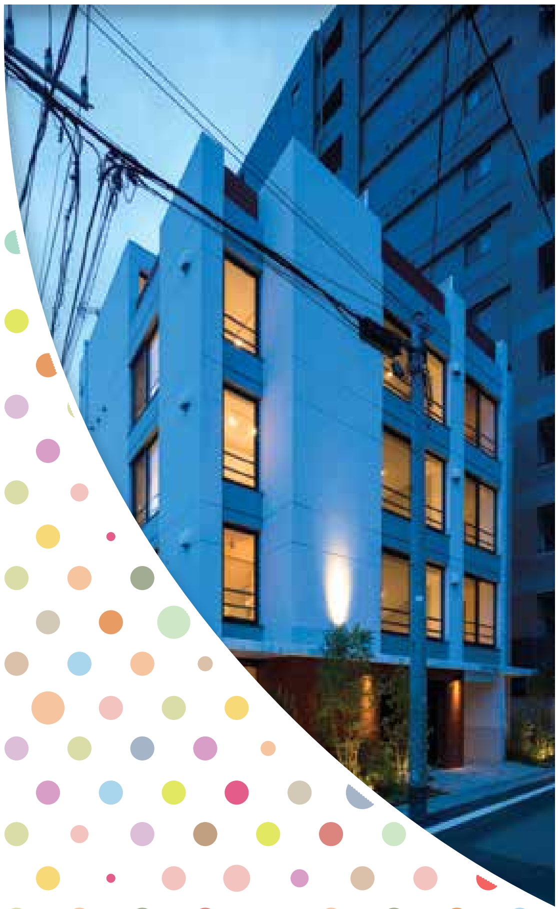
- Uni-Asia Finance Corporation ("Uni-Asia") was incorporated in the Cayman Islands with business presence in Hong Kong and Singapore.

UNI-ASIA BUSINESS

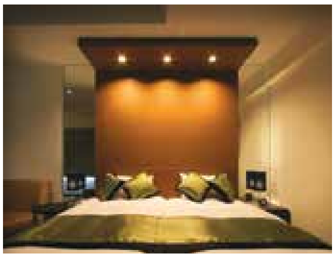
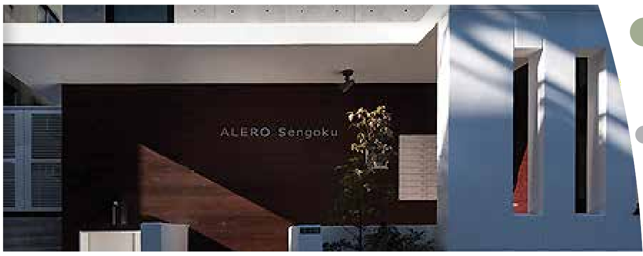
SHIPPING

PROPERTY

HOTEL








ALERO Sengoku




ALERO Mejiro


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 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 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-ASIA SHIPPING LIMITED

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

UNI SHIPS AND MANAGEMENT LIMITED

- Shipbroking 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 a portfolio 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 shall provide commercial management to the 7 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	Charter Status
100%	Luna Bulkship S.A.	28,300	Kanda	May-2001	Time charter
100%	Karat Bulkship S.A.	28,709	Shin-Kurushima	Jun-2007	Time charter
83%	Hope Bulkship S.A.	29,000	Y-Nakanishi	May-2011	Time charter
100%	Imperial Bulkship S.A.	29,100	Y-Nakanishi	Jun-2012	Voyage charter
100%	Jade Bulkship S.A.	37,000	Onomichi	Jun-2013	Time charter
100%	Jubilee Bulkship S.A.	37,000	Imabari	Jul-2014	Time charter
51%	Regina Bulkship S.A.	37,000	Imabari	Feb-2015	Time charter
100%	Mable Bulkship S.A.	37,000	Imabari	Mar-2015	Time charter
100%	Nora Bulkship S.A.	37,000	Imabari	Jan-2016	Time charter

(As at 29 February 2016)

SHIPPING BUSINESS

In 2015, the Group acquired a wholly owned containership from Akebono Fund. This ship is held by a wholly owned subsidiary of Uni-Asia Holdings Limited. Details of the containership is as follows:

Name of Subsidiary	Type of Ship	TEU	Shipyard	Year of Built	Charter Status
Florida Containership S.A.	Containership	3,500	Hyundai Mipo	2007	Time charter

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 administering 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	50,000 DWT	2010	Onomichi	Panama	Held by Akebono Fund
2.	Container	3,500 TEU	2007	Hyundai Mipo	Panama	Acquired from Akebono Fund in 2015
3.	Bulker	29,000 DWT	2009	Y-Nakanishi	Hong Kong	
4.	Bulker	37,300 DWT	2011	Imabari	Hong Kong	
5.	Bulker	29,000 DWT	2012	Y-Nakanishi	Singapore	
6.	Container	4,300 TEU	2007	Hyundai Mipo	Panama	
7.	Container	4,300 TEU	2007	Hyundai Mipo	Panama	
8.	Bulker	57,000 DWT	2015	Tsuneishi	Hong Kong	Commercially managed by Uni-Asia Shipping
9.	Bulker	57,000 DWT	2015	Tsuneishi	Hong Kong	Commercially managed by Uni-Asia Shipping
10.	Bulker	37,000 DWT	2Q2016	Imabari	Hong Kong	On order / To be commercially managed by Uni-Asia Shipping
11.	Bulker	37,600 DWT	1Q2018	Imabari	Hong Kong	On order / To be commercially managed by Uni-Asia Shipping
12.	Bulker	37,600 DWT	1H2019	Imabari	Hong Kong	On order / To be commercially managed by Uni-Asia Shipping
13.	Bulker	36,400 DWT	2Q2018	Oshima	Hong Kong	On order / To be commercially managed by Uni-Asia Shipping
14.	Bulker	36,400 DWT	3Q2018	Oshima	Hong Kong	On order / To be commercially managed by Uni-Asia Shipping

(As at 29 February 2016)

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 as growth in the long term.

To expand our outreach, in 2015, the Group established Uni Ships and Management Korea Ltd. in Seoul, South Korea. Together with our offices in Hong Kong, Japan, Singapore and Uni Ships and Management (Taiwan) Limited established in Taiwan in 2013, the Group is able to better promote our ship-related services to clients in these jurisdictions and neighbouring regions.

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 Group's 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. In 2015, our Japan operations underwent a restructuring with the Group's subsidiary, Uni-Asia Finance Corporation (Japan) was being designated as the Group's investment advisory and asset management arm in Japan and changed its name to Uni-Asia Capital (Japan) Limited. Meanwhile, the original Uni-Asia Capital (Japan) Limited was being designated as the Group's investment holding arm and changed its name to Uni-Asia Investment Ltd. The following are the services offered by the Group's property team:

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

UNI-ASIA INVESTMENT LTD

- Investment holding in Japan

HONG KONG PROPERTY INVESTMENT

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 realised 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 HK$80.0 million (around US$10.4 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. Site under construction

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.

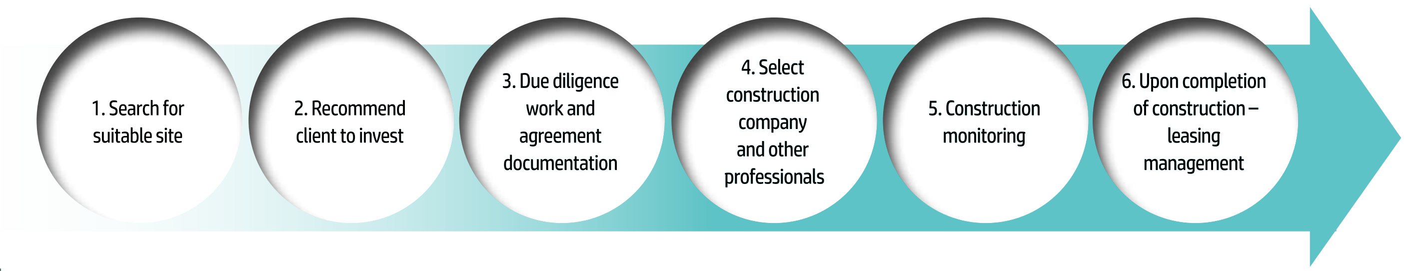
PROPERTY BUSINESS

SMALL RESIDENTIAL PROPERTY PROJECTS IN JAPAN

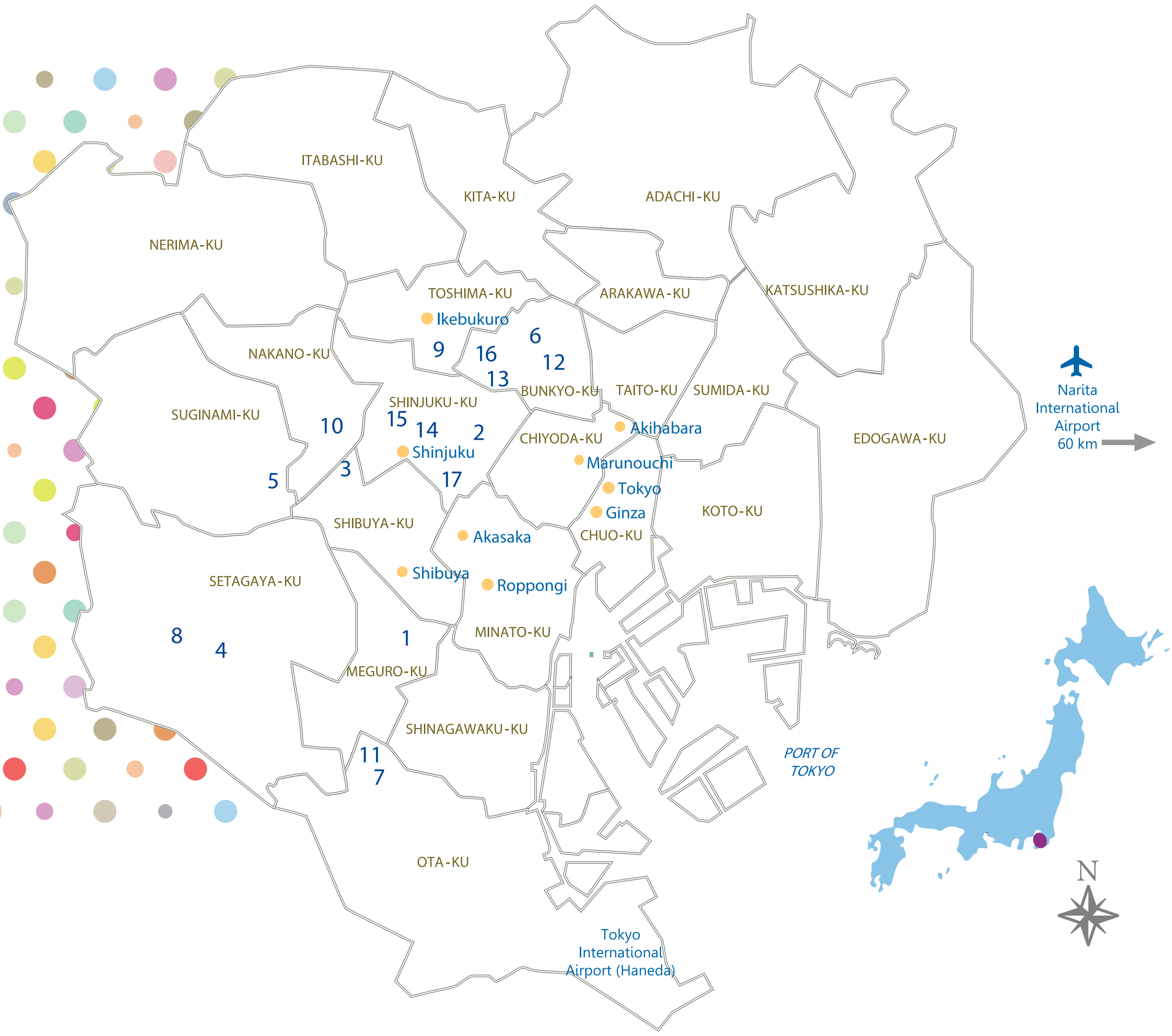
- The Group invests and develops small residential property projects in Tokyo, named “ALERO” series.
- These projects are typically 4 - 5 storey buildings with 10 - 30 units of studio or maisonette type flats, and are popular with working singles/couple.
- The Group’s exit strategy is either to sell the property en bloc or lease out for rental income.
- New ALERO promotion video on our website:
  http://www.uni-asia.com/business_property_japan.html

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
SOLD	**2. Akebonobashi Project** completed in Mar 2013
SOLD	**3. Hatagaya Project** completed in Jun 2013
SOLD	**4. Sakura-shimmachi Project** completed in Oct 2013
SOLD	**5. Honancho Project** completed in Jan 2014
SOLD	**6. Sengoku Project** completed in Mar 2014
SOLD	**7. Ookayama Project** completed in Jul 2014
SOLD	**8. ChitoseFunabashi Project** completed in Nov 2014
SOLD	**9. Mejiro Project** completed in Nov 2014
SOLD	**10. Nakano Sakaue Project** Sold in Jan 2016
LEASING	**11. Ookayama3 Project** completed in Sep 2015
LEASING	**12. Hakusan2 Project** scheduled for completion in Feb 2016
LEASING	**13. Edogawabashi Project** completed in Sep 2015
	14. Nishi Waseda Project scheduled for completion in May 2016
	15. Takadanobaba Project scheduled for completion in Jun 2016
	16. Otowa Project scheduled for completion in May 2016
	17. Higashi Shinjuku Project scheduled for completion in Apr 2016

As at 29 February 2016

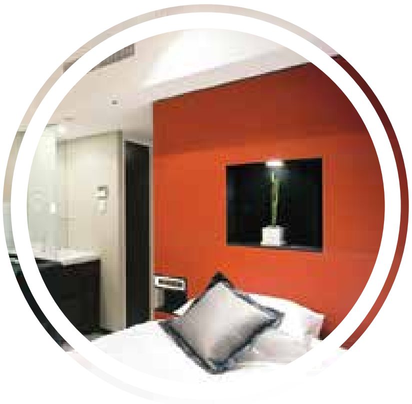
HOTEL BUSINESS

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 VISTA SAPPORO NAKAJIMA KOHEN

Location: Sapporo Hokkaido
Number of rooms: 113



HOTEL VISTA KAMATA, TOKYO

Location: Kamata, Tokyo
Number of rooms: 105

HOTEL VISTA ATSUGI

Location: Atsugi, Kanagawa
Number of rooms: 165

HOTEL VISTA PREMIO KYOTO

Location: Kyoto, Kyoto
Number of rooms: 84

HOTEL VISTA PREMIO DOJIMA

Location: Dojima, Osaka
Number of rooms: 141

HOTEL VISTA KUMAMOTO AIRPORT

Location: Kumamoto, Kumamoto
Number of rooms: 139

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 VISTA EBINA

Location: Ebina, Kanagawa
Number of rooms: 176

HOTEL VISTA SHIMIZU

Location: Shimizu, Shizuoka
Number of rooms: 152

HOTEL JAL CITY NAHA

Location: Naha, Okinawa
Number of rooms: 304

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.

HOTEL BUSINESS

NEW HOTELS TO BE OPERATED BY THE GROUP

HOTEL VISTA SENDAI – GRAND OPENING ON 27 APRIL 2016

The construction of this 238 rooms hotel started in January 2015 and the hotel is on schedule to open on 27 April 2016. This is the first time the Group 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 Tohoku area. The hotel is approximately 4 minutes' walk from Sendai station. A new subway station, Miyagino-dori station, which is next to the hotel opened in December 2015. Hotel Vista Sendai is one of the official supporters of Tohoku Rakuten Eagles, a professional baseball team based in Sendai. More information of this hotel can be found in the hotel's Japanese webpage:

http://www.hotel-vista.jp/sendai/

HOTEL VISTA PREMIO YOKOHAMA MINATO-MIRAI - SCHEDULED FOR OPENING IN 2017 SUMMER

The construction of this 232 rooms hotel started in January 2015. This hotel is being constructed in "Minato Mirai 21" ("MM21") in Yokohama Bay area. 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.

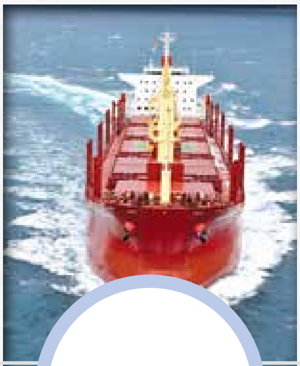
A lobby is planned on the top floor of this hotel so our hotel guests can have a good view of Yokohama Bay. More information of this hotel can be found in the hotel's Japanese webpage:

http://www.hotel-vista.jp/yokohama-minato-mirai/

HOTEL VISTA NAGOYA NISHIKI - SCHEDULED FOR OPENING IN 2017 SUMMER

The hotel, which will have around 140 rooms, is currently in construction planning phase. This hotel is planned to start operation from the summer of 2017. This is the first time the Group shall operate a Vista hotel in Nagoya. Nagoya ranks amongst Tokyo and Osaka as one of the biggest cities in Japan. The location of the hotel is in the downtown area of Nagoya. UACJ is the asset manager of this construction project.

BUSINESS SEGMENTS



UNI-ASIA SHIPPING

Ship Owning & Chartering

NON-CONSOLIDATED UNI-ASIA

Investment / Asset Management of Ships and Properties, Ship Finance Arrangement

UACJ+UAI

Investment / Asset Management of Properties in Japan

UNI-ASIA HOTELS

Hotel Operations

Ships

- Handysize Bulker
- Containership
- Product Tanker

Properties

- Commercial Office Property (China/HK)
- Residential and Other Properties in Japan
- Hotel in Japan

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

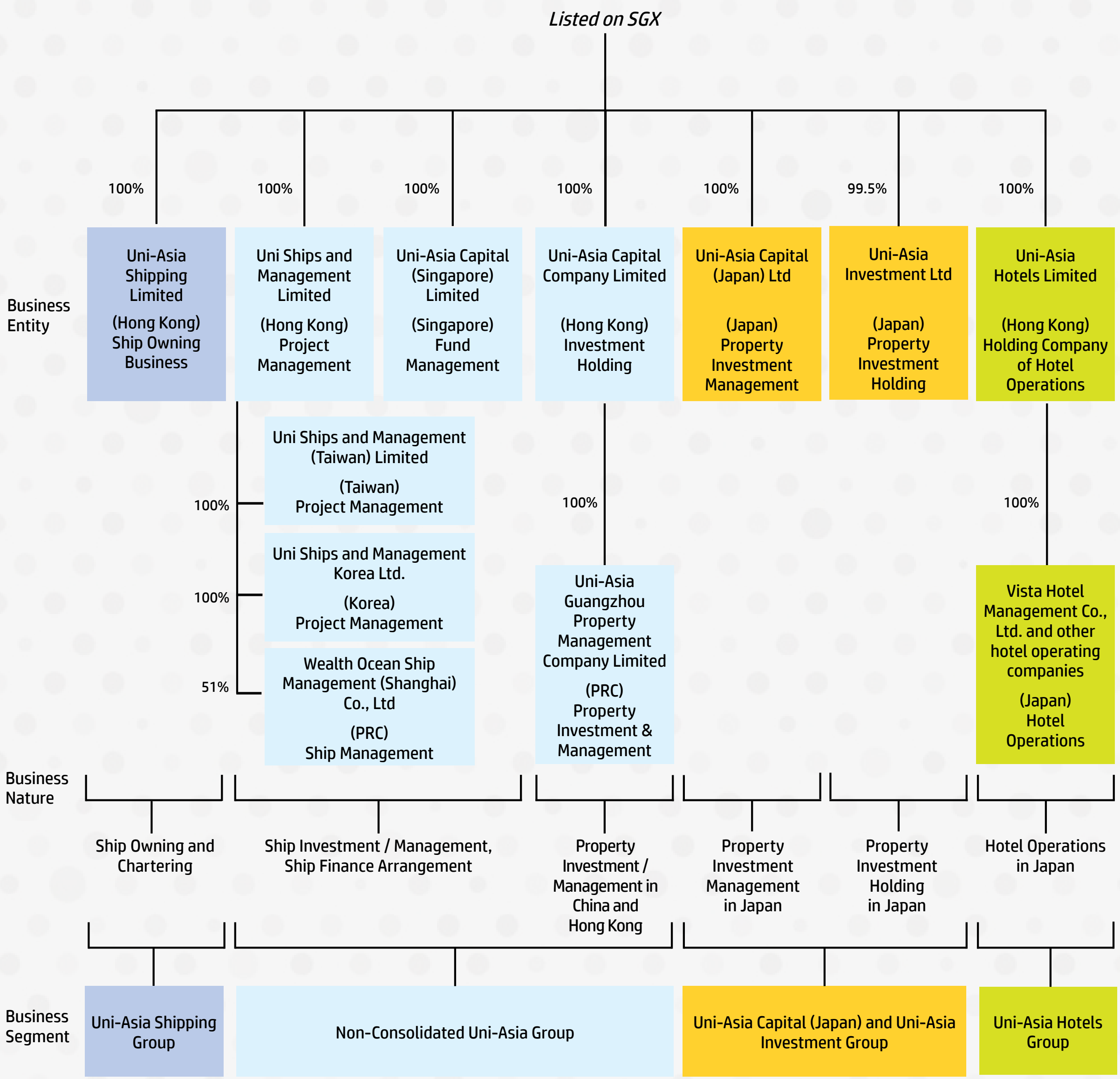
Classification of Income per Income Statement	Sub-Classification of Income	**Non-Consolidated Uni-Asia** Investment/Asset Management of Ships and Properties, Ship Finance Arrangement	**Uni-Asia Shipping** Ship Owning and Chartering	**UACJ + UAI** Investment/Asset Management of Properties in Japan	**Uni-Asia Hotels** Hotel Operations
Charter Income		Chartering of vessels to third parties	Chartering of vessels to third parties		
Fee Income	Asset Management & Administration Fee	Asset management and administration of investment fund/ investment companies	Commercial management	Asset management and administration of investment fund/ investment companies	
	Arrangement & Agency Fee	Finance arrangement/ Agency work/ Arrangement of acquisition and disposal		Finance arrangement/ Agency work/ Arrangement of acquisition and disposal	
	Brokerage Commission	Brokerage of vessel charter			
	Incentive Fee	Fees for meeting investment target		Fees for meeting investment target	
Hotel Income					Management of hotel operations
Investment Returns	Realised Gain/ (Loss)	Realised gain and loss on investments/financial instruments	Realised gain and loss on investments/financial instruments	Realised gain and loss on investments / financial instruments	
	Fair Value Adjustment	Fair value adjustments on investments/financial instruments	Fair value adjustments on investments/financial instruments	Fair value adjustments on investments / financial instruments	
	Property Rental	Rental from investment properties		Rental from investment properties / hotels	
Interest Income		Bank deposit interest/ Interest from bridge or shareholders' loan	Bank deposit interest	Bank deposit interest and finance lease interest	Bank deposit interest

CORPORATE ORGANISATION

UNI-ASIA HOLDINGS LIMITED

(incorporated in the Cayman Islands)

(Hong Kong)
Alternative Asset Management



As at 29 February 2016
Above represents major group companies only for illustrative purpose.

MANAGEMENT ORGANISATION

Executive Director
Chairman & CEO
Mr Michio Tanamoto

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

Review Committee
Mr Michio Tanamoto
(Chairman)
Mr Masaki Fukumori
Mr Masahiro Iwabuchi
Mr Lim Kai Ching

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 Lee Gee Aik
(Independent Non-Executive Director)
Mr Wu Kuang-hui
(Non-Executive Director)

Internal Audit Office
Chief Internal Auditor for Japan Operation
Mr Hiromasa Yakushiji

Executive Director
Chief Operating Officer
Mr Masaki Fukumori

Managing Director
Mr Kenji Fukuyado
- Maritime Asset Management Department (MAMD)
  - **Department Head**
    Executive Vice President
    Mr Matthew Yuen Wai Keung

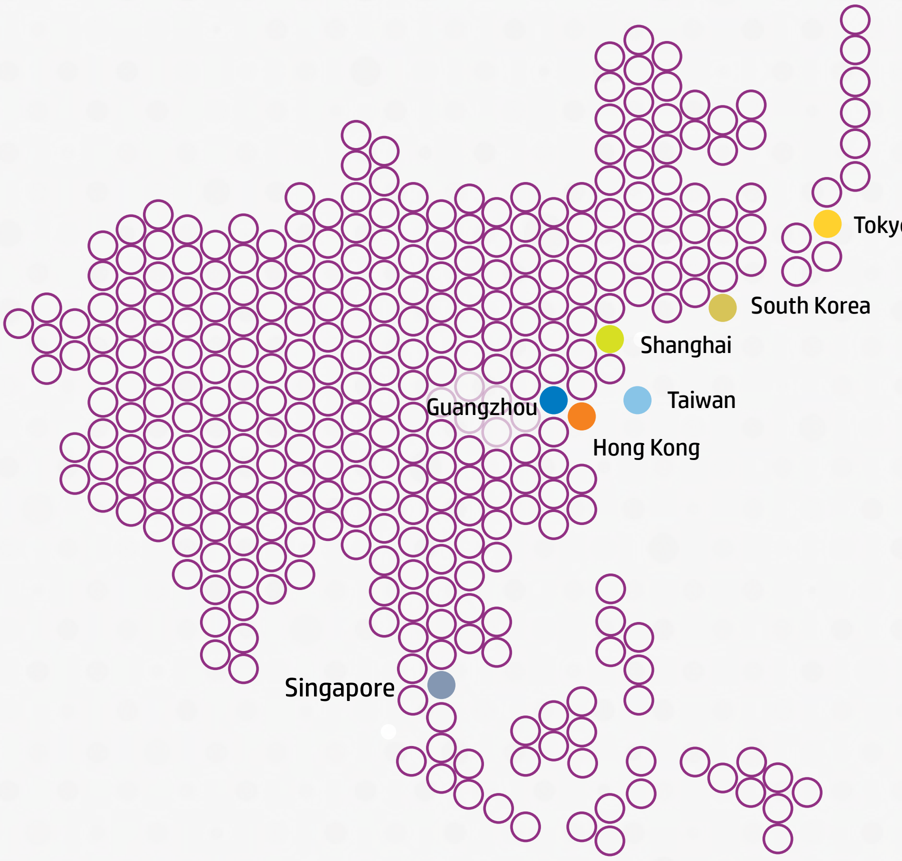
Managing Director
Mr Zac K. Hoshino
- Maritime Business Department (MBD)
  - **Department Head**
    Mr Zac K. Hoshino
    - **General Manager**
      Ms. Ally Chiu
    - **General Manager**
      Mr Yukihiro Rob Hata

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

Note:
* *Uni-Asia Capital (Japan) Ltd. is the investment advisory and asset management arm in Japan while Uni-Asia Investment Ltd is the Group's Japan property investment holding arm.*

CORPORATE INFORMATION



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

SOUTH KOREA

Uni Ships and Management Korea Ltd.

27 Floor, West Tower, Center 1
Building, 26 Euljiro 5 Gil, Jung-Gu,
Seoul 100-210, Korea

Tel: (822) 6030 8722

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

GUANGZHOU

Uni-Asia Guangzhou Property Management Co., Ltd.

Room 2401, Guangzhou Foreign
Economic & Trade Building,
351 Tianhe Road,
Guangzhou, 510620, China

Tel: (8620) 3880 2213

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

NUMBER OF EMPLOYEES AS AT 31 DECEMBER 2015

HONG KONG	SINGAPORE	JAPAN	CHINA	TAIWAN	SOUTH KOREA	TOTAL
30	8	239	11	1	1	290

Notes:

1. Number of employees includes executive directors.
2. Number of employees in Japan includes 213 hotel staff.

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)
Lee Gee Aik
(Independent Non-Executive Director)
Date of appointment: 4 January 2016

AUDIT COMMITTEE

Ang Miah Khiang (Chairman)
Ronnie Teo Heng Hock
Rajan Menon
Wu Kuang-hui
Lee Gee Aik *(Date of appointment: 4 January 2016)*

NOMINATING COMMITTEE

Ronnie Teo Heng Hock *(Chairman)*
Ang Miah Khiang
Rajan Menon
Lee Gee Aik *(Date of appointment: 4 January 2016)*

REMUNERATION COMMITTEE

Rajan Menon *(Chairman)*
Ang Miah Khiang
Ronnie Teo Heng Hock
Lee Gee Aik *(Date of appointment: 4 January 2016)*

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

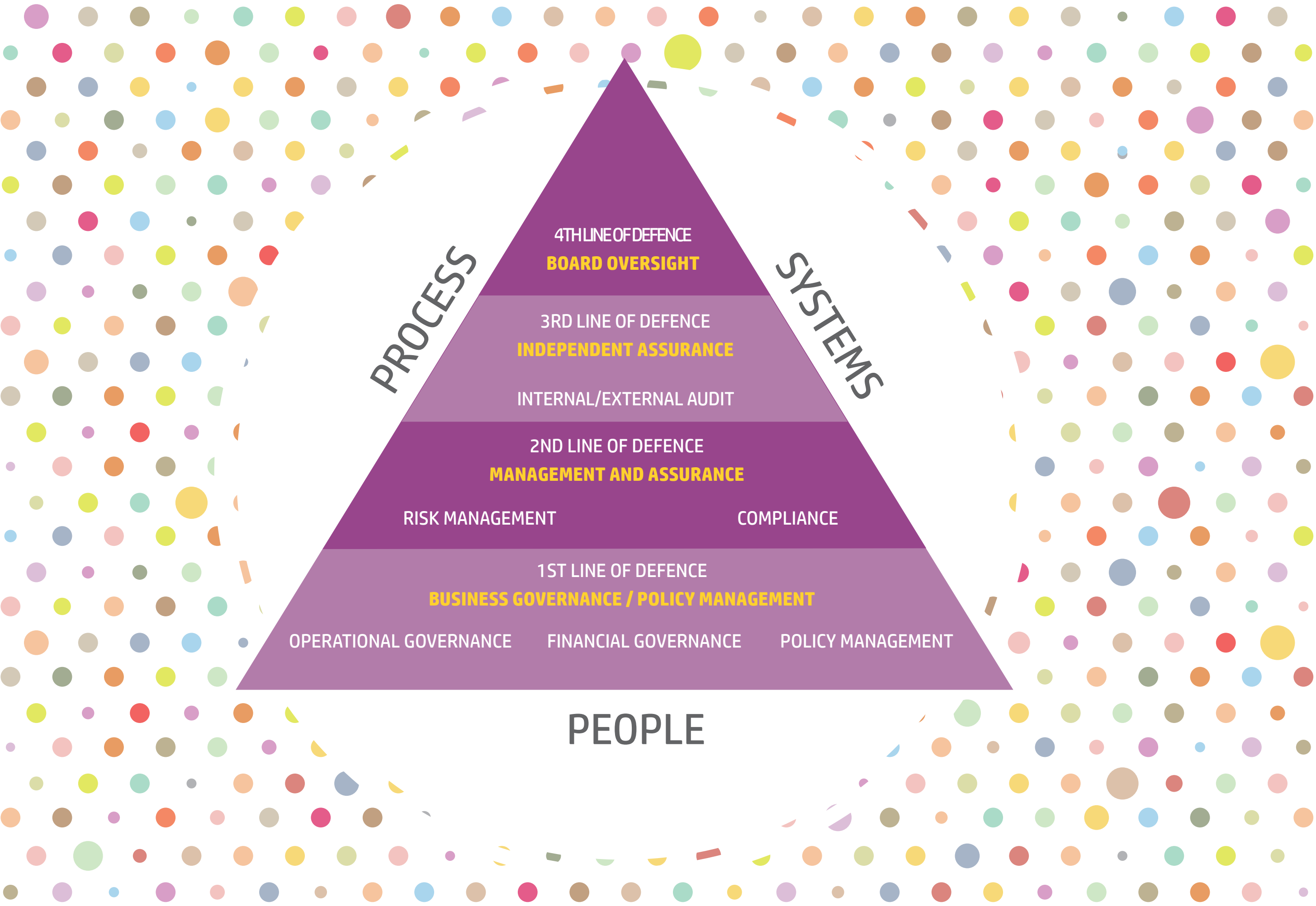
REGISTERED OFFICE

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 reasonable assurance on the true and fair presentation in the Group's financial statements. Internal auditors provide assurance that controls over the key risks of the Group is adequate and effective.

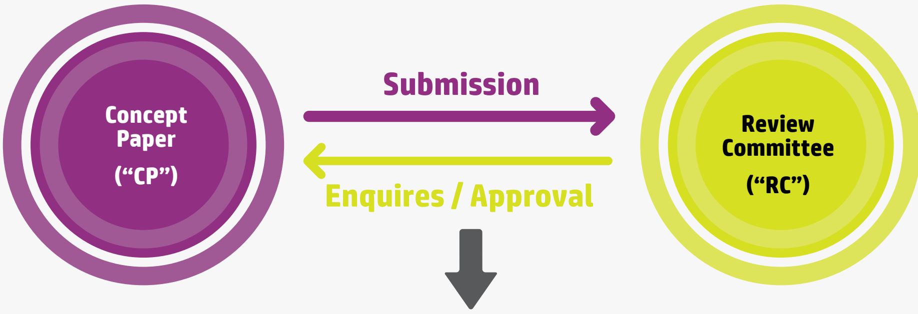
INVESTMENT APPROVAL PROCESS

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 31 "Management Organisation".

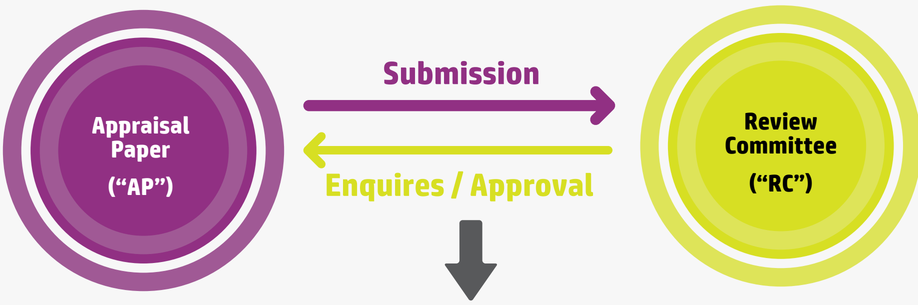
STEP 1

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



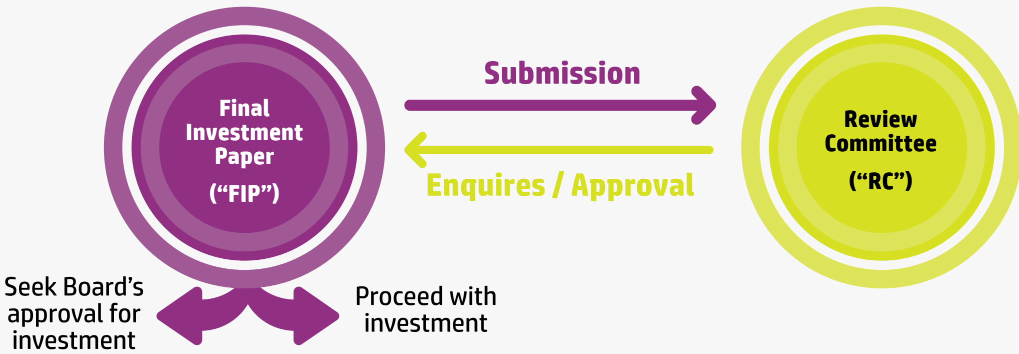
STEP 2

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 31 "Management Organisation".

INVESTOR RELATIONS

THE GROUP'S INVESTOR RELATIONS COMMITMENT

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

The Group strives 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. In 2015, a key task in our investor relations work was the communication with investors on the share consolidation as required by SGX rules. The management and IR team fully understood the concerns of shareholders on the share consolidation, conducted extensive research ahead of the extraordinary general meeting ("EGM"), and provided thorough explanation on the need and short-term potential impact on the share price to shareholders before and during the EGM. The resolution was successfully approved by shareholders.

SHAREHOLDERS

The Group provides multiple channels to update shareholders on corporate development and financial performance, which include the regular updates on SGXNet and the company website, face-to-face communication with directors of the Group at annual general meetings ("AGM"), responding to questions through company website or direct contact with the Group's investor relations officers.

ANALYSTS, FUNDS AND POTENTIAL SHAREHOLDERS

To promote the Group's presence in the investment community, senior management holds quarterly briefings for analysts and fund managers. Management also conducts 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 IR team also keeps analysts updated on a regular basis for them to work on analyst note and research report.

MEDIA

As it has been a very tough market for the shipping industry in 2015, Group sought to provide more information about the Group and the strategy in the midst of the market downturn through media. Management accepted several interviews with trade publications such as IHS Maritime and Seatrade, and investment media such as NextInsight to extend our reach and target a broader investor audience. During the year, the Group has been featured in a range of papers and online media.

A REMARKABLE YEAR FOR IR

2015 has been a rewarding year for the IR work of the Group. The Group was awarded runner-up in the "Most Transparent Company Award 2015" for the "16th Investors' Choice Awards" under the "Foreign Listings Category", organised by the Securities Investors Association of Singapore ("SIAS").

In addition, the Group's ranking in the NUS Governance and Transparency Index ("GTI") improved significantly over the last three years. Both the award and the GTI ranking were recognition of the Group's efforts in enhancing its corporate governance and transparency standards to investors.

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. With the support and trust of the investment community, 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

Mr Lim Kai Ching, Group CFO (right) receives the SIAS award from SGX official. Source: SIAS

BOARD OF DIRECTORS

Mr Michio Tanamoto

Chairman and CEO

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 35 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 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

Executive Director and Chief Operating Officer

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
Lead Independent Non-Executive Director

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.

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 Baker Technology Ltd, PS Group Holdings Ltd and Soo Kee Group Limited.

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.

BOARD OF DIRECTORS

Mr Wu Kuang-hui
Non-Executive Director

Mr Wu Kuang-hui joined Evergreen Group in 1987 and is the 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 was Chief Financial Officer of EVA Airways Corporation from 2002 to 2010. He has not held any directorship of any other listed companies in Singapore over the preceding three years. Mr Wu received a MBA under National Sun Yat-Sen University in 1987 and a bachelor degree from Tunghai University in 1983.

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 also appointed as a member of the Singapore Mediation Centre's Associate Mediator Panel.

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 Friends 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 Private Limited. He is a member of the board of directors of Tangreat Investments Pte Ltd, RHT Digital & Media Pte Ltd, RHT Capital Pte Ltd, RHT Communications & Investor Relations Pte. Ltd., RHT Holdings Pte Ltd, RHT i-Assets Advisory Pte Ltd, RHT Investor Relations Pte. Ltd., RHT Lex Ultra Pte Ltd., and RHT Wealth Services Holdings Pte. Ltd.

Mr Lee Gee Aik

Independent Non-Executive Director

Mr Lee Gee Aik was appointed as our independent director on 4 January 2016. Mr Lee is currently a practicing director of R Chan & Associates PAC, a Public Accounting Corporation in Singapore. He started his career as an auditor in KPMG Singapore in 1979 and was responsible for audit projects for various listed and non-listed companies and also involved in financial due diligence and internal control review assignments. Between 1986 and 1988, Mr Lee was seconded to KPMG USA Executive Office and specialised in the areas of professional development and research work in audit and financial reporting. Mr Lee was the regional controller of Omni Marco Polo Hotels, Singapore between 1993 and 1998 responsible for the financial and purchasing functions of the hotel as well as Omni Group's hotel development projects in the region prior to him becoming a practising public accountant in 1998.

Mr Lee Gee Aik qualified as a Chartered Certified Accountant with The Association of Chartered Certified Accountants, United Kingdom in 1984. He obtained a Masters in Business Administration from The Henley Management College, United Kingdom in 2004. He is currently a Fellow with The Association of Chartered Certified Accountants, United Kingdom and The Institute of Singapore Chartered Accountants. He is also a Accredited Tax Advisor with the Singapore Institute of Accredited Tax Professionals.

He is the independent directors of a few companies listed on the Singapore Stocks Exchange and Catalist. He has been appointed by the Minister of Health to serve as Lay Person member of the Complaints Panel of the Singapore Pharmacy Council.

KEY MANAGEMENT

Mr Masahiro Iwabuchi
Senior Managing Director

Mr Zac K. Hoshino
Managing Director

Mr Masahiro Iwabuchi was appointed as Senior Managing Director of the Company on 30 April 2014 and is currently responsible for property investments in the Company. 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 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 and acted as Co-Head of our Maritime Investment Department. He has extensive experience with chartering, operating, and contracting in Japanese shipping company for more than 23 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 Lim Kai Ching
Group Chief Financial Officer

Mr Kenji Fukuyado was appointed as Managing Director of the Company on 1 February 2013, responsible for Maritime Asset Management. 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 nearly 30 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 and Uni-Asia Capital (Japan) Ltd in which the Group invests. Mr Fukuyado graduated with a bachelor's degree in law from Waseda University in 1987.

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 Financial 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 29 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
Chairman & CEO

Mr Yukihiro Rob Hata joined our Company in September 2013. Based in Hong Kong, he is 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 currently a director of Uni-Asia Guangzhou Property Management Co., Ltd. She is also responsible for property investment business in Hong Kong.

Ms Ally Chiu
General Manager

Ms Ally Chiu joined our Company in Feb 2012. Based in Hong Kong, she is responsible for the Group's shipping activity, particularly in Chartering and Operation. 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 Chiu 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 2015 ("**FY2015**"), the Company has adhered to the principles and guidelines as set out in the Code, where applicable, and has specified and explained any deviations 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 and Board Committee meetings for the calendar year is usually given to all the directors well in advance. Besides the scheduled meetings, the Board and Board Committees have held meetings as and when required. The Company's Articles of Association (the "**Articles**") allow a Board or a Board Committee meeting to be conducted by means of telephone or similar communications equipment (which may include video conference). A record of the directors' attendance at meetings of Board and Board Committees for FY2015, as well as the frequency of such meetings, is set out in Table 1.
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.

Guidelines of the Code	Corporate Governance Practices of the Company

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; and
- 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 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 the 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.

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 seven directors of whom four 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 Chief Executive Officer ("**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 at least 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	Concerning the independence of directors who have served on the Board beyond nine years, both Mr. Ang Miah Khiang and Mr. Ronnie Teo Heng Hock who were appointed on 26 June 2007 would have served on the Board as non-executive independent director beyond nine years by 25 June 2016. Taking into account the need for progressive refreshing of the Board, Mr. Ang Miah Khiang will be retiring at the forthcoming Annual General Meeting ("**AGM**") of the Company under Article 100 of the Articles and will not be offering himself for re-election to office. Mr. Ronnie Teo Heng Hock will also be retiring at the forthcoming AGM of the Company under Article 100 of the Articles and will be offering himself for re-election to office. In connection with his re-election and in view that he would have served on the Board beyond nine years following the AGM, the Board has conducted a particularly rigorous review of Mr. Ronnie Teo Heng Hock's independence. In doing so, the Board has considered the character and background of Mr. Ronnie Teo Heng Hock (being long serving and who is familiar with the Company's history, as well as business) and also noted that he has no relationship with the Company, its related corporations or its officers and is also independent of the executive functions of the Company as well as from the substantial shareholders of the Company. Taking into account the views of the NC, the Board concurs that Mr. Ronnie Teo Heng Hock has continued to exercise strong independence in character and judgment in his deliberations in the interests of the Company and maintains his objectivity and independence at all times in the discharge of his duties as director of the Company. In addition, the independence of character and judgment of Mr. Ronnie Teo Heng Hock was not in any way affected or impaired by the length of service. Further, he has continued to express his individual viewpoints, debated issues and objectively scrutinised and challenged Management. He has sought clarification and amplification as he deemed required, including through direct access to Management. Due to the complexity of the Group's businesses, the retirement of its long serving directors should be paced to avoid an abrupt loss of members of the Board with the relevant experience and the memory of the history of the Group's businesses. Having gained an in-depth understanding of the business and operating environment of the Group, Mr. Ronnie Teo Heng Hock provides the Company with much needed experience and knowledge of the industry.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	**Corporate Governance Practices of the Company**
	After taking into account all relevant factors, and also having weighed the need for the Board's refreshment against tenure for relative benefit, the Board is satisfied with the continued independence of character and judgment of Mr. Ronnie Teo Heng Hock and recommends that Mr. Ronnie Teo Heng Hock continue on the Board as non-executive independent director of the Company.
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 recognise 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' expertise and 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'.
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	Mr. Michio Tanamoto currently fulfils the role of Chairman and CEO of the Company. Being the founder of the Group, Mr. Tanamoto plays an 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, Mr. Michio Tanamoto, 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.

Guidelines of the Code	Corporate Governance Practices of the Company
3.3	The Board has appointed Mr. Ang Miah Khiang, an independent and non-executive director, as the Lead Independent Director. Mr. Ang Miah Khiang 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 (or equivalent) ("**Group CFO**") has failed to provide a satisfactory resolution or when such contact is inappropriate. As Mr. Ang Miah Khiang is not seeking re-election at the forthcoming AGM, he will ipso facto cease as the Lead Independent Director and the Chairman of the Audit Committee at the conclusion of the forthcoming AGM. Thenceforth, the role of the Lead Independent Director and the Chairman of the Audit Committee will be assumed by Mr. Lee Gee Aik.
3.4	Where warranted, the independent directors, led by the Lead Independent Director, may meet without the presence of Management or the executive directors to review any matters that must be raised privately before the Lead Independent Director provides feedback to the Chairman of the Board.

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 Board, in conjunction with the NC, reviews the composition of the Board and Board Committees annually, taking into account the performance and contribution of each individual director. Board composition is also evaluated to ensure diversity of skills and experience is maintained within the Board and Board committees. The NC, regulated by a set of written terms of reference, comprises four 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, Mr. Rajan Menon and Mr. Lee Gee Aik 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. The Board also considers Mr. Ronnie Teo Heng Hock (who would have served on the Board as non-executive independent director beyond nine years by 25 June 2016) to be independent for the reasons as set out under "Board Composition and Guidance" above.
4.2	The principal functions of the NC stipulated in its terms of reference are summarised 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; and ▪ board training and professional development programs;

Guidelines of the Code	Corporate Governance Practices of the Company

(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 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).

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:

Ronnie Teo Heng Hock	(Article 100)
Lee Gee Aik	(Article 103)

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. Ronnie Teo, the Chairman of the NC, has accordingly abstained from reviewing and approving his own re-election. Similarly, Mr Lee Gee Aik has accordingly recused himself from participating in the discussion and recommendation on his nomination.

Mr. Ang Miah Khiang, who will retire by rotation at the forthcoming AGM under Article 100 of the Articles, will not be offering himself for re-election at the forthcoming AGM.

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 2015, 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 Kuang-hui is a nominee of Evergreen International S.A., a substantial shareholder (9.98%) of the Company.

The NC is satisfied that at least half of the Board comprises non-executive independent 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.

Guidelines of the Code	**Corporate Governance Practices of the Company**
	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. The NC leads the process for Board appointments and makes 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; and 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, the Board Committees 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 has 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, as well as the efficiency and effectiveness of the Board Committees in assisting the Board. 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.

Guidelines of the Code	Corporate Governance Practices of the Company
	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.

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 Group
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 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.

Guidelines of the Code	Corporate Governance Practices of the Company
7.1	The RC, regulated by a set of written terms of reference, comprises four 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, bonuses, share-based incentives and awards 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.

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 two share schemes known as the Uni-Asia Share Option Scheme (the "**Scheme**") and the Uni-Asia Performance Share Plan (the "**PSP**").

The Scheme is administered by the RC.

There were no options granted pursuant to the Scheme since the commencement of the Scheme to the end of FY2015 to acquire shares of the Company. No shares were issued or transferred, as the case may be, during FY2015 by virtue of the exercise of options granted pursuant to the Scheme to acquire shares of the Company. There were no shares of the Company under option pursuant to the Scheme at the end of FY2015.

At the Extraordinary General Meeting of the Company held on 29 April 2015, the Company had obtained shareholders' approval to adopt the PSP. The PSP is administered by the PSP Committee (a sub-committee of the RC), which comprises the following directors:-

(a) Mr. Rajan Menon;
(b) Mr. Ang Miah Khiang;
(c) Mr. Ronnie Teo Heng Hock;
(d) Mr. Michio Tanamoto; and
(e) Mr. Masaki Fukumori.

Details of share awards granted under the PSP are as follows:

	Aggregate number of shares under share awards granted during FY2015	Aggregate number of shares under share awards granted since commencement of the PSP to the end of FY2015	Aggregate number of shares released during FY2015	Aggregate number of shares outstanding as at the end of FY2015
Directors	–	–	–	–
Other participants	880,000[(1)]	880,000	–	880,000
Total	880,000	880,000	–	880,000

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

Note:
(1) The shares which are the subject of the awards will be released to such participants after 31 December 2016 (the vesting date) if and when certain predetermined performance targets as determined by the PSP Committee administering the PSP are achieved or otherwise in accordance with the rules of the PSP.

None of the participants have received shares pursuant to the release of awards granted under the PSP which represent 5% or more of the total number of shares available under the PSP.

Further details of the Scheme and the PSP are set out under "Details of the Scheme" and "Details of the PSP" respectively below.

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

In reviewing the recommendation for independent non-executive directors' remuneration for FY2015, 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.

	FY2015 **S$**	**FY2016 (proposed)** **S$**
Base fee of Directors	50,000	50,000
AC Chairman	10,000	15,000
AC Member	5,000	10,000
NC/RC Chairman	5,000	5,000
NC/RC Member	2,500	2,500
Lead Independent Director	2,500	2,500

As the job of the Audit Committee is made more difficult with the ever changing accounting standards and to keep track of developments in the regulatory landscape namely, the enhanced auditor's report, audit quality indicators and financial reporting surveillance programme, this would require the AC members to stay updated with increasingly technical standards that require levels of understanding and judgement. In view of the increased responsibilities of the Audit Committee, the RC has recommended and the Board has accepted the proposed increase in fees by $5,000 each for the AC Chairman and AC members for FY2016. With a view to ensure that the Company offers a more timely remuneration to attract high-calibre directors, the Company will again be seeking the approval of shareholders at the AGM to approve the payment of directors fees up to a stipulated amount for FY2016 so that directors fees can be paid in arrears on a quarterly basis during the course of the financial year.

Mr. Wu Kuang-hui did not receive any Directors' fees during FY2015 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.

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 2015** The actual remuneration of each director and the top six key management personnel has been disclosed in the respective bands. The Company discloses the actual remuneration paid to each director using a narrow 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 Company and the Group's subsidiaries consists of three key components – fixed salary, variable incentive (performance bonus) and benefits-in-kind (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 FY2015. 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 six key management personnel (who are not directors or the CEO) provide sufficient overview of the remuneration of directors and the top six key management personnel (who are not directors or the CEO).
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 (the "**Listing Manual**") 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 FY2015.
9.5 and 9.6	**DETAILS OF 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.

Guidelines of the Code	Corporate Governance Practices of the Company

Executive, non-executive and independent directors and full-time employees of the Group are eligible to participate in the Scheme. Directors and employees who are controlling shareholders of the Company and their associates (as defined in the Listing Manual) 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 SGX-ST and any stock exchange on which the shares are quoted or listed 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.

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 all awards granted under any other share option, share incentive, performance share or restricted share plan of the Company, shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) on the day preceding the date of the relevant grant.

DETAILS OF THE PSP

The PSP, which has been approved by shareholders of the Company, is administered by the PSP Committee.

The PSP is primarily to supplement the Scheme to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees of the Group to achieve increased performance. In addition to the Scheme, the PSP will further strengthen the Company's competitiveness in attracting and retaining superior local and foreign talent.

Guidelines of the Code	Corporate Governance Practices of the Company

The PSP differs from the existing Scheme in that it will allow the Company to target specific performance objectives and to provide an incentive for participants to achieve these targets. The Scheme, on the other hand, provides a more broad based incentive that is based on the overall performance of the Company. The Company believes that the PSP will seek to strengthen the overall effectiveness of its performance-based compensation schemes to give recognition to the contributions made by the participants. The Company also believes that adopting more than one share-based compensation scheme will provide the Company with a flexible approach to provide performance incentives to employees of the Group and, consequently, to improve performance and achieve sustainable growth for the Company in the changing business environment, and will also provide the Company with greater flexibility to give the participants an opportunity to have a stake in the Company and thereby to foster a greater ownership culture amongst the participants.

Any employee of the Group shall be eligible to participate in the PSP. Controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders are not eligible to participate in the PSP.

The number of shares which are the subject of each award to be granted to a participant in accordance with the PSP ("**PSP Shares**") shall be determined at the absolute discretion of the PSP Committee, which shall take into account such criteria as it considers fit, including (but not limited to) his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort and difficulty with which the performance condition(s) may be achieved within the performance period.

Awards granted under the PSP are principally performance-based with performance targets to be set over a performance period and may vary from one performance period to another performance period and from one grant to another grant. Performance targets set by the PSP Committee are intended to be based on the overall performance of the Group and may include corporate objectives covering business growth, growth of recurrent income and productivity growth. Such performance targets and performance periods will be set according to the specific roles of each participant, and may differ from participant to participant. The performance targets are stretched targets aimed at sustaining long-term growth.

The release of PSP Shares is at the discretion of the PSP Committee. PSP Shares will be released to participants after the PSP Committee has reviewed performance and the extent to which targets have been met. Release to individual participants is conditional on the maintenance of their own personal performance as determined by the Committee.

The Company will deliver shares to participants upon vesting of their awards by way of either (i) an allotment of shares; or (ii) a transfer of shares (which may include shares held by the Company as treasury shares). In determining whether to allot shares to participants upon vesting of their awards, the Company will take into account factors such as (but not limited to) the number of shares to be delivered, the prevailing market price of the shares and the cost to the Company of allotting new shares or transferring existing shares.

Guidelines of the Code	**Corporate Governance Practices of the Company**
	The total number of shares over which the PSP Committee may grant new awards on any date, when added to: (a) the total number of new shares allotted and issued and/or to be allotted and issued and issued shares (including treasury shares) delivered and/or to be delivered, pursuant to awards already granted under the PSP; (b) the total number of new shares allotted and issued and/or to be allotted and issued and issued shares (including treasury shares) delivered and/or to be delivered, pursuant to share options already granted under the Scheme; and (c) the total number of shares subject to any other share option or share schemes of the Company, shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) on the date preceding the date of the relevant new award. The PSP shall continue to be in force at the discretion of the PSP Committee, subject to a maximum period of ten (10) years commencing from 29 April 2015, being the adoption date of the PSP, provided always that the PSP may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. The PSP is considered a share-based payment that falls under IFRS 2 where participants will receive shares and the awards would be accounted for as equity-settled share-based transactions.

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.

Guidelines of the Code	Corporate Governance Practices of the Company
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.

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 internal control systems as well as its financial, operational, compliance and information technology 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, compliance and information technology 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 reasonable assurance on the true and fair presentation of 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.

Guidelines of the Code	Corporate Governance Practices of the Company
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 FY2015, 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. 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 29 "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 four 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 four members namely, Mr. Ang Miah Khiang, Mr. Ronnie Teo Heng Hock, Mr. Lee Gee Aik 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.

Guidelines of the Code	Corporate Governance Practices of the Company
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; (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 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 (including but not limited to the Executive Directors and Group CFO) 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.

Guidelines of the Code	Corporate Governance Practices of the Company
12.6	The AC reviews annually the non-audit services provided by external auditors and determines 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 22 "Other Expenses" of the Notes to the Consolidated Financial Statements. Having reviewed the nature and extent of non-audit services rendered by the external auditors to the Company for the year ended 31 December 2015, 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 and any other persons 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 2015** (i) reviewed the financial statements of the Company before the announcement of the Company's quarterly and full-year results; (ii) together with the CEO, COO, Group CFO and where applicable, the external auditors, 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 comprising 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 a different auditor 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.

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 a different auditor for its subsidiary Uni-Asia Guangzhou Property Management Company Limited and were satisfied that such appointment would not compromise the standard and effectiveness of the audit of the Group and that Rule 716 of the Listing Manual has been complied with. In appointing the audit firms for the Company, its subsidiaries and significant associated companies, the Audit Committee and the Board 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. Each of Uni-Asia Capital (Japan) Ltd ("**UACJ**") and Vista Hotel Management 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 and effectiveness 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 ad-hoc 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, compliance and information technology 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.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, 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 organisation'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 general 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 Company's quarterly and full year results, with the presence of the CEO, Group CFO, the executive directors and the key management personnel to answer the relevant questions which the investors may have. 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.

Guidelines of the Code	Corporate Governance Practices of the Company
	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 the SGX-ST. The Company does not practice selective disclosure.
	The steps taken to solicit and understand the views of shareholders are disclosed under "Investor Relations" on Page 36 of this annual report.
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$0.0625 per ordinary share has been proposed for FY2015.

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 Company'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.
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.
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.

Guidelines of the Code	Corporate Governance Practices of the Company
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	In accordance with Rule 730A(2) of the Listing Manual and 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.
Rule 1207(19) of the SGX-ST Listing Manual	**DEALING IN SECURITIES** 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 of Singapore. 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 Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company'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 of Singapore, 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.
Rule 1207(8) of the SGX-ST Listing Manual	**MATERIAL CONTRACTS** Save for the Service Agreements entered into with Mr. Michio Tanamoto and Mr. Masaki Fukumori, which are still subsisting as at the end of FY2015, 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.
Rule 1207(17) of the SGX-ST Listing Manual	**INTERESTED PERSON TRANSACTIONS** 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.

CORPORATE GOVERNANCE REPORT

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

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 S$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 S$100,000)	
	Nature	Amount USD'million	Nature	Amount USD'million
Yamasa Co., Ltd	Equity contribution and shareholders' loan to joint investment companies where Yamasa Co., Ltd holds majority stake	3.28	Nil	Nil
Yamasa Co., Ltd	Advisory fee	0.35	Nil	Nil
Yamasa Co., Ltd	Acquisition fee	0.88	Nil	Nil
Yamasa Co., Ltd	Construction management fee	0.11	Nil	Nil
Yamasa Co., Ltd	Provision of equipment to joint investment companies where Yamasa Co., Ltd holds majority stake	0.67	Nil	Nil

Directors' Interests In Shares And Debentures

Rule 1207(7) of the SGX-ST Listing Manual on

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:

Statement of Direct and Deemed Interest of each Director)

	Direct Interest		Deemed Interest	
Name of director and company in which interests are held	Holdings at beginning of the year /date of appointment 01/01/2015	Holdings at end of the year 31/12/2015	Holdings at beginning of the year 01/01/2015	Holdings at end of the year 31/12/2015
The Company				
Michio Tanamoto	9,453,125	1,005,312[(1)]	–	–
Masaki Fukumori	8,320,000	962,220[(1)]	–	–

Note:
(1) After taking into account the 10:1 share consolidation on 4 June 2015.

There have been no changes in the above directors' interest as at 21 January 2016.

CORPORATE GOVERNANCE REPORT

TABLE 1 – ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS FOR FY2015

	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
Michio Tanamoto	5	5	–	–	–	–	–	–
Masaki Fukumori	5	5	–	–	–	–	–	–
Ang Miah Khiang	5	5	4	4	2	2	1	1
Ronnie Teo Heng Hock	5	5	4	4	2	2	1	1
Rajan Menon	5	5	4	4	2	2	1	1
Wu Kuang-hui (Proxy: Kao Pao-Lien)	5	2	4	2	–	–	–	–

Note:
Mr. Lee Gee Aik was appointed as a director on 4 January 2016 and hence not included in the above table for FY2015.

TABLE 2 – BOARD AND BOARD COMMITTEES

Name of Director	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
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	–	–
*Lee Gee Aik	Non-Executive/Independent	Member	Member	Member

* Appointed as director on 4 January 2016

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	58	17/03/1997	–	Uni–Asia Holdings Limited	–
Masaki Fukumori	54	01/03/2012	–	Uni–Asia Holdings Limited	–
Ang Miah Khiang	62	26/06/2007	29/04/2014	1) Uni–Asia Holdings Limited 2) PS Group Holdings Ltd 3) Baker Technology Limited 4) Soo Kee Group Limited	Ley Choon Group Holdings Limited
Ronnie Teo Heng Hock	66	26/06/2007	29/04/2014	1) Uni–Asia Holdings Limited 2) EnGro Corporation Limited	New Toyo International Holdings Ltd
Rajan Menon	67	18/04/2008	29/04/2015	Uni–Asia Holdings Limited	–
Wu Kuang-hui	54	31/12/2010	29/04/2015	Uni–Asia Holdings Limited	–
Lee Gee Aik	57	04/01/2016	–	1) Uni–Asia Holdings Limited 2) Anchun International Limited 3) SHS Holdings Limited 4) LHN Limited 5) Astaka Holdings Limited 6) International Healthway Corporation Limited	1) Leader Environment Technologies Limited 2) Sinostar PEC Holdings Limited 3) Ley Choon Group Holdings Limited

TABLE 4 - REMUNERATION OF DIRECTORS FOR FY2015

		Breakdown Of Remuneration In Percentage (%)					
Name of Directors	Position	Directors' Fee	Salary %	Cash Performance Bonus %	Benefits in Kind[1] %	Total	Total Remuneration in compensation bands of S$100,000
Michio Tanamoto	Executive	–	68.85%	–	31.15%	100%	S$400,001 - S$500,000
Masaki Fukumori	Executive	–	66.29%	–	33.71%	100%	S$400,001 - S$500,000
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						1,166	

Note:
Mr. Lee Gee Aik was appointed as a director on 4 January 2016 and hence not included in the above table for FY2015.

TABLE 4A - REMUNERATION OF KEY MANAGEMENT PERSONNEL (WHO ARE NOT ALSO DIRECTORS OR THE CEO) FOR FY2015

Name of Top 6 Key Management Personnel	Position	Breakdown Of Remuneration In Percentage (%)				Total Remuneration in compensation bands of S$250,000
		Salary %	Cash Performance Bonus %	Benefits in Kind[1] %	Total	
Masahiro Iwabuchi	Senior Managing Director	65.89%	2.75%	31.36%	100%	S$250,001 - S$500,000
Kenji Fukuyado	Managing Director	80.54%	12.39%	7.07%	100%	S$250,001 - S$500,000
Zac K. Hoshino	Managing Director	98.91%	–	1.09%	100%	S$250,001 - S$500,000
Lim Kai Ching	Group Chief Financial Officer	94.77%	–	5.23%	100%	S$250,001 - S$500,000
Makoto Tokozume	Executive Vice President	99.01%	–	0.99%	100%	S$250,001 - S$500,000
Matthew Yuen	Executive Vice President	80.05%	19.95%	–	100%	<S$250,000
The Aggregate Total Remuneration (S$'000) of Top 6 Key Management Personnel					1,999	

Note:
(1) Benefits in kind include employer's contribution to defined contribution plan (e.g. Central Provident Fund), housing, 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 76 to 152, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2015, 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 2015, 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

15 March 2016

BALANCE SHEETS

AS AT 31 DECEMBER 2015

		Group		Company	
	Notes	2015	2014	2015	2014
		US$'000	US$'000	US$'000	US$'000
ASSETS					
Non-current assets					
Investment properties	5	8,565	11,771	–	–
Intangible assets	6	69	69	–	–
Property, plant and equipment	7	171,715	130,444	408	561
Loans receivable	8	5,050	5,886	2,050	2,886
Loans to subsidiaries	27(g)	–	–	8,186	9,168
Investments	9	46,946	45,070	24,190	24,355
Investments in subsidiaries	27	–	–	65,555	53,923
Rental deposit		2,445	1,585	–	–
Finance lease receivable	31(d)	7,812	–	–	–
Derivative financial instruments	10	117	218	531	328
Deferred tax assets	23(b)	33	26	–	–
Deposits for purchase of vessels		6,846	13,899	–	–
Total non-current assets		249,598	208,968	100,920	91,221
Current assets					
Investments	9	27	1,108	–	–
Loans receivable	8	200	900	200	900
Loans to subsidiaries	27(g)	–	–	12,207	11,142
Derivative financial instruments	10	–	96	440	96
Finance lease receivable	31(d)	279	–	–	–
Accounts receivable	11	3,811	2,969	65	68
Amounts due from subsidiaries	27(f)	–	–	1,691	754
Prepayments, deposits and other receivables		5,488	2,836	523	318
Tax recoverable		379	498	–	–
Assets held for sale	12	18,028	–	–	–
Deposits pledged as collateral	13	6,008	5,188	4,006	5,188
Cash and bank balances	14	30,334	36,321	8,051	13,872
Total current assets		64,554	49,916	27,183	32,338
Total assets		314,152	258,884	128,103	123,559

BALANCE SHEETS

AS AT 31 DECEMBER 2015

	Notes	Group 2015 US$'000	Group 2014 US$'000	Company 2015 US$'000	Company 2014 US$'000
EQUITY					
Equity attributable to owners of the parent					
Share capital	15	75,167	75,167	75,167	75,167
Share premium	15	31,319	31,319	31,319	31,319
Retained earnings		30,811	30,333	4,789	4,567
Hedging reserve	26(a)	(14)	8	(1)	(16)
Exchange reserve	26(b)	875	699	–	–
Share based compensation reserve	26(c)	32	–	32	–
Capital reserve	26(d)	(117)	(117)	–	–
Total equity attributable to owners of the parent		138,073	137,409	111,306	111,037
Non-controlling interests		2,101	1,003	–	–
Total equity		140,174	138,412	111,306	111,037
LIABILITIES					
Non-current liabilities					
Borrowings	16	109,842	87,865	1,966	3,343
Due to Tokumei Kumiai investors		603	689	–	–
Derivative financial instruments	10	414	202	531	344
Deferred tax liabilities	23(b)	1,236	1,293	–	–
Other payables		80	80	–	–
Total non-current liabilities		112,175	90,129	2,497	3,687
Current liabilities					
Borrowings	16	54,524	22,943	12,485	7,505
Accounts payable	17	2,784	2,422	5	–
Amounts due to subsidiaries		–	–	628	393
Other payables and accruals		3,657	4,469	741	937
Derivative financial instruments	10	484	280	441	–
Income tax payable		354	229	–	–
Total current liabilities		61,803	30,343	14,300	8,835
Total liabilities		173,978	120,472	16,797	12,522
Total equity and liabilities		314,152	258,884	128,103	123,559

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Notes	2015 US$'000	2014 US$'000
Charter income		30,465	19,396
Fee income	18	7,796	6,729
Hotel income		33,345	34,971
Investment returns	19	3,961	4,672
Interest income	20	718	818
Other income		767	548
Total income		77,052	67,134
Employee benefits expenses	21	(12,875)	(14,060)
Amortisation and depreciation		(9,634)	(6,097)
Vessel operating expenses		(13,613)	(8,306)
Hotel lease expenses		(11,327)	(11,880)
Hotel operating expenses		(13,596)	(14,834)
Other expenses	22	(5,142)	(5,583)
Impairment of property, plant and equipment		(1,400)	(680)
Net foreign exchange loss		(558)	(82)
Total operating expenses		(68,145)	(61,522)
Operating profit		8,907	5,612
Finance costs - interest expense	20	(3,821)	(2,344)
Finance costs - others		(278)	(137)
Allocation to Tokumei Kumiai (1) investors		(908)	118
Profit before tax		3,900	3,249
Income tax expense	23(a)	(380)	(1,141)
Profit for the year		3,520	2,108
Attributable to:			
Owners of the parent		2,696	2,150
Non-controlling interests		824	(42)
		3,520	2,108

	Notes	2015 US$'000	2014 US$'000 (adjusted) (2)
Profit per share attributable to owners of the parent (US cents per share):			
- Basic and diluted	25	5.74	4.58

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Notes	2015 US$'000	2014 US$'000
Profit for the year		3,520	2,108
Other comprehensive income for the year, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		171	(2,099)
Net movement on cash flow hedges	10(a)	(22)	(15)
Other comprehensive income for the year, net of tax		149	(2,114)
Total comprehensive income for the year, net of tax		3,669	(6)
Attributable to:			
Owners of the parent		2,850	43
Non-controlling interests		819	(49)
		3,669	(6)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Group	Share capital US$'000	Share premium US$'000	Retained earnings US$'000	Hedging reserve US$'000	Exchange reserve US$'000	Share based compensation reserve US$'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 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 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 and at 1 January 2015	75,167	31,319	30,333	8	699	–	(117)	137,409	1,003	138,412
Profit for the year	–	–	2,696	–	–	–	–	2,696	824	3,520
Other comprehensive income for the year	–	–	–	(22)	176	–	–	154	(5)	149
Total comprehensive income for the year	–	–	2,696	(22)	176	–	–	2,850	819	3,669
Capital reserve	–	–	–	–	–	–	–	–	310	310
Dividend in respect of 2014	–	–	(2,218)	–	–	–	–	(2,218)	–	(2,218)
Payment to non-controlling interest	–	–	–	–	–	–	–	–	(31)	(31)
Accrual of share based compensation	–	–	–	–	–	32	–	32	–	32
At 31 December 2015	75,167	31,319	30,811	(14)	875	32	(117)	138,073	2,101	140,174

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Company	Share capital	Share premium	Retained earnings	Hedging reserve	Share based compensation reserve	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
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 income for the year	–	–	(4,684)	14	–	(4,670)
Dividend in respect of 2013	–	–	(2,338)	–	–	(2,338)
At 31 December 2014 and at 1 January 2015	75,167	31,319	4,567	(16)	–	111,037
Profit for the year	–	–	2,440	–	–	2,440
Other comprehensive income for the year	–	–	–	15	–	15
Total comprehensive income for the year	–	–	2,440	15	–	2,455
Dividend in respect of 2014	–	–	(2,218)	–	–	(2,218)
Accrual of share based compensation	–	–	–	–	32	32
At 31 December 2015	75,167	31,319	4,789	(1)	32	111,306

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Notes	2015 US$'000	2014 US$'000
Cash flows from operating activities			
Profit before tax		3,900	3,249
Adjustments for:			
Investment returns	19	(3,961)	(4,672)
Amortisation and depreciation		9,634	6,097
Loss on disposal of property, plant and equipment		3	10
Impairment of property, plant and equipment		1,400	680
Provision/(reversal of provision) for accounts receivable		61	(2)
Net foreign exchange loss		558	82
Interest income	20	(718)	(818)
Finance costs - interest expense	20	3,821	2,344
Finance costs - others		278	137
Allocation to Tokumei Kumiai investors		908	(118)
Share based compensation		32	–
Operating cash flows before changes in working capital		15,916	6,989
Changes in working capital:			
Net change in accounts receivable		(932)	(763)
Net change in prepayments, deposits and other receivables		(4,025)	(551)
Net change in accounts payable		416	163
Net change in other payables and accruals		(1,031)	(259)
Cash flows generated from operations		10,344	5,579
Interest received on bank balances		106	164
Tax paid		(148)	(943)
Net cash flows generated from operating activities		10,302	4,800

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Notes	2015	2014
		US$'000	US$'000
Cash flows from investing activities			
Purchase of investment properties		(9,955)	(2,136)
Purchase of investments		(8,259)	(19,510)
Proceeds from sale of investment properties		9,279	2,444
Proceeds from redemption/sale of investments		8,100	6,303
Investment in finance lease		(8,091)	–
Deposits paid for purchase of vessels		7,053	(9,314)
Purchase of property, plant and equipment		(86,756)	(23,910)
Deconsolidation of consolidated entities	28	2,055	–
Contribution from a Tokumei Kumiai investor		429	157
Redemption of Tokumei Kumiai investors		(1,416)	(496)
Loans advanced		(200)	(4,219)
Loans repaid		1,732	8,305
Interest received from loans and finance lease		692	721
Net (increase)/decrease in deposits pledged as collateral		(856)	2,191
Income proceeds from investments		2,157	2,228
Settlement of derivative financial instruments		292	786
Proceeds from property rental		121	281
Net cash flows used in investing activities		(83,623)	(36,169)
Cash flows from financing activities			
New borrowings		113,568	41,618
Repayment of borrowings		(39,714)	(14,185)
Interests paid on borrowings		(3,568)	(2,259)
Other finance cost paid		(504)	(199)
Payment of lease obligation		–	(14)
Dividend paid		(2,218)	(2,338)
Contribution from non-controlling interests		–	5
Payment to non-controlling interest		(31)	(54)
Net cash flows generated from financing activities		67,533	22,574
Net decrease in cash and cash equivalents		(5,788)	(8,795)
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the year		36,321	47,566
Net decrease in cash and cash equivalents		(5,788)	(8,795)
Effects of foreign exchange rate changes, net		(199)	(2,450)
Cash and cash equivalents at end of the year	14	30,334	36,321

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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.

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 2015:

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*

- Improvements to the standards and interpretations (January 2014)

  - Amendments to IFRS 2 *Share Based Payment*
  - Amendments to IFRS 3 *Business Combinations*
  - Amendments to IFRS 8 *Operating Segments*
  - Amendments to IAS 16 *Property, Plant and Equipment and IAS 38 Intangible Assets*
  - Amendments to IAS 24 *Related Party Disclosures*

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

2.2 Changes in accounting policies and disclosures (cont'd)

- Improvements to standard and interpretations (February 2014)
  - Amendments to IFRS 3 *Business Combinations*
  - Amendments to IFRS 13 *Fair Value Measurement*
  - Amendments to IAS 40 *Investment Property*

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

2.3 Standards issued but not yet effective

The Group 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 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
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 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 9 *Financial Instruments*	1 January 2018
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
Amendments to IAS 7 *Statement of Cash Flows: Disclosures*	1 January 2017
IFRS 16 *Leases*	1 January 2019
Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

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 9 and IFRS 16 that the directors are currently determining the impact.

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

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

IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in IFRS 9 are based on an expected credit loss model and replace the IAS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

IFRS 16 Leases

The new leasing standard will require lessees to recognise most leases on their balance sheets, with exceptions or short-term leases or for low-value assets.

Under the new leasing standard, lessees are required at inception to recognise a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The lease liability is subsequently adjusted to reflect interest and lease payments; the related right-of-use asset is depreciated over its useful life.

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.

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. Summary of significant accounting policies (cont'd)

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 criteria:

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, technical/commercial 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.

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.

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

2.8 Business combination and goodwill (cont'd)

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.

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.

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

2.10 Impairment of non-financial assets (cont'd)

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.

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. Summary of significant accounting policies (cont'd)

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 assets, 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.

Subsequent measurement

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

(a) <u>Financial assets at fair value through profit or loss</u>

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 in Note 2.7 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.

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

2.14 Financial assets (cont'd)

Subsequent measurement (cont'd)

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

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, 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.

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.

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.

<u>Financial assets carried at amortised cost</u>

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.

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

2.14 Financial assets (cont'd)

Impairment of financial assets (cont'd)

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.

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.

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

2.15 Financial liabilities (cont'd)

Subsequent measurement (cont'd)

(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.

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 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Property, plant and equipment once classified as held for sale are not depreciated or amortised.

2.17 Cash and bank balances

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

2.18 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.

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

2.18 Taxes (cont'd)

(b) Deferred tax (cont'd)

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.

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. Summary of significant accounting policies (cont'd)

2.19 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.

2.20 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.

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

2.20 Derivative financial instruments and hedge accounting (cont'd)

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.

(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.

2.21 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.

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

2.21 Foreign currency translations (cont'd)

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.

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.

2.22 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.

Where the Group is the lessor, amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Initial direct costs incurred by the Group are commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging a lease. They exclude general overheads such as those incurred by sales and marketing team. Initial direct costs are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Finance lease income is subsequently allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Estimated unguaranteed residual values used in computing the Group's gross investment in the lease are reviewed regularly. If there has been a reduction in the estimated unguaranteed residual value, the income allocation over the lease term is revised and any reduction in respect of amounts accrued is recognised immediately.

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

2.22 Leases (cont'd)

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.

2.23 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.

2.24 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.

2.25 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.

2.26 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Company.

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

2.26 Related parties (cont'd)

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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 2015, 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 2015

3. Segment information (cont'd)

(a) Operating segments (cont'd)

The segment results for the years ended 31 December 2015 were as follows:

2015	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	11,961	27,193	3,745	33,435	–	76,334
Interest income	491	4	222	1	–	718
Inter-segment	1,854	–	1,692	194	(3,740)	–
	14,306	27,197	5,659	33,630	(3,740)	77,052
Results						
Amortisation and depreciation	(952)	(8,454)	(185)	(54)	11	(9,634)
Impairment of property, plant and equipment	–	(1,400)	–	–	–	(1,400)
Finance costs - interest expenses	(606)	(3,173)	(193)	(29)	180	(3,821)
Finance costs - others	(109)	(244)	(25)	(5)	105	(278)
Allocation to Tokumei Kumiai investors	(908)	–	–	–	–	(908)
Profit/(loss) before tax	(681)	623	3,127	889	(58)	3,900
Other segment item is as follows:						
Capital expenditure	47,379	49,244	25	77	–	96,725

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
Profit/(loss) 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

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 2015						
Segment assets						
Total assets	170,334	177,481	25,367	10,592	(69,622)	314,152
Segment liabilities						
Total liabilities	44,569	113,808	14,825	6,213	(5,437)	173,978
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

Segment assets consist primarily of investment properties, property, plant and equipment, receivables, investments, assets held for sale, 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).

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.

	2015	**2014**
	US$'000	US$'000
Total income:		
Global	33,740	21,420
Asia (ex-Japan)	2,600	4,826
Japan	40,712	40,888
	77,052	67,134

During the year, revenue from one major customer amounted to US$15.8 million (2014: US$16.5 million) arising from fee income generated from ship owning and chartering segment.

	2015	**2014**
	US$'000	US$'000
Non-current assets:		
Global	200,713	166,394
Asia (ex-Japan)	20,704	20,059
Japan	28,181	22,515
	249,598	208,968

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.

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 2015 was US$8.5 million (2014: US$11.8 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 30 (c)(v) and (vi).

(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 2015 was US$47.0 million (2014: US$46.2 million) and more details are disclosed in Note 9. The assumptions applied in determination of the valuation of these unlisted shares in shipping and property investments, and their sensitivity analysis are described in Note 30 (c)(i),(ii),(iii) and (iv).

(c) Impairment of property, plant and equipment

During the year, there was one (2014: one) property, plant and equipment that was impaired. The carrying amount of this property, plant and equipment as at 31 December 2015 was US$11.4 million (2014: US$14.3 million).

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

5. Investment properties

	Note	Group 2015 US$'000	Group 2014 US$'000
At 1 January		11,771	10,109
Additions		9,955	2,136
Disposals		(5,927)	(1,142)
Deconsolidation	28	(3,882)	–
Reclassified to assets held for sale	12	(2,188)	–
Fair value (loss)/gain	19	(952)	1,284
Currency translation differences		(212)	(616)
At 31 December		8,565	11,771

The following amounts are recognised in profit or loss:

	Group 2015 US$'000	Group 2014 US$'000
Rental income	121	281
Direct operating expenses arising from:		
- Investment properties that generated rental income	25	95
- Investment properties that did not generate rental income	723	87

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

Location	Use	Tenure	Unexpired lease term
Rooms 712-715, 719-723, 7/F, China Shine Plaza, 9 Lin He Xi Road, Tianhe District, Guangzhou, PRC (1)	Offices	Leasehold	40 years
4-1-16, Sengoku, Bunkyo-ku, Tokyo, Japan (2)	Residential	Freehold	–
2-4-18, Mejiro, Toshima-ku, Tokyo, Japan (3)	Residential	Freehold	–
1-23-12, Otowa, Bunkyo-ku, Tokyo, Japan (4)	Residential	Freehold	–
7-337-2, Shinjuku, Shinjuku-ku, Tokyo, Japan (5)	Residential	Freehold	–
1-7-13, ShimoOchiai, Shinjuku-ku, Tokyo, Japan (6)	Residential	Freehold	–
2-6-16, Higashi Nakano, Nakano-ku, Tokyo, Japan (7)	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 was sold during the financial year. This investment property amounting to US$Nil (2014: US$4.0 million) is mortgaged to secure bank borrowing of US$Nil (2014: US$1.7 million) (Note 16).

(3) This investment property was sold during the financial year. This investment property amounting to US$Nil (2014: US$3.3 million) is mortgaged to secure bank borrowing of US$Nil (2014: US$2.0 million) (Note 16).

5. Investment properties (cont'd)

(4) 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$2.2 million (2014: US$Nil) is mortgaged to secure bank borrowing of US$1.6 million (2014: US$Nil) (Note 16).

(5) This investment property was deconsolidated during the financial year (Note 28).

(6) 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$2.0 million (2014: US$Nil) is mortgaged to secure bank borrowing of US$1.2 million (2014: US$Nil) (Note 16).

(7) This investment property is valued based on the sales and purchase agreement price which was sold in the subsequent year. This investment property has been reclassified to assets held for sale in Note 12. This investment property amounting to US$2.2 million (2014: US$Nil) is mortgaged to secure bank borrowing of US$1.2 million (2014: US$Nil) (Note 16).

6. Intangible assets

Group	**Goodwill**	**Other Intangible assets**	**Total**
	US$'000	US$'000	US$'000
Cost			
At 1 January 2014	67	110	177
Disposals	–	(103)	(103)
Currency translation differences	–	(1)	(1)
At 31 December 2014, 1 January 2015 and 31 December 2015	67	6	73
Accumulated amortisation and impairment			
At 1 January 2014	–	103	103
Amortisation	–	4	4
Disposals	–	(103)	(103)
At 31 December 2014 and at 1 January 2015	–	4	4
Amortisation	–	1	1
Currency translation differences	–	(1)	(1)
At 31 December 2015	–	4	4
Net book value			
At 31 December 2014	67	2	69
At 31 December 2015	67	2	69

6. Intangible assets (cont'd)

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.

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 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 and at 1 January 2015	7,858	139,411	1,458	148,727
Additions	63	74,948	57	75,068
Transfer from deposits for purchase of vessels	–	11,702	–	11,702
Reclassified to assets held for sale	–	(20,272)	–	(20,272)
Transfer	35	–	(35)	–
Deconsolidation of a consolidated entity	–	(18,579)	–	(18,579)
Disposals	–	–	(244)	(244)
Written-off	–	–	(72)	(72)
Currency translation differences	(48)	–	(7)	(55)
At 31 December 2015	7,873	187,210	1,192	196,275

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 2014	949	10,137	1,211	12,297
Charge for the year	225	5,722	146	6,093
Transfer	35	–	(35)	–
Disposal	–	–	(774)	(774)
Impairment	–	680	–	680
Written off	–	–	(4)	(4)
Currency translation differences	(148)	–	139	(9)
At 31 December 2014 and at 1 January 2015	1,061	16,539	683	18,283
Charge for the year	197	9,193	243	9,633
Reclassified to assets held for sale	–	(4,432)	–	(4,432)
Disposals	–	–	(244)	(244)
Impairment	–	1,400	–	1,400
Written-off	–	–	(69)	(69)
Currency translation differences	(6)	–	(5)	(11)
At 31 December 2015	1,252	22,700	608	24,560
Net book value				
At 31 December 2014	6,797	122,872	775	130,444
At 31 December 2015	6,621	164,510	584	171,715

Land and buildings included in the hotel properties are freehold.

(a) Assets pledged as security

As at 31 December 2015, certain of the Group's hotel properties with a carrying amount of US$6.3 million (2014: US$6.5 million) were pledged to secure the Group's bank borrowings of US$3.6 million (2014: US$3.8 million) (Note 16).

As at 31 December 2015, the Group's vessels amounting to US$164.5 million (2014: US$122.9 million) were pledged to secure the Group's bank borrowings of US$120.2 million (2014: US$80.0 million) (Note 16).

7. Property, plant and equipment (cont'd)

(b) Impairment of assets

During the financial year, an impairment loss of US$1.4 million (2014: US$680,000), 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% (2014: 5.4%).

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$756,000 (2014: US$791,000) lower.

Company	**Office equipment, furniture and fixtures**
	US$'000
Cost	
At 1 January 2014	880
Additions	571
Disposals	(745)
At 31 December 2014 and at 1 January 2015	706
Additions	7
Disposals	(5)
At 31 December 2015	708
Accumulated depreciation	
At 1 January 2014	838
Charge for the year	47
Disposals	(740)
At 31 December 2014 and at 1 January 2015	145
Charge for the year	160
Disposals	(5)
At 31 December 2015	300
Net book value	
At 31 December 2014	561
At 31 December 2015	408

8. Loans receivable

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Non-current				
Interest rate at 12% per annum	–	836	–	836
Interest rate at 5% per annum	5,050	5,050	2,050	2,050
	5,050	5,886	2,050	2,886
Current				
Interest rate at 0% per annum	200	900	200	900

The Group's loans receivable balance are receivables from related parties as disclosed in Note 32(a).

9. Investments

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Non-current				
Financial assets at fair value through profit or loss:				
Unlisted shares				
- Shipping	18,293	17,829	18,193	17,728
- Hotel	786	504	–	–
- Residential	15	69	–	–
- Office property	15,833	14,827	–	–
- Small residential property developments	6,022	4,963	–	–
Unlisted performance notes				
- Shipping	5,997	6,627	5,997	6,627
Unlisted bond				
- Shipping	–	251	–	–
	46,946	45,070	24,190	24,355
Current				
Financial assets at fair value through profit or loss:				
Unlisted shares				
- Hotel	13	–	–	–
Listed shares				
- Others	14	1,108	–	–
	27	1,108	–	–

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 30.

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 2015, the Company has pledged the interest in share capital of investments as follows:

(a) US$6.5 million (2014: US$6.5 million) as security for investees' bank loans; and

(b) US$0.6 million (2014: 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:

	2015	**2014**
	US$'000	US$'000
(Loss)/profit after tax	(1,941)	9,219
Other comprehensive expense	(1,662)	(1,758)
Total comprehensive (expense)/income	(3,603)	7,461

The Group's commitments in respect of its investment in joint ventures are disclosed in Note 31(e).

10. Derivative financial instruments

	Group		Company	
	2015	**2014**	**2015**	**2014**
	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)	57	202	57	44
Financial assets at fair value through profit or loss:				
Derivatives not designated as hedge				
Interest rate swap (b)(i)	60	16	474	284
	117	218	531	328
Financial liabilities at fair value through other comprehensive income:				
Cash flow hedge				
Interest rate swap (a)	–	(16)	(57)	(60)
Financial liabilities at fair value through profit or loss:				
Derivatives not designated as hedge				
Interest rate swap (b)(i)	(414)	(186)	(474)	(284)
	(414)	(202)	(531)	(344)
Current				
Financial assets at fair value through other comprehensive income:				
Cash flow hedge				
Interest rate swaps (a)	–	–	70	–
Financial assets at fair value through profit or loss:				
Derivatives not designated as hedge				
Interest rate swaps (b)(i)	–	–	370	–
Forward currency contracts (b)(ii)	–	96	–	96
	–	96	440	96
Financial liabilities at fair value through other comprehensive income:				
Cash flow hedge				
Interest rate swaps (a)	(71)	(178)	(71)	–
Financial liabilities at fair value through profit or loss:				
Derivatives not designated as hedge				
Interest rate swaps (b)(i)	(401)	(102)	(370)	–
Forward currency contracts (b)(ii)	(12)	–	–	–
	(484)	(280)	(441)	–

10. Derivative financial instruments (cont'd)

(a) Cash flow hedge

At 31 December 2015, 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
2015		
Net cash (outflows)/inflows	(73)	59
2014		
Net cash (outflows)/inflows	(198)	207

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

	2015	**2014**
	US$'000	US$'000
At 1 January	8	23
Loss recognised in other comprehensive income during the year	(22)	(15)
At 31 December	(14)	8

(b) Derivatives not designated as hedging instruments

At 31 December 2015, 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 to manage its exchange rate exposures. The foreign currency forward contracts will expire in 2016.

11. Accounts receivable

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$'000	US$'000	US$'000	US$'000
Accounts receivable	3,940	3,039	65	68
Provision for impairment	(129)	(70)	–	–
	3,811	2,969	65	68

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 and has a credit control department 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:

	2015	**2014**
	US$'000	US$'000
31 days to 60 days	6	164
Over 61 days	115	177
	121	341

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

	Note	**2015**	**2014**
		US$'000	US$'000
At 1 January		(70)	(79)
(Provision for)/reversal of provision	22	(61)	2
Currency translation differences		2	7
At 31 December		(129)	(70)

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 32(a).

12. Assets held for sale

	Note	2015 US$'000	2014 US$'000
Reclassified from investment property [(1)]	5	2,188	–
Reclassified from property, plant and equipment [(2)]	7	15,840	–
		18,028	–

(1) On 18 December 2015, a consolidated entity of the group, GK Alero 17 has entered into a sales and purchase agreement with a third party in respect of the sale of its land located at 2-6-16, Higashi Nakano, Nakano-ku, Tokyo, Japan for a cash consideration of JPY269 million. The aforesaid transaction was subsequently completed on 15 February 2016.

Accordingly, the property has been reclassified from investment property to assets held for sale as at 31 December 2015.

(2) On 9 December 2015, a subsidiary of the group, Karat Bulkship S.A. has entered into a sales and leaseback agreement with a third party in respect of the sales of the subsidiary's vessel for a cash consideration of US$16 million. The aforesaid transaction was subsequently completed on 29 January 2016.

Accordingly, the vessel has been reclassified from property, plant and equipment to assets held for sale as at 31 December 2015.

13. Deposits pledged as collateral

As at 31 December 2015, the Group and the Company had deposits pledged as collateral against Japanese yen ("JPY" or "¥") and USD 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 16).

14. Cash and bank balances

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Cash at banks and in hand	14,885	26,792	2,103	8,568
Short-term time deposits	15,449	9,529	5,948	5,304
Cash and cash equivalents	30,334	36,321	8,051	13,872

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.

15. Share capital and share premium

	Number of shares		Share capital		Share premium	
	2015	2014	2015	2014	2015	2014
	’000	’000	US$’000	US$’000	US$’000	US$’000
Authorised:						
At 1 January	750,000	750,000	120,000	120,000	–	–
Share consolidation	(675,000)	–	–	–	–	–
At 31 December	75,000	750,000	120,000	120,000	–	–
Issued and fully paid:						
At 1 January	469,793	469,793	75,167	75,167	31,319	31,319
Share consolidation	(422,814)	–	–	–	–	–
At 31 December	46,979	469,793	75,167	75,167	31,319	31,319

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.

16. Borrowings

	Group		Company	
	2015	2014	2015	2014
	US$’000	US$’000	US$’000	US$’000
Non-current				
Repayable per terms of loan facilities:				
- Secured	104,905	75,303	–	–
- Unsecured	4,937	12,562	1,966	3,343
	109,842	87,865	1,966	3,343
Current				
Repayable per terms of loan facilities:				
- Secured	35,143	16,172	5,224	4,066
- Unsecured	19,381	6,771	7,261	3,439
	54,524	22,943	12,485	7,505

The effective annual interest rates of the bank borrowings range from approximately 0.9% to 5.0% (2014: approximately 0.9% to 5.0%).

The Group’s borrowings are secured by means of cash deposits (Note 13), investment properties (Note 5) and property, plant and equipment (Note 7).

17. Accounts payable

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

Included in the Group's account payable are payable to a related party as disclosed in Note 32(a).

18. Fee income

	2015 US$'000	2014 US$'000
Arrangement and agency fee	4,652	2,431
Asset management and administration fee	2,384	2,394
Incentive fee	97	1,469
Brokerage commission	663	435
	7,796	6,729

19. Investment returns

	Notes	2015 US$'000	2014 US$'000
Interest on bond		2	10
Realised gain on investment property		3,352	1,302
Realised gain on investments:			
- Shipping		486	195
- Hotel and residential		1,656	(266)
- Small residential property developments	32(a)	810	712
- Distressed asset		900	1,287
- Listed shares		478	60
Property rental income		121	281
Fair value adjustment on investment properties	5	(952)	1,284
Fair value adjustment on investments:			
- Shipping		(3,152)	(2,645)
- Hotel and residential		541	1,704
- Small residential property developments		(552)	32
- Office property		995	–
- Listed shares		(400)	14
Net gain on derivative financial instruments		(324)	702
		3,961	4,672

20. Interest income and expense

	2015 US$'000	2014 US$'000
Interest income from:		
- Cash and cash equivalents	101	172
- Bridging loans	398	646
- Finance lease	219	–
	718	818
Interest expense on:		
- Borrowings	3,821	2,343
- Finance lease obligation	–	1
	3,821	2,344

21. Employee benefits expenses

	2015 US$'000	2014 US$'000
Salaries and benefits	12,687	13,875
Pension scheme contributions	156	185
Share based compensation	32	–
	12,875	14,060

Uni-Asia Performance Share Plan ("PSP")

Uni-Asia Performance Share Plan ("PSP") is a share-based incentive plan for senior executives and key senior management which was approved by shareholders of the Company at an Extraordinary General Meeting on 29 April 2015. Under the PSP, awards of fully-paid ordinary shares in the capital of the Company either in the form of existing shares held as treasury shares or new shares issued will be delivered free of charge, to selected employees of the Group. The aggregate number of shares which may be delivered under the PSP shall not exceed 15% of the total issued shares of the Company (excluding treasury shares) from time to time. Further details on the PSP are set out in the circular to shareholders dated 7 April 2015 issued by the Company. For the initial awards granted on 2 November 2015, the finals number of PSP shares to be awarded is up to a maximum of 880,000 shares with vesting date on 31 December 2016. These initial PSP awards are based on achieving a financial target (ROE) rather than a target based on market conditions, i.e. a particular share price. As such, the following method is used to assess the required expenses.

The total value is determined at the date of award. This is calculated from:

- The probability that performance targets will be met;
- The share price at the date of award (S$1.22); and
- An adjustment for prospective dividends.

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21. Employee benefits expenses (cont'd)

The total value is then accrued over the period from the date of award to the vesting date (i.e. 31 December 2016). If the performance target is met, the additional cost of awards must then be recognised based on the nominal value at the date of award. If the performance target is not met, then the accrued expenses will be reversed. Total expenses recognised relating to the PSP amounted to US$32,000 (2014: US$Nil).

22. Other expenses

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

	Note	2015 US$'000	2014 US$'000
Operating lease expenses		945	1,338
Investment properties operating expenses		70	95
Provision/(reversal of provision) for accounts receivable	11	61	(2)
Business development expenses		1,015	966
Professional services fees		1,585	1,219
Audit fee paid to auditors of the Group		386	405
Audit fee paid to other auditors		5	11
Non-audit fee paid to auditors of the Group		8	7
Non-audit fee paid to other auditors		1	1
Tax and public dues		458	894
Miscellaneous		608	649
		5,142	5,583

23. 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	2015 US$'000	2014 US$'000
Current income tax		387	543
Deferred tax	23(b)	(7)	598
Total tax expense for the year		380	1,141

23. Income tax (cont'd)

(a) Income tax (cont'd)

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:

	2015	2014
	US$'000	US$'000
Profit before tax	3,900	3,249
Tax at domestic rates applicable to individual group entities	1,432	1,266
Tax effects of:		
Expenses not deductible for the tax purposes	6,295	3,908
Income not subject to tax	(6,032)	(4,582)
Utilisation of previously unrecognised tax losses	(1,331)	(591)
Deferred tax on disposal of investment properties	–	601
Deferred tax assets not recognised	(21)	453
Partial tax exemption and tax relief	(11)	–
Underprovision in respect of prior years	27	20
Others	21	66
Tax expense for the year at the Group's effective rate of 10% (2014: 35%)	380	1,141

(b) Deferred tax

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

	Note	Provision
		US$'000
At 1 January 2014		27
Credited to income tax expense for the year	23(a)	3
Currency translation differences		(4)
At 31 December 2014 and at 1 January 2015		26
Credited to income tax expense for the year	23(a)	7
At 31 December 2015		33

23. Income tax (cont'd)

(b) Deferred tax (cont'd)

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	23(a)	(601)
Charged to other expenses *		(637)
Currency translation differences		(55)
At 31 December 2014 and at 1 January 2015		(1,293)
Currency translation differences		57
At 31 December 2015		(1,236)

* 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 (2014: 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.

24. Dividends

A dividend of S$2.9 million (SG cents 0.625 per ordinary share before 10 to 1 share consolidation) was paid in 2015 for financial year ended 31 December 2014. Subsequent to 31 December 2015, the directors of the Company proposed a dividend of SG cents 6.25 per ordinary share (after 10 to 1 share consolidation) totalling S$2.9 million to be paid in respect of the year ended 31 December 2015. 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.

25. 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 (2014: Nil).

25. Profit per share (cont'd)

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 2015 and 2014.

	2015	Adjusted[1] 2014	2014
Profit attributable to owners of the parent (US$'000)	2,696	2,150	2,150
Weighted average number of ordinary shares in issue ('000)	46,979	46,979	469,793
Profit per share (US cents per share) - basic and diluted	5.74	4.58	0.46

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

26. 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) Share based compensation reserve

Share based compensation reserve represents the equity-settled Performance Share Plan granted to employees (Note 21). The reserve is made up of the cumulative value of service received from employees recorded over the performance period commencing from the grant date of awards to the vesting date of the awards, and is reduced by the expiry, cancellation and settlement of the awards where applicable.

(d) 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.

27. Investments in subsidiaries

	Company	
	2015	2014
	US$'000	US$'000
Unlisted shares, at cost	76,155	64,523
Provision for impairment	(10,600)	(10,600)
	65,555	53,923

27. Investments in subsidiaries (cont'd)

(a) Details of principal investments in subsidiaries

Details of the principal subsidiaries within the Group as at 31 December 2015 and 2014 were as follows:

Name	Note	Country/ place of incorporation	Proportion of ownership interest		Principal activities and place of operation
			2015	2014	
			%	%	
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 Investments Ltd (formerly known as Uni-Asia Capital (Japan) Ltd.)	(v)	Japan	99.50	99.50	Property investment, Japan
Uni-Asia Capital (Japan) Ltd (formerly known as Uni-Asia Finance Corporation (Japan))	(v)	Japan	100.00	100.00	Investment advisory and asset management, Japan
Florida Containership S.A.	(ii)	Panama	100.00	–	Ship owning and chartering, Panama

27. Investments in subsidiaries (cont'd)

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

Name	Note	Country/ place of incorporation	Proportion of ownership interest 2015 %	Proportion of ownership interest 2014 %	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.	(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	51.00	Ship owning and chartering, Panama
Uni Ships and Management (Taiwan) Limited	(v)	Taiwan	100.00	100.00	Promoting ship-related services, Taiwan
Uni Ships and Management Korea Ltd.	(v)	South Korea	100.00	–	Promoting ship-related services, South Korea
Wealth Ocean Ship Management (Shanghai) Co., Ltd	(iii)	People's Republic of China	51.00	51.00	Ship management, China

27. Investments in subsidiaries (cont'd)

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

Name	Note	Country/ place of incorporation	Proportion of ownership interest 2015 %	2014 %	Principal activities and place of operation
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	69.57	Property investment, Hong Kong
Vista Hotel Management Co., Ltd	(v)	Japan	100.00	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 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.

Compliance with Rule 1207(6) of the SGX-ST Listing Manual

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 March 2015, the Group acquired 100% shares of Florida Containership S.A. for a consideration of US$10,000.

(c) On 1 July 2015, the Group restructured and changed the name of Uni-Asia Capital (Japan) Ltd. ("UACJ") and Uni-Asia Finance Corporation (Japan) ("UAFJ"). UACJ has been designated as the Group's investment holding arm and has changed its name to Uni-Asia Investment Ltd. UAFJ has been designated as the Group's investment advisory and asset management arm and has changed its name to Uni-Asia Capital (Japan) Ltd. In connection with the restructuring, the Group subscribed to new shares issued by UAFJ. There is no change in its shareholding in UAFJ.

(d) In June 2015, the Group, through its wholly owned subsidiary, Uni Ships and Management Limited acquired 100% shares of Uni Ships and Management Korea Ltd for a consideration of US$94,335.

27. Investments in subsidiaries (cont'd)

(e) In December 2015, the Group subscribed to new shares issued by Uni-Asia Shipping Limited. There is no change in its shareholding in Uni-Asia Shipping Limited.

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

(g) The loans to subsidiaries are unsecured, interest-free or interest bearing at rates from 1.0% to 2.5% (2014: 0.5% to 2.5%) and have fixed terms of repayment or repayable on demand.

(h) Corporate guarantees provided to banks/lenders for loans to subsidiaries amounted to US$128.5 million (2014: US$80.6 million).

28. Deconsolidation of consolidated entities

During the year, the Group invested in a new subsidiary, Fortuna Containership S.A. ("Fortuna") and subsequently entered into a shareholders' agreement with a third party that resulted in dilution of its investment from 100% to 50% and hence Fortuna was deconsolidated during the year.

During the year, the Group also invested in a new consolidated entity, GK Alero 14 and subsequently entered into a sales agreement with a related company to dispose the investment in GK Alero 14.

The value of assets and liabilities of these consolidated entities recorded in the consolidated financial statements as at date of disposal, and the effects of the disposal were:

	Note	2015 US$'000
Investment property	5	3,882
Property, plant and equipment	7	18,579
Accounts receivable		102
Prepayments, deposits and other receivables		504
Cash and bank balances		595
Borrowings		(19,779)
Accounts payable		(158)
Amounts due to subsidiaries		(55)
Other payables and accruals		(65)
Net identifiable assets derecognised		3,605
Cash received		2,650
Fair value of retained interest		1,023
Cumulated exchange differences in respect of the net assets of a consolidated entity reclassified from equity on deconsolidation		(25)
		3,648
Gain on deconsolidation of consolidated entities		(43)
Net cash flow arising from deconsolidation:		
Cash consideration		2,650
Cash and bank balance disposed of		(595)
		2,055

28. Deconsolidation of consolidated entities (cont'd)

The gain on deconsolidation of consolidated entities of US$43,000 was included in realised gain on investments in profit or loss.

29. 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.

(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.

29. Financial risk management (cont'd)

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

(i) Foreign currency risk (cont'd)

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

(Amounts shown are in US$'000 equivalent)

2015	**JPY**	**HKD**	**Others**
Financial assets			
Investments	4,534	18,235	14
Rental deposit	2,445	–	–
Finance lease receivable	8,091	–	–
Accounts receivable	2,386	50	–
Financial assets included in prepayments, deposits and other receivables	171	191	119
Deposits pledged as collateral	–	–	2,002
Cash and bank balances	13,205	512	568
	30,832	18,988	2,703
Financial liabilities			
Borrowings	(22,870)	(7,028)	–
Due to Tokumei Kumiai investors	(603)	–	–
Accounts payable	(2,120)	–	(5)
Financial liabilities included in other payables and accruals	(2,056)	(385)	(406)
	(27,649)	(7,413)	(411)
Net financial assets	3,183	11,575	2,292

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

(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

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

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	
	2015	**2014**
	US$'000	US$'000
USD against JPY:		
- Strengthened	(152)	93
- Weakened	152	(93)
USD against HKD:		
- Strengthened	(551)	(516)
- Weakened	551	516

(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 2015, 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$1,092,000 (2014: US$596,000) higher/lower, mainly as a result of higher/lower net interest expense incurred on floating rate financial instruments.

As at 31 December 2015, 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$20,000 (2014: US$8,000) higher/lower, mainly as a result of higher/lower net interest expense incurred on floating rate financial instruments.

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

(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 respect to the investments in shipping entities or fund representing 42% of the Group's total investment portfolio, 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$0.9 million (2014: US$1.2 million).

In respect to the investments in a real estate entity in China representing 8% of the Group's total investment portfolio, 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$43,000 (2014: US$45,000).

In respect to the investments in entities holding small residential property development in Japan representing 22% of the Group's total investment portfolio, 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$143,000 (2014: US$100,000).

In respect to the investments in an entity holding the office property development in Hong Kong representing 27% of the Group's total investment portfolio, 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$193,000 (2014: US$175,000).

For the remaining investments in specialised funds structures holding hotels and residential properties representing 1% of the Group's total investment portfolio, in most case, the Group is limited to a negative fair value loss equivalent to the initial investment amount.

(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.

29. Financial risk management (cont'd)

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

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

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:

	2015	**2014**
	US$'million	US$'million
Corporate guarantees provided to banks/lenders	40.2	25.5

The corporate guarantees are provided for borrowings of maturity ranging from 20 months to 3.5 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:

2015	**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	58,638	101,771	14,696	175,105
Due to Tokumei Kumiai investors	–	603	–	603
Financial liabilities included in accounts payable, other payables and accruals	5,680	–	80	5,760
	64,318	102,374	14,776	181,468
Derivative cash flows				
Cash inflows	5,575	2,039	194	7,808
Cash outflows	(5,774)	(2,464)	(210)	(8,448)
	(199)	(425)	(16)	(640)

29. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

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)

(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.

	2015	2014
	US$'000	US$'000
Borrowing	164,366	110,808
Other liabilities	7,478	7,889
Less: cash and bank balances	(30,334)	(36,321)
Net debt	141,510	82,376
Total equity	140,174	138,412
Gearing ratio	101.0%	59.5%

30. 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
2015			
Financial assets			
Investments - listed	–	14	–
Investments - unlisted	–	46,959	–
Rental deposit	2,445	–	–
Loans receivable	5,250	–	–
Derivative financial instruments	–	60	57
Finance lease receivable	8,091	–	–
Accounts receivable	3,811	–	–
Financial assets included in prepayments, deposits and other receivables	528	–	–
Deposits pledged as collateral	6,008	–	–
Cash and bank balances	30,334	–	–
	56,467	47,033	57

	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	(164,366)	–	–
Financial liabilities included in accounts payable, other payables and accruals	(6,213)	–	–
Due to Tokumei Kumiai investors	(603)	–	–
Derivative financial instruments	–	(827)	(71)
	(171,182)	(827)	(71)

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

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)

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

Company	Loans and receivables	Financial assets at fair value through profit or loss	Derivative used for hedging
	US$'000	US$'000	US$'000
2015			
Financial assets			
Loans receivable	2,250	–	–
Loans to subsidiaries	20,393	–	–
Investments - unlisted	–	24,190	–
Derivative financial instruments	–	844	127
Accounts receivable	65	–	–
Amounts due from subsidiaries	1,691	–	–
Financial assets included in prepayments, deposits and other receivables	193	–	–
Deposits pledged as collateral	4,006	–	–
Cash and bank balances	8,051	–	–
	36,649	25,034	127

	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Derivative used for hedging
	US$'000	US$'000	US$'000
Financial liabilities			
Borrowings	(14,451)	–	–
Amounts due to subsidiaries	(628)	–	–
Financial liabilities included in accounts payable, other payables and accruals	(712)	–	–
Derivative financial instruments	–	(844)	(128)
	(15,791)	(844)	(128)

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

Company	**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			
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 cost	**Financial liabilities at fair value through profit or loss**	**Derivative used for hedging**
	US$'000	US$'000	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)

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;
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).

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

(a) Fair value hierarchy (cont'd)

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	Level 2	Level 3	Total
	US$'000	US$'000	US$'000	US$'000
2015				
Recurring fair value measurements				
Financial assets				
Fair value through profit or loss				
Unlisted shares				
- Shipping	–	–	18,293	18,293
- Hotel	–	–	799	799
- Residential	–	–	15	15
- Office property	–	–	15,833	15,833
- Small residential property developments	–	–	6,022	6,022
Unlisted performance notes				
- Shipping	–	–	5,997	5,997
Listed shares	14	–	–	14
Derivative financial instruments	–	60	–	60
Derivatives designated as hedge				
Derivative financial instruments	–	57	–	57
	14	117	46,959	47,090
Non-financial assets				
Investment properties	–	–	8,565	8,565
	14	117	55,524	55,655
Financial liabilities				
Fair value through profit or loss				
Derivative financial instruments	–	(827)	–	(827)
Derivatives designated as hedge				
Derivative financial instruments	–	(71)	–	(71)
	–	(898)	–	(898)

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

(a) Fair value hierarchy (cont'd)

Group	Level 1	Level 2	Level 3	Total
	US$'000	US$'000	US$'000	US$'000
2014				
Recurring fair value measurements				
Financial assets				
Fair value through profit or loss				
Unlisted shares				
- Shipping	–	–	17,829	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	314	45,070	46,492
Non-financial assets				
Investment properties	3,961	–	7,810	11,771
	5,069	314	52,880	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)

30. 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
2015				
Recurring fair value measurements				
Financial assets				
Fair value through profit or loss				
Unlisted shares				
- Shipping	–	–	18,193	18,193
Unlisted performance notes				
- Shipping	–	–	5,997	5,997
Derivative financial instruments	–	844	–	844
Derivatives designated as hedge				
Derivative financial instruments	–	127	–	127
	–	971	24,190	25,161
Financial liabilities				
Fair value through profit or loss				
Derivative financial instruments	–	(844)	–	(844)
Derivatives designated as hedge				
Derivative financial instruments	–	(128)	–	(128)
	–	(972)	–	(972)

30. 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
	–	424	24,355	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)

30. 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 2014	32,650	10,109	42,759
Fair value adjustment recognised in profit or loss	(909)	(228)	(1,137)
Purchases	19,708	1,392	21,100
Disposals	(6,245)	(1,142)	(7,387)
Transfers out of Level 3	–	(1,887)	(1,887)
Currency translation differences	(134)	(434)	(568)
At 31 December 2014 and at 1 January 2015	45,070	7,810	52,880
Fair value adjustment recognised in profit or loss	(2,168)	27	(2,141)
Purchases	9,259	4,245	13,504
Disposals	(5,230)	(3,281)	(8,511)
Arising from deconsolidation of a consolidated entity	23	–	23
Currency translation differences	5	(236)	(231)
At 31 December 2015	46,959	8,565	55,524

During the years 2015 and 2014, there was no transfer of fair value measurements between Levels 1 and 2.

(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:

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.

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

(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 2015 US$'000	Fair value at 31 December 2014 US$'000	Valuation techniques	Significant unobservable inputs	Range 2015	Range 2014
Unlisted shares:							
- Office property	(i)	15,833	14,827	Residual method	Gross development value per square foot	HK$14,800	HK$14,500
					Development cost per square foot	HK$3,600	HK$2,600
					Discount rate	5.0%	5.0%
- Small residential property developments	(ii)	6,022	4,963	Residual method	Property completed:		
					Gross capitalisation rate	5.0% - 5.5%	5.5%
					Monthly rental per square meter	JPY3,223 - JPY4,396	JPY3,021 - JPY3,717
					Property under construction:		
					Gross development value per square foot	JPY893,000 - JPY1,020,000	–
					Development cost per square foot	JPY305,410 - JPY348,000	–
					Discount rate	5.0%	–
- Shipping	(iii)	18,193	17,728	Discounted cash flow	Daily charter rate	US$5,700 - US$26,538	US$7,500 - US$26,538
					Terminal value	US$15 million - US$35 million	US$15 million - US$35 million
					Discount rate	5.4% - 6.6%	5.4% - 6.6%

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

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

Descriptions	Note	Fair value at 31 December 2015 US$'000	Fair value at 31 December 2014 US$'000	Valuation techniques	Significant unobservable inputs	Range 2015	Range 2014
Unlisted performance notes:							
- Shipping	(iv)	5,997	6,627	Discounted cash flow	Daily charter rate	US$14,300 - US$18,281	US$10,754 - US$18,136
					Terminal value	US$19 million	US$15 million - US$26 million
					Discount value	5.4%	5.4% - 6.6%
Investment properties:							
- Small residential property developments	(v)	4,226	3,296	Capitalisation rate method	Property completed:		
					Gross capitalisation rate	–	5.5%
					Monthly rental per square meter	–	JPY3,486 - JPY4,332
					Property under construction:		
					Gross development value per square foot	JPY845,700 - JPY950,000	–
					Development cost per square foot	JPY315,000 - JPY387,000	–
					Discount rate	5.0%	–
- Office premises	(vi)	4,339	4,514	Discounted cash flow	Long term sustainable growth rate	1.0%	1.0%
					Capitalisation rate	3.97%	3.92%

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

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

Assuming the significant unobservable input used is 1% higher or lower with all other variables being held constant, the effects on the profit before tax will be as follows:

Note	Descriptions	Significant unobservable inputs	2015 Impact on profit before tax if input is 1% higher	2015 Impact on profit before tax if input is 1% lower	2014 Impact on profit before tax if input is 1% higher	2014 Impact on profit before tax if input is 1% lower
			US$'000	US$'000	US$'000	US$'000
	Unlisted shares:					
(i)	- Office property	Gross development value per square foot	233	(233)	311	(311)
		Development cost per square foot	(104)	104	(118)	118
		Discount rate	(258)	258	(446)	446
(ii)	- Small residential property developments	Property completed:				
		Gross capitalisation rate	(881)	881	(293)	293
		Monthly rental per square meter	38	(38)	13	(13)
		Property under construction:				
		Gross development value per square foot	87	(87)	–	–
		Development cost per square foot	(43)	43	–	–
		Discount rate	(44)	44	–	–
(iii)	- Shipping	Daily charter rate	96	(96)	130	(130)
		Terminal Value	104	(104)	99	(99)
		Discount rate	(2,028)	2,028	(2,563)	2,563

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

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

Note	Descriptions	Significant unobservable inputs	2015 Impact on profit before tax if input is 1% higher	2015 Impact on profit before tax if input is 1% lower	2014 Impact on profit before tax if input is 1% higher	2014 Impact on profit before tax if input is 1% lower
			US$'000	US$'000	US$'000	US$'000
	Unlisted performance notes:					
(iv)	- Shipping	Daily charter rate	63	(63)	226	(226)
		Terminal value	48	(48)	301	(301)
		Discount value	(535)	535	(2,038)	2,038
	Investment properties:					
(v)	- Small residential property developments	Property completed:				
		Gross capitalisation rate	–	–	(371)	371
		Monthly rental per square meter	–	–	16	(16)
		Property under construction:				
		Gross development value per square foot	85	(84)	–	–
		Development cost per square foot	(47)	47	–	–
		Discount rate	(38)	38	–	–
(vi)	- Office premises	Long term sustainable growth rate	597	(597)	652	(652)
		Capitalisation rate	(777)	777	(854)	854

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

30. 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.

31. 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	
	2015	**2014**
	US$'000	US$'000
Capital commitments in respect of:		
- Vessels under construction	16,805	48,969
- Investment properties under construction	1,813	–
	18,618	48,969

31. 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 two months to thirteen 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	
	2015	**2014**	**2015**	**2014**
	US$'000	US$'000	US$'000	US$'000
Premises and office equipment				
Within one year	1,263	998	895	638
Later than one year and not later than five years	1,475	1,466	1,009	1,324
	2,738	2,464	1,904	1,962
Hotel properties				
Within one year	6,268	5,424	–	–
Later than one year and not later than five years	22,388	18,327	–	–
Later than five years	18,188	19,980	–	–
	46,844	43,731	–	–

(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. These non-cancellable leases have remaining lease terms range from seven days to six years.

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

	Group	
	2015	**2014**
	US$'000	US$'000
Charter income from vessels/vessels under construction		
Within one year	20,201	21,383
Later than one year and not later than five years	59,254	69,697
Later than five years	2,252	11,553
	81,707	102,633

31. Commitments (cont'd)

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

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

	Group	
	2015	**2014**
	US$'000	US$'000
Hotel income from hotel under management		
Within one year	39	58
Later than one year and not later than five years	–	39
	39	97

(d) *Finance lease commitment - the Group as lessor*

The Group has a finance lease for one vessel. The original term of the lease is 5 years and at the expiration of the lease, the lessee will purchase the vessel.

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

	Group			
	Minimum lease receivable		**Present value of receivable**	
	2015	**2014**	**2015**	**2014**
	US$'000	US$'000	US$'000	US$'000
Within one year	691	–	279	–
Later than one year and not later than five years	9,249	–	7,812	–
Total minimum lease receivable	9,940	–	8,091	–
Less: Unearned interest income	(1,849)	–	–	–
Present value of minimum lease receivable	8,091	–	8,091	–

(e) *Investment commitments*

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$'million	US$'million	US$'million	US$'million
Loan investments	5.2	1.3	5.2	1.3
Loan to joint venture companies	6.1	2.6	4.7	1.3
	11.3	3.9	9.9	2.6

32. 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	Notes	2015 Investee companies	2015 Other related companies	2014 Investee companies	2014 Other related companies
		US$'000	US$'000	US$'000	US$'000
Consolidated income statement					
Fee income					
Arrangement and agency fee		1,466	703	77	519
Brokerage commission		393	–	423	–
Incentive fee		–	82	969	179
Asset management and administration fee		1,508	147	1,697	75
Investment returns					
Realised gain on investments					
- Shipping		463	–	177	–
- Hotel and residential		1,569	–	(330)	–
- Small residential property developments	19	810	–	712	–
Net gain on derivative financial instruments		–	–	(19)	–
Interest income from participation in bridging loan		397	–	560	–
Other income		440	–	204	–
Hotel leases		(445)	–	(1,892)	–
Consolidated balance sheets					
Loans receivable	8	5,250	–	6,786	–
Accounts receivable	11	89	17	374	–
Borrowings		(4,644)	–	(4,641)	–
Accounts payable	17	(5)	–	–	–
Corporate guarantees provided to banks/lenders	29(b)	36,000	4,200	25,500	–

Other related companies refer to shareholders of the Group, who fit the definition of related parties and entities invested by an investee company.

32. Related party transactions (cont'd)

(b) Compensation of key management personnel and directors

	Group	
	2015	**2014**
	US$'000	US$'000
Short-term benefits	2,011	1,855
Employer's contribution to defined contribution plans	10	47
Other welfare and allowances	289	478
	2,310	2,380

Included in the above is total compensation to directors of the Group amounting to US$851,229 (2014: US$1,108,000).

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

33. Approval of the financial statements

The financial statements of the Group for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 15 March 2016.

STATISTICS OF SHAREHOLDINGS

AS AT 10 MARCH 2016

SHARE CAPITAL

Number of Issued Shares	:	46,979,280
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 10 March 2016.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 10 MARCH 2016

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDINGS	NO. OF SHARES	% OF SHAREHOLDINGS
1 - 99	46	1.25	623	0.00
100 - 1,000	1,522	41.35	953,636	2.03
1,001 - 10,000	1,828	49.66	6,796,167	14.47
10,001 - 1,000,000	281	7.63	15,856,141	33.75
1,000,001 - and above	4	0.11	23,372,713	49.75
Grand Total	3,681	100.00	46,979,280	100.00

TOP 20 LARGEST SHAREHOLDERS AS AT 10 MARCH 2016

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	16,429,901	34.97
2	EVERGREEN INTERNATIONAL S.A.	4,687,500	9.98
3	HSH NORDBANK AG	1,250,000	2.66
4	MICHIO TANAMOTO	1,005,312	2.14
5	MASAKI FUKUMORI	962,220	2.05
6	YOSHIDA KAZUHIKO	895,312	1.91
7	EXENO YAMAMIZU CORPORATION	768,750	1.64
8	CITIBANK NOMINEES SINGAPORE PTE LTD	652,100	1.39
9	UOB KAY HIAN PTE LTD	533,550	1.14
10	DBS NOMINEES PTE LTD	517,802	1.10
11	OCBC SECURITIES PRIVATE LTD	507,230	1.08
12	YEO SENG BUCK	462,000	0.98
13	LI YAN	417,570	0.89
14	MAYBANK NOMINEES (SINGAPORE) PTE LTD	402,400	0.86
15	PHILLIP SECURITIES PTE LTD	364,440	0.78
16	LECK HANG WEI	360,000	0.77
17	MAYBANK KIM ENG SECURITIES PTE LTD	318,380	0.68
18	KENJI FUKUYADO	316,500	0.67
19	NG HWEE KOON	296,470	0.63
20	PHONG CHONG YEE	251,000	0.53
	TOTAL	31,398,437	66.85

STATISTICS OF SHAREHOLDINGS

AS AT 10 MARCH 2016

SUBSTANTIAL SHAREHOLDERS AS AT 10 MARCH 2016

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	–	–	*15,721,411 (1)	33.46%
Evergreen International S.A.	*4,687,500	9.98%	–	–

Notes:-

* After taking into account the 10:1 share consolidation on 4 June 2015.

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

PUBLIC SHAREHOLDINGS

Based on the information available to the Company as at 10 March 2016, approximately 51.34% 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 Friday, April 29, 2016 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, 2015 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final Cayman Islands tax-exempt dividend of S$0.0625 per ordinary share for the financial year ended December 31, 2015. **(Resolution 2)**

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

   Mr Teo Heng Hock, Ronnie (Retiring under Article 100) **(Resolution 3)**
   Mr Lee Gee Aik (Retiring under Article 103) **(Resolution 4)**

   Mr Teo Heng Hock, Ronnie 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.

   Mr Lee Gee Aik will, upon re-election as a Director of the Company, be appointed as the Lead Independent Director and the Chairman 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)]

   (Mr Ang Miah Khiang is due to retire by rotation under Article 100 of the Company's Articles of Association and will not be seeking re-election at the Annual General Meeting. He will ipso facto cease as the Lead Independent Director and the Chairman of the Audit Committee at the conclusion of the Annual General Meeting).

4. To approve Directors' fees of S$228,278.69 for the financial year ending December 31, 2016, payable quarterly in arrears (2015: 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 of the Company 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,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company 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 Instrument made or granted by the Directors of the Company 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 of the Company 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; and

(B) 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 that the aggregate number of Scheme Shares over which options may be granted on any date, when added to the number of new shares allotted and issued and/or to be allotted and issued and issued shares (including treasury shares) delivered and/or to be delivered in respect of all options granted under the Scheme, and any shares subject to any other share option or share incentive schemes of the Company, shall not exceed fifteen per centum (15%) of the issued shares (excluding treasury shares) of the Company from time to time."

(Resolution 8)

7(iii) Authority to grant awards and to allot and issue shares under the Uni-Asia Performance Share Plan ("**PSP**")

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

(A) grant awards in accordance with the provisions of the PSP; and

(B) allot and issue from time to time such number of fully paid-up shares ("**Shares**") as may be required to be delivered pursuant to the vesting of awards under the PSP,

provided that the aggregate number of Shares over which awards may be granted under the PSP on any date, when aggregated with the number of new shares allotted and issued and/or to be allotted and issued and issued shares (including treasury shares) delivered and/or to be delivered, pursuant to awards granted under the PSP, and any shares subject to any other share option or share incentive schemes of the Company, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) of the Company from time to time."

(Resolution 9)

7(iv) Proposed Renewal of the Share Purchase Mandate

"That:

(A) the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid-up ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) an on-market purchase ("**On-Market Purchase**") transacted through the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) an off-market purchase ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme (as defined in Section 76C of the Companies Act, Chapter 50 of Singapore ("**Singapore Companies Act**")) as may be determined or formulated by the Directors of the Company as they consider it fit, which scheme shall satisfy all the conditions prescribed by the Singapore Companies Act and the listing rules of the SGX-ST,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**")";

(B) unless varied or revoked by an ordinary resolution of shareholders of the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on:

(i) the date on which the next Annual General Meeting of the Company is held or required by law or the Articles of Association of the Company to be held:

(ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or

(iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest, provided that the authority shall be valid for a period not exceeding 12 months from the passing of this Resolution;

(C) in this Resolution:

"**Prescribed Limited**" means the number (subject to any proportionate adjustments as may result from any capital subdivision and/or consolidation of the Company) of issued Shares representing ten per centum (10%) of the total number of issued Shares, excluding treasury shares, of the Company as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Purchase, five per centum (5%) above the average of the closing market prices of the Shares over the last five market days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day of the On-Market Purchase and deemed to be adjusted for any corporate action occurring after such five market day period; and

(ii) in the case of an Off-Market Purchase, twenty per centum (20%) above the average of the closing market prices of the Shares over the last five market days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an equal access scheme; and

(D) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents, as may be required) as they or he may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."

(Resolution 10)

7(v) Proposed Adoption of the Shareholders' Mandate for Interested Person Transactions

"That:

(A) approval be and is hereby given, for the purpose of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Chapter 9**"), for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to Notice of Annual General Meeting dated April 7, 2016 ("**Appendix**"), with any party who is of the class or classes of interested persons described in the Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the "**IPT Mandate**");

(B) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(C) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

(Resolution 11)

NOTICE OF ANNUAL GENERAL MEETING

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, 2016 for the purpose of preparing dividend warrants. Duly completed transfers received by the Company's Share Registrar and Singapore Share Transfer Agent, Tricor Barbinder Share Registration Services, at 80 Robinson Road #02-00 Singapore 068898 up to 5.00 p.m. on May 11, 2016 will be registered to determine shareholders' entitlement to the proposed dividend. The first and final Cayman Islands tax-exempt dividend of S$0.0625 per ordinary share for the financial year ended 31 December 2015, if approved at the Annual General Meeting, will be paid on May 27, 2016.

By Order of the Board

Joanna Lim Lan Sim
Company Secretary

Singapore, April 7, 2016

Explanatory Note

(a) In relation to Ordinary Resolutions 3 and 4 proposed in item 3 above, the detailed information on Messrs Teo Heng Hock, Ronnie and Lee Gee Aik are set out in the section entitled "Board of Directors" and Table 3 in the Corporate Governance Report section of the Company's 2015 Annual Report. There are no relationships (including immediate family relationships) between Mr Teo and/or Mr Lee 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.

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 is:-

(i) Ordinary Resolution 7 proposed in item 7(i) above, if passed, will empower the Directors of the Company (unless varied or revoked by the Company in general meeting) from the date of this Annual General 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, whichever is the earlier, to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares and issue shares in pursuance of such instruments. The number of shares (including shares to be issued in pursuance of instruments made or granted) that the Directors of the Company may issue under Ordinary Resolution 7 shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) of the Company at the time of the passing of Ordinary Resolution 7, of which up to twenty per centum (20%) may be issued other than on a pro rata basis to the shareholders. 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) Ordinary Resolution 8 proposed in item 7(ii) above, if passed, will empower the Directors of the Company to offer and grant options and issue Scheme Shares pursuant to the Scheme, provided that the aggregate number of Scheme Shares over which options may be granted on any date, when added to the number of new shares allotted and issued and/or to be allotted and issued and issued shares (including treasury shares) delivered and/or to be delivered in respect of all options granted under the Scheme, and any shares subject to any other share option or share incentive schemes of the Company, shall not exceed fifteen per centum (15%) of the issued shares (excluding treasury shares) of the Company from time to time.

(iii) Ordinary Resolution 9 proposed in item 7(iii) above, if passed, will empower the Directors of the Company to grant awards and to allot and issue Shares pursuant to the PSP, provided that the aggregate number of Shares over which awards may be granted under the PSP on any date, when aggregated with the number of new shares allotted and issued and/or to be allotted and issued and issued shares (including treasury shares) delivered and/or to be delivered, pursuant to awards granted under the PSP, and any shares subject to any other share option or share incentive schemes of the Company, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) of the Company from time to time.

(iv) Ordinary Resolution 10 proposed in item 7(iv) above, if passed, will empower the Directors of the Company to make on-market and off-market purchases or acquisitions of Shares of up to 10 per centum (10%) of the issued Shares excluding treasury Shares (ascertained as at the date of the passing of Ordinary Resolution 10 above) at such price(s) up to the Maximum Price (as defined in Ordinary Resolution 10 above) and will empower the Directors of the Company to do all acts necessary to give effect to the Shares Purchase Mandate (as defined in Resolution 10 above). This authority will, unless revoked or varied by the Company at a general meeting, expire on the date on which the next Annual General Meeting of the Company is held, or the day by which the next Annual General Meeting of the Company is required by law to be held, or the date on which the purchases or acquisitions of Shares pursuant to the Shares Purchase Mandate are carried out to the full extent mandated, whichever is the earliest, provided that the authority shall be valid for a period not exceeding 12 months from the passing of Ordinary Resolution 10. Detailed information on the Shares Purchase Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial impact on the Company's financial position, is set out in the Appendix to the Notice of Annual General Meeting dated April 7, 2016 ("**Appendix**"). Please refer to the Appendix for more details.

(v) Ordinary Resolution 11 proposed in item 7(v) above is to adopt the mandate to enable the Company, its subsidiaries and associated companies which are considered to be "entities at risk" under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Appendix. Please refer to the Appendix for more details.

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.

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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) 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 or service providers) to comply with any applicable laws, listing rules, take-over 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 or service providers), 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 or service providers) 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.

Designed and Produced by SageStudio +65 6438 2990

UNI-ASIA
HOLDINGS LIMITED
Registration No. CR-72229

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

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