

NORTH HAVEN LIMITED

DIRECTORS' REPORT

The directors of North Haven Limited ("the Company") present their report and the audited financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activity of its subsidiary is set out in note 9 to the financial statements.

Pursuant to the written resolution of the directors passed on 10 September 2015, the Company ceased to carry on business with effect from 31 December 2014. Pursuant to the special resolution of the sole shareholder passed on 11 September 2015, it was resolved that the Company was wound up voluntarily and liquidators were appointed for the purpose of winding-up.

RESULTS AND APPROPRIATIONS

The results of the Company for the year ended 31 December 2014 and the state of the Company's affairs as at that date are set out in the financial statements on pages 5 to 24.

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2014.

RESERVES

Details of the movements in the reserves of the Company during the year are set out in the statement of changes in equity on page 7.

DIRECTORS

The directors of the Company during the year and up to the date of this report were as follows:

Hill Dickinson Services (London) Limited
JRS Limited
Ratchanok Chatthong (appointed on 25 November 2014)

There being no provision in the Company's articles of association, all present directors shall continue in office for the forthcoming year.

NORTH HAVEN LIMITED

DIRECTORS' REPORT

DIRECTORS' INTERESTS

Save as disclosed in note 13 to the financial statements, no other contracts of significance to which the Company, its holding companies, subsidiary or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Company, its holding companies, subsidiary or fellow subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

AUDITOR

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO Limited as auditor of the Company.

On behalf of the Board



Director

Hong Kong, 16 OCT 2015

**INDEPENDENT AUDITOR'S REPORT
TO THE SOLE SHAREHOLDER OF NORTH HAVEN LIMITED**

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of North Haven Limited (the "Company") set out on pages 5 to 24, which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, Cap. 32 by operation of the transitional and saving provisions in Schedule 11 to the Hong Kong Companies Ordinance, Cap. 622, and for such internal control as the directors determine is necessary to enable the preparation of 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 financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, Cap. 32 by operation of the transitional and saving provisions set out in section 80 of Schedule 11 to the Hong Kong Companies Ordinance, Cap. 622, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 of financial statements that give a true and fair view 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 the directors, as well as evaluating the overall presentation of the financial statements.



**INDEPENDENT AUDITOR'S REPORT
TO THE SOLE SHAREHOLDER OF NORTH HAVEN LIMITED**

(incorporated in Hong Kong with limited liability)

Auditor's responsibility - Continued

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 financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2014, and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance, Cap. 32.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 3.2 to the financial statements which discloses that the financial statements of the Company have been prepared on non-going concern basis since the Company ceased to carry on business with effect from 31 December 2014.

BDO Limited

BDO Limited
Certified Public Accountants

Yu Tsui Fong
Practising Certificate Number: P05440

Hong Kong, 16 October 2015

NORTH HAVEN LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 US\$	2013 US\$
Revenue	5	-	-
Other operating expenses		<u>(10,634)</u>	<u>(27,469)</u>
Loss before income tax	6	(10,634)	(27,469)
Income tax expenses	8	<u>-</u>	<u>-</u>
Loss for the year		(10,634)	(27,469)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(10,634)</u>	<u>(27,469)</u>

NORTH HAVEN LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Notes	2014 US\$	2013 US\$
ASSETS AND LIABILITIES			
Non-current assets			
Interest in a subsidiary	9	-	25,867,575
Current assets			
Interest in a subsidiary	9	25,867,575	-
Prepayment		483	-
Cash and cash equivalents		1,170	1,170
		<u>25,869,228</u>	<u>1,170</u>
Current liabilities			
Other payables and accruals		5,865	5,158
Amount due to ultimate holding company	10	148,615	138,205
		<u>154,480</u>	<u>143,363</u>
Net current assets/(liabilities)		<u>25,714,748</u>	<u>(142,193)</u>
NET ASSETS		<u>25,714,748</u>	<u>25,725,382</u>
EQUITY			
Share capital	11	15,322,867	1,000
Reserves		10,391,881	25,724,382
TOTAL EQUITY		<u>25,714,748</u>	<u>25,725,382</u>

On behalf of the Board



Director

M. G. [Handwritten Signature] director
for and on behalf of
HILL DICKINSON SERVICES (ISMAN)
LIMITED

Director

NORTH HAVEN LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital US\$	Share premium * US\$	Capital contribution * US\$	Accumulated losses * US\$	Total US\$
At 1 January 2013	1,000	15,321,867	10,735,575	(305,591)	25,752,851
Loss for the year	-	-	-	(27,469)	(27,469)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(27,469)	(27,469)
At 31 December 2013 and 1 January 2014	1,000	15,321,867	10,735,575	(333,060)	25,725,382
Transfer upon the abolition of nominal value of shares on 3 March 2014	15,321,867	(15,321,867)	-	-	-
Loss for the year	-	-	-	(10,634)	(10,634)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(10,634)	(10,634)
At 31 December 2014	<u>15,322,867</u>	<u>-</u>	<u>10,735,575</u>	<u>(343,694)</u>	<u>25,714,748</u>

* The aggregated amount of the above balances of US\$10,391,881 (2013: US\$25,724,382) represented the reserves in the statement of financial position.

NORTH HAVEN LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 US\$	2013 US\$
Cash flows from operating activities		
Loss before income tax and operating loss before working capital changes	(10,634)	(27,469)
Increase in prepayment	(483)	-
Increase in other payables and accruals	707	388
Increase in amount due to ultimate holding company	<u>10,410</u>	<u>27,081</u>
Net cash generated from operating activities	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	<u>1,170</u>	<u>1,170</u>
Cash and cash equivalents at end of the year	<u>1,170</u>	<u>1,170</u>

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

1. GENERAL INFORMATION

North Haven Limited (the "Company") is a limited liability company incorporated in Hong Kong. The address of its registered office is 17F, Jade Centre, 98 Wellington Street, Central, Hong Kong.

The principal activity of the Company is investment holding. Details of the principal activity of its subsidiary are set out in note 9. Pursuant to the written resolution of the directors passed on 10 September 2015, the Company ceased business from 31 December 2014. Details of the basis of preparation of these financial statements have been set out in note 3.2 below.

The Company is a wholly-owned subsidiary of Luella Enterprises Company Limited, a company incorporated in the Republic of Cyprus. The directors of the Company consider the ultimate holding company to be Lampsa Hellenic Hotels S.A., which is incorporated in Greece and whose shares are listed on the Securities Market of Athens Exchange.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

2.1 Adoption of new and revised HKFRSs - effective on 1 January 2014

In the current year, the Company has applied the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are relevant to and effective for the Company's financial statements for the annual accounting period beginning on 1 January 2014:

Amendments to Hong Kong Accounting Standards ("HKAS") 32	Offsetting Financial Assets and Financial Liabilities
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Except for as explained below, the adoption of these new and revised HKFRSs has no material impact on the Company's financial statements.

Amendments to HKAS 32, Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding application guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement. The amendments are applied retrospectively. The adoption of the amendments has no impact on these financial statements as the Company does not have any offsetting arrangements.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) - Continued

2.2 New and revised HKFRSs that have been issued but are not yet effective

The following new and revised HKFRSs, potentially relevant to the Company's financial statements, have been issued, but are not yet effective and have not been early adopted by the Company.

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle ¹
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle ²
Amendments to HKAS 1	Disclosure Initiative ²
HKFRS 9 (2014)	Financial Instruments ³

¹ Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

² Effective for annual periods beginning on or after 1 January 2016

³ Effective for annual periods beginning on or after 1 January 2018

HKFRS 9 (2014), Financial Instruments

HKFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss (“FVTPL”).

HKFRS 9 (2014) includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) - Continued

2.2 New and revised HKFRSs that have been issued but are not yet effective - Continued

HKFRS 9 (2014), Financial Instruments - Continued

HKFRS 9 (2014) carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 (2014) retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The directors are in the process of making an assessment of the potential impact of these new and revised HKFRSs and are not yet in a position to state whether they would have material financial impact on the Company’s financial statements.

2.3 New Companies Ordinance provisions relating to the preparation of financial statements

The provisions of the new Companies Ordinance, Cap. 622, in relation to the preparation of financial statements will apply to the Company in its first financial year beginning on or after 3 March 2014 (i.e. the financial year ending 31 December 2015).

The directors consider that there will be no impact on the Company’s financial position or performance, however the new Companies Ordinance, Cap. 622, would have impacts on the presentation and disclosures in the financial statements.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

3. BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements on pages 5 to 24 have been prepared in accordance with HKFRSs, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, HKASs and Interpretations issued by the HKICPA and the Hong Kong Companies Ordinance, which concern the preparation of financial statements, which for the financial year and comparative period continue to be those of the Hong Kong Companies Ordinance, Cap. 32, in accordance with the transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance, Cap. 622 "Accounts and Audit" which are set out in sections 76 to 87 of Schedule 11 to that Ordinance.

3.2 Basis of measurement

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and revised HKFRSs and the impacts on the Company's financial statements, if any, are disclosed in note 2.

The Company did not adopt any critical accounting estimates and judgements in the preparation of these financial statements.

The financial statements have been prepared under the historical cost basis. The measurement bases are fully described below.

As explained in note 1 to the financial statements, the Company has ceased operations. The financial statements have accordingly been prepared on a non-going concern basis. All assets have been reduced to their recoverable amount as a result of the cessation of business. As liquidation plan in sufficient details is not yet existed, no provision has yet been made in the financial statements in connection to the proposed liquidation.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2014

3. BASIS OF PREPARATION - Continued

3.3 Functional and presentation currency

The financial statements are presented in United States dollars ("US\$"), which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

3.4 Consolidated financial statements

Consolidated financial statements have not been prepared as the Company has taken the advantage of the exemption granted under HKFRS 10 *Consolidated Financial Statements*, as the Company, being a private company as at the reporting date, is a wholly-owned subsidiary of Luella Enterprises Company Limited and ultimately wholly-owned by Lampsas Hellenic Hotels S.A., a publicly listed company, which prepares consolidated financial statements that comply with International Financial Reporting Standards, which are available for public use and obtainable from the website of the Company's ultimate holding company at www.lampsas.gr.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Subsidiary

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, interest in a subsidiary is stated at cost less any impairment loss, if any. The result of subsidiary is accounted for by the Company on the basis of dividends received and receivable.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4.2 Financial assets

The Company's financial assets represent cash and cash equivalents, and are classified as loans and receivables.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

De-recognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2014

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4.2 Financial assets - Continued

Impairment of financial assets

At each reporting date, financial assets are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Company about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group, and the failure to renegotiate the repayment terms of loans and receivables that would otherwise be past due or impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2014

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4.3 Cash and cash equivalents

Cash and cash equivalents include cash at bank.

4.4 Financial liabilities

The Company's financial liabilities include other payables and accruals and amount due to ultimate holding company which are recognised initially at their fair values and subsequently measured at amortised cost, using the effective interest method.

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

4.5 Share capital

The Hong Kong Companies Ordinance, Cap.622, came into operation on 3 March 2014. Under the Ordinance, shares of the Company do not have nominal value. Considerations received or receivable on the issue of shares on or after 3 March 2014 are credited to share capital. Commissions and expenses as allowed under Section 148 and Section 149 of the Ordinance are deducted from share capital.

NORTH HAVEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014**

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4.6 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

NORTH HAVEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014**

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4.7 Related parties

- (a) A person or a close member of that person's family is related to the 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 key management personnel of the Company or the Company's parent;
- (b) An entity is related to the Company if any of the following conditions apply:
- (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 the Company or an entity related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

NORTH HAVEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014**

5. REVENUE

The Company did not generate any revenue during the year (2013: Nil).

6. LOSS BEFORE INCOME TAX

	2014 US\$	2013 US\$
Loss before income tax is arrived at after charging:		
Auditor's remuneration	5,865	5,158

7. DIRECTORS' REMUNERATION

Remuneration of the directors, who are considered as key management personnel of the Company, disclosed pursuant to section 78(1) of Schedule 11 to the Hong Kong Companies Ordinance, Cap.622 which requires compliance with Section 161 of the Hong Kong Companies Ordinance, Cap. 32 is as follows:

	2014 US\$	2013 US\$
Fees	-	-
Other emoluments	-	-
Total	-	-

8. INCOME TAX EXPENSES

No Hong Kong profits tax has been provided in the financial statements as the Company did not derive any assessable profit for the year (2013: Nil).

Reconciliation between income tax expense and accounting loss at applicable tax rate is as follows:

	2014 US\$	2013 US\$
Loss before income tax	(10,634)	(27,469)
Tax at the applicable rate of 16.5% (2013: 16.5%)	(1,755)	(4,532)
Tax effect of non-deductible expenses	1,755	4,532
Income tax expense	-	-

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

9. INTEREST IN A SUBSIDIARY

	2014 US\$	2013 US\$
Unlisted investment, at cost	<u>25,867,575</u>	<u>25,867,575</u>

Particulars of the Company's subsidiary as at 31 December 2014 and 2013 are as follows:

Name	Place of incorporation and operation	Type of legal entity	Particular of issued and paid up capital	Percentage of nominal value of issued capital directly held by the Company	Principal activity
Hotelijersko akcionarsko društvo Beogradsko mešovito preduzeće A.D. Beograd	Serbia	Limited liability company	7,417 ordinary shares of Serbian Dinar ("RSD") 330,890 each and 750 preferred shares of RSD330,890 each	2014: 94% (2013: 94%)	Hotel operation

The aggregate post-acquisition losses of the subsidiary dealt with and not dealt with in the financial statements are summarised below:

	Current year US\$	Prior years US\$
Dealt with in the financial statements of the Company	<u>-</u>	<u>-</u>
Not dealt with in the financial statements of the Company	<u>(3,547,124)</u>	<u>(3,633,930)</u>

10. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

The amount due is unsecured, interest-free and repayable on demand. The directors consider that the carrying amount of the balance approximate its fair value.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

11. SHARE CAPITAL

	2014		2013	
	Number	US\$	Number	US\$
Authorised share capital				
Ordinary shares of HK\$1 each				
At the beginning of the year	10,000	1,282	10,000	1,282
The concept of authorised share capital is abolished on 3 March 2014 (Note)	(10,000)	(1,282)	-	-
At the end of the year	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>1,282</u>
Issued and fully paid ordinary shares				
At the beginning of the year	7,801	1,000	7,801	1,000
Transfer from share premium account on 3 March 2014 (Note)	-	15,321,867	-	-
At the end of the year	<u>7,801</u>	<u>15,322,867</u>	<u>7,801</u>	<u>1,000</u>

Note:

The Hong Kong Companies Ordinance, Cap.622 (the Ordinance) came into effect on 3 March 2014. Under Section 135 of the Ordinance, shares in a company do not have nominal value. Accordingly, the concept of authorised share capital is abolished. The no nominal value regime applies to the Company. The use of share capital from 3 March 2014 is governed by Section 149 of the Ordinance.

Prior to 3 March 2014, the application of the share premium account was governed by Section 48B of the Hong Kong Companies Ordinance, Cap.32. In accordance with the transitional provisions set out in Section 37 of Schedule 11 to the Hong Kong Companies Ordinance, Cap.622 (the Ordinance) any amount standing to the credit of the share premium account at the beginning of 3 March 2014 became part of the company's share capital. The use of this share premium balance is governed by Section 38 of Schedule 11 to the Ordinance.

NORTH HAVEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014**

12. RELATED PARTY TRANSACTIONS

	2014 US\$	2013 US\$
Professional fees paid to a director of the Company	<u>4,389</u>	<u>21,940</u>

The related party transactions were carried out based on the terms mutually agreed between the parties.

Remuneration for key management personnel represents amounts paid to the Company's directors as disclosed in note 7.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company does not have written risk management policies and guidelines. The Company is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risk includes liquidity risk.

The Company does not have written risk management policies and guidelines. However, the director periodically analyses and formulates strategies to manage to the Company's exposure to financial risks. Generally, the Company utilises conservative strategies on its risk management. The Company's exposure to market risk is kept at minimum. The Company has not used any derivatives or other instruments for hedging purposes. The Company does not issue derivative financial instruments for trading purposes. The most significant financial risks to which the Company is exposed are described below:

13.1 Categories of financial assets and liabilities

The carrying amounts of the Company's financial assets and financial liabilities as recognised at the reporting date are categorised as follows:

	2014 US\$	2013 US\$
Financial assets		
Loan and receivables:		
Cash and cash equivalents	<u>1,170</u>	<u>1,170</u>
Financial liabilities		
Financial liabilities at amortised cost:		
Other payables and accruals	5,865	5,158
Amount due to ultimate holding company	<u>148,615</u>	<u>138,205</u>
	<u>154,480</u>	<u>143,363</u>

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NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2014

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - Continued

13.2 Liquidity risk

Liquidity risk relates to the risk that the Company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company is exposed to liquidity risk in respect of settlement of its financial obligations, and also in respect of its cash flow management. The Company's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

As at 31 December 2014 and 2013, all the Company's financial liabilities are interest-free and their remaining contractual maturities are repayable within one year or on demand.

13.3 Fair values

The fair values of the Company's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity.

14. CAPITAL MANAGEMENT

In prior years, the Company's objectives when managing capital were:

- (a) to safeguard the Company's ability to continue as a going concern, so that it continued to provide returns and benefits for shareholder and other stakeholders;
- (b) to support the Company's stability and growth; and
- (c) to provide capital for the purpose of strengthening the Company's risk management capability.

In prior years, the Company actively and regularly reviewed and managed its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Since the Company ceased its business with effect from 31 December 2014, the Company reviewed the objectives, policies and processes for managing capital and determined to maintain a capital structure comprising share capital and reserves for capital management purpose only. The Company currently does not adopt any formal dividend policy.

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15. EVENT AFTER THE REPORTING DATE

On 11 September 2015, the sole shareholder of the Company passed a special resolution to place the company into a members' voluntary liquidation.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 16 October 2015.