

NORTH HAVEN LIMITED

(incorporated in Hong Kong with limited liability)

**Directors' Report and
Financial Statements**

For the year ended 31 December 2013

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 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activity of its subsidiary is set out in note 10 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Company for the year ended 31 December 2013 and the state of affairs of the Company at that date are set out in the financial statements on pages 5 to 21.

The directors do not recommend the payment of a dividend.

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 who held office during the year and up to the date of this report were:

Hill Dickinson Services (London) Limited
JRS Limited

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

NORTH HAVEN LIMITED

DIRECTORS' REPORT

DIRECTORS' INTERESTS

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.

No 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.

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

Chairman

Hong Kong, 6 March 2014

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS 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 21, which comprise the statement of financial position as at 31 December 2013, 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, 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, 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.

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

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

(incorporated in Hong Kong with limited liability)

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 2013 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.

Emphasis of matter - material uncertainty regarding the going concern assumption

Without qualifying our opinion, we draw attention to note 3(b) to the financial statements which indicates that the Company incurred a loss of US\$27,469 during the year ended 31 December 2013 and had net current liabilities of US\$142,193 as at that date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

BDO Limited
Certified Public Accountants
Yu Tsui Fong
Practising Certificate Number P05440

Hong Kong, 6 March 2014

NORTH HAVEN LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 US\$	2012 US\$
Revenue	6	-	-
Other operating expenses		<u>(27,469)</u>	<u>(9,213)</u>
Loss before income tax	7	(27,469)	(9,213)
Income tax expenses	9	<u>-</u>	<u>-</u>
Loss for the year		(27,469)	(9,213)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(27,469)</u>	<u>(9,213)</u>

NORTH HAVEN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes	2013 US\$	2012 US\$
ASSETS AND LIABILITIES			
Non-current assets			
Investment in a subsidiary	10	<u>25,867,575</u>	<u>25,867,575</u>
Current assets			
Cash and cash equivalents		<u>1,170</u>	<u>1,170</u>
Current liabilities			
Other payable and accruals		5,158	4,770
Amount due to ultimate holding company	11	<u>138,205</u>	<u>111,124</u>
		<u>143,363</u>	<u>115,894</u>
Net current liabilities		<u>(142,193)</u>	<u>(114,724)</u>
NET ASSETS		<u>25,725,382</u>	<u>25,752,851</u>
CAPITAL AND RESERVES			
Share capital	12	1,000	1,000
Reserves		<u>25,724,382</u>	<u>25,751,851</u>
TOTAL EQUITY		<u>25,725,382</u>	<u>25,752,851</u>

Director

Director

NORTH HAVEN LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Share capital US\$	Share premium US\$	Capital contribution US\$	Accumulated losses US\$	Total US\$
At 1 January 2012	1,000	15,321,867	10,735,575	(296,378)	25,762,064
Loss for the year	-	-	-	(9,213)	(9,213)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(9,213)	(9,213)
At 31 December 2012 and 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	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(27,469)	(27,469)
At 31 December 2013	<u>1,000</u>	<u>15,321,867*</u>	<u>10,735,575*</u>	<u>(333,060)*</u>	<u>25,725,382</u>

* The aggregated amount of the above balances of US\$25,724,382 (2012: US\$25,751,851) represented the reserves in the statement of financial position.

NORTH HAVEN LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	US\$	US\$
Cash flows from operating activities		
Loss before income tax and operating loss before working capital changes	(27,469)	(9,213)
Increase in other payables and accruals	388	283
Increase in amount due to ultimate holding company	27,081	10,100
	<u> </u>	<u> </u>
Net cash generated from operating activities	<u> </u> -	<u> </u> 1,170
Net change in cash and cash equivalents	-	1,170
Cash and cash equivalents at beginning of the year	<u> </u> 1,170	<u> </u> -
Cash and cash equivalents at end of the year	<u> </u> 1,170	<u> </u> 1,170

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

1. GENERAL

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. The principal activity of its subsidiary is set out in note 10 to the financial statements.

The Company's parent is Luella Enterprises Company Limited (incorporated in the Republic of Cyprus) and the directors consider its ultimate parent is Lampsa Hellenic Hotels S.A., a company incorporated in Greece and its shares are listed on the Securities Market of Athens Exchange.

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

(a) Adoption of new / revised HKFRSs - effective 1 January 2013

In current year, the Company has applied for the first time the following new/revised standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are relevant to and effective for the Company's financial statements for the annual period beginning on 1 January 2013.

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 13	Fair Value Measurement
HKAS 27 (2011)	Separate Financial Statements
HKAS 19 (2011)	Employee Benefits

Except as explained below, the adoption of these new/revised standards, amendments and interpretations has no material impact on the Group's financial statements.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

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

(a) Adoption of new / revised HKFRSs - effective 1 January 2013- Continued

Amendments to HKAS1 (Revised) - Presentation of Items of Other Comprehensive
Income

The amendments to HKAS 1 (Revised) require the Company to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future and those that may not. Tax on items of other comprehensive income is allocated and disclosed on the same basis. There are no effects on the Company’s financial position or performance.

HKFRS 10 - Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of “de facto” control where an investor can control an investee while holding less than 50% of the investee’s voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them.

The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The accounting requirements in HKAS 27 (2008) on other consolidation related matters are carried forward unchanged. The Company has changed its accounting policy in determining whether it has control of an investee and therefore is required to consolidate that interest (see note 4(a)). The directors have made an assessment as at the date of initial application of HKFRS 10. It is concluded that the adoption does not change any of the control conclusion reached by the Company in respect of its involvement with other entities.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

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

(b) New / revised HKFRSs that have been issued but are not yet effective

The following new/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.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ¹
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle ³
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle ²
HKFRS 9 (2014)	Financial Instruments ⁴

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 July 2014

³ Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

⁴ Effective for annual periods beginning, on or after 1 January 2018

The Company is in the process of making an assessment of the potential impact of other new/revised HKFRSs and the directors so far conclude that the application of these new/revised HKFRSs will have no material impact on the results and the financial position of the Company.

NORTH HAVEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013**

3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA and the Hong Kong Companies Ordinance.

(b) Basis of measurement and going concern assumption

The financial statements have been prepared on the historical cost basis.

The Company incurred a loss of US\$27,469 during the year ended 31 December 2013 and had net current liabilities of US\$142,193 as at that date. These conditions indicate the existence of a materiality uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The going concern basis has been adopted on the basis of continuing financial support from the ultimate holding company to provide financial support to the Company.

Should the Company be unable to continue in business as a going concern, adjustments would have to be made to reduce the values of assets to their recoverable amounts, to reclassify the non-current assets as current assets and to provide for any further liabilities which might arise.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

3. BASIS OF PREPARATION - Continued

(c) Functional and presentation currency

The financial statements are presented in United States dollars (“US\$”), which is same as the functional currency of the Company.

(d) Consolidated financial statements

No consolidated financial statements have been prepared as the Company itself as at the reporting date is a wholly-owned subsidiary of Luella Enterprises Company Limited and ultimately wholly-owned by Lampsa Hellenic Hotels S.A. and Lampsa Hellenic Hotels S.A. prepares consolidated financial statements that comply with International Financial Reporting Standards, which are available for public use and obtainable from the company website of the Company’s ultimate holding company at www.lampsa.gr.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Subsidiaries

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 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.

Subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES - Continued

(b) Financial liabilities

The Company's financial liabilities include other payable and accruals and amount due to ultimate holding company. They are recognised initially at their fair value 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.

(c) Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

(d) Impairment of non-financial assets

Investment in a subsidiary is subject to impairment testing whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Impairment loss is charged pro rata to the assets in the cash-generating unit.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

4. SIGNIFICANT ACCOUNTING POLICIES - Continued

(d) Impairment of non-financial assets - Continued

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) 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 and 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 2013**

4. SIGNIFICANT ACCOUNTING POLICIES - Continued

(f) 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 the 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);
or
 - (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 2013

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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 estimates and assumptions that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of investment in a subsidiary

The Company assesses annually if interest in a subsidiary has suffered any impairment. The assessment requires an estimation of future cash flows, including expected dividends and the selection of appropriate discount rate. Future changes in financial performance and position of the entity would affect the estimation of impairment loss and cause the adjustments of the carrying amounts.

6. REVENUE

The Company did not earn any revenue during the year.

NORTH HAVEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013**

7. LOSS BEFORE INCOME TAX

	2013 US\$	2012 US\$
Loss before income tax is arrived at after charging: Auditor's remuneration	<u>5,158</u>	<u>4,770</u>

8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 161 of the Hong Kong Companies Ordinance are as follows:

	2013 US\$	2012 US\$
Directors' emoluments:		
Fees	-	-
Other emoluments	<u>-</u>	<u>-</u>

9. INCOME TAX EXPENSES

Hong Kong Profits Tax has not been provided as the Company did not have any assessable profit for the year.

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

	2013 US\$	2012 US\$
Loss before income tax	<u>(27,469)</u>	<u>(9,213)</u>
Tax calculated at applicable tax rate of 16.5%	(4,532)	(1,520)
Non-deductible expenses	<u>4,532</u>	<u>1,520</u>
Income tax expense	<u>-</u>	<u>-</u>

NORTH HAVEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013**

10. INVESTMENT IN A SUBSIDIARY

	2013 US\$	2012 US\$
Unlisted shares, at cost	<u>25,867,575</u>	<u>25,867,575</u>

Details of the Company's subsidiary as at 31 December 2013 are as follows:

Name of company	Place of incorporation and operation	Type of legal entity	Particular of issued and paid up capital	Percentage of nominal value of issued capital held by the Company directly		Principal activity
				2013	2012	
Hotelijersko akcionarsko društvo Beogradsko mešovito preduzeće A.D. Beograd	Serbia	Limited liability company	7,417 ordinary shares of RSD330,890 each 750 preferred shares of RSD330,890 each	94%	94%	Hotel operation
				100%	100%	

The post-acquisition profit/(loss) of the subsidiary attributable to the Company is as follows:

	Current year US\$	Previous years since acquisition US\$
Amount dealt with in the Company's financial statements	<u>-</u>	<u>-</u>
Amount not dealt with in the Company's financial statements	<u>2,506,050</u>	<u>(6,139,980)</u>

11. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

The amount due is unsecured, interest-free and repayable on demand. The carrying amount of the amount due approximates its fair value.

NORTH HAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

12. SHARE CAPITAL

	2013	2012
Authorised:		
10,000 ordinary shares of HK\$1 each	<u>HK\$ 10,000</u>	<u>HK\$ 10,000</u>
Translated into	<u>US\$ 1,282</u>	<u>US\$ 1,282</u>
Issued and fully paid:		
7,801 ordinary shares of HK\$1 each	<u>HK\$7,801</u>	<u>HK\$7,801</u>
Translated into	<u>US\$ 1,000</u>	<u>US\$ 1,000</u>

13. CAPITAL MANAGEMENT

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and provide adequate returns to shareholders.

Management regards total equity of US\$25,725,382 (2012: US\$25,752,851) as capital, for capital management purpose. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt.

The Company relies on financial support from the ultimate holding company to finance its capital requirement. As disclosed in note 3(b), the Company's going concern is dependent on the undertaking made by the ultimate holding company to provide financial support to the Company.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments include cash and cash equivalents, other payables and amount due to ultimate holding company.

The risk associated with these financial instruments is liquidity risk. The management regularly monitors current and expected liquidity requirements to ensure adequate funding from its ultimate holding company to meet with its liquidity requirements. All financial liabilities would be repayable on demand or mature within one year.

NORTH HAVEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013**

15. RELATED PARTY TRANSACTIONS

During the year, the Company entered into the following significant related party transactions with the related party of the Company:

	2013 US\$	2012 US\$
Expenses paid to a director of the Company	<u>21,940</u>	<u>-</u>

The terms are mutually agreed by the Company and the related party.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 6 March 2014.