



UNI-ASIA GROUP LIMITED

Company Registration No: 201701284Z
Incorporated in the Republic of Singapore

FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2017

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF SECOND QUARTERLY RESULTS

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

The Group completed a Restructuring Exercise on 26 May 2017 and Uni-Asia Group Limited was listed and quoted on the Main Board of the SGX-ST on 2 June 2017 while Uni-Asia Holdings Limited was delisted from the Main Board of the SGX-ST with effect from 2 June 2017. Please refer to Note 1(d)(ii) for further information. The figures for 2017 are that of Uni-Asia Group Limited and its subsidiaries while the comparative figures for 2016 are that of Uni-Asia Holdings Limited and its subsidiaries. This is on the basis that the Group is in existence in 2016, and that the net asset value of the Group is not materially different immediately before and after the Restructuring Exercise.

	Note	2 nd Quarter			Half year ended 30 June		
		2017 US\$'000	2016 US\$'000	% Change	2017 US\$'000	2016 US\$'000	% Change
Charter Income	8(i)	9,077	8,257	10%	18,013	16,559	9%
Fee income	8(ii)	2,708	1,433	89%	3,857	3,246	19%
Hotel income	8(iii)	10,723	9,613	12%	21,020	18,020	17%
Investment returns	8(iv)	2,143	3,061	(30%)	4,365	1,603	172%
Interest income		205	168	22%	374	369	1%
Other income		322	88	266%	503	1,728	(71%)
Total income		25,178	22,620	11%	48,132	41,525	16%
Employee benefits expenses		(3,808)	(3,667)	4%	(7,420)	(6,945)	7%
Amortisation and depreciation		(2,617)	(2,855)	(8%)	(5,119)	(5,403)	(5%)
Vessel operating expenses		(4,051)	(3,945)	3%	(8,104)	(8,515)	(5%)
Hotel lease expenses		(3,612)	(3,177)	14%	(7,321)	(6,169)	19%
Hotel operating expenses		(4,742)	(4,107)	15%	(9,089)	(7,607)	19%
Other expenses		(1,464)	(1,152)	27%	(2,513)	(2,137)	18%
Net foreign exchange loss		(28)	(458)	(94%)	(226)	(641)	(65%)
Total operating expenses		(20,322)	(19,361)	5%	(39,792)	(37,417)	6%
Operating profit		4,856	3,259	49%	8,340	4,108	103%
Finance costs – interest expense		(1,331)	(1,255)	6%	(2,630)	(2,410)	9%
Finance costs – others		(71)	(64)	11%	(156)	(185)	(16%)
Allocation to Tokumei Kumiai ^A investors		62	47	32%	145	94	54%
Profit before tax		3,516	1,987	77%	5,699	1,607	254%
Income tax expense		(104)	(159)	(35%)	(178)	(395)	(55%)
Profit for the period		3,412	1,828	87%	5,521	1,212	N/M
Attributable to:							
Owners of the parent		2,688	960	180%	4,813	235	N/M
Non-controlling interests		724	868	(17%)	708	977	(28%)
		3,412	1,828	87%	5,521	1,212	N/M

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

	2 nd Quarter			Half year ended 30 June		
	2017 US\$'000	2016 US\$'000	% Change	2017 US\$'000	2016 US\$'000	% Change
Profit for the period	3,412	1,828	87%	5,521	1,212	N/M
Other comprehensive (expense)/ income for the period, net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	(10)	1,637	(101%)	807	2,798	(71%)
Net movement on cash flow hedges	(126)	(59)	114%	31	(166)	119%
Other comprehensive (expense)/ income for the period, net of tax	(136)	1,578	(109%)	838	2,632	(68%)
Total comprehensive income for the period	3,276	3,406	(4%)	6,359	3,844	65%
Attributable to:						
Owners of the parent	2,590	2,558	1%	5,680	2,883	97%
Non-controlling interests	686	848	(19%)	679	961	(29%)
	3,276	3,406	(4%)	6,359	3,844	65%

N/M: Not meaningful

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

The Group completed a Restructuring Exercise on 26 May 2017. Please refer to Note 1(d)(ii) for further information. As Uni-Asia Group Limited was incorporated on 12 January 2017, there is no comparative company level balance sheet of Uni-Asia Group Limited as at 31 December 2016. As such, the comparative company level balance sheet as at 31 December 2016 is that of Uni-Asia Holdings Limited, the holding company of the Group prior to the Restructuring Exercise.

	Group: Uni-Asia Group Limited		Company: Uni-Asia Group Limited	Company: Uni-Asia Holdings Limited
	30 June 2017 US\$'000	31 December 2016 US\$'000	30 June 2017 US\$'000	31 December 2016 US\$'000
ASSETS				
Non-current assets				
Investment properties	22,261	13,949	-	-
Investments	51,239	45,113	-	19,562
Investments in subsidiaries	-	-	109,276	72,849
Intangible assets	1	1	-	-
Property, plant and equipment	193,163	195,254	-	294
Loans receivable	-	2,050	-	2,050
Loans to subsidiaries	-	-	-	9,392
Rental deposit	4,529	3,150	-	-
Derivative financial instruments	209	329	-	588
Finance lease receivable	7,869	7,705	-	-
Accounts receivable	986	621	-	-
Deferred tax assets	27	46	-	-
Total non-current assets	280,284	268,218	109,276	104,735
Current assets				
Investments	2,054	2,402	-	-
Loans receivable	14,168	6,983	-	400
Loans to subsidiaries	-	-	-	19,301
Derivative financial instruments	70	17	-	357
Finance lease receivable	356	331	-	-
Accounts receivable	3,241	3,810	-	76
Amounts due from subsidiaries	-	-	27	486
Prepayments, deposits and other receivables	6,355	4,965	-	712
Tax recoverable	110	1,074	-	-
Deposits pledged as collateral	4,838	4,320	-	2,450
Cash and bank balances	28,468	35,552	-	8,700
Total current assets	59,660	59,454	27	32,482
Total assets	339,944	327,672	109,303	137,217

NOTES:-

The Group's non-current assets increased by 5% from \$268.2 million on 31 December 2016 to \$280.3 million on 30 June 2017. This is mainly due to additional construction cost and fair valuation adjustments of existing investment properties; as well as additional funding and fair valuation adjustments of existing investments. Investment properties increased from \$13.9 million on 31 December 2016 to \$22.3 million on 30 June 2017. Investments increased from \$45.1 million on 31 December 2016 to \$51.2 million on 30 June 2017.

Current assets was \$59.7 million on 30 June 2017, comparable to the balance of \$59.5 million as at 31 December 2016. Current balance of loan receivable increased by \$7.2 million due to a short term loan extended to an investee company and reclassification of non-current loans to current. Prepayments, deposits and other receivables increased by \$1.4 million due mainly to prepayment of ship related expenses. Cash and bank balances decreased by \$7.1 million in part due to the above-mentioned.

	Group: Uni-Asia Group Limited		Company: Uni-Asia Group Limited	Company: Uni-Asia Holdings Limited
	30 June 2017 US\$'000	31 December 2016 US\$'000	30 June 2017 US\$'000	31 December 2016 US\$'000
EQUITY				
Equity attributable to owners of the parent				
Share capital	109,276	75,167	109,276	75,167
Share premium	-	31,319	-	31,319
Retained earnings/ (accumulated losses)	18,263	14,460	(29)	3,800
Hedging reserve	405	353	-	-
Exchange reserve	1,340	525	-	-
Capital reserve	(2,907)	(117)	-	-
Total equity attributable to owners of the parent	126,377	121,707	109,247	110,286
Non-controlling interests	4,864	4,185	-	-
Total equity	131,241	125,892	109,247	110,286
LIABILITIES				
Non-current liabilities				
Borrowings	122,334	131,125	-	8,700
Derivative financial instruments	283	258	-	588
Deferred tax liabilities	517	504	-	-
Deferred income	394	973	-	-
Other payables	81	78	-	-
Provision for onerous contract	1,986	2,140	-	-
Total non-current liabilities	125,595	135,078	-	9,288
Current liabilities				
Borrowings	70,960	54,291	-	16,072
Due to Tokumei Kumiai investors	2,792	1,007	-	-
Derivative financial instruments	215	340	-	357
Accounts payable	2,993	2,961	-	-
Amounts due to subsidiaries	-	-	-	512
Other payables and accruals	5,495	5,874	56	702
Provision for onerous contract	495	1,335	-	-
Income tax payable	158	894	-	-
Total current liabilities	83,108	66,702	56	17,643
Total liabilities	208,703	201,780	56	26,931
Total equity and liabilities	339,944	327,672	109,303	137,217

NOTES:

Total liabilities increased to \$208.7 million on 30 June 2017 from \$201.8 million on 31 December 2016 due mainly to increase in borrowings for property and ship related investments.

Current assets remained fairly flat compared to the balance as at 31 December 2016, while current liabilities increased by 25% mainly due to increase in current portion of borrowings by \$16.7 million, and increase in amount due to Tokumei Kumiai investors by \$1.8 million. Accordingly, current liabilities exceeded current assets by \$23.4 million as at 30 June 2017.

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

	As at 30 June 2017		As at 31 December 2016	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	38,090	32,870	28,184	26,107
Amount repayable after one year	108,668	13,666	118,076	13,049
Total	146,758	46,536	146,260	39,156

Details of any collateral

The Group’s borrowings are secured by means of:

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

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

	Note	Half year ended 30 June	
		2017 US\$'000	2016 US\$'000
Cash flows from operating activities			
Profit before tax		5,699	1,607
Adjustments for:			
Investment returns		(4,365)	(1,603)
Amortisation and depreciation		5,119	5,403
Realisation of negative goodwill arising on acquisition of a subsidiary		-	(1,538)
Gain on disposal of property, plant and equipment		-	(1)
Reversal of provision for accounts receivable		-	(103)
Share based compensation		-	98
Net foreign exchange loss		226	641
Interest income		(374)	(369)
Finance costs – interest expense		2,630	2,410
Finance costs – others		156	185
Allocation to Tokumei Kumiai investors		(145)	(94)
Operating cash flows before changes in working capital		8,946	6,636
Changes in working capital:			
Net change in accounts receivable		326	200
Net change in prepayments, deposits and other receivables		(1,194)	(307)
Net change in accounts payable		(72)	(19)
Net change in other payables, accruals and deferred income		(2,214)	(590)
Cash flows generated from operations		5,792	5,920
Interest received on bank balances		59	28
Tax reimbursed/ (paid)		81	(308)
Net cash flows generated from operating activities	[A]	5,932	5,640
Cash flows from investing activities			
Purchase of investment properties		(7,114)	(7,747)
Purchase of investments		(4,459)	(6,206)
Proceeds from sale of investment properties		-	2,238
Proceeds from redemption/ sale of investments		1,251	5,385
Net cash inflow on acquisition of an investment		-	1
Deconsolidation of consolidated entities		-	(1,016)
Investment in finance lease		171	148
Hotel lease deposit		(1,141)	(175)
Deposits for small residential projects		(110)	(88)
Deposits refunded for purchase of vessels		-	6,846
Purchase of property, plant and equipment		(2,415)	(25,210)
Proceeds from disposal of property, plant and equipment		1	15,840
Contribution from Tokumei Kumiai investors		1,865	202
Redemption of Tokumei Kumiai investors		-	(560)
Loans advanced		(5,188)	(5,488)
Loans repaid		-	3,000
Interest received from loans		269	322
Net increase in deposits pledged as collateral		(472)	(1,646)
Proceeds from investments		133	215

	Note	Half year ended 30 June	
		2017 US\$'000	2016 US\$'000
Settlement of derivative financial instruments		(149)	(113)
Proceeds from property rental		432	-
Net cash flows used in investing activities	[B]	(16,926)	(14,052)
Cash flows from financing activities			
New borrowings		22,136	32,091
Repayment of borrowings		(15,236)	(23,668)
Interest paid on borrowings		(2,648)	(2,272)
Other finance cost paid		(135)	(311)
Dividend paid		(1,010)	(2,185)
Net cash flows generated from financing activities	[C]	3,107	3,655
Net decrease in cash and bank balances		(7,887)	(4,757)
Movements in cash and bank balances:			
Cash and bank balances at beginning of the period		35,552	30,334
Net decrease in cash and bank balances		(7,887)	(4,757)
Effects of foreign exchange rate changes, net		803	3,414
Cash and bank balances at end of the period		28,468	28,991

NOTES:

The Group's cash and bank balances decreased by \$7.9 million in 1H2017 mainly due to the followings:

- [A] Cash flows generated from operating activities amounted to \$5.9 million for 1H2017, mainly due to contribution from ship charter income.
- [B] Cash flows used in investing activities were \$16.9 million for 1H2017 mainly due to additional funding of investment properties (\$7.1 million) and investments (\$4.5 million), payment of hotel lease deposit (\$1.1 million), payment of dry-docking expenses capitalised under property, plant and equipment (\$2.4 million) and a loan extended to an investee company (\$5.2 million).
- [C] Cash flows generated from financing activities were \$3.1 million in 1H2017 mainly due to new borrowings and refinancing of existing borrowings in 1H2017 offset by scheduled repayments of borrowings. Dividend for FY2016 approved in AGM was paid in 2Q2017.

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

The Group completed a Restructuring Exercise on 26 May 2017. Please refer to Note 1(d)(ii) for further information.

Group: Uni-Asia Group Limited	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 2016	75,167	31,319	30,811	(14)	875	32	(117)	138,073	2,101	140,174
Profit for the period	-	-	235	-	-	-	-	235	977	1,212
Other comprehensive (expense)/ income	-	-	-	(143)	2,791	-	-	2,648	(16)	2,632
Total comprehensive income/ (expense)	-	-	235	(143)	2,791	-	-	2,883	961	3,844
Accrual of share based compensation	-	-	-	-	-	98	-	98	-	98
Distribution to owners - Dividend in respect of 2015	-	-	(2,185)	-	-	-	-	(2,185)	-	(2,185)
At 30 June 2016	75,167	31,319	28,861	(157)	3,666	130	(117)	138,869	3,062	141,931
At 1 January 2017	75,167	31,319	14,460	353	525	-	(117)	121,707	4,185	125,892
Profit for the period	-	-	4,813	-	-	-	-	4,813	708	5,521
Other comprehensive income/ (expense)	-	-	-	52	815	-	-	867	(29)	838
Total comprehensive income	-	-	4,813	52	815	-	-	5,680	679	6,359
Adjustments to equity arising from restructuring	34,109	(31,319)	-	-	-	-	(2,790)	-	-	-
Distribution to owners - Dividend in respect of 2016	-	-	(1,010)	-	-	-	-	(1,010)	-	(1,010)
At 30 June 2017	109,276	-	18,263	405	1,340	-	(2,907)	126,377	4,864	131,241

Company: Uni-Asia Group Limited	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At date of incorporation	-	-	-
Loss for the period	-	(29)	(29)
Other comprehensive income	-	-	-
Total comprehensive expense	-	(29)	(29)
Issuance of shares	109,276	-	109,276
At 30 June 2017	109,276	(29)	109,247

Company: Uni-Asia Holdings Limited	Share capital US\$'000	Share premium US\$'000	Retained earnings US\$'000	Hedging reserve US\$'000	Share based compensation reserve US\$'000	Total equity US\$'000
At 1 January 2016	75,167	31,319	4,789	(1)	32	111,306
Loss for the period	-	-	(2,282)	-	-	(2,282)
Other comprehensive income	-	-	-	1	-	1
Total comprehensive (expense)/ income	-	-	(2,282)	1	-	(2,281)
Accrual of share based compensation	-	-	-	-	98	98
Distribution to owners - Dividend in respect of 2015	-	-	(2,185)	-	-	(2,185)
At 30 June 2016	75,167	31,319	322	-	130	106,938

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

Uni-Asia Group Limited (the “Company”) was incorporated on 12 January 2017 with an issued and paid-up share capital of US\$1.00, comprising one ordinary share (“Share”). On 26 May 2017, the Company completed the acquisition of all of the shares in the capital of Uni-Asia Holdings Limited pursuant to the restructuring exercise (the “Restructuring Exercise”) undertaken by the Company by way of a scheme of arrangement under Section 86 of the Companies Law (2016 Revision) of the Cayman Islands (the “Scheme”). In connection with the Restructuring Exercise and the Scheme, 46,979,279 Shares (“Scheme Shares”) were allotted and issued by the Company to the shareholders of Uni-Asia Holdings Limited on 26 May 2017. Following the allotment and issuance of the Scheme Shares, the total issued share capital of the Company increased from one Share to 46,979,280 Shares. The Company has no outstanding instruments that are convertible into shares or any treasury shares. Following the completion of the Restructuring Exercise, the Company was listed and quoted on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 2 June 2017 and Uni-Asia Holdings Limited was delisted from the Main Board of the SGX-ST with effect from 2 June 2017.

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

	Uni-Asia Group Limited As at 30 June 2017	Uni-Asia Holdings Limited As at 31 December 2016
Total number of issued shares	46,979,280	46,979,280

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

Not applicable.

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

The figures have not been audited or reviewed.

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

Not applicable.

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

The Group has adopted the same accounting policies and method of computation in the financial statements for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2016.

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

There are no significant changes to the accounting policies and method of computation in the financial statements for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2016. The adoptions of the new or revised IFRSs that are effective for the annual period beginning 1 January 2017 do not have a significant impact on the Group's results of operations and financial position.

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

	2 nd Quarter		Half year ended 30 June	
	2017	2016	2017	2016
Profit attributable to owners of the parent (US\$'000)	2,688	960	4,813	235
Weighted average number of ordinary shares in issue ('000) [see Note (i)]	46,979	46,979	46,979	46,979
Earnings per share (US cents per share) - basic and diluted	5.72	2.04	10.25	0.50

Note (i): Total number of issued shares remains the same at 46,979,280 ordinary shares before and after the restructuring.

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

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

	30 June 2017	31 December 2016
Net asset value per ordinary share based on issued share capital (in US\$)	2.79	2.68

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

Review of Income Statement

Total Income

Total income of the Group was \$48.1 million for 1H2017, a 16% increase from 1H2016. 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 9% from \$16.6 million in 1H2016 to \$18.0 million in 1H2017. Besides better spot charter rates for the Group's portfolio of ships under short term charter, one main factor is the inclusion of charter income of the vessel under Joule Asset Management (Pte.) Limited ("Joule") in 1H2017, but only from 2Q2016 for 1H2016. This is because Joule became a subsidiary of the Group on 31 March 2016 and its charter income was consolidated from 2Q2016 for 1H2016.

(ii) Fee Income

Breakdown of Fee Income:	2 nd Quarter			Half year ended 30 June		
	2017 US\$'000	2016 US\$'000	% Change	2017 US\$'000	2016 US\$'000	% Change
Asset management & administration fee	640	570	12%	1,120	1,186	(6%)
Arrangement and agency fee	1,883	700	169%	2,448	1,597	53%
Brokerage commission	178	87	105%	274	199	38%
Incentive fee	7	76	(91%)	15	264	(94%)
	2,708	1,433	89%	3,857	3,246	19%

Total fee income increased by 19% to \$3.9 million in 1H2017 from \$3.2 million in 1H2016 due to more deals in 1H2017 for the Group's fee income business.

(iii) Hotel Income

The Group started operating its tenth hotel from 2Q2016, and accordingly, hotel income for 1H2017 reflected that of 10 hotels under operations, while the hotel income for 1H2016 was that of 9 hotels for 1Q2016 and 10 hotels for 2Q2016. Average occupancy rates of the hotels were slightly higher in 1H2017 compared to 1H2016 while average daily rates remained strong. Hotel Income increased by 17% from \$18.0 million in 1H2016 to \$21.0 million in 1H2017.

(iv) Investment Returns

Breakdown of Investment Returns:	2 nd Quarter			Half year ended 30 June		
	2017 US\$'000	2016 US\$'000	% Change	2017 US\$'000	2016 US\$'000	% Change
Realised gain on investment property	-	5	(100%)	-	410	(100%)
Realised gain on investments						
- shipping	81	66	23%	132	92	43%
- small residential property developments	1	844	(100%)	8	844	(99%)
- distressed debt	-	122	(100%)	-	122	(100%)
- listed shares	-	-	N/M	367	-	N/M
Property rental income	248	-	N/M	391	-	N/M
Fair value adjustment on investment property	15	(5)	N/M	1,157	(372)	N/M
Fair value adjustment on investments						
- shipping	(685)	(1,333)	49%	(469)	(3,320)	86%
- commercial office building	2,110	2,708	(22%)	2,110	2,708	(22%)
- hotel and residential	(8)	(3)	(167%)	(10)	18	(156%)
- small residential property developments	309	2,220	(86%)	299	3,390	(91%)
- listed shares	72	(1)	N/M	529	(9)	N/M
Net loss on derivative financial instruments	-	(1,562)	(100%)	(149)	(2,280)	(93%)
	2,143	3,061	(30%)	4,365	1,603	172%

Investment returns for 1H2017 was \$4.4 million compared to \$1.6 million in 1H2016. Fair value gain of \$2.1 million was made for the Group's second Hong Kong commercial office property investment in 2Q2017.

Total Operating Expenses

While the Group's total income increase by 16%, the Group's total operating expenses increased by a lower rate of 6% from \$37.4 million in 1H2016 to \$39.8 million in 1H2017. Employee benefits expenses, hotel lease expenses and hotel operating expenses increased in correspond with the increase in hotel income.

Impairment and onerous contract provisions made by the Group in FY2016 resulted in lower depreciation on the Group's assets, as well as lower vessel operating expenses for 1H2017.

Operating Profit

Operating profit of the Group was \$8.3 million for 1H2017, an increase of 103% compared to 1H2016.

Net Profit After Tax

The Group posted a net profit after tax of \$5.5 million for 1H2017, as compared to \$1.2 million for 1H2016.

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

Not applicable. The Group has not provided a forecast.

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

In 2017, the Baltic Dry Index reached a high of 1,333 towards end of March before retreating to 901 as at end of June. Notwithstanding this, the Group is cautiously optimistic that the commodities market would gradually recover leading to an improved dry bulk market. On the other hand, the property and hotel markets in which the Group operates remain robust. The Group's second Hong Kong commercial office property investment's construction is on schedule, and pre-sale of the office units was encouraging. The Group expects to exit this investment in early 2018, and would receive proceeds from this investment.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/ recommended by the Directors for the second quarter ended 30 June 2017.

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

Name of Interested Person	Aggregate value of all interested person transactions conducted under the Shareholders' Mandate (excluding transactions less than S\$100,000) pursuant to Rule 920 US\$'000
Yamasa Co., Ltd (and its associates)	980

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

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

BY THE ORDER OF THE BOARD

Michio Tanamoto
Chairman and CEO
14 August 2017

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter ended 30 June 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors



Michio Tanamoto
Chairman and CEO



Masaki Fukumori
COO

Date: 14 August 2017