



## UNI-ASIA HOLDINGS LIMITED

Registration No: CR - 72229

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

### FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016

#### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF THIRD QUARTERLY RESULTS

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

	Note	3 <sup>rd</sup> Quarter ("3Q")			9 Months ended 30 September ("9M")		
		2016 US\$'000	2015 US\$'000	% Change	2016 US\$'000	2015 US\$'000	% Change
Charter Income		8,664	8,650	0%	25,223	22,509	12%
Fee income	[8(ii)]	1,830	1,631	12%	5,076	5,421	(6%)
Hotel income		12,411	9,204	35%	30,431	24,697	23%
Investment returns	[8(iv)]	(232)	(1,925)	(88%)	1,371	2,344	(42%)
Interest income		177	212	(17%)	546	482	13%
Other income		106	210	(50%)	1,834	551	233%
<b>Total income</b>		<b>22,956</b>	<b>17,982</b>	<b>28%</b>	<b>64,481</b>	<b>56,004</b>	<b>15%</b>
Employee benefits expenses		(3,688)	(3,068)	20%	(10,633)	(9,146)	16%
Amortisation and depreciation		(2,823)	(2,721)	4%	(8,226)	(7,009)	17%
Vessel operating expenses		(4,780)	(3,765)	27%	(13,295)	(9,818)	35%
Hotel lease expenses		(4,663)	(3,409)	37%	(10,832)	(8,630)	26%
Hotel operating expenses		(4,933)	(3,610)	37%	(12,540)	(10,102)	24%
Other expenses		(1,119)	(1,159)	(3%)	(3,256)	(3,806)	(14%)
Net foreign exchange loss		(39)	(77)	(49%)	(680)	(555)	23%
<b>Total operating expenses</b>		<b>(22,045)</b>	<b>(17,809)</b>	<b>24%</b>	<b>(59,462)</b>	<b>(49,066)</b>	<b>21%</b>
<b>Operating profit</b>		<b>911</b>	<b>173</b>	<b>427%</b>	<b>5,019</b>	<b>6,938</b>	<b>(28%)</b>
Finance costs – interest expense		(1,323)	(1,108)	19%	(3,733)	(2,787)	34%
Finance costs – others		(62)	(94)	(34%)	(247)	(213)	16%
Allocation to Tokumei Kumiai* investors		20	8	150%	114	(740)	(115%)
<b>(Loss)/ Profit before tax</b>		<b>(454)</b>	<b>(1,021)</b>	<b>(56%)</b>	<b>1,153</b>	<b>3,198</b>	<b>(64%)</b>
Income tax expense		(265)	(107)	148%	(660)	(157)	320%
<b>(Loss)/ Profit for the period</b>		<b>(719)</b>	<b>(1,128)</b>	<b>(36%)</b>	<b>493</b>	<b>3,041</b>	<b>(84%)</b>
Attributable to:							
Owners of the parent		(777)	(1,304)	(40%)	(542)	2,691	(120%)
Non-controlling interests		58	176	(67%)	1,035	350	196%
		<b>(719)</b>	<b>(1,128)</b>	<b>(36%)</b>	<b>493</b>	<b>3,041</b>	<b>(84%)</b>

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

	3 <sup>rd</sup> Quarter ("3Q")			9 Months ended 30 September ("9M")		
	2016 US\$'000	2015 US\$'000	% Change	2016 US\$'000	2015 US\$'000	% Change
(Loss)/ Profit for the period	(719)	(1,128)	(36%)	493	3,041	(84%)
Other comprehensive income/ (expense) for the period, net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	(93)	193	(148%)	2,705	333	N/M
Net movement on cash flow hedges	150	(91)	(265%)	(16)	(178)	(91%)
Other comprehensive income/ (expense) for the period, net of tax	57	102	(44%)	2,689	155	N/M
Total comprehensive (expense)/ income for the period	(662)	(1,026)	(36%)	3,182	3,196	(0%)
Attributable to:						
Owners of the parent	(762)	(1,201)	(37%)	2,121	2,848	(25%)
Non-controlling interests	100	175	(43%)	1,061	348	205%
	(662)	(1,026)	(36%)	3,182	3,196	(0%)

N/M: Not meaningful

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

	Group		Company	
	30 September 2016 US\$'000	31 December 2015 US\$'000	30 September 2016 US\$'000	31 December 2015 US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties	16,693	8,565	-	-
Intangible assets	68	69	-	-
Property, plant and equipment	207,962	171,715	292	408
Loans receivable	2,050	5,050	2,050	2,050
Loans to subsidiaries	-	-	9,855	8,186
Investments	46,113	46,946	21,487	24,190
Investments in subsidiaries	-	-	72,888	65,555
Rental deposit	3,423	2,445	-	-
Finance lease receivable	9,028	7,812	-	-
Accounts receivable	414	-	-	-
Derivative financial instruments	145	117	805	531
Deferred tax assets	59	33	-	-
Deposits for purchase of vessels	-	6,846	-	-
<b>Total non-current assets</b>	<b>285,955</b>	<b>249,598</b>	<b>107,377</b>	<b>100,920</b>
<b>Current assets</b>				
Investments	4	27	-	-
Loans receivable	7,535	200	950	200
Loans to subsidiaries	-	-	18,227	12,207
Derivative financial instruments	-	-	371	440
Finance lease receivable	378	279	-	-
Accounts receivable	4,146	3,811	153	65
Amounts due from subsidiaries	-	-	443	1,691
Prepayments, deposits and other receivables	5,051	5,488	760	523
Tax recoverable	947	379	-	-
Assets held for sale	-	18,028	-	-
Deposits pledged as collateral	6,361	6,008	4,412	4,006
Cash and bank balances	32,311	30,334	7,265	8,051
<b>Total current assets</b>	<b>56,733</b>	<b>64,554</b>	<b>32,581</b>	<b>27,183</b>
<b>Total assets</b>	<b>342,688</b>	<b>314,152</b>	<b>139,958</b>	<b>128,103</b>

	Group		Company	
	30 September 2016 US\$'000	31 December 2015 US\$'000	30 September 2016 US\$'000	31 December 2015 US\$'000
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	75,167	75,167	75,167	75,167
Share premium	31,319	31,319	31,319	31,319
Retained earnings	28,084	30,811	5,082	4,789
Hedging reserve	(48)	(14)	-	(1)
Exchange reserve	3,572	875	-	-
Share based compensation reserve	179	32	179	32
Capital reserve	(117)	(117)	-	-
<b>Total equity attributable to owners of the parent</b>	<b>138,156</b>	<b>138,073</b>	<b>111,747</b>	<b>111,306</b>
Non-controlling interests	3,162	2,101	-	-
<b>Total equity</b>	<b>141,318</b>	<b>140,174</b>	<b>111,747</b>	<b>111,306</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	138,844	109,842	8,701	1,966
Due to Tokumei Kumiai investors	-	603	-	-
Deferred tax liabilities	940	1,236	-	-
Derivative financial instruments	854	414	805	531
Other payables	98	80	-	-
<b>Total non-current liabilities</b>	<b>140,736</b>	<b>112,175</b>	<b>9,506</b>	<b>2,497</b>
<b>Current liabilities</b>				
Borrowings	51,439	54,524	14,875	12,485
Due to Tokumei Kumiai investors	446	-	-	-
Accounts payable	2,770	2,784	-	5
Amounts due to subsidiaries	-	-	2,874	628
Other payables and accruals	4,769	3,657	584	741
Derivative financial instruments	372	484	372	441
Income tax payable	838	354	-	-
<b>Total current liabilities</b>	<b>60,634</b>	<b>61,803</b>	<b>18,705</b>	<b>14,300</b>
<b>Total liabilities</b>	<b>201,370</b>	<b>173,978</b>	<b>28,211</b>	<b>16,797</b>
<b>Total equity and liabilities</b>	<b>342,688</b>	<b>314,152</b>	<b>139,958</b>	<b>128,103</b>

**NOTES:**

The Group's non-current assets increased by 14.6% from \$249.6 million on 31 December 2015 to \$286.0 million on 30 September 2016. Investment Properties increased by \$8.1 million from \$8.6 million to \$16.7 million due mainly to increase in investments. Property, Plant and Equipment increased by \$36.3 million from \$171.7 million to \$208.0 million due to the (i) delivery of one vessel under Uni-Asia Shipping Limited ("Uni-Asia Shipping") group in 1Q2016, and (ii) the consolidation of the vessel under Joule Asset Management (Pte.) Limited ("Joule") following the acquisition of the remaining 50% shareholding interest in Joule on 31 March 2016 (see announcement dated 1 April 2016). On the other hand, with the delivery of the vessel under Uni-Asia Shipping group, the remaining Deposits for Purchase of Vessels were transferred to Property, Plant and Equipment, resulting in decline in Deposits for Purchase of Vessels from \$6.8 million to nil. A \$0.4 million non-current Accounts Receivable was on the books as at 30 September 2016 that is not present in the comparative due to certain charter income arrangements with charterers in 2016.

Current assets decreased from \$64.6 million on 31 December 2015 to \$56.7 million on 30 September 2016 due mainly to completion of transactions for “Assets held for sale”, offset by increase in Loan Receivables from investee companies from \$0.2 million to \$7.5 million mainly due to loans extended to investee companies as part of the Group’s investment in the third Hong Kong property project.

Total liabilities increased to \$201.4 million on 30 September 2016 from \$174.0 million on 31 December 2015 due mainly to increase in borrowings for property and ship related investments.

While current liabilities had decreased 1.9% from \$61.8 million on 31 December 2015 to \$60.6 million on 30 September 2016, current assets decreased 12.1% due mainly to completion of transactions for “Assets held for sale” under current assets. As a result, there is a negative working capital of \$3.9 million as at 30 September 2016.

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

	As at 30 September 2016		As at 31 December 2015	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	28,352	23,087	35,143	19,381
Amount repayable after one year	125,540	13,304	104,905	4,937
Total	153,892	36,391	140,048	24,318

**Details of any collaterals**

The Group’s borrowings are secured by means of:

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

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

	Note	9 Months ended 30 September	
		2016 US\$'000	2015 US\$'000
<b>Cash flows from operating activities</b>			
Profit before tax		1,153	3,198
Adjustments for:			
Investment returns		(1,371)	(2,344)
Amortisation and depreciation		8,226	7,009
Realisation of negative goodwill arising on acquisition of a subsidiary		(1,538)	-
Gain on disposal of property, plant and equipment		(1)	-
Provision for accounts receivable		(104)	(41)
Share based compensation		147	-
Net foreign exchange loss		680	555
Interest income		(546)	(482)
Finance costs – interest expense		3,733	2,787
Finance costs – others		247	213
Allocation to Tokumei Kumiai investors		(114)	740
Operating cash flows before changes in working capital		10,512	11,635
Changes in working capital:			
Net change in accounts receivable		(174)	(478)
Net change in prepayments, deposits and other receivables		878	(2,519)
Net change in accounts payable		(268)	130
Net change in other payables and accruals		452	(1,402)
Cash flows generated from operations		11,400	7,366
Interest received on bank balances		92	86
Tax paid		(853)	(49)
Net cash flows generated from operating activities	[A]	10,639	7,403
<b>Cash flows from investing activities</b>			
Purchase of investment properties		(7,592)	(7,652)
Purchase of investments		(9,333)	(5,968)
Proceeds from sale of investment properties		3,007	9,284
Proceeds from redemption/ sale of investments		14,233	5,793
Net cash inflow on acquisition of an investment subsidiary		1	-
Deconsolidation of consolidated entities		(1,016)	511
Investment in finance lease		241	(8,214)
Hotel lease deposit		(181)	-
Deposits for small residential projects		(272)	-
Deposits refunded for purchase of vessels		6,846	9,389
Purchase of property, plant and equipment		(25,832)	(86,679)
Proceeds from disposal of property, plant and equipment		15,840	-
Contribution of Tokumei Kumiai investor		475	-
Redemption of Tokumei Kumiai investors		(560)	(1,416)
Loans advanced		(11,980)	-
Loans repaid		3,300	1,732
Interest received from loans and finance lease		501	403
Net increase in deposits pledged as collateral		(406)	(2,464)
Proceeds from investments		285	1,782

	Note	9 Months ended 30 September	
		2016 US\$'000	2015 US\$'000
Settlement of derivative financial instruments		(1,721)	267
Proceeds from property rental		31	121
Net cash flows used in investing activities	[B]	(14,133)	(83,111)
<b>Cash flows from financing activities</b>			
New borrowings		44,222	103,877
Repayment of borrowings		(36,598)	(27,495)
Interests paid on borrowings		(3,618)	(2,519)
Other finance costs paid		(338)	(471)
Dividend paid		(2,185)	(2,218)
Payment to non-controlling interest		-	(31)
Net cash flows generated from financing activities	[C]	1,483	71,143
Net decrease in cash and cash equivalents		(2,011)	(4,565)
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the period		30,334	36,321
Net decrease in cash and cash equivalents		(2,011)	(4,565)
Effects of foreign exchange rate changes, net		3,988	(80)
Cash and cash equivalents at end of the period		32,311	31,676

**NOTES:**

The Group's cash and cash equivalents decreased by \$2.0 million in 9M2016 due mainly to the followings:

- [A] Cash flows generated from operating activities amounted to \$10.6 million for 9M2016 compared to \$7.4 million in 9M2015. This is mainly due to increase in ships generating charter income which contributed to increase in operating cash flow.
- [B] Cash flows used in investing activities were \$14.1 million for 9M2016 due mainly to payment for delivery and acquisition of vessels as well as investments in small residential property projects (under Purchase of Investment Properties and Purchase of Investments). Payment for investments were partially offset by proceeds from investments.
- [C] Cash flows generated from financing activities were \$1.5 million in 9M2016 due mainly to new borrowings in 9M2016 to finance investment acquisitions offset by scheduled borrowings repayments. Dividend for FY2015 approved in AGM was paid in 2Q2016.

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

<b>Group</b>	<b>Share capital US\$'000</b>	<b>Share premium US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Hedging reserve US\$'000</b>	<b>Exchange reserve US\$'000</b>	<b>Share based compensation reserve US\$'000</b>	<b>Capital reserve US\$'000</b>	<b>Total equity attributable to owners of the parent US\$'000</b>	<b>Non-controlling interests US\$'000</b>	<b>Total equity US\$'000</b>
At 1 January 2015	75,167	31,319	30,333	8	699	-	(117)	137,409	1,003	138,412
Profit/ (loss) for the period	-	-	2,691	-	-	-	-	2,691	350	3,041
Other comprehensive (expense)/ income	-	-	-	(178)	335	-	-	157	(2)	155
Total comprehensive income/ (expense)	-	-	2,691	(178)	335	-	-	2,848	348	3,196
Dividend in respect of 2014	-	-	(2,218)	-	-	-	-	(2,218)	-	(2,218)
Capital reserve	-	-	-	-	-	-	-	-	310	310
Payment to non-controlling interest	-	-	-	-	-	-	-	-	(31)	(31)
At 30 September 2015	75,167	31,319	30,806	(170)	1,034	-	(117)	138,039	1,630	139,669
At 1 January 2016	75,167	31,319	30,811	(14)	875	32	(117)	138,073	2,101	140,174
Profit for the period	-	-	(542)	-	-	-	-	(542)	1,035	493
Other comprehensive (expense)/ income	-	-	-	(34)	2,697	-	-	2,663	26	2,689
Total comprehensive (expense)/ income	-	-	(542)	(34)	2,697	-	-	2,121	1,061	3,182
Dividend in respect of 2015	-	-	(2,185)	-	-	-	-	(2,185)	-	(2,185)
Accrual of share based compensation	-	-	-	-	-	147	-	147	-	147
At 30 September 2016	75,167	31,319	28,084	(48)	3,572	179	(117)	138,156	3,162	141,318

<b>Company</b>	<b>Share capital US\$'000</b>	<b>Share premium US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Hedging reserve US\$'000</b>	<b>Share based compensation reserve US\$'000</b>	<b>Total equity US\$'000</b>
At 1 January 2015	75,167	31,319	4,567	(16)	-	111,037
Profit for the period	-	-	169	-	-	169
Other comprehensive income	-	-	-	11	-	11
Total comprehensive income	-	-	169	11	-	180
Dividend in respect of 2014	-	-	(2,218)	-	-	(2,218)
At 30 September 2015	75,167	31,319	2,518	(5)	-	108,999
At 1 January 2016	75,167	31,319	4,789	(1)	32	111,306
Profit for the period	-	-	2,478	-	-	2,478
Other comprehensive income	-	-	-	1	-	1
Total comprehensive income	-	-	2,478	1	-	2,479
Dividend in respect of 2015	-	-	(2,185)	-	-	(2,185)
Accrual of share based compensation	-	-	-	-	147	147
At 30 September 2016	75,167	31,319	5,082	-	179	111,747



- 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.**

During the period ended 30 September 2016, there was no change in share capital.

The Company did not have any convertibles or treasury shares as at 30 September 2016, 31 December 2015 and 30 June 2015.

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

	<b>As at 30 September 2016</b>	<b>As at 31 December 2015</b>
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 2015.

- 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 2015. The adoptions of the new or revised IFRSs that are effective for the annual period beginning 1 January 2016 do not have a significant impact on the Group's results of operations and financial position.

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

	3 <sup>rd</sup> Quarter		9 Months ended 30 September	
	2016	2015	2016	2015
(Loss)/ profit attributable to owners of the parent (US\$'000)	(777)	(1,304)	(542)	2,691
Weighted average number of ordinary shares in issue ('000)	46,979	46,979	46,979	46,979
(Loss)/ earnings per share (US cents per share) - basic and diluted	(1.65)	(2.78)	(1.15)	5.73

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

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

	30 September 2016	31 December 2015
Net asset value per ordinary share based on issued share capital at the end of (in US\$)	3.01	2.98

- 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 \$64.5 million for 9M2016, a 15% increase from 9M2015. 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 12% to \$25.2 million in 9M2016 from \$22.5 million in 9M2015. There were 9 vessels in Uni-Asia Shipping's portfolio compared to 8 for 9M2015. Further, a dry bulk carrier acquired by the Group in end March 2016 also contributed to the increase in charter income. The increase is in line with the Group's strategy to build up recurring charter income.

(ii) Fee Income

Breakdown of Fee Income:	3 <sup>rd</sup> Quarter ("3Q")			9 Months ended 30 September ("9M")		
	2016 US\$'000	2015 US\$'000	% Change	2016 US\$'000	2015 US\$'000	% Change
Asset management & administration fee	540	637	(15%)	1,726	1,909	(10%)
Arrangement and agency fee	625	872	(28%)	2,222	2,848	(22%)
Brokerage commission	111	119	(7%)	310	567	(45%)
Incentive fee	554	3	N/M	818	97	N/M
	1,830	1,631	12%	5,076	5,421	(6%)

Total fee income decreased by 6% from \$5.4 million in 9M2015 to \$5.1 million in 9M2016.

Fewer ad hoc arrangement and brokerage transactions in 9M2016 resulted in lower arrangement and agency fees as well as brokerage commission fee.

In 3Q2016, the Group earned incentive fee of \$0.5 million from joint investment small residential property projects upon disposal of the investments and exceeding investment targets. Incentive fee income was \$0.8 million in 9M2016.

(iii) Hotel Income

Hotel Income increased by 23% to \$30.4 million in 9M2016 from \$24.7million in 9M2015 due mainly to an improvement in average daily rates with occupancy rates remaining strong. There was also a new hotel under operations from 2Q2016.

(iv) Investment Returns

Breakdown of Investment Returns:	3 <sup>rd</sup> Quarter ("3Q")			9 Months ended 30 September ("9M")		
	2016 US\$'000	2015 US\$'000	% Change	2016 US\$'000	2015 US\$'000	% Change
Interest on bond	-	-	N/M	-	2	(100%)
Realised gain on investment properties	412	(13)	N/M	822	3,354	(75%)
Realised gain/ (loss) on investments						
- shipping	72	147	(51%)	164	330	(50%)
- hotel and residential	(16)	815	(102%)	(16)	1,577	(102%)
- small residential property developments	2,898	-	N/M	3,742	525	N/M
- distressed debt	-	55	(100%)	122	900	(86%)
- listed shares	-	-	N/M	-	478	(100%)
Property rental income	67	(1)	N/M	67	121	(45%)
Fair value adjustment on investment properties	(460)	56	N/M	(832)	(1,282)	(35%)
Fair value adjustment on investments						
- shipping	(1,378)	(1,608)	(14%)	(4,698)	(3,018)	56%
- commercial office building	1	-	N/M	2,709	-	N/M
- hotel and residential	7	(831)	(101%)	25	591	(96%)
- small residential property developments	(2,145)	(67)	N/M	1,245	(220)	N/M
- listed shares	(1)	(7)	(86%)	(10)	(396)	(97%)
Net (loss)/ gain on derivative financial instruments	311	(471)	(166%)	(1,969)	(618)	219%
	(232)	(1,925)	(88%)	1,371	2,344	(42%)

Investment returns for 9M2016 was \$1.4 million with net investment loss of \$0.2 million for 3Q2016.

In 3Q2016, 2 units of the office investment properties in Guangzhou, China were disposed, resulting in a realised gain on investment properties of \$0.41 million and a corresponding reversal of fair value gain on investment properties previously recognised of \$0.46 million.

For small residential property development projects, \$2.9 million realised gain were recognised in 3Q2016 with a corresponding \$2.1 million reversal of fair value gain previously recognised.

Fair value losses of \$1.4 million were recognised for shipping investments in 3Q2016 due to the continued weak shipping market.

### **Total Operating Expenses**

Total operating expenses for the Group increased 21% from \$49.1 million in 9M2015 to \$59.4 million in 9M2016. Amortisation and Depreciation, and Vessel Operating Expenses increased due to new vessels delivered/acquired. Hotel Lease Expenses and Hotel Operating Expenses increased due to increase in expenses corresponding with an increase in hotel income as well as increase in hotels under operations.

### **Operating Profit**

The Group posted an operating profit of \$5.0 million for 9M2016, a 28% decrease from 9M2015.

### **Finance Costs**

Finance costs (interest expense and others) increased by 32.7% in 9M2016 compared to 9M2015 due to increased borrowings to finance new investments.

### **Net Profit After Tax**

The Group posted a net profit of \$0.5 million for 9M2016 compared to a net profit of \$3.0 million for 9M2015.

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

Not applicable. The Group has not provided a forecast.

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

The current uncertainties in the global economy have presented many challenges to various business sectors, especially to the shipping sector. The depressed shipping market has continued to affect the Group's financial performance and such market conditions are expected to persist into 4Q2016 and possibly FY2017. The Group will continue its focus on pursuing its long term strategy of utilising its expertise of a diversified business model which includes property investment and hotel operations, as well as cautious capital management, to ensure a steady and sustainable development of its businesses.

**11 Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?**

No.

**(b) Corresponding period of the Immediately Preceding Financial Year**

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

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared/ recommended by the Directors for the third quarter ended 30 September 2016.

**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.**

Pursuant to Rule 907 of the SGX-ST Listing Manual and the new IPT General Mandate procured from the shareholders of the Company on 29 April 2016, the following interested person transactions had been entered into from 29 April 2016 to 30 September 2016:

<b>Name of Interested Person</b>	<b>Aggregate value of all interested person transactions conducted under the Shareholders' Mandate (excluding transactions less than S\$100,000) pursuant to Rule 920</b> <b>US\$'000</b>
Yamasa Co., Ltd (and its associates)	420

**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 November 2016

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter ended 30 September 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors



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Michio Tanamoto  
Chairman and CEO



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Masaki Fukumori  
COO

Date: 14 November 2016