UNI-ASIA GROUP LIMITED

Registration No. 201701284Z
Incorporated in the Republic of Singapore

ANNUAL REPORT 2017

UNLOCKING A PROSPEROUS FUTURE

MISSION STATEMENT

We aim to be a truly trusted partner for our clients as a *producer of alternative investment opportunities* and *an integrated service provider relating to alternative investments* so as to deliver value to the Group's shareholders, clients and employees. To achieve this vision, we strive to improve the quality of our services to our clients, develop innovative new products to expand our clients' base for further growth, and strengthen our investment portfolio so as to generate recurrent returns.

PRODUCER OF ALTERNATIVE INVESTMENT OPPORTUNITIES

We produce and offer alternative investment opportunities for assets such as vessels and properties to our clients.

AN INTEGRATED SERVICE PROVIDER RELATING TO ALTERNATIVE INVESTMENTS

We provide integrated services relating to alternative asset investments including, but not limited to:

1. asset/ investment management;
2. finance arrangement;
3. sale and purchase brokerage of ships and properties;
4. ship chartering as a ship owner;
5. ship chartering brokerage;
6. ship technical management;
7. project management;
8. property development/ construction management;
9. property management and leasing arrangements; and
10. hotel operation.

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Business Model

1

Acquire assets at competitive prices.

Provide to clients solutions relating to alternative assets including ship and property finance arrangement, sale and purchase arrangement.

2

Manage and/or operate assets to enhance asset value and recurrent income.

3

Capital returns.

Recurrent income including charter income, hotel income, administration fee income.

Ad hoc fee including finance arrangement fee.

Chairman's Message

THE GROUP ACHIEVED A PROFIT OF US$8.9 MILLION FOR FY2017. WE HOPE THAT WITH GOOD PROFITS, AND EASE OF ACCESS TO OUR CORPORATE INFORMATION, MORE INVESTORS WOULD BE ATTRACTED TO COME ON BOARD TO SHARE UNI-ASIA'S SUCCESS AS WE UNLOCK OUR PROSPEROUS FUTURE.

Mr Michio Tanamoto
Chairman and CEO

DEAR VALUED SHAREHOLDERS,

On behalf of the Board and management, I am pleased to present to you the annual report of Uni-Asia Group Limited and its subsidiaries (the "Group" or "Uni-Asia") for the financial year ended 31 December 2017 ("FY2017").

For FY2017, I am delighted to report that the Group made a strong recovery and recorded a profit of US$8.9 million following the loss suffered by the Group in 2016. In view of the good performance, it gives me great pleasure to announce that the Board has proposed an ordinary dividend of 6.25 Singapore cents per share, an increase of 3.25 Singapore cents per share from FY2016's 3.00 Singapore cents per share.

All our business segments performed well in FY2017. Let me start with our shipping business. The dry bulk market had improved in 2017. The average spot rate for our dry bulk ships under spot charter was higher in 2017 compared to 2016. As a result, Uni-Asia Shipping, the Group's primary dry bulk carrier owning subsidiary, recorded a profit of US$4.7 million. In 2017, the Group acquired a 29,256 DWT second hand bulk carrier from the Group's 45% owned entity, reflecting the Group's confidence in the dry bulk market. Following this acquisition, the Group's shipping portfolio of 24 ships includes 9 handysize dry bulk carriers under Uni-Asia Shipping, 2 wholly owned dry bulk carrier, 1 wholly owned containership, and 12 ships under joint-investments including 1 product tanker, 3 containerships and 8 dry bulk carriers. Our ship portfolio continues to be a reliable source of charter income contributing to the Group's income and cash flow base.

Complementing our ship owning business is our ship management team who worked tirelessly to ensure our ships operate in the most cost effective manner. On our ship-related services, our structured finance arrangement team managed to close new deals with

NET PROFIT AFTER TAX:

US$8.9M

DIVIDEND PER SHARE:

S$0.0625

new and existing clients in 2017, raking in US$4.2 million of ship finance arrangement fee. After expenses and fair valuation adjustments, our shipping business contributed US$3.4 million to the Group's profit.

Next, I would like to touch on our property business. The Group's second Hong Kong property investment at 650 Cheung Sha Wan Road had been completed, with the relevant permits to be obtained in early 2018. The pre-sale in 2017 had been very satisfactory, and the realisation of proceeds is expected in 2018. In FY2017, the Group recognised additional fair valuation gain of US$7.6 million from this second Hong Kong property project. Meanwhile, the Group's third Hong Kong property project at 83 Tai Lin Pai Road in Kwai Hing, New Territories in Hong Kong is progressing well and is scheduled to be completed in 2019. The Group has identified the fourth Hong Kong property project for investment. This will ensure continuity of such property investment business.

In Japan, the Group's investment and construction management of small residential property projects had been consistent in generating good returns for the Group. Our expertise in this niche sector had attracted several potential investors, both within and outside of Japan, thereby raising the Group's profile. At the same time, we are also looking for various suitable new opportunities to expand our property asset management business in Japan, so as to expand the Group's income base and expertise. In FY2017, our property business in Japan contributed US$5.1 million to the Group's bottom line.

For our hotel operating business, occupancy and daily room rate were good in FY2017. The Group opened two new hotels in 2017 – Hotel Vista Premio Yokohama

Chairman's Message

Minato-Mirai in June and Hotel Vista Nagoya Nishiki in September, while one existing hotel contract for Hotel Vista Premio Dojima ended in July. The Group will be adding 5 hotels to the Group's hotel operating portfolio in 2018. These include Hotel Vista Kanazawa, Hotel Vista Premio Tokyo Akasaka, Hotel Vista Premio Kyoto Nagomitei, Hotel Vista Hiroshima, and Hotel Vista Sapporo Odori. Next year in 2019, the Group will be adding 2 (or more) hotels to the portfolio. With these new additions, the number of hotel rooms operated by the Group would exceed the Group's mid-term target of 3,000 rooms under operation, and the Group's "Hotel Vista" brand name can be found in most major cities in Japan. The Group's hotel operating business contributed US$0.4 million profit to the Group, notwithstanding the two new hotels' opening expenses booked in FY2017.

On the corporate front, the Group completed a scheme of arrangement in June 2017 where a new Singapore incorporated company, Uni-Asia Group Limited completed a share-swap with the shareholders of Uni-Asia Holdings Limited, following which, Uni-Asia Group Limited was listed and quoted on the Main Board of the Singapore Exchange Securities Trading Limited ("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. The resultant of this scheme of arrangement is that the listed entity of the Group is now a Singapore-incorporated company rather than a Cayman Islands-incorporated company. We believe this would give investors greater confidence in the Group, thereby increasing liquidity of the company's shares. Moreover, this restructuring can provide more options for the Group to streamline the various business segments further in the future for more effective and efficient management of the various business segments' returns.

Following this restructuring, the Group's corporate website had also been revamped. The Group's revamped website had been aesthetically re-designed to improve user friendliness and appeal. These corporate efforts, together with the hard work put in by the Group to increase the Group's bottom line, are attestation of Uni-Asia's commitment in improving investors' returns. We hope that with good profits, a corporate profile which gives investors greater confidence, and ease of access to corporate information, more investors would be attracted to come on board to share Uni-Asia's success as we unlock our prosperous future.

While we seek new investors to join us in our journey, we cannot forget all the stakeholders who had been with us through thick and thin. I would like to thank Uni-Asia's Board of Directors, management and employees for the hard work, dedication and commitment, as well as our clients, business partners, bankers and our shareholders for the continued faith and support. Let us work together to enjoy the fruits of Uni-Asia's success for many more years to come.

Michio Tanamoto
Chairman and CEO
Uni-Asia Group Limited

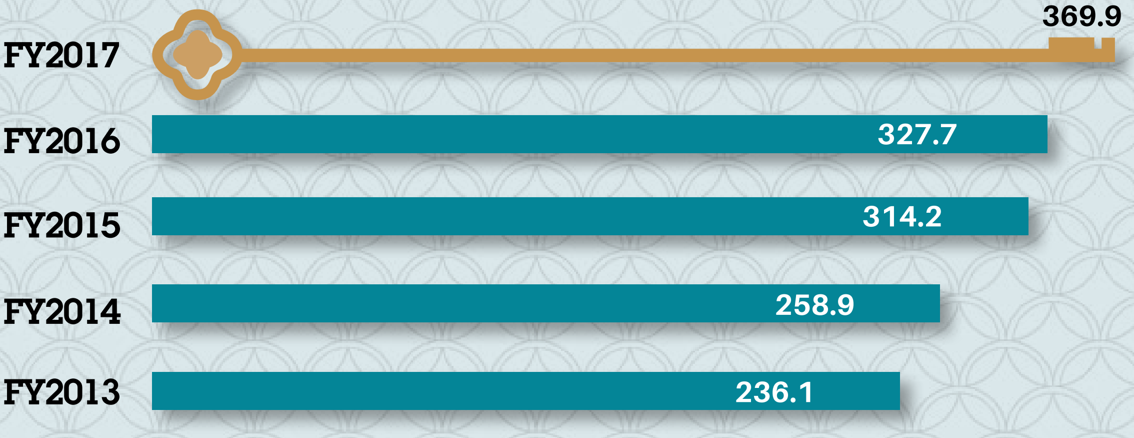
Group
Financial Highlights

SHARE CAPITAL INFORMATION

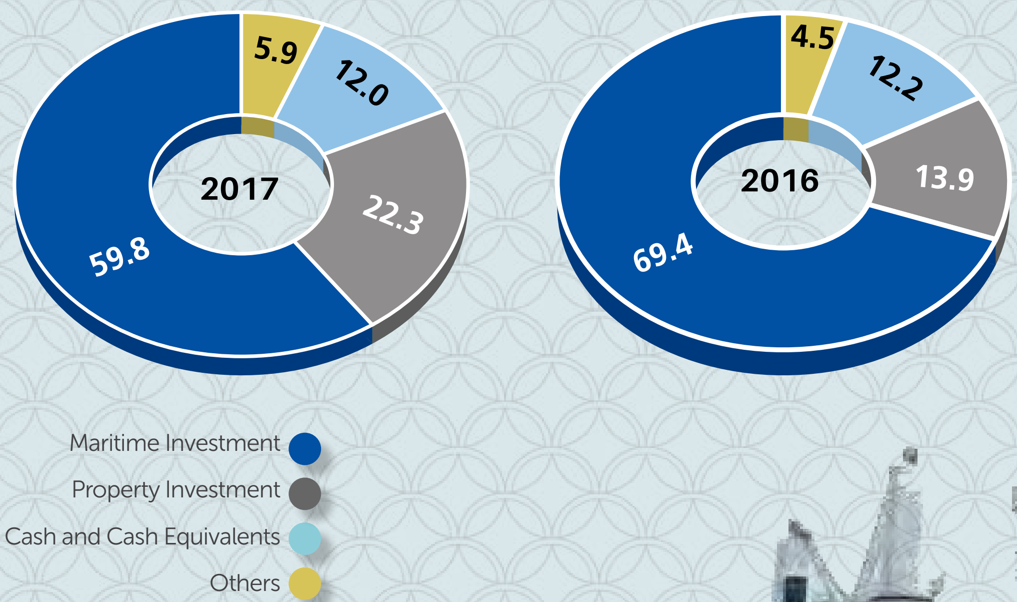
46,979,280 ordinary shares
SGX Stock Code: CHJ
Bloomberg Stock Code: UAG:SP

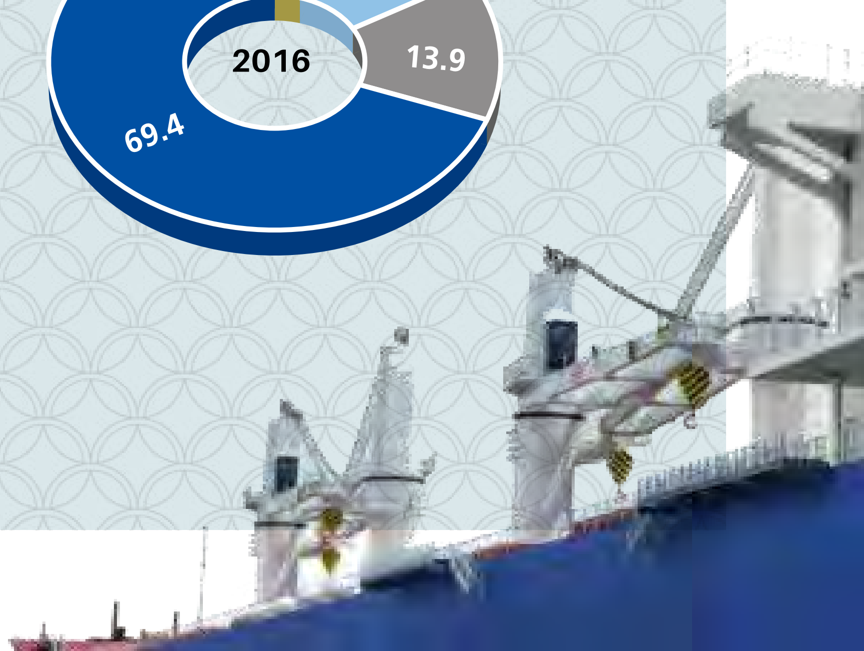
TOTAL ASSETS

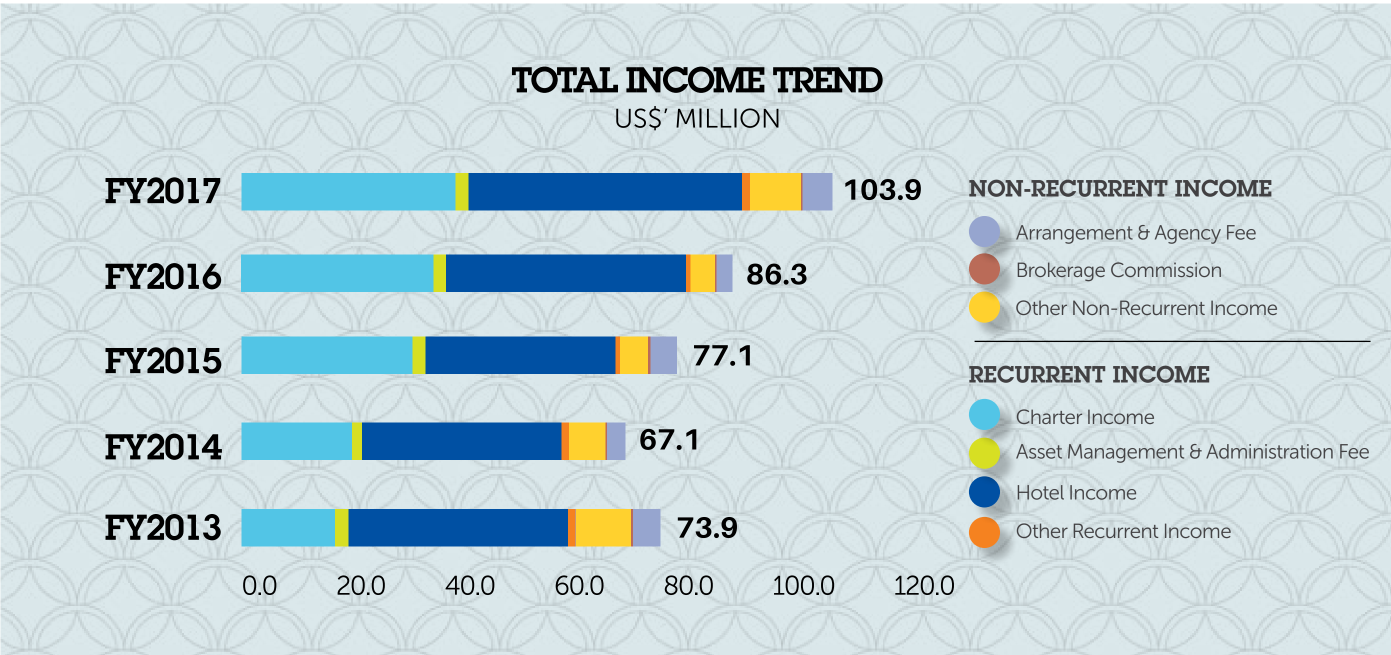
US$' MILLION

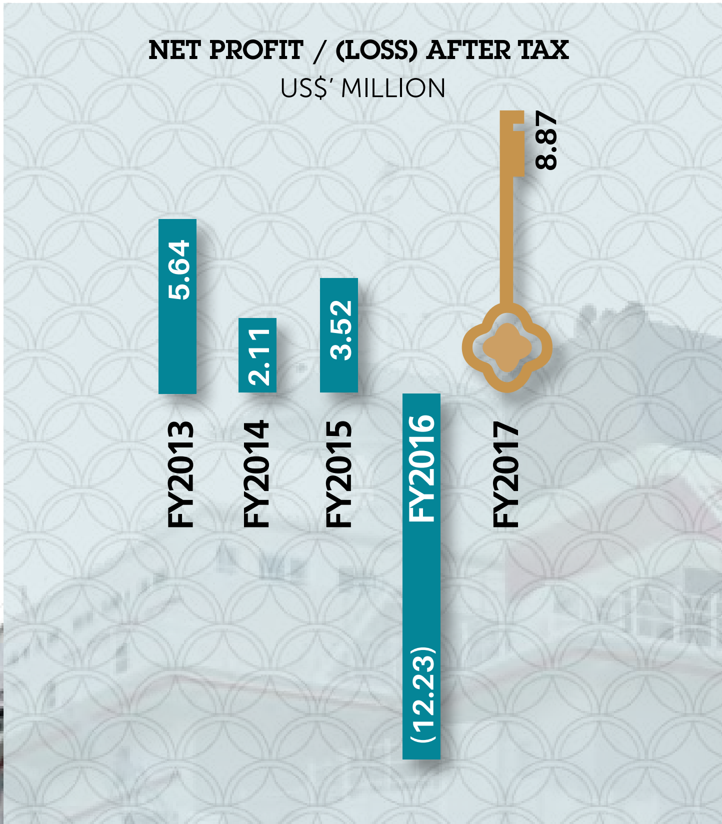


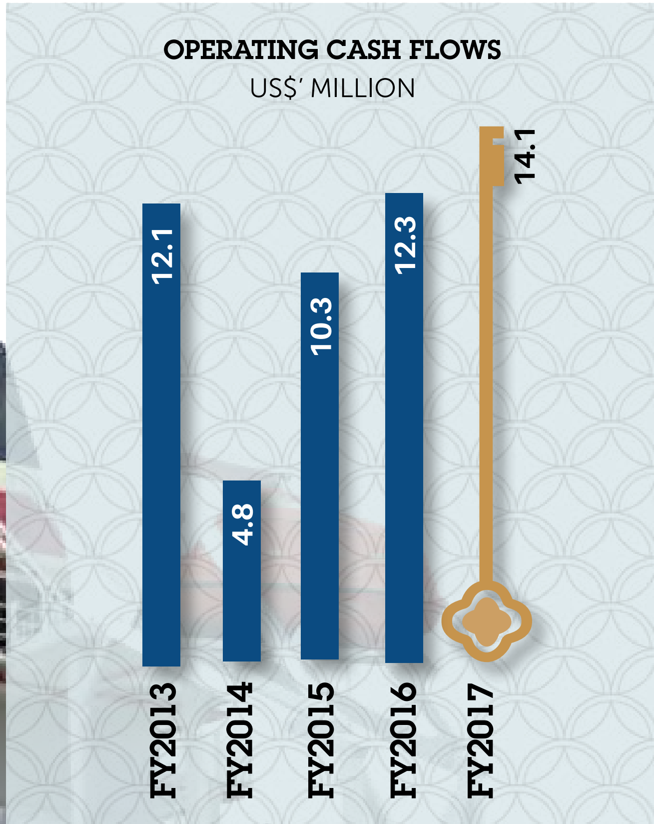
TOTAL ASSETS ALLOCATION (%)

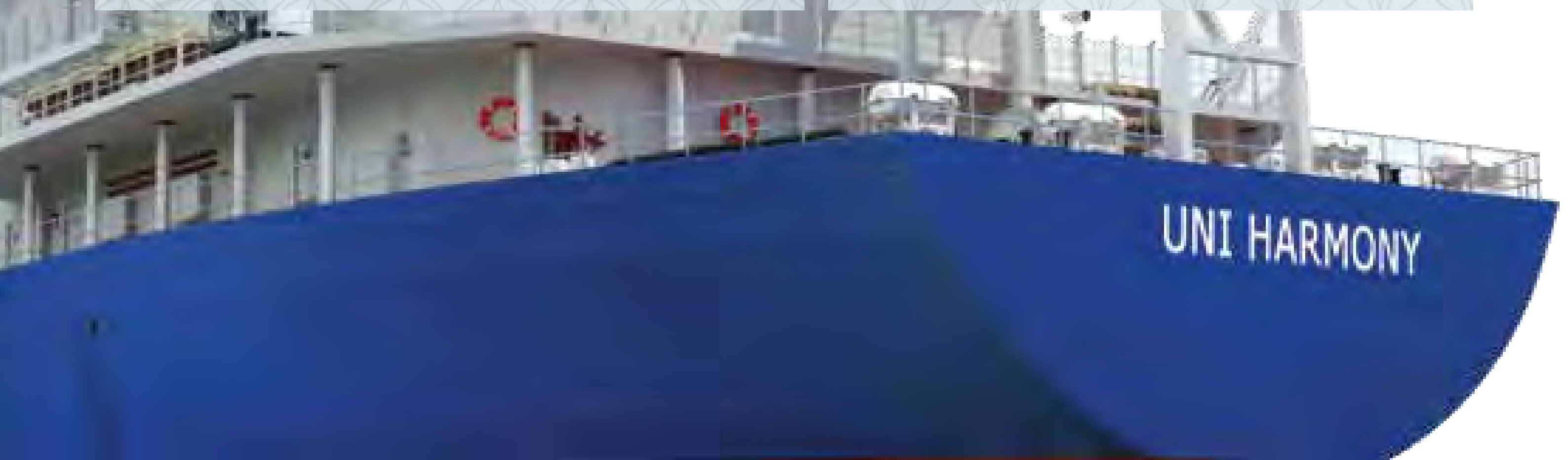





TOTAL INCOME TREND
US$' MILLION
FY2017 103.9
FY2016 86.3
FY2015 77.1
FY2014 67.1
FY2013 73.9
0.0 20.0 40.0 60.0 80.0 100.0 120.0
NON-RECURRENT INCOME
Arrangement & Agency Fee
Brokerage Commission
Other Non-Recurrent Income
RECURRENT INCOME
Charter Income
Asset Management & Administration Fee
Hotel Income
Other Recurrent Income


NET PROFIT / (LOSS) AFTER TAX
US$' MILLION
FY2013 5.64
FY2014 2.11
FY2015 3.52
FY2016 (12.23)
FY2017 8.87


OPERATING CASH FLOWS
US$' MILLION
FY2013 12.1
FY2014 4.8
FY2015 10.3
FY2016 12.3
FY2017 14.1


UNI HARMONY

Group Financial Review

1. GROUP FINANCIAL PERFORMANCE

Selected Data	FY2017 US$'000	FY2016 US$'000	Change %
Charter income	37,828	34,252	10%
Fee income	7,850	5,824	35%
Hotel income	48,097	41,973	15%
Investment returns	8,451	2,134	296%
Interest and other income	1,648	2,115	(22%)
Total income	103,874	86,298	20%
Total operating expenses	(88,486)	(92,588)	(4%)
Operating profit/ (loss)	15,388	(6,290)	N/M
Profit/ (loss) before tax	9,160	(11,480)	N/M
Income tax expense	(294)	(748)	(61%)
Profit/ (loss) for the year	8,866	(12,228)	N/M

Total Income

Total income of the Group was $103.9 million for FY2017, a 20% increase from FY2016. Changes in major components of total income, including charter income, fee income, hotel income and investment returns are explained below.

1. Charter Income

Charter income increased by 10% from $34.3 million in FY2016 to $37.8 million in FY2017. FY2017's spot charter rates were better than that of FY2016 resulting in better charter income for the Group's portfolio of ships under short term charter. Furthermore, the Group's portfolio of ships recorded more charter-hire days for FY2017 compared to FY2016 due to an addition to the ship portfolio in FY2017.

2. Fee Income

Total fee income increased by 35% to $7.9 million in FY2017 from $5.8 million in FY2016. Arrangement deals closed in 4Q2017 increased arrangement and agency fee income to $5.0 million for FY2017, a 112% increase compared to $2.4 million in FY2016.

3. Hotel Income

The Group started operating 232-room Hotel Vista Premio Yokohama Minato-Mirai from 30 June 2017 and 143-room Hotel Vista Nagoya Nishiki from 1 September 2017. On the other hand, the hotel operating contract for 141-room Hotel Vista Premio Dojima in Osaka ended on 31 July 2017. Although average occupancy rates and average daily rates remained at around the same level as FY2016, with more rooms under operations, hotel income increased by 15% from $42.0 million in FY2016 to $48.1 million in FY2017.

4. Investment Returns

Investment returns for FY2017 was $8.5 million, a 296% increase from FY2016. This was mainly due to:

a. realised gain on investment properties of $4.35 million;
b. fair value gain from investment properties of $1.2 million; and
c. net fair value gain from the Group's Hong Kong property projects (commercial office building) of $6.8 million;

offset by additional net fair valuation loss of $6.2 million booked mainly for tanker and containership investments.

Total Operating Expenses

While the Group's total income increased by 20%, the Group's total operating expenses decreased by 4% from $92.6 million in FY2016 to $88.5 million in FY2017. Employee benefits expenses, hotel lease expenses and hotel operating expenses increased in line with the increase in the number of hotels under operations.

Impairment booked in FY2016 resulted in lower depreciation expense for FY2017, while onerous contract provisions taken by the Group in FY2016 lowered vessel operating expenses for FY2017.

Operating Profit

Operating profit of the Group was $15.4 million for FY2017 compared to an operating loss of $6.3 million for FY2016.

Net Profit After Tax

The Group posted a net profit after tax of $8.9 million for FY2017, as compared to a loss of $12.2 million in FY2016.

2. CASH FLOWS

Selected Data	FY2017 US$'000	FY2016 US$'000
Net cash flows generated from operating activities	14,096	12,331
Net cash flows used in investing activities	(8,485)	(10,486)
Net cash flows (used in)/ generated from financing activities	(746)	5,152
Net increase in cash and cash equivalents	4,865	6,997
Net effects of foreign exchange rate changes	139	(1,779)
Cash and cash equivalents at beginning of the year	35,552	30,334
Cash and cash equivalents at end of the year	40,556	35,552

The Group's cash and cash equivalents increased by $5.0 million in FY2017 mainly due to the followings:

1. Cash flows generated from operating activities amounted to $14.1 million for FY2017, mainly due to contribution from ship charter income and arrangement fees earned.

2. Cash flows used in investing activities were $8.5 million for FY2017 mainly due to outflows from:

   i. purchase/additional funding of investment properties of $9.5 million;
   ii. purchase/additional funding of investments of $8.8 million;
   iii. payment of new hotel lease deposit of $1.4 million;
   iv. payment for second-hand vessel and dry-docking expenses capitalised under property, plant and equipment of $16.1 million;
   v. redemption of Tokumei Kumiai investors of $1.9 million; and
   vi. a loan extended to an investee company of $5.6 million;

   offset by inflows from:

   i. proceeds from sale of investment properties of $14.6 million;
   ii. proceeds from redemption/sale of investments of $5.7 million
   iii. contribution from Tokumei Kumiai investors of $2.6 million; and
   iv. a loan repaid from an investee company of $8.0 million.

3. Cash flows used in financing activities were $0.7 million in FY2017 mainly due to scheduled repayments of borrowings offset by new borrowings and refinancing of existing borrowings in FY2017. Dividend for FY2016 approved in AGM was paid in 2Q2017.

The Group's cash had increased for two consecutive years.

Corporate Milestones

2017

- The Group celebrated its 20th year of founding.
- The Group completed a scheme of arrangement in June where a new Singapore-incorporated company, Uni-Asia Group Limited completed a share-swap with the shareholders of Uni-Asia Holdings Limited, following which, Uni-Asia Group Limited was listed and quoted on the Main Board of the Singapore Exchange Securities Trading Limited ("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. The resultant of this scheme of arrangement is that the listed entity of the Group is now a Singapore-incorporated company rather than a Cayman Islands-incorporated company.
- The Group added two new hotels to its hotel operating portfolio - Hotel Vista Premio Yokohama Minato-Mirai with 232 rooms opened on 30 June 2017 while Hotel Vista Nagoya Nishiki with 143 rooms opened on 1 September 2017.
- In November, the Group acquired a 29,256 DWT second hand dry bulk carrier from its joint-investment company, Glory Bulkship S.A.
- The Group launched its revamped aesthetically re-designed corporate website which aims to improve user friendliness and appeal.

2016

- Took delivery of the 9th vessel owned by Uni-Asia Shipping in January.
- In March, the Group acquired the remaining 50% of Joule Asset Management (Pte.) Limited from the Group's co-investor, increasing the Group's shareholding in Joule to 100%. Joule owns a 29,000 DWT dry bulk carrier built in 2012.
- 238 rooms Hotel Vista Sendai, the 10th hotel operated by the Group, opened on 27 April 2016.
- In July, the Group invested in its third Hong Kong property redevelopment project at 83 Tai Lin Pai Road in Kwai Hing, New Territories in Hong Kong. The land is being developed into a commercial office building to be completed by 2019.
- In September, the Group jointly invested in an Alero project with Singapore based CPG Investments Pte Ltd, an attestation to the quality of Alero investments.
- In December, the Group made an investment of JPY65 million (around US$0.6 million) in a hostel business project, where a building was rented in Nihonbashi-Yokoyamacho, converted into a hostel and sub-leased to a hostel operator. This is a new business area which will widen the Group's property expertise.

2015

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

2014

- Placed order for a 51% owned handysize bulker. Ships owned by Uni-Asia Shipping increased to 9 and ship portfolio under Uni-Asia Shipping including ships under commercial management increased to 12.
- Took delivery of the 6th vessel owned by Uni-Asia Shipping in July.
- The Group invested in its second Hong Kong property redevelopment project at 650 Cheung Sha Wan Road. The land is being developed into a commercial office building to be completed by 2017.
- Sold 5 of the 14 office units in China Shine Plaza in Guangzhou, China.
- Business office in Hong Kong moved to 30/F., Prosperity Millennia Plaza, No. 663 King's Road, North Point, Hong Kong.

2013

- Company name was changed from Uni-Asia Finance Corporation to "**Uni-Asia Holdings Limited**" to better reflect the business of the Company.
- Established Uni Ships and Management (Taiwan) Limited in Taiwan.
- Acquired 51% stake in Wealth Ocean Ship Management Shanghai Co., Ltd, a ship management company to boost the Group's ship management capability.

2012

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

2011

- Restructured the Company's shareholding structure in Japan subsidiaries with wholly owned subsidiary Uni-Asia Hotels Limited ("Uni-Asia Hotels") acquiring the shares of the three hotel operating companies from Capital Advisers. Uni-Asia Hotels is now the main subsidiary group of the Company focusing on hotel operating business.
- Issued 156,597,600 new shares by way of Rights Issue. Paid-up capital was increased from US$50,111,232 comprising 313,195,200 shares to US$75,166,848 comprising 469,792,800 shares.
- Increased equity interest in Capital Advisers to 99.5%.

2010

- Increased equity interest in Capital Advisers to 96.9%.
- Uni-Asia Shipping Limited was established as a wholly owned subsidiary of the Company to invest wholly or hold a majority stake in ships.

2009

- Issued 52,199,200 new shares via private placement. Paid-up capital was increased from US$41,759,360 comprising 260,996,000 shares to US$50,111,232 comprising 313,195,200 shares.

2008

- Increased equity interest in Capital Advisers to 92.7%.
- Increased equity interest in Uni Ships and Management Limited to 100%.

2007

- Successfully listed on the Main Board of SGX-ST.
- Acquired 14 office units in China Shine Plaza located in Guangzhou, China.
- Launched Akebono Fund.

2005

- Capital Advisers acquired Sun Vista Co., Ltd, a hotel operating company from an unrelated third party. This is the beginning of the Group's venture into hotel operating business.
- Launched container vessel fund which focus on investment of container vessels.

2004

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

2003

- Capital Advisers issued new shares to third parties. Our equity interest in Capital Advisers was reduced to 44.8%.

2000

- Capital Advisers Co., Ltd. ("Capital Advisers") was established as a wholly owned subsidiary of the Company in Japan for property investment and management.

1998

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

1997

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

UNI-ASIA BUSINESS

SHIPPING • PROPERTY & HOTELS


HOTEL VISTA

Business Segments

SHIPPING
(and related Financial Services)

- **Uni-Asia Shipping**
  - Ship Owning and Chartering
- **Maritime Asset Management**
  - Investment/ Asset Management of Ships
  - Finance Arrangement
- **Maritime Services**
  - Commercial/ Technical Management of Ships
  - Ship Related Brokerage Services

PROPERTY AND HOTELS
(and related Financial Services)

- **Property Investment (ex Japan)**
  - Investment/ Asset Management of Properties ex-Japan
- **Property Investment (in Japan)**
  - Investment/ Asset Management of Properties in Japan
- **Vista Hotel Management**
  - Hotel Operation in Japan

HEADQUARTERS

- **Headquarters' Shared Corporate Services**

Income Structure

Classification of Income per Income Statement	Sub-Classification of Income	Business Segments: Shipping (and related Financial Services)	Business Segments: Property and Hotels (and related Financial Services)
Charter Income		Chartering of vessels to third parties	
Fee Income	Asset Management & Administration Fee	Asset management and administration of investment fund / investment companies Commercial / Technical management	Asset management and administration of investment fund / investment companies
	Arrangement & Agency Fee	Finance arrangement / Agency work / Arrangement of acquisition and disposal	Finance arrangement / Agency work / Arrangement of acquisition and disposal
	Brokerage Commission	Brokerage of vessel charter	
	Incentive Fee	Fees for meeting investment target	Fees for meeting investment target
Hotel Income			Management of hotel operations
Investment Returns	Realised Gain/ (Loss)	Realised gain and loss on investments / financial instruments	Realised gain and loss on investments / financial instruments
	Fair Value Adjustment	Fair value adjustments on investments / financial instruments	Fair value adjustments on investments / financial instruments
	Property Rental	Rental from investment properties	Rental from investment properties / hotels
Interest Income		Bank deposit interest / Interest from bridge or shareholders' loan	Bank deposit interest and finance lease interest

Shipping Business

Shipping Business
(and related Financial Services)

The business strategy employed by the Group towards shipping is to offer a one-stop integrated ship-related service solution for clients. Ship investors can approach us for ship investments; ship operators can look for us for ship chartering and management; and ship owners can contact us for ship finance arrangement solutions. The Group's shipping business segment is sub-dividend into the following three sub-business segments, namely "Uni-Asia Shipping", "Maritime Asset Management" and "Maritime Services". Each of these sub-business segments has its own dedicated team and areas of responsibilities yet work closely with each other to derive the greatest value from the Group's shipping business. The following are the services we offer:

1 Uni-Asia Shipping

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

2 Maritime Asset Management

- Investment/asset management of ships under joint investment companies and shipping fund
- Management and administration of joint investment companies and shipping fund
- Finance arrangement solutions
- Tax oriented lease arrangement

3 Maritime Services

- Shipping related brokerage services for chartering as well as sale and purchase of ships
- Technical management of ships

1. UNI-ASIA SHIPPING

Uni-Asia Shipping has been earmarked as the Group's ship owning subsidiary focusing on a portfolio of dry bulk carriers to provide a stable recurrent charter income base to the Group. Further, Uni-Asia Shipping is able to provide commercial management of ships and has started proving such services to external clients. Uni-Asia Shipping's commercial management portfolio includes 7 ships under joint investment companies. Such services generate recurrent commercial management fee income which supplement Uni-Asia Shipping's charter income.

Ship portfolio list under Uni-Asia Shipping[1]

UNI-ASIA GROUP LIMITED
Registration No. 201701284Z
Incorporated in the Republic of Singapore

100%

Uni-Asia Holdings Limited

100%

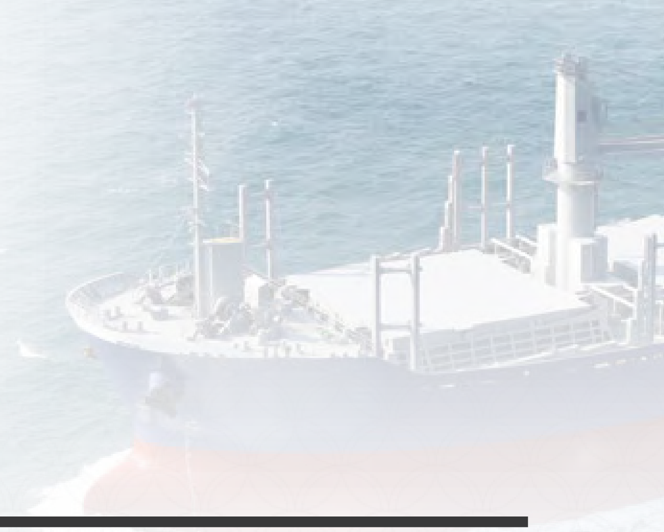
Uni-Asia Shipping Limited

	Name of Subsidiary	Ship Name	DWT	Shipyard	Built
100%	Luna Bulkship S.A.	Orient Sunrise	28,514	Kanda	May-2001
100%	Karat Bulkship S.A.[2]	Uni Auc One	28,709	Shin-Kurushima	Jun-2007
83%	Hope Bulkship S.A.	Victoria Harbour	29,100	Y-Nakanishi	May-2011
100%	Imperial Bulkship S.A.	Clearwater Bay	29,118	Y-Nakanishi	Jun-2012
100%	Jade Bulkship S.A.	Ansac Pride	37,094	Onomichi	Jun-2013
100%	Jubilee Bulkship S.A.	Island Bay	37,649	Imabari	Jul-2014
51%	Regina Bulkship S.A.	Inspiration Lake	37,706	Imabari	Feb-2015
100%	Mable Bulkship S.A.	Glengyle	37,679	Imabari	Mar-2015
100%	Nora Bulkship S.A.	Uni Bulker	37,700	Imabari	Jan-2016

(1) Excluding commercial management ships

(2) Bareboat vessel

(As at 28 February 2018)



Shipping Business

2. Maritime Asset Management

Maritime Asset Management Department ("MAMD") manages a portfolio of wholly owned as well as joint-investment ship investments.

The following is MAMD's wholly owned ship portfolio.

WHOLLY OWNED SHIP PORTFOLIO UNDER MARITIME ASSET MANAGEMENT:

	Name of Subsidiary	Type of Ship	Capacity	Shipyard	Year of Built
1	Florida Containership S.A.	Containership	3,500 TEU	Hyundai Mipo	2007
2	Joule Asset Management (Pte.) Limited	Bulker	29,078 DWT	Y-Nakanishi	2012
3	Fulgida Bulkship S.A.	Bulker	29,256 DWT	Y-Nakanishi	2009

(As at 28 February 2018)

The Group, through MAMD, has extensive experience in ship asset investment management and administration, as well as arrangement of financing solutions for assets including ships. By investing in joint investment and shipping fund, the Group is able to enjoy investment returns and at the same time receive fees from administering and managing these investments.

SHIP PORTFOLIO UNDER JOINT INVESTMENT COMPANIES UNDER MARITIME ASSET MANAGEMENT:

	Name of Joint Investment Company	Ownership Percentage	Type	Capacity	Year of Built	Shipyard
1.	Panmax Tanker S.A.	36.45%	Product Tanker	49,997 DWT	2010	Onomichi
2.	Fortuna Containership S.A.	50%	Containership	3,500 TEU	2007	Hyundai Mipo
3.	Prosperity Containership S.A.	50%	Containership	4,300 TEU	2007	Hyundai Mipo
4.	Rich Containership S.A.	50%	Containership	4,300 TEU	2007	Hyundai Mipo
5.	Matin Shipping Ltd.	49%	Bulker	38,278 DWT	2011	Imabari
6.	Olive Bulkship S.A.	18%	Bulker	57,836 DWT	2015	Tsuneishi
7.	Polaris Bulkship S.A.	18%	Bulker	57,836 DWT	2015	Tsuneishi
8.	Quest Bulkship S.A.	18%	Bulker	37,700 DWT	2016	Imabari
9.	Stella Bulkship S.A.	18%	Bulker	37,700 DWT	2018	Imabari
10.	Tiara Bulkship S.A.	18%	Bulker	37,700 DWT	2019	Imabari
11.	Unicorn Bulkship S.A.	18%	Bulker	36,300 DWT	2018	Oshima
12.	Victoria Bulkship S.A.	18%	Bulker	36,300 DWT	2018	Oshima

(As at 28 February 2018)

3. Maritime Services

The Group's Maritime Services business segment specialises in ship management. Through the Group's flagship companies Uni Ships and Management Limited as well as Wealth Ocean Ship Management Shanghai Co., Ltd, Maritime Services provide commercial/technical management of ships and ship related brokerage services for chartering as well as sale and purchase of ships. Having Maritime Services business segment allows the Group to better control the management of our ships thereby delivering better value to our charterers. At the same time, we can ensure better upkeep of our ships thus preserving the value of our ships.

Integrated Service Provider for Maritime Investment

Uni-Asia's strategy is to be an integrated service provider for maritime investment. We differentiate ourselves from other players by being able to offer our clients and investors a wide array of maritime services from ship investment, ship chartering and ship management, to ship finance arrangement solutions. This strategy provides us with resilience as well growth in the long term.

Offices in Asia

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

Property and Hotels Business

The Group's Property and Hotels business segment can be divided into three sub-segments:

1. Property Investment ex Japan
2. Property Investment in Japan
3. Vista Hotel Management

1. Property Investment ex Japan

The Group's Property Investment ex Japan business is managed by Property Investment Department ("PID") based in Hong Kong. To-date, PID has invested in Hong Kong office development projects and office investment in Guangzhou, China. The Head of PID also oversees the Japan investments, and PID acts as a bridge in liaising investors (both offshore and onshore Japan) in investing in the Group's property business in Japan. PID is able to provide the following services:

- Property investment advisory
- Investment / joint investment in property projects in China, Hong Kong and other countries in Asia
- Introduction of investors in Asia ex-Japan for investments into Japan and vice versa
- Marketing of small residential projects in Tokyo to investors
- Distressed assets management

Hong Kong Property Investments

2nd Hong Kong Property Project

The Group's second Hong Kong property redevelopment project is located at No. 650 Cheung Sha Wan Road in Hong Kong.

On 9 April 2014, the Group, as part of a consortium led by First Group Holdings Limited, won a government tender to develop this commercial site. The Group has a proportionate share of around 13.3% or HKD80.0 million (around USD10.4 million) in the consortium. The site is being developed into a commercial office building. Following the pre-sale done in early 2017, the building is named "China Shipbuilding Tower" ("中國船舶大廈") upon completion.

3rd Hong Kong Property Project

The Group's third Hong Kong property project is located in Kwai Chung Town Lot No. 517 at Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong. The Hong Kong Government has since assigned the number 83 to the site and the address of the site is No. 83, Tai Lin Pai Road, Kwai Hing.

On 13 July 2016, the Group, as part of a consortium led by First Group Holdings Limited, won a government tender to develop this commercial site. The developer for the site is First Lands Development Company Limited, a company wholly owned by the consortium. The Group has an aggregate effective equity interest of HK$50 million (approximately US$6.4 million) or approximately 11.9% in the consortium. The site is being developed into a commercial office building slated to be completed by 2019.

China Office Investment

In Guangzhou, China, the Group invested in 14 office units in China Shine Plaza with a total gross floor area of 1,320 sqm in 2007. The value of the investment has risen since 2007 and the Group has disposed of 10 units with realised gain since 2014. The balance 4 units are currently being leased to non-related third parties.

Property and Hotels Business

2. Property Investment in Japan

Uni-Asia Capital (Japan) Ltd. ("UACJ"), a subsidiary of the Group is the licensed asset management company in Japan while the investment holding subsidiary of the Group is Uni-Asia Investment Ltd.

UACJ has built up its capabilities in Japan property investment management over the years and has the expertise in following areas:

- Property investment advisory in Japan
- Management of property investment funds, including residential and hotel funds. Expertise includes deal sourcing, cash flow management and disposal strategy
- Management of small residential property development projects in Tokyo under the brand name "ALERO". Expertise includes sourcing for suitable sites, overseeing of design and construction of projects as well as disposal strategy
- Deal arrangement services for sale and purchase of residential and hotel properties
- Finance arrangement services including providing solutions for hotel property owners to refinance their borrowings

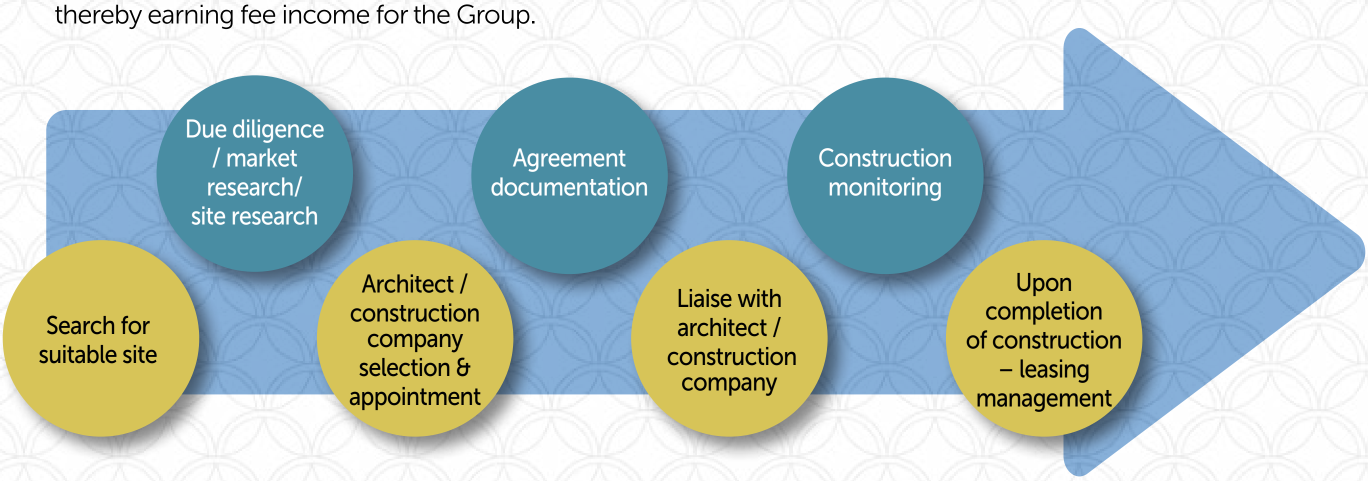
ALERO SERIES

The Group, through UACJ, develops small residential property projects in Tokyo under the brand name "ALERO" Series. When Uni-Asia invests in such developments, the investment would be undertaken by subsidiary, Uni-Asia Investment Ltd ("UAI").

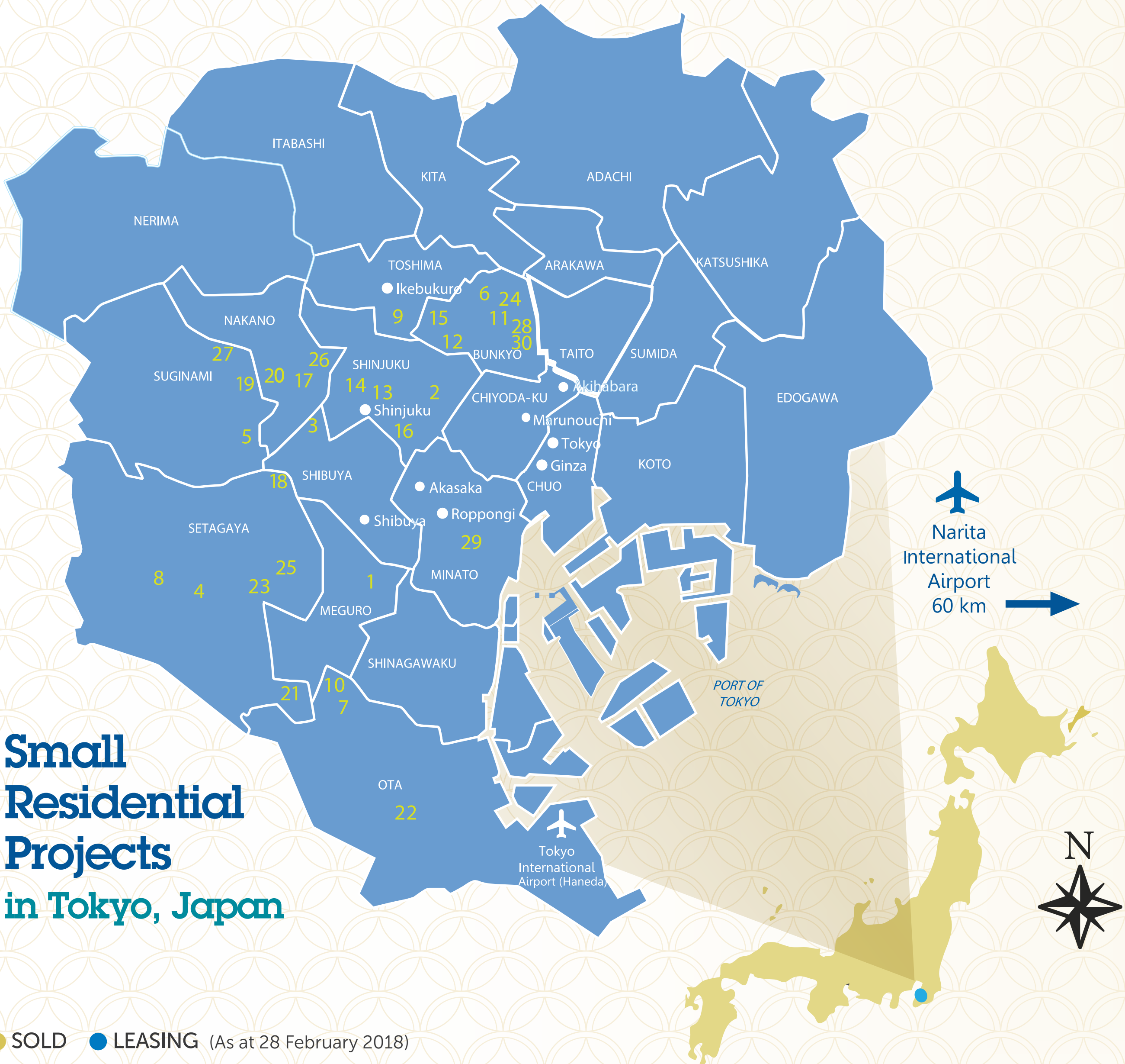
These projects are typically 4 - 5 storey buildings with 10 - 30 units of studio or maisonette type flats, and are popular with working singles/couple. The Group would purchase suitable land, develop the projects, lease out, and may hold for rental income or sell for investment gain.

CONSTRUCTION MANAGEMENT IN JAPAN

With our ALERO project expertise, UACJ also helps external clients with construction management of similar projects, thereby earning fee income for the Group.



Small Residential Projects
in Tokyo, Japan



SOLD LEASING (As at 28 February 2018)

Completed Projects (before 2017)

1. ShimoMeguro
2. Akebonobashi
3. Hatagaya
4. Sakura-shimmachi
5. Honancho
6. Sengoku
7. Ookayama
8. ChitoseFunabashi
9. Mejiro
10. Ookayama3
11. Hakusan2
12. Edogawabashi
13. Nishi Waseda
14. Takadanobaba
15. Otowa
16. Higashi Shinjuku
17. Nakano Sakaue

Completed Projects (in 2017)

18. Sasazuka
Completed in Feb 2017
19. Higashi Koenji
Completed in Feb 2017
20. Nakano 3-chome
Completed in Sep 2017
21. Okusawa
Completed in Sep 2017
22. Nishi Kamata
Completed in Oct 2017

Projects under Construction

23. Komazawa Daigaku
Scheduled for completion in Feb 2018
24. Hakusan III
Scheduled for completion in Feb 2018
25. Sangenjaya
Scheduled for completion in Aug 2018
26. Nakanosakaue
Scheduled for completion in Sep 2018
27. Koenji Minami
Scheduled for completion in Sep 2018
28. Yushima I
Scheduled for completion in Aug 2018
29. Azabujuban
Scheduled for completion in Nov 2018
30. Yushima II
Scheduled for completion in Oct 2018

Property and Hotels Business

3. Vista Hotel Management

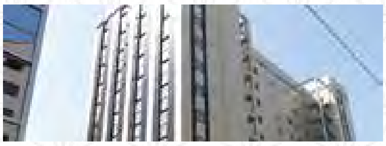
Vista Hotel Management ("VHM") is the Group's hotel operating arm specialising in operating business hotels in Japan. VHM primarily operates hotels under Hotel Vista brand name as well as the premier Hotel Vista Premio brand, but may also operate a brand name as dictated by the owner. The rooms in our hotels are stylish and adopt a unique yet functional layout design including the separation of bathroom and washroom. Such designs are especially popular with our Japanese guests. Accordingly, VHM hotels received good reviews from customers on online travel websites and have many repeat guests.

VHM is able to provide the following services:

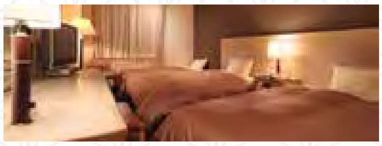
- Hotel operations under "Hotel Vista" brand name or a brand name as dictated by the owner of the hotel
- Hotel pre-opening services, including assistance in planning of hotel layout and logistic advisory
- Hotel development advisory
- Hotel renovation and improvement management

The Group's current portfolio of hotels under operation is as follows:

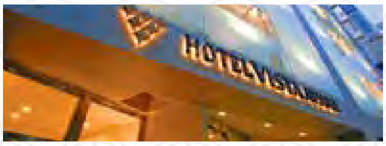
HOTEL VISTA SAPPORO NAKAJIMA KOEN
Location: Sapporo, Hokkaido
Number of rooms: 113



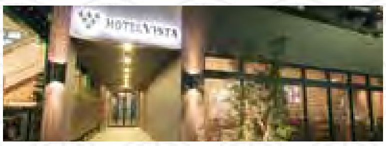
HOTEL VISTA SENDAI
Location: Sendai, Miyagi
Number of rooms: 238



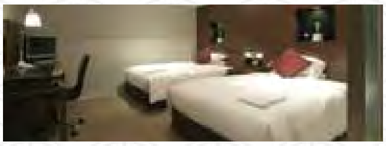
HOTEL VISTA KAMATA TOKYO
Location: Kamata, Tokyo
Number of rooms: 105



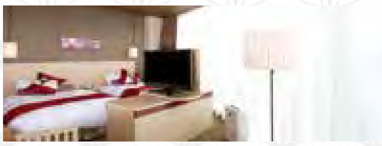
HOTEL VISTA ATSUGI
Location: Atsugi, Kanagawa
Number of rooms: 165



HOTEL VISTA EBINA
Location: Ebina, Kanagawa
Number of rooms: 176



HOTEL VISTA SHIMIZU
Location: Shizuoka, Shizuoka
Number of rooms: 152

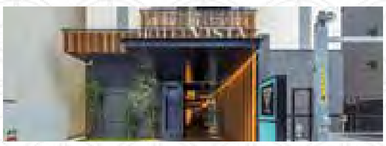


HOTEL VISTA PREMIO KYOTO KAWARAMACHI ST.
Location: Kyoto, Kyoto
Number of rooms: 84

HOTEL VISTA KUMAMOTO AIRPORT
Location: Ozu, Kumamoto
Number of rooms: 139

HOTEL JAL CITY NAHA
Location: Naha, Okinawa
Number of rooms: 304

HOTEL VISTA PREMIO YOKOHAMA MINATO-MIRAI
Location: Yokohama, Kanagawa
Number of rooms: 232



HOTEL VISTA NAGOYA NISHIKI
Location: Nagoya, Aichi
Number of rooms: 143

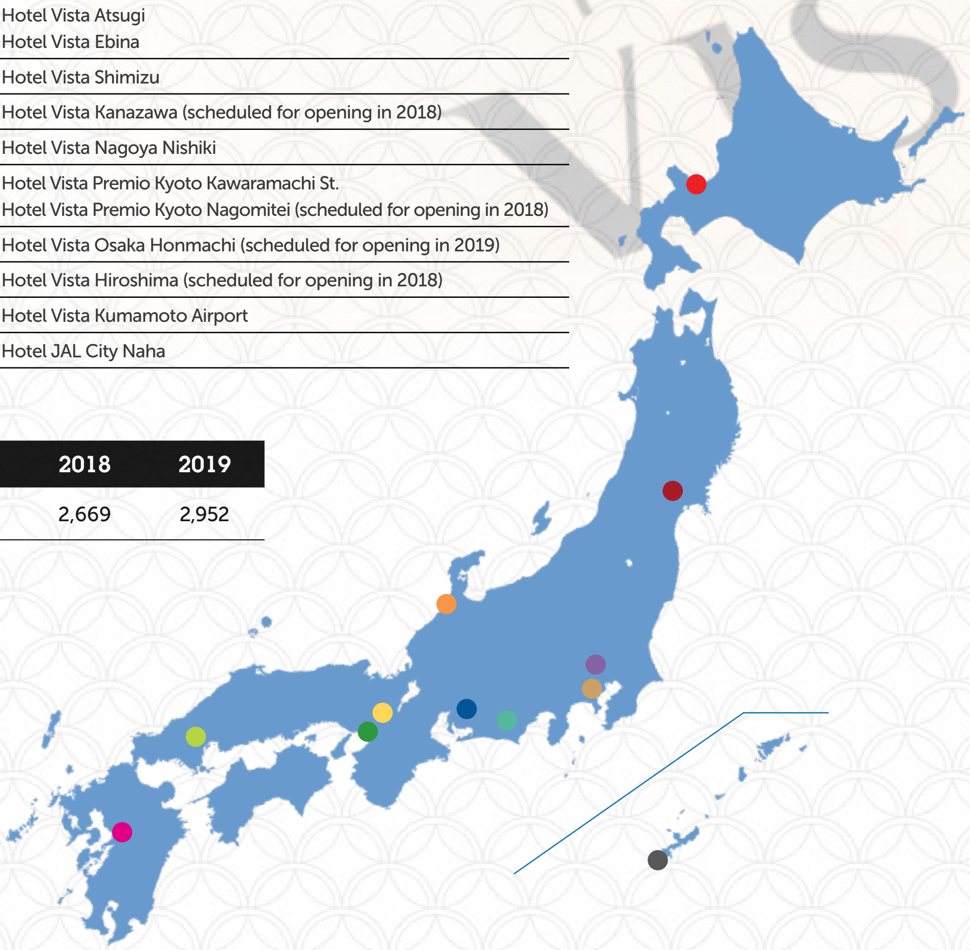
Hotels to be added to the portfolio in 2018 and 2019

Name of Hotel	Location	Planned Number of Rooms	Scheduled Opening
Hotel Vista Kanazawa	Kanazawa, Ishikawa	213	2018
Hotel Vista Premio Tokyo Akasaka	Tokyo	140	2018
Hotel Vista Premio Kyoto Nagomitei	Kyoto	84	2018
Hotel Vista Hiroshima	Hiroshima	228	2018
Hotel Vista Sapporo Odori	Sapporo, Hokkaido	153	2018
Hotel Vista Osaka Honmachi	Osaka	283	2019

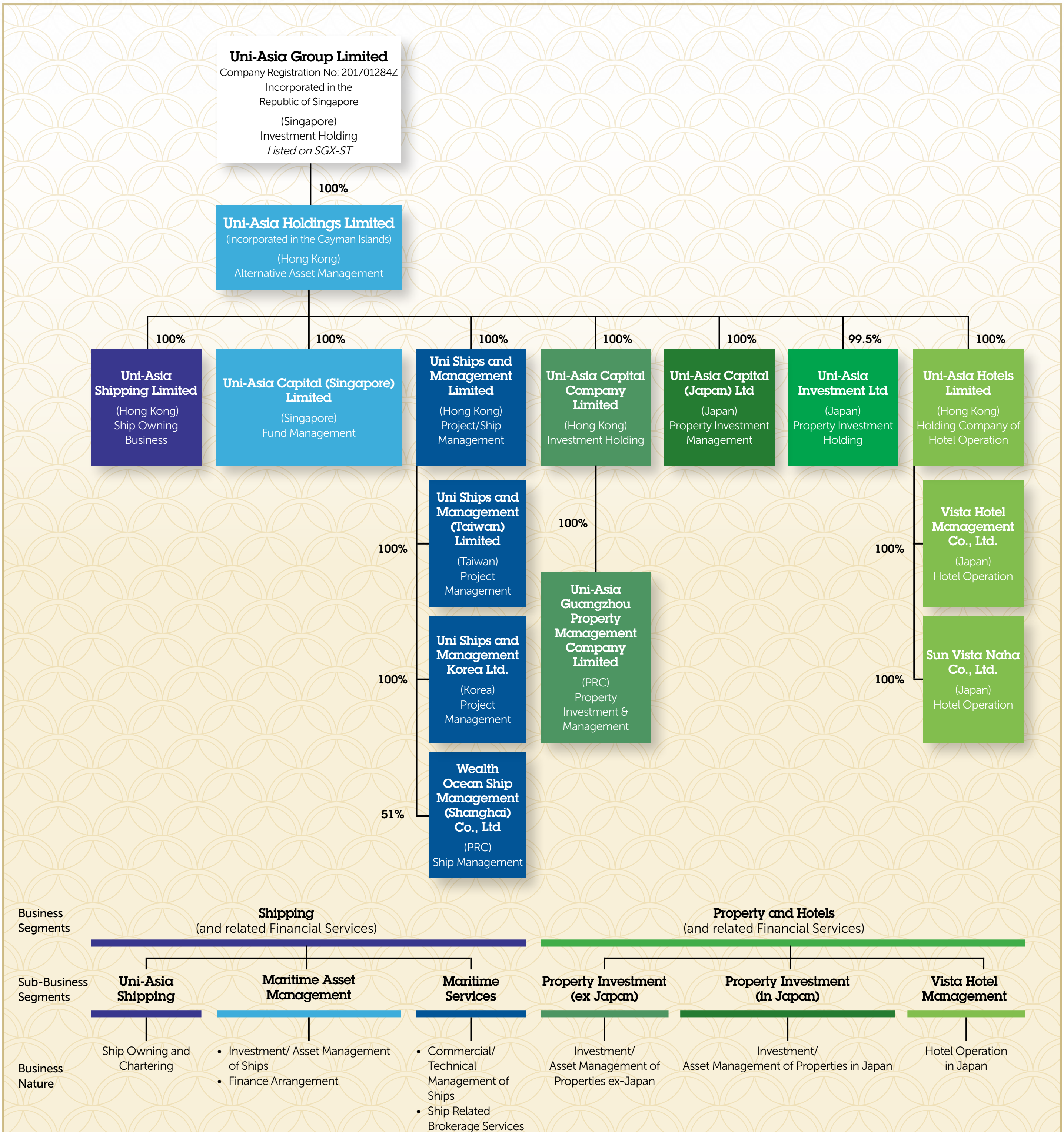
Hotel Vista's Presence in Japan

LOCATION	HOTEL
SAPPORO, HOKKAIDO	• Hotel Vista Sapporo Nakajima Koen • Hotel Vista Sapporo Odori (scheduled for rebrand opening in 2018)
SENDAI, MIYAGI	• Hotel Vista Sendai
TOKYO	• Hotel Vista Kamata Tokyo • Hotel Vista Premio Tokyo Akasaka (scheduled for opening in 2018)
KANAGAWA	• Hotel Vista Premio Yokohama Minato-Mirai • Hotel Vista Atsugi • Hotel Vista Ebina
SHIZUOKA, SHIZUOKA	• Hotel Vista Shimizu
KANAZAWA, ISHIKAWA	• Hotel Vista Kanazawa (scheduled for opening in 2018)
NAGOYA, AICHI	• Hotel Vista Nagoya Nishiki
KYOTO	• Hotel Vista Premio Kyoto Kawaramachi St. • Hotel Vista Premio Kyoto Nagomitei (scheduled for opening in 2018)
OSAKA	• Hotel Vista Osaka Honmachi (scheduled for opening in 2019)
HIROSHIMA	• Hotel Vista Hiroshima (scheduled for opening in 2018)
OZU, KUMAMOTO	• Hotel Vista Kumamoto Airport
NAHA, OKINAWA	• Hotel JAL City Naha

End of year	2017	2018	2019
No. of rooms under management	1,851	2,669	2,952



Corporate Organisation



As at 28 February 2018
Above represents major group companies only for illustrative purpose.

Management Organisation

Board of Directors

- Mr. Michio Tanamoto (Chairman and CEO)
- Mr. Masaki Fukumori (Executive Director)
- Mr. Masahiro Iwabuchi (Executive Director)
- Mr. Kenji Fukuyado (Executive Director)
- Mr. Yukihiro Toda (Executive Director)
- Mr. Lee Gee Aik (Lead Independent Non-Executive Director)
- Mr. Ronnie Teo Heng Hock (Independent Non-Executive Director)
- Mr. Rajan Menon (Independent Non-Executive Director)
- Mr. Philip Chan Kam Loon (Independent Non-Executive Director)

Internal Audit Office
Chief Internal Auditor for Japanese Operation

Mr. Hiromasa Yakushiji

Executive Director Chairman & CEO

Mr. Michio Tanamoto

Management Committee

- Mr. Michio Tanamoto (Chairman)
- Mr. Masaki Fukumori
- Mr. Masahiro Iwabuchi
- Mr. Kenji Fukuyado
- Mr. Yukihiro Toda
- Mr. Zac K. Hoshino
- Mr. Lim Kai Ching
- Mr. Katsuro Ouchi
- Mr. Matthew Yuen

Review Committee

- Mr. Michio Tanamoto (Chariman)
- Mr. Masaki Fukumori
- Mr. Masahiro Iwabuchi
- Mr. Kenji Fukuyado
- Mr. Yukihiro Toda
- Mr. Lim Kai Ching

Executive Director
Mr. Kenji Fukuyado

- **Uni-Asia Shipping Limited (UAS) CEO** — Mr. Zac K. Hoshino
- **Maritime Asset Management Department (MAMD) Managing Director Department Head** — Mr. Matthew Yuen Wai Keung
- **Maritime Business Department (MBD) Managing Director Department Head** — Mr. Zac K. Hoshino

Executive Director
Mr. Yukihiro Toda

- **Uni-Asia Capital (Japan) Ltd. (UACJ)(1) President** — Mr. Yukihiro Toda

Executive Director
Mr. Masahiro Iwabuchi

- **Property Investment Department (PID) Department Head** — Mr. Masahiro Iwabuchi
- **Uni-Asia Investment Ltd. (UAI)(1) President** — Mr. Masahiro Iwabuchi
- **Vista Hotel Management (VHM) President** — Mr. Katsuro Ouchi

Group Chief Financial Officer
Mr. Lim Kai Ching

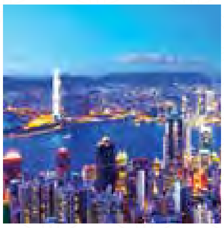
- **Financial Management Department (FMD)(2) Executive Vice President Department Head** — Mr. Makoto Tokozume

Note:

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

(2) *Certain FMD staff have additional positions in subsidiaries or departments and report to the corresponding Executive Directors while in that capacity.*

Corporate Information



HONG KONG

Uni-Asia Holdings Limited

30/F., Prosperity Millennia Plaza,
No. 663 King's Road,
North Point
Hong Kong
Tel: (852) 2528 5016
Fax: (852) 2528 5020

TAIWAN

Uni Ships and Management (Taiwan) Limited

11F., No. 456, Section 4,
Xinyi Dist, Taipei 11052,
Taiwan
Tel: (886) 2 7746 8191

KOREA

Uni Ships and Management Korea Ltd.

15F. Tower 8, 7 Jongro 5-Gil,
Jongro-Gu, Seoul 03157, Korea
Tel: (82) (2) 6226 7272
Fax: (82) (50) 4469 3690

SHANGHAI

Wealth Ocean Ship Management (Shanghai) Co., Ltd

Room 2106,
Yongda International Tower,
2277 Longyang Road,
Pudong District, Shanghai, 201204, China
Tel: (8621) 5888 8007
Fax: (8621) 5888 8053

SINGAPORE

UNI-ASIA GROUP LIMITED

8 Shenton Way
#37-04 AXA Tower
Singapore 068811
Tel: (65) 6438 1800
Fax: (65) 6438 1500

JAPAN

Uni-Asia Capital (Japan) Ltd.

MD Kanda Building 7F,
9-1 Kanda Mitoshirocho, Chiyoda-ku,
Tokyo, Japan, 101-0053
Tel: (81) 3 3518 9200
Fax: (81) 3 3518 9201

JAPAN

Vista Hotel Management Co., Ltd.

MD Kanda Building 7F,
9-1 Kanda Mitoshirocho, Chiyoda-ku,
Tokyo, Japan, 101-0053
Tel: (81) 3 3518 9220
Fax: (81) 3 3518 9221

GUANGZHOU

Uni-Asia Guangzhou Property Management Co., Ltd.

Room 2401, Guangzhou Foreign Economic & Trade Building,
351 Tianhe Road,
Guangzhou, 510620, China
Tel: (8620) 3880 2213

NUMBER OF EMPLOYEES AS AT 31 DECEMBER 2017:

HONG KONG	SINGAPORE	CHINA	JAPAN	TAIWAN	SOUTH KOREA	TOTAL
34	7	14	299	1	1	356

Notes:

1. Number of employees includes executive directors.
2. Number of employees in Japan includes 260 hotel staff.

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Michio Tanamoto
(Chairman and Chief Executive Officer)

Masaki Fukumori
(Executive Director)

Masahiro Iwabuchi
(Executive Director)
Date of appointment: 1 March 2018

Kenji Fukuyado
(Executive Director)
Date of appointment: 1 March 2018

Yukihiro Toda
(Executive Director)
Date of appointment: 1 March 2018

NON-EXECUTIVE DIRECTORS

Lee Gee Aik
(Lead Independent Non-Executive Director)

Ronnie Teo Heng Hock
(Independent Non-Executive Director)

Rajan Menon
(Independent Non-Executive Director)

Philip Chan Kam Loon
(Independent Non-Executive Director)
Date of appointment: 1 March 2018

AUDIT COMMITTEE

Lee Gee Aik (Chairman)
Ronnie Teo Heng Hock
Rajan Menon
Philip Chan Kam Loon
(Date of appointment: 1 March 2018)

NOMINATING COMMITTEE

Ronnie Teo Heng Hock (Chairman)
Lee Gee Aik
Rajan Menon
Philip Chan Kam Loon
(Date of appointment: 1 March 2018)

REMUNERATION COMMITTEE

Rajan Menon (Chairman)
Lee Gee Aik
Ronnie Teo Heng Hock
Philip Chan Kam Loon
(Date of appointment: 1 March 2018)

COMPANY SECRETARY

Joanna Lim Lan Sim, ACIS

SHARE REGISTRAR AND SINGAPORE SHARE TRANSFER AGENT

Tricor Barbinder Share Registration Service
80 Robinson Road #02-00
Singapore 068898

AUDITOR

Ernst & Young LLP
One Raffles Quay North Tower, Level 18 Singapore 048583
Partner-in-charge: Wong Yew Chung (Appointed in 2017)

PRINCIPAL BANKERS

MIZUHO BANK LIMITED
12th Floor, K11 Atelier, 18 Salisbury Road,
Tsim Sha Tsui, Kowloon, Hong Kong

THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED
Head Office
1 Queen's Road Central, Hong Kong

BANK SINOPAC
Hong Kong Branch
18/F., One Peking, 1 Peking Road
Tsim Sha Tsui, Hong Kong

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.
No. 100, Chi Lin Road, Taipei 10424, Taiwan, R.O.C.

CTBC BANK CO., LTD.
No 168, Jingmao 2nd Road, Nangang Dist., Taipei 11568, Taiwan, R.O.C.

COMPANY REGISTRATION NO. 201701284Z

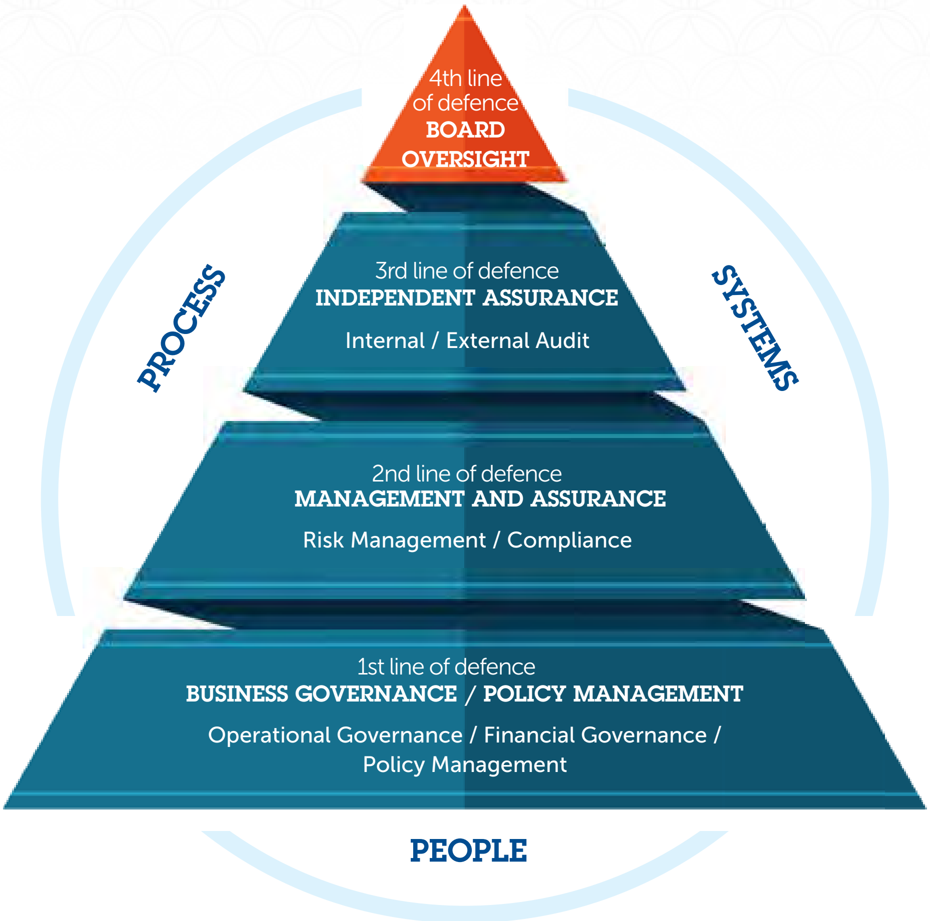
REGISTERED OFFICE

8 Shenton Way
#37-04 AXA Tower
Singapore 068811
Tel: (65) 6438 1800
Fax: (65) 6438 1500

CORPORATE WEBSITES

(available in English and Japanese):
Uni-Asia Group Limited: www.uni-asia.com
Uni-Asia Shipping Limited: www.uniasiashipping.com
Uni-Asia Capital (Japan) Ltd: www.uni-asia.co.jp
Vista Hotel Management Co., Ltd.: www.hotel-vista.jp

Risk Management



RISK MANAGEMENT FRAMEWORK

In 2012, the Group engaged external consultants from KPMG Services Pte Ltd ("KPMG") to set up an Enterprise Risk Management ("ERM") Framework ("ERM Framework"), which governs the risk management process in the Group. Through this framework, risk capabilities and competencies would be continuously enhanced. The ERM Framework also enables the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. The risk management process in place covers, inter alia, financial, operational and compliance risks faced by the Group. The key risks of the Group are deliberated by the Management and reported to the Audit Committee ("AC"). The AC reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and vis-à-vis the external and internal environment which the Group operates in.

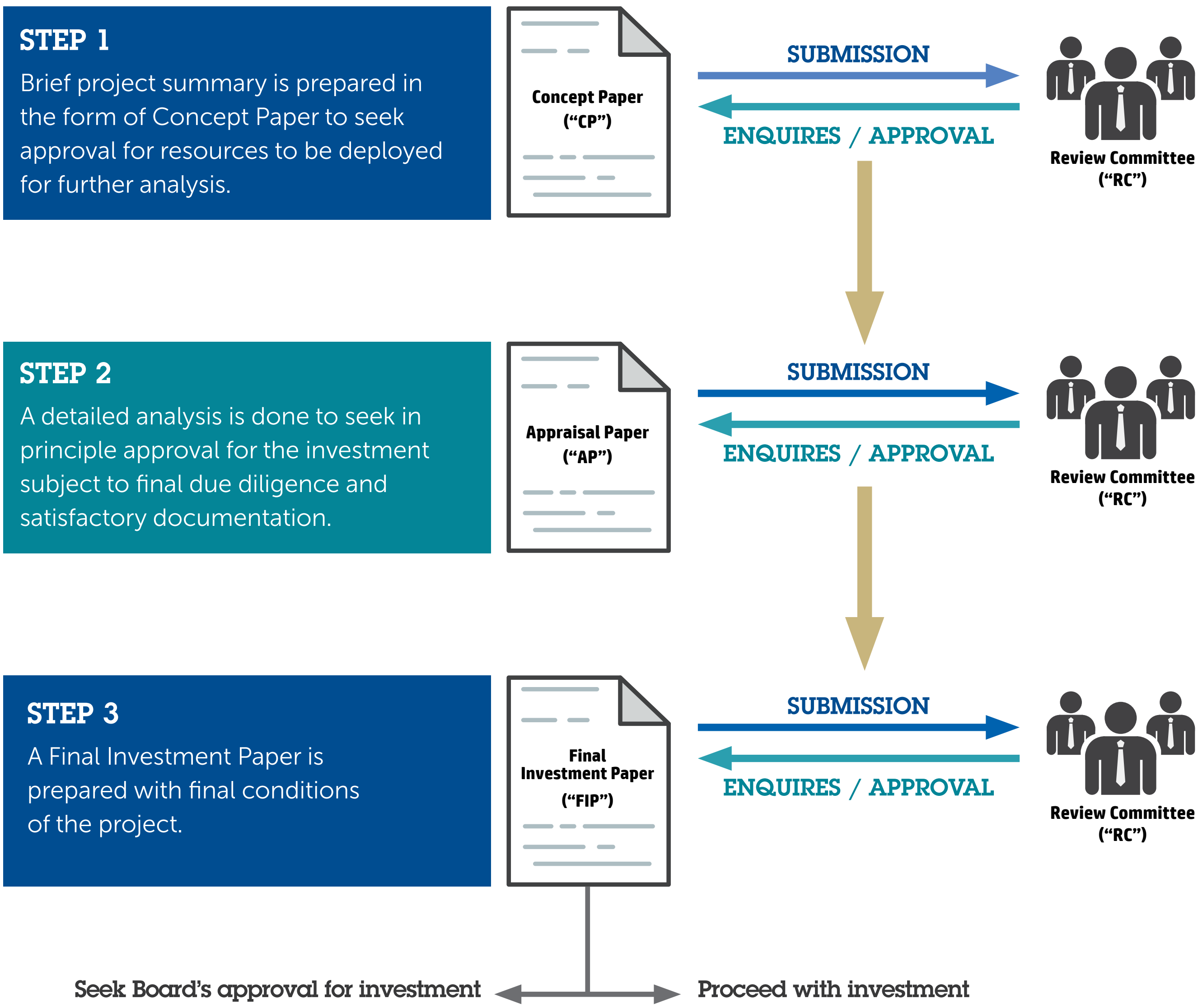
Complementing the ERM framework is a Group-wide system of internal controls, which includes the Code of Conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business process.

To ensure that internal controls and risk management processes are adequate and effective, the AC is assisted by various independent professional service providers. External auditors provide reasonable assurance on the true and fair presentation of the Group's financial statements. Internal auditors provide assurance that controls over the key risks of the Group is adequate and effective.

INVESTMENT APPROVAL PROCESS

An important component of the Group's overall risk management is the investment approval process. The process aims to be robust in managing downside risk when deploying the Group's resources for investments while at the same time prompt in capitalising potential investment opportunities.

A summary of the Group's investment process is as follows. Members of the Review Committee are listed on page 29 "Management Organisation".



Investor Relations

THE GROUP'S INVESTOR RELATIONS COMMITMENT

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

The Group strives to achieve a high standard of disclosure and corporate transparency through timely dissemination of relevant, credible and material information on the Singapore Stock Exchange and company website, according to legal and regulatory requirements. This is to enable shareholders and potential investors to gain a good understanding of our operations, keep abreast of corporate developments, and assess our business strategies in order to make sound investment decisions.

SHAREHOLDERS

The Group provides multiple channels to update shareholders on corporate development and financial performance, which include the regular updates on SGXNet and the company website, face-to-face communication with directors of the Group at annual general meetings ("AGM"), and responding to questions through company website. Shareholders could also contact the Group's investor relations officers directly. In November 2017, the Group launched its revamped website to provide shareholders with a more viable, enhanced and user-friendly platform. "Our Business" web page offers detailed information on Uni-Asia's business model and business segments (namely, 'Shipping' and 'Property and Hotels'). The revamped website is available in both English and Japanese.

ANALYSTS, FUNDS AND POTENTIAL SHAREHOLDERS

In 2017, despite the gradual recovery in the shipping industry, market conditions remained challenging. We consistently communicate with the investment community on a regular basis. Senior management holds quarterly briefings for analysts and fund managers in order to increase our visibility in the region's financial markets. Management also conducts one-on-one meetings with those who are keen to gain a better understanding about the Group. The IR team also keeps analysts updated on a regular basis for them to work on analyst notes and research reports.

MEDIA

Through media, the Group sought to provide more information about how its business segments contribute to the Group's overall performance amid various market conditions. Group CEO took an interview with the Edge journalist and the article was published on the Edge's weekly magazine and their online portal. Specialized investment media such as NextInsight also extended our visibility to a broader investor audience. During the year, the Group has been featured in a range of papers and online media.

IR EXCELLENCE

In 2015, the Group was awarded runner-up in the "Most Transparent Company Award 2015" for the 16th Investors' Choice Awards under the "Foreign Listings Category", organized by the Securities Investors Association of Singapore ("SIAS"). In 2016, the Group was again awarded the "Most Transparent Company Award 2016", in the 17th SIAS Investors' Choice Awards in the "Mainboard Small Caps Category". These awards were endorsements on the Group's commitment in pursuing a high standard of corporate disclosure and communication since its listing in 2007.

In addition, the Group's ranking in the NUS Governance and Transparency Index ("GTI") improved significantly over the past few years. In 2017, Uni-Asia was ranked No.77 out of the 606 listed companies in the list, extending its record of being ranked within the top 100 since 2015. Both the awards and the GTI ranking were in recognition of the Group's efforts to enhance its corporate governance and transparency standard to investors[1].

CONCLUSION

The Group aims to be a truly trusted partner to our clients as an integrated service provider in the alternative investment fields. It strives to deliver value to the Group's shareholders, clients and employees. With the trust and support of the investment community, the Group endeavours to achieve our investment relations objectives of being timely, accurate and transparent.

INVESTOR RELATIONS CONTACT

Mr. Romil Singh
Tel: 65 9116 0900
Email: romil@financialpr.com.sg

Ms. Reyna Mei
Tel: 65 9237 9336
Email: reyna@financialpr.com.sg

Mr. Colin Lum
Tel: 65 8642 7517
Email: colinlum@financialpr.com.sg

[1] http://bschool.nus.edu.sg/pdf/cgio/latest/CGIO_SGTI_2017_General_Category_Ranking%20Results%20by%20Scores.pdf

Board Of Directors

1 Mr Michio Tanamoto

Chairman and Chief Executive Officer

Mr Michio Tanamoto was appointed as Chairman and Chief Executive Officer of the Uni-Asia Holdings Limited in April 2014 and concurrently Chairman of Management Committee and Reviewing Committee. He is one of the founders who established the Company in 1997 and has been a Director since then. He has over 36 years of experience in financial sector based in Japan, Hong Kong and Singapore. In 1980, Mr Tanamoto joined The Hokkaido Takushoku Bank, Ltd. and was a senior manager of Takugin International (Asia) Limited in Hong Kong, the offshore merchant banking arm of The Hokkaido Takushoku Bank, Ltd. between 1988 and 1993. Following which, Mr Tanamoto was a deputy general manager of the Singapore Branch of The Hokkaido Takushoku Bank, Ltd. from 1995 to 1997. Mr Tanamoto is also currently Managing Director of Uni-Asia Capital (Singapore) Limited and Chairman of Uni-Asia Capital (Japan) Ltd. He is also a Director of the Company's subsidiaries including Uni Ships and Management Limited, Uni-Asia Shipping Limited, Uni-Asia Capital Company Limited and Vista Hotel Management. He obtained a bachelor's degree in law from Hitotsubashi University of Japan in 1980.

2 Mr Masaki Fukumori

Executive Director

Mr Masaki Fukumori was appointed an Executive Director of the Company on 1 March 2012. Mr Fukumori was the Group's Chief Operating Officer from 30 April 2014 until 1 March 2018 when he relinquished his Chief Operating Officer position in preparation for his retirement in 2019. Mr Fukumori joined the Group in August 1997 and acted as Head of our Structured Finance Department. He initiated the Maritime Investment Department in 2002. He has extensive experience in marketing and syndication in the banking industry specialising in the shipping and aviation sectors spanning over 30 years as well as ship investment and investment management. Between 1985 and 1993, he was a marketing manager at The Hokkaido Takushoku Bank, Ltd. After which, he was a senior marketing manager at Takugin International (Asia) Limited from 1993 to 1997. Mr. Fukumori is currently a director of Uni Ships and Management Limited, Uni-Asia Hotels Limited, and other ship owning companies in which the Company invests. Mr. Fukumori holds a bachelor's degree in business administration from Yokohama National University obtained in 1985.

3 Mr Masahiro Iwabuchi

Executive Director

Mr Masahiro Iwabuchi was appointed an Executive Director of the Company on 1 March 2018. He joined the Group when it was established in 1997 and was appointed as Senior Managing Director on 30 April 2014. Mr Iwabuchi heads the Property Investment Department. He has extensive experience in the banking industry throughout Asia including Japan, Indonesia, Singapore, Hong Kong and the PRC, having spent some 13 years with The Hokkaido Takushoku Bank, Ltd. He has accumulated a property investment expertise in PRC, Japan and Hong Kong afterwards. He is also currently a director of Uni-Asia Guangzhou Property Management Co., Ltd, UNI SALA Capital Investment Ltd, Uni-Asia Hotels Limited, Uni-Asia Capital (Japan) Ltd, Vista Hotel Management Co., Ltd and some asset holding companies in which the Company invests. He completed Licensing Examination for HKSI Specialist Certificate (Asset Management, Corporate Finance, Derivatives and Securities). Mr Iwabuchi graduated with a bachelor's degree in economics from Hirosaki University of Japan in 1985. In addition to Japanese, Mr Iwabuchi speaks fluent Mandarin.

4 Mr Kenji Fukuyado

Executive Director

Mr Kenji Fukuyado was appointed an Executive Director of the Company on 1 March 2018. He joined the Group in 2001 and was the Managing Director of Uni-Asia Finance Corporation (Japan) from May 2003 to December 2005. He was transferred to our head office in Hong Kong in January 2006 and was Head of Structure Finance Department from January 2006 to December 2009 and Head of Maritime Investment Department from January 2010 to January 2013. Mr Fukuyado was appointed as Managing Director of the Group on 1 February 2013, responsible for Maritime Asset Management. Mr Fukuyado has over 30 years of experience in the finance industry, including structured finance such as tax lease, asset finance, loan syndication, corporate finance and asset management. Between 1987 and 1998, he worked for The Hokkaido Takushoku Bank, Ltd. in Japan and Hong Kong. He is currently holding directorships of Uni-Asia Shipping Limited, Uni-Asia Capital (Japan) Ltd. and some vessel owning companies in which the Group invests. Mr Fukuyado graduated with a bachelor's degree in law from Waseda University in 1987.

Board Of Directors

5 Mr Yukihiro Toda

Executive Director

Mr Yukihiro Toda was appointed an Executive Director of the Company on 1 March 2018. He is concurrently the President of Uni-Asia Capital (Japan) Ltd., an appointment he holds since 1 December 2011. He is responsible for property investment business in Japan. Mr Toda has been Chief Investment Officer of Uni-Asia Capital (Japan) Ltd. since February 2000, responsible for overall real estate fund management business. From 1985 to 1998, Mr Toda had worked for The Hokkaido Takushoku Bank, Ltd. in Tokyo, Korea and Hong Kong, and HSBC Securities Tokyo Branch, where he was mainly engaged in international finance, structured finance and origination of syndicated loans. Mr Toda graduated with a bachelor's degree in economics from Yokohama National University in 1985.

6 Mr. Lee Gee Aik

Lead Independent Non-Executive Director

Mr. Lee Gee Aik was appointed as our independent director on 4 January 2016. Mr. Lee is currently a practicing public accountant in Singapore. Mr Lee has over 30 years of extensive and varied experience in assurance, accounting, tax and financial reporting matters. He started his career as an auditor with one of the Big Four accounting firm. Between 1986 and 1988, Mr. Lee was seconded to their USA Executive Office in New York focusing on professional development and research work in assurance and financial reporting. Mr. Lee was the regional controller of Omni Marco Polo Hotels, Singapore from 1993 to 1998 prior to him becoming a practising public accountant in 1998.

Mr. Lee is a Fellow of the Association of Chartered Certified Accountants, United Kingdom, and the Institute of Singapore Chartered Accountants. He has also obtained a Master in Business Administration from The Henley Management College, United Kingdom in 2004.

He is also the independent director of Anchun International Holdings Ltd, Astaka Holdings Ltd and SHS Holdings Ltd. He has been reappointed by the Minister of Health to serve as Lay Person member of the Complaints Panel of the Singapore Pharmacy Council.

7 Mr Ronnie Teo Heng Hock

Independent Non-Executive Director

Mr Ronnie Teo Heng Hock was previously Managing Director of DBS Asset Management Ltd and General Manager of DBS Finance Limited. Mr Teo holds a Bachelor of Social Sciences (Honours) degree in Economics from the University of Singapore. Mr Teo is concurrently a director of Berger International Private Limited and an independent director of EnGro Corporation Limited.

8 Mr Rajan Menon

Independent Non-Executive Director

Mr Rajan Menon graduated from University of Singapore in 1971 with Bachelor of Laws (Honours). He was admitted as an Advocate & Solicitor of the Supreme Court of Singapore in 1973 and is a solicitor of the Supreme Court of England & Wales. He is also a Fellow of the Chartered Institute of Arbitrators, United Kingdom, the Singapore Institute of Arbitrators, the Malaysian Institute of Arbitrators and the Singapore Institute of Directors respectively. He is also a member of the Singapore Mediation Centre's Associate Mediator Panel.

He is currently the Founder-Senior Consultant of RHTLaw Taylor Wessing LLP.

He was conferred the Public Service Medal (Pingat Bakti Masyarakat, PBM) by the President of the Republic of Singapore and the Friends of Labour Award by the National Trades Union Congress. He is a member of the board of directors of Asian Paints International Private Limited, Boole Pte. Ltd., Tangreat Investments Pte Ltd and yCAAZ Technology Pte. Ltd.

9 Mr Philip Chan Kam Loon

Independent Non-Executive Director

Mr Philip Chan Kam Loon was appointed as an Independent Director of the Company since 1 March 2018. Mr Chan holds a degree in Accounting and Finance from the London School of Economics and is a member of the Institute of Chartered Accountants in England and Wales. He has many years of experience in accounting and audit with KPMG London and PWC Singapore, investment banking with Morgan Grenfell Asia and HG Asia Securities and was a director of private equity investments at Suez Asia Holdings. Mr Chan was head of the Listings Function of Markets Group at the Singapore Exchange for 3 years.

Mr Chan has also served on the Singapore's Accounting Standards Committee, Singapore Zhejiang Business Council and also Singapore Shandong Business Council as well as non-executive director of National Volunteer Philanthropy Centre and Vision Fund, the international microfinance arm of global charity World Vision. He also serves as independent director of several other SGX listed companies.

Key Management

1. Mr Zac K. Hoshino

Managing Director

Mr Zac K. Hoshino was appointed as Managing Director of the Company on 1 February 2013 and currently is responsible for Maritime Business Department. He joined our Company in September 2007 as Co-Head of our Maritime Investment Department. He has extensive experience with chartering, operating, and contracting in Japanese shipping company for more than 20 years including Singapore and Hong Kong representative between 2002 and 2007. He is currently the Chief Executive Officer of Uni-Asia Shipping Limited, the President of Wealth Ocean Ship Management (Shanghai) Co., Ltd, and a director of some of the Group's shipping subsidiaries including Uni Ships and Management Limited. Mr Hoshino graduated with a bachelor's degree in mercantile marine science from Tokyo University of Mercantile Marine in 1984.

2. Mr Lim Kai Ching

Group Chief Financial Officer

Mr Lim Kai Ching joined Uni-Asia in June 2011 and was appointed as Chief Financial Officer of the Group in August 2011 and subsequently as Group Chief Financial Officer on 5 January 2015. Mr Lim has over 20 years of experience in areas including finance, accounting, audit and risk management. Prior to joining Uni-Asia, Mr Lim worked for State Street Fund Services (Singapore) Pte Ltd. Between April 2008 to January 2009, he was the Financial Controller of a PRC-based seafood processing company. From June 2007 to April 2008, Mr Lim was Vice President with the Group, responsible for the Company's on-going listing matters and financial reporting of private shipping fund for which the Group acts as fund manager. Between June 1999 and June 2007, Mr Lim was with Government of Singapore Investment Corporation Pte Ltd. Mr Lim graduated with a Bachelor of Accountancy (Honours) from Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants.

3. Mr. Katsuro Ouchi

President of Vista Hotel Management Co., Ltd.

Mr. Katsuro Ouchi was appointed as President of Vista Hotel Management Co., Ltd. in October 2009 and is currently responsible for hotel operation business in Japan. Mr. Ouchi has over 40 years of experience in financial sector. He joined The Hokkaido Takushoku Bank, Ltd. in 1971 and was Managing Director of Takugin International (Asia) Limited in Hong Kong, the offshore merchant banking arm of The Hokkaido Takushoku Bank, Ltd. from 1991 to 1995. He joined The Chuo Trust & Banking Co., Ltd. in 1998 and was Managing Officer of The Chuo Mitsui Trust and Banking Co., Ltd. from May 2000 to September 2002. Mr. Ouchi graduated with a bachelor's degree in law from Waseda University in 1971.

4. Mr Matthew Yuen Wai Keung

Managing Director
Head of Maritime Asset Management Department

Mr Matthew Yuen Wai Keung joined our Group in October 1997 and was appointed Managing Director on 1 March 2018. He is the Head of Maritime Asset Management Department and is responsible for lease arrangement and related finance matters. Prior to this, Mr Yuen worked in several international banks, specializing in corporate banking and syndications. Mr Yuen graduated from The Chinese University of Hong Kong with a second class (upper) honours degree in business administration and received his MBA from The Australian Graduate School of Management, University of New South Wales.

5. Mr Makoto Tokozume

Executive Vice President
Head of Financial Management Department

Mr Makoto Tokozume is currently the Head of Financial Management Department and also Chief Financial Officer of Uni-Asia Shipping Limited, a wholly owned subsidiary of the Group. He joined our Group in January 2008 and had stationed in Singapore as a member of Uni-Asia Capital (Singapore) Ltd, being responsible for Investor relations and corporate matters. He was transferred to our head office in Hong Kong and took new responsibility in 2013. He has over 31 years working experience in financial industry in Japan, Singapore and Hong Kong, having spent 11 years with Hokkaido Takushoku Bank, Ltd. and 9 years with The Bank of Tokyo-Mitsubishi Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ Ltd.). He graduated from Keio University with a bachelor's degree in economics in 1986. He also received his MBA from The University of Hull, UK. He is registered as Certified Public Accountant of USA.

6. Mr Masayuki Sato

Director (Business Development)
Vista Hotel Management Co., Ltd

Mr Masayuki Sato joined the Group in 2007 and was appointed a Director of Vista Hotel Management Co., Ltd in September 2008. He is currently responsible for business development of VHM including sourcing for new hotels for operations and marketing of Vista Hotel brand name. Mr Sato began his career in The Hokkaido Takushoku Bank, Ltd, specializing in corporate finance as well as aircraft/ship financing. During his tenure with The Hokkaido Takushoku Bank, Ltd, he had various stints in the bank's Japan, Australia, USA and Hong Kong offices. Between 1997 and 2007, Mr Sato was with Tomen Group handling business planning, business development, and investor relations. Mr. Sato graduated with a bachelor's degree in law from Waseda University in 1981.

7. Mr Takeshi Iritono

Director (Business Development)
Uni-Asia Capital (Japan) Co., Ltd

Mr Takeshi Iritono joined the Group in 2003 and was appointed a Director of Uni-Asia Capital (Japan) Co., Ltd in December 2011. He is currently the General Manager of Asset Management Department of UACJ, responsible for the Group's Japan real estate asset management, as well as the development of residential properties, hotel properties and commercial properties in Japan. Mr. Iritono graduated with a bachelor's degree in law from Keio University in 1994.

8. Ms Ally Chiu

General Manager

Ms Ally Chiu joined our Company in Feb 2012. Based in Hong Kong, she is currently General Manager of Maritime Business Department. Prior to joining Uni-Asia, Ms Chiu worked with ship-owning firm (Sincere Industrial Corp., Taiwan) during 1996 - 2011 and ship-broker house (Maxmart Shipping & Trading Co. Ltd., Taiwan) during 1994 - 1996. Ms Chiu graduated with a bachelor's degree in Shipping and Transportation Management from National Taiwan Ocean University in 1994.

Key Management

9. Ms Kam Siu Lin

Senior Assistant to Chairman and CEO

Ms. Kam Siu Lin was appointed as the Senior Assistant to the Chairman and CEO responsible for the distressed asset investment and property investment in PRC in December 1998. She has extensive networks in PRC, especially in Guangdong, Beijing, Shanghai and Hong Kong.

Ms. Kam started her banking career at Hokkaido Takushoku Bank in March 1985 and was appointed as a chief representative of Guangzhou representative office of the bank in 1994 and afterwards. She is currently a director of Uni-Asia Guangzhou Property Management Co., Ltd. She is also responsible for property investment business in Hong Kong.

10. Mr Kazuhiko Yoshida

Counsellor

Mr Kazuhiko Yoshida was appointed as Counsellor to the Chairman and CEO of Uni-Asia Holdings Limited in April 2014. Previously he was Executive Director, Chairman and CEO of our Group. He is one of the founders who established the Company in 1997. He has extensive experience in structured finance of vessels and aircraft. Between 1986 and 1992, he was a senior manager in The Sumitomo Trust and Banking Co., Ltd. following which, he was a Director/Deputy General Manager of Takugin International (Asia) Limited, the offshore merchant banking arm of The Hokkaido Takushoku Bank, Ltd. from 1992 to 1997. Mr Yoshida obtained a bachelor's degree in engineering from the Hokkaido University in Japan in 1976.

11. Mr Hiromasa Yakushiji

Senior Advisor to Chairman and CEO
Internal Auditor for Japan Operation

Mr Hiromasa Yakushiji was appointed as the Senior Advisor to the Chairman and CEO of Uni-Asia Holdings Limited in November 2007. He is also currently an Internal Auditor for Japan operation. He has over 45 years of experience in financial sector with experience in London and New York. He joined The Sumitomo Trust and Banking Co., Ltd. having held the board member position from June 1991 to June 1999 and was Managing Director responsible for international division between June 1997 and June 1999. He retired from the bank in June 1999 and then managed the bank group companies as CEO till June 2005. Mr Yakushiji graduated with a bachelor's degree in economics from Keio University in 1966.

12. Mr P. Phillip Phillips

Advisor to the Chairman and CEO

Mr P. Phillip Phillips was appointed as an Advisor to the Chairman and CEO of Uni-Asia Holdings Limited in May 2010. Mr Phillips cooperates with the Group in the arrangement, origination and placement of financial transactions for itself and for its clients.

Currently living and working in London, Mr Phillips is an active "angel" investor in UK early stage companies and the Chairman of the Board of Trustees of two significant charities involved in secondary stage education. Between 1990 and March 2010, he was a Managing Director and a founding equity partner of Capstar Partners, a New York based global leader in structured asset finance, heading their Asian and UK operations respectively. A graduate of Oxford University, Mr Phillips was formerly a Vice President in the Private Equity and Leasing Group of Bankers Trust Company, in its London, Seoul and Tokyo offices. He has significant expertise in arranging Japanese, US and UK tax based leasing as well as ship and aircraft financing.

Corporate Governance Report

Uni-Asia Holdings Limited is a company incorporated in the Cayman Islands with limited liability and was a company listed on Singapore Exchange up to 2 June 2017. Uni-Asia Group Limited was incorporated on 12 January 2017 for the purpose of a Scheme of Arrangement to enable the listed entity of the Group to be changed from a Cayman incorporated Uni-Asia Holdings Limited to a Singapore incorporated Uni-Asia Group Limited (the "**Company**").

The Company is strongly committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "**Group**"). The board of directors of the Company (the "**Board**") recognises the importance of good corporate governance and the offering of high standards of accountability to the shareholders.

This report, set out in a tabular form, describes the Company's corporate governance processes and structures that were in place throughout the financial year, with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**") issued on 2 May 2012.

In recognition of its commitment to sound corporate governance principles and practices, the Company (when it was Uni-Asia Holdings Limited) has been nominated for the "Most Transparent Company Award" by the Securities Investors Association of Singapore ("**SIAS**"). The Company (when it was Uni-Asia Holdings Limited) has won the award on two occasions. The Company will continue to pursue high standards of corporate governance.

The Board confirms that for the financial year ended 31 December 2017 ("**FY2017**"), the Company has adhered to the principles and guidelines as set out in the Code, where applicable, and has specified and explained any deviations from the Code in this report. The Board considers that the alternative corporate governance practices are sufficient to meet the underlying objective of the Code.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Guidelines of the Code	Corporate Governance Practices of the Company
1.1	The Board oversees the business affairs of the Company and assumes responsibility for the Group's overall strategic plans, key operational initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices.
1.2	All directors exercise due diligence and independent judgment, and are obliged to act in good faith and in the best interests of the Company.
1.3	To facilitate effective management, certain functions have been delegated to various board committees, namely the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"), each of whose members are drawn from members of the Board (together "**Board Committees**" and each a "**Board Committee**"). Each of these Board Committees has its own written terms of reference and its actions are reported to and monitored by the Board. Minutes of the Board Committee meetings are available to all Board members. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group.

Corporate Governance Report

Guidelines of the Code	Corporate Governance Practices of the Company
1.4	The schedule of all the Board Committee meetings for the calendar year is usually given to all the directors well in advance. Besides the scheduled meetings, the Board has also held several informal discussions as and when required by specific circumstances, and as deemed appropriate by the Board members. The Company's Constitution allows a Board meeting to be conducted by means of telephone or similar communications equipment (which may include video conference). A record of the directors' attendance at meetings of Board and Board Committees for FY2017, as well as the frequency of such meetings, is set out in Table 1.
1.5	The Company has formulated guidelines setting forth matters reserved for the Board's decision. The management of the Company (the "**Management**") was also given clear directions on matters (including set thresholds for certain operational matters relating to subsidiaries) that require the Board's approval. In addition, the Board has adopted a set of internal controls which sets out approval limits for financial transactions conducted by the Company, investments, lending, borrowings, guarantees and cheque signatories' arrangements. Approval sub-limits are also provided at management levels to facilitate operational efficiency. Certain material corporate actions that require the Board's approval are as follows:- • approval of quarterly results announcements; • approval of annual results and financial statements; • recommendation of dividends; • convening of shareholders' meetings; • authorisation of material acquisitions/disposal of assets; • authorisation of major transactions; and • approval of internal audit report. The Board likewise reviews and approves all corporate actions for which shareholders' approval is required.
1.6	New directors, upon appointment, will be briefed on the business and organisation structure of the Group to ensure that they are familiar with the Group's structure, businesses and operations. The directors may participate in seminars and/or discussion groups to keep abreast of the latest developments which are relevant to the Group. Directors also have the opportunity to visit the Group's operational facilities and meet with Management to gain a better understanding of the Group's business operations. The Company has adopted a directors' training policy and has an on-going budget for all directors to attend appropriate courses, conferences and seminars for them to stay abreast of relevant business developments and outlook. These include programmes run by the Singapore Institute of Directors or other training institutions. The Board as a whole is updated regularly on risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members.

Corporate Governance Report

Guidelines of the Code	Corporate Governance Practices of the Company
	New releases issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the directors are circulated to the Board.
	The Company Secretary and Management inform the directors of upcoming conferences and seminars relevant to their roles as directors of the Company.
	Annually, the external auditors update the AC and the Board on new or revised financial reporting standards, in particular standards that could have a material impact on the Group's consolidated financial statements.
1.7	A formal letter is sent to newly-appointed directors upon their appointment explaining their duties and obligations as director. New directors, upon appointment, will also be briefed on their duties and obligations as directors. The directors are also informed of regulatory changes initiated by or affecting the Company.
	The following directors were appointed on 1 March 2018:-
	1) Masahiro Iwabuchi - Executive Director 2) Kenji Fukuyado - Executive Director 3) Yukihiro Toda - Executive Director 4) Philip Chan Kam Loon - Non-Executive Independent Director
	As part of the induction programme for the new Independent Director appointed to the Board, the new Independent Director was briefed and issued with a director pack comprising (i) a letter of appointment which sets out the terms of his appointment; (ii) a general guide on the duties and liabilities of a director of a listed company under the Companies Act and the SGX Listing Manual; and (iii) a set of the Company's corporate manual which contains all the Company's policies, including terms of references, approved by the Board. As for the newly appointed executive directors, they have attended the training on the roles and responsibilities of a director of a listed company organised by the Company.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Guidelines of the Code	Corporate Governance Practices of the Company
2.1 and 2.2	The Board comprises 9 members, 5 of whom are Executive Directors ("**EDs**") and the remaining 4 are Non-Executive Independent Directors ("**NEIDs**"). The NEIDs make up at least one-third of the Board. A summary of the current composition of the Board and its committee is set out in Table 2.

Corporate Governance Report

Guidelines of the Code	Corporate Governance Practices of the Company
2.3	The NC, which reviews the independence of each director on an annual basis, adopts the Code's definition of what constitutes an independent director. Each independent director is required to complete a declaration of independence which is drawn up in accordance with the guidelines set out in the Code and submits the same to the NC for assessment and consideration. None of the independent non-executive directors has a relationship with the Company, its related corporations, its major shareholders (holding 10% or more of the shares) or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement.
2.4	Concerning the independence of directors who have served on the Board beyond nine years, both Mr. Ronnie Teo Heng Hock (appointed on 26 June 2007) and Mr. Rajan Menon (appointed on 18 April 2008) have served on the Board as NEIDs beyond nine years. Where a director has served on the Board for more than nine years, the Board has further reviewed whether such a director should be considered independent. The following were some of the factors considered in reviewing the independence of the director who has served beyond nine years: a) whether the Director is free from any dealings, relationships or circumstances that could affect or appear to affect his independent judgement, particularly with regard to whether the director has indicated or demonstrated an alignment or ongoing support for any specific group of stakeholders, instead of representing the interests of all stakeholders; b) whether the length of service has had any adverse impact on the Director's objectivity and judgement and whether during the tenure there has been any impairment to his ability to discharge his duties and responsibilities in the overall interest of the Group, taking into consideration the interests of all stakeholders; and c) whether the director continues to exhibit a firm commitment to his role and continues to actively contribute with the knowledge and experience of the Group's business built up over the years. Each of the aforesaid NEIDs has exercised strong independent judgment in their deliberations in the interests of the Company and maintains their objectivity and independence at all times in the discharge of his duties as director. In addition, the independence of character and judgment of each of the directors concerned was not in any way affected or impaired by the length of service. Having weighed the need for the Board renewal against tenure, the Board is satisfied with the independence of character and judgment of both Mr. Ronnie Teo Heng Hock and Mr. Rajan Menon and recommends that they continue on the Board as NEIDs of the Company. Taking into account the need for progressive refreshing of the Board, Mr. Ronnie Teo Heng Hock will be retiring at the forthcoming Annual General Meeting ("**AGM**") of the Company under Article 94 of the Constitution and will not be offering himself for re-election. The Board is also cognizant of the need for progressive renewal of the Board. Due to the complexity of the Group's businesses, the retirement of its long serving directors have been paced to ensure orderly renewal of the Board as well as minimize the loss of relevant experience, skills and knowledge of the Group's businesses.

Corporate Governance Report

Guidelines of the Code	Corporate Governance Practices of the Company
2.5	The directors consider that the Board is of the appropriate size and with the right mix of skills and experience, taking into account the nature and the scope of operations of the Group.
2.6	The NC and the Board recognise the importance of an appropriate balance and diversity of industry knowledge, skills, backgrounds, experience and professional qualifications in building an effective Board. For this purpose, the NC reviews the Board's collective skills matrix regularly. As a Group, the directors bring with them a broad range of expertise and experience in areas such as accounting, law, finance, business and management, industry knowledge, strategic planning and customer-based experience and knowledge; and are able to make positive contributions to the Company. The diversity of the directors' expertise and experience allows for the useful exchange of ideas and views. The profile of all Board members is set out in the section entitled 'Board of Directors'.
2.7	The NEIDs contribute to the development of proposals on strategy by constructively challenging Management. They would also review the performance of Management in meetings.
2.8	Where warranted, the NEIDs meet without the presence of Management or the EDs to review any matters that must be raised privately.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Guidelines of the Code	Corporate Governance Practices of the Company
3.1	Mr. Michio Tanamoto currently fulfils the role of Chairman and Chief Executive Officer ("**CEO**") of the Company. Being a founder of the Group, Mr. Tanamoto plays an instrumental role of developing the business of the Group and provides the Group with strong leadership and strategic vision. All major decisions made by the Chairman and CEO are endorsed by the Board. As Chairman, he is responsible for Board processes and ensures the integrity and effectiveness of the governance process of the Board. As at the date of this report, there is a clear division of roles and responsibilities between the Chairman/CEO and the Executive Directors, namely Mr. Masaki Fukumori, Mr. Masahiro Iwabuchi, Mr. Kenji Fukuyado and Mr. Yukihiro Toda, which ensures an appropriate balance of power between the Board, the Chairman/CEO and the Executive Directors, thereby enhancing accountability and greater independent decision-making ability. The Chairman/CEO and the Executive Directors are not related to each other. The Chairman is part of the

Corporate Governance Report

Guidelines of the Code	Corporate Governance Practices of the Company
	management team and he is not an independent director. The independent directors did not make up at least half of the Board. However, this is a transition arrangement where the number of Executive Directors had increased as part of succession planning. Eventually, a new CEO may be appointed so that the Chairman and CEO are separate persons, or the number of independent directors may be increased so that independent directors make up at least half of the Board.
3.2	As the Chairman and CEO, Mr. Michio Tanamoto, with the assistance of the Company Secretary and Management, schedules Board meetings as and when required and prepares the agenda for Board meetings. In addition, he sets guidelines on and ensures quality, quantity, accuracy and timeliness of information flow between the Board, Management and shareholders of the Company. He encourages constructive relations between the Board and Management and between the executive directors and the independent directors. He also takes a leading role in ensuring the Company's drive to achieve and maintain a high standard of corporate governance practices.
3.3	The Board has appointed Mr. Lee Gee Aik, a NEID, as the Lead Independent Director. Mr. Lee Gee Aik will be available to address shareholders' concerns when contact through the normal channels of the Chairman, the CEO, the Chief Operating Officer ("**COO**") or the Group Chief Financial Officer ("**Group CFO**") (or equivalent) has failed to provide a satisfactory resolution or when such contact is inappropriate.
3.4	Where warranted, the independent directors, led by the lead independent director, may meet without the presence of Management or the Executive Directors to review any matters that must be raised privately before the lead independent director provides feedback to the Chairman of the Board.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Guidelines of the Code	Corporate Governance Practices of the Company
4.1	The Board, in conjunction with the NC, reviews the composition of the Board and Board Committees annually, taking into account the performance and contribution of each individual director. Board composition is also evaluated to ensure diversity of skills and experience are maintained within the Board and Board Committees. The NC, regulated by a set of written terms of reference, comprises four members, all of whom, including the Chairman, are NEIDs. The Lead Independent Director is a member of the NC. The names of the members of the NC are disclosed in Table 2.

Corporate Governance Report

Guidelines of the Code	Corporate Governance Practices of the Company
4.2	The principal functions of the NC stipulated in its terms of reference are summarised as follows:

(a) Reviews and makes recommendations to the Board on relevant matters relating to:-

- all Board appointments and the appointment of CEO, COO, Group CFO, Managing Directors (including Senior Managing Directors) and relevant senior management staff;
- Board succession plans for directors, the Chairman and the CEO;
- process for Board performance evaluation;
- board training and professional development programs; and
- the change in the management organization structure at or above departmental level.

(b) Reviews the Board structure, size and composition and makes recommendations to the Board with regards to any adjustments that are deemed necessary;

(c) Determines if a director is independent on an annual basis and as and when circumstances require;

(d) Makes recommendations to the Board for the continuation (or not) in services of any executive director who has reached the age of sixty (60) or more, where appropriate;

(e) Assesses the effectiveness of the Board and the academic and professional qualifications of each individual director; and

(f) Reviews and recommends directors retiring by rotation for re-election at each AGM.

In accordance with the Constitution, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third), selected in accordance with Article 95, shall retire from office by rotation (in addition to any Director retiring pursuant to Article 100), provided always that no Director holding office as a CEO (or person holding an equivalent position) or Executive Director whose term of office under a service contract with the Company is a fixed term that is unexpired and continuing as at the time of the relevant AGM shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire.

All newly appointed directors will have to retire at the next AGM following their appointments. The retiring directors are eligible to offer themselves for re-election. The following directors will retire by rotation at the forthcoming AGM and have been re-nominated for re-election:

Mr. Lee Gee Aik	Article 94
Mr. Masahiro Iwabuchi	Article 100
Mr. Kenji Fukuyado	Article 100
Mr. Yukihiro Toda	Article 100
Mr. Philip Chan Kam Loon	Article 100

Corporate Governance Report

Guidelines of the Code	Corporate Governance Practices of the Company
	The NC has recommended the nomination of the directors retiring by rotation for re-election at the forthcoming AGM. The Board has accepted the NC's recommendation and accordingly, the above-mentioned directors will be offering themselves for re-election at the forthcoming AGM.
	Mr. Lee Gee Aik, a member of the NC, has accordingly abstained from reviewing and recommending his own re-election. Similarly, Mr. Philip Chan Kam Loon has accordingly recused himself from participating in the discussion and recommendation on his nomination.
	Mr. Ronnie Teo Heng Hock, who will retire by rotation at the forthcoming AGM under Article 94 of the Constitution, will not be offering himself for re-election at the forthcoming AGM.
4.3	The NC determines the independence of each director annually based on the definitions and guidelines of independence as set out under Guideline 2.3 and 2.4 above. The Board, after taking into consideration the views of the NC, is of the view that Mr. Lee Gee Aik, Mr. Ronnie Teo Heng Hock, Mr. Rajan Menon and Mr. Philip Chan Kam Loon are independent and that, no individual or small group of individual dominates the Board's decision making process.
4.4	Where a director has multiple board representations, the NC also considers whether or not the director is able to and has adequately carried out his duties as a director of the Company. The NC is satisfied that sufficient time and attention are being given by the directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations.
	The NC, with the concurrence of the Board, has decided not to fix a limit on the number of board representations of each director as it considers that the board representations presently held by its directors do not impede the performance of their duties to the Company.
4.5	No alternate director has been appointed to the Board.
4.6	The NC is responsible for identifying and recommending new board members to the Board, after considering the relevant and desirable competencies of the candidates which include: (i) academic and professional qualifications; (ii) industry experience; (iii) number of other directorships; (iv) relevant experience as a director; and (v) ability and adequacy in carrying out required tasks.
	The NC leads the process for Board appointments and makes recommendations to the Board. The integrated process of appointment includes: (i) developing a framework on desired competencies and diversity of the Board; (ii) assessing current competencies and diversity of the Board;

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Guidelines of the Code	Corporate Governance Practices of the Company
	(iii) developing desired profiles of new directors;
	(iv) initiating search for new directors including external search, if necessary;
	(v) shortlisting and interviewing potential director candidates;
	(vi) recommending appointments and retirements to the Board; and
	(vii) election at general meeting.
4.7	The profile of all Board members is set out in the section entitled 'Board of Directors'. The date of the directors' initial appointment and last re-election and their directorships are disclosed in Table 3. Except as disclosed in Table 3, there were no other directorships or chairmanships held by the directors over the preceding three years in other listed companies.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

Guidelines of the Code	Corporate Governance Practices of the Company
5.1 to 5.2	The Board has, through the NC, implemented an annual evaluation process to assess the effectiveness of the Board as a whole, the Board Committees and the contributions by each individual director. The NC is also responsible for deciding how the Board's performance may be evaluated and considers practical methods to assess the effectiveness of the Board. The NC has adopted a formal system of evaluating the Board as a whole, annually. A Board performance evaluation was carried out and the assessment parameters include evaluation of the Board's composition, size and diversity, Board processes and procedures, Board accountability, evaluation and succession planning, as well as the efficiency and effectiveness of the Board Committees in assisting the Board. The annual evaluation exercise provides an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes had allowed him to discharge his duties effectively and to propose changes which may be made to enhance the Board effectiveness as a whole.
5.3	The NC members were in consensus that it is not meaningful to go through the formal process of evaluating their fellow director's performance on an individual basis. There were no issue with fellow members' regularity of attendance at meetings, their objectivity, competencies, time commitment and their readiness to contribute at meetings. Although the Directors are not evaluated individually on a formal basis, as part of the process to the re-nomination of Directors for the current year are based on their attendances, commitment of time and contributions made at meetings of Board and Board Committees as well as general meetings.

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Access to Information

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Guidelines of the Code	Corporate Governance Practices of the Group
6.1	The members of the Board are provided with adequate and timely information prior to Board meetings, and on an on-going basis. The Board has separate and independent access to the Group's senior management and the Company Secretary at all times. Requests for information by the Board are dealt with promptly by Management. The Board is informed of all material events and transactions as and when they occur. These include relevant information and explanatory notes on matters that are presented to the Board, such as budgets, forecasts and business models.
6.2	In relation to budgets, any material variance between projections and actual results are disclosed and explained. Timely updates on developments in accounting matters, legislation, government policies and regulations affecting the Group's business operations are provided to all directors.
6.3	The Company Secretary attends and prepares minutes of all Board and Board Committee meetings and is responsible for ensuring that Board procedures are followed and that the Company's Constitution and relevant rules and regulations are complied with. The Company Secretary assists the Chairman by preparing meeting agendas, attending Board and Board Committee meetings and preparing minutes of Board proceedings. Under the direction of the Chairman, the Company Secretary, with the support of the Management, ensures good information flows within the Board and the Board Committees and between senior management and non-executive directors.
6.4	The appointment and replacement of the Company Secretary is a matter for the Board.
6.5	The Board seeks independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The directors, whether as a group or individually, may seek and obtain legal and other independent professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their roles and responsibilities as directors.

Corporate Governance Report

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Guidelines of the Code	Corporate Governance Practices of the Company
7.1	The RC, regulated by a set of written terms of reference, comprises four members, all of whom are independent non-executive directors. The names of the members of the RC are disclosed in Table 2. The principal function of the RC is to ensure that a formal and transparent procedure is in place for fixing the remuneration framework for the Board and key management personnel of the Group.
7.2	Under its terms of reference, the RC is responsible for reviewing and recommending a remuneration framework for the Board and the Company's key management personnel. The RC considers all aspects of remuneration namely, director's fees, salaries, allowances, bonuses, share-based incentives and awards and other benefits-in-kind. All remuneration matters are ultimately approved by the Board. The RC's recommendation for directors' fees had been made in consultation with the Chairman of the Board and had been endorsed by the entire Board, following which the recommendation is tabled for shareholders' approval at the Company's AGM. No member of the RC or the Board participated in the deliberation of his own remuneration.
7.3	No independent consultant is engaged for advising on the remuneration of all directors.
7.4	The Service Agreements of the executive directors are for a period of three years and will expire on the date on which the AGM of the Company is held immediately subsequent to the third anniversary of the Service Agreements. There are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the executive directors.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

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Guidelines of the Code	Corporate Governance Practices of the Company

8.1 ANNUAL REMUNERATION REPORT

REMUNERATION POLICY IN RESPECT OF EXECUTIVE DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL

The remuneration of the Company's directors and key management personnel has been formulated to attract, retain and motivate individuals the Group relies on to achieve its business strategy and create long-term value for its shareholders. The RC believes that fair performance-related pay should motivate good performance and that rewards should be closely linked to and commensurate with it.

The Chairman is consulted by the RC on matters relating to the other executive directors and key management personnel who report to him on matters relating to the performance of the Company. He duly abstained from participation in discussions and decisions on his own remuneration.

Where appropriate, the RC reviews the service contracts of the Company's executive directors and key management personnel. The compensation commitments in service contracts are reviewed periodically and notice periods for termination are also reviewed to ensure that they are not excessively long. The Company has entered into separate service agreements ("**Service Agreements**") with the executive directors. Under the Service Agreements, the housing allowance of the executive directors is subject to annual review by the Board after the first year of appointment.

8.2 SHARE INCENTIVE SCHEME

The Company has a share incentive scheme known as the Uni-Asia Group Performance Share Plan (the "**PSP**"). The Company had, pursuant to an ordinary resolution on 24 March 2017, approved and adopted the PSP. The adoption of the PSP was also approved by shareholders at an extraordinary general meeting of Uni-Asia Holdings Limited held on 28 April 2017.

The PSP is administered by the PSP Committee (a sub-committee of the RC), which shall comprise the following directors of the Company (including directors who may be participants of the PSP):

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

No share awards were granted under the PSP in FY2017.

Further details of the PSP are set out below.

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

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

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

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

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

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

The total number of shares over which the PSP Committee may grant new awards on any date, when added to:

(1) the total number of new shares allotted and issued and/or to be allotted and issued and issued shares (including treasury shares) delivered and/or to be delivered, pursuant to awards already granted under the PSP;

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Guidelines of the Code	Corporate Governance Practices of the Company

(2) the total number of shares subject to any other share option or share schemes of the Company; and

(3) the total number of new ordinary shares of Uni-Asia Holdings Limited allotted and issued and issued ordinary shares of Uni-Asia Holdings Limited (including treasury shares) delivered, pursuant to awards already granted under the Uni-Asia Performance Share Plan,

shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) on the date preceding the date of the relevant new award.

The PSP shall continue to be in force at the discretion of the PSP Committee until 28 April 2024 (being the maximum term under the Uni-Asia Group Performance Share Plan), provided always that the PSP may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The PSP is considered a share-based payment that falls under IFRS 2 where participants will receive shares and the awards would be accounted for as equity-settled share-based transactions.

8.3 POLICY IN RESPECT OF NON-EXECUTIVE DIRECTORS' REMUNERATION

In reviewing the recommendation for independent non-executive directors' remuneration for FY2017, the RC had continued to adopt a framework of base fees for serving on the Board and Board Committees, as well as fees for chairing Board Committees. The fees take into consideration the amount of time and effort that each Board member may be required to devote to their role.

	S$
Base fee of Directors	50,000
AC Chairman	15,000
AC Member	10,000
NC/RC Chairman	5,000
NC/RC Member	2,500
Lead Independent Director	2,500

Mr. Wu Kuang-hui did not receive any Directors' fees during FY2017 as he was a representative Director appointed by a substantial shareholder to represent the substantial shareholder on the Board of the Company. Mr. Wu Kuang-hui resigned as a Non-Executive Director of the Company on 6 November 2017.

Fees for independent non-executive directors are subject to the approval of shareholders at the AGM. Executive directors and representative/nominee directors appointed by substantial shareholders to represent them on the Board of the Company do not receive directors' fees.

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Guidelines of the Code	Corporate Governance Practices of the Company
8.4	In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individuals. Having considered the variable components of the remuneration packages for the Executive Directors and key management personnel, the RC is of the view that there is no impending need to institute contractual provisions to allow the Company to reclaim incentive components in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss or fraud by the Executive Directors and key management personnel.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Guidelines of the Code	Corporate Governance Practices of the Company
9.1 to 9.3	LEVEL AND MIX OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL (WHO ARE NOT ALSO DIRECTORS OR THE CEO) FOR THE YEAR ENDED 31 DECEMBER 2017. The actual remuneration of each director and the top six key management personnel has been disclosed in the respective bands. The Company discloses the actual remuneration paid to each director using a narrow band of S$100,000 to improve transparency. The compensation structure for the key management personnel (who are not directors or the CEO) of the Company and the Group subsidiaries consists of three key components – fixed salary, variable incentive (performance bonus) and benefits-in-kind (housing benefits). Table 4 and Table 4A sets out the breakdown of the remuneration of the directors and the top six key management personnel (who are not also directors or the CEO), respectively, for FY2017. Except as disclosed in Table 4 of this report, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest. Regarding the Code's recommendation to fully disclose the remuneration of directors and the top six key management personnel (who are not also directors or the CEO), given the confidentiality of and commercial sensitivity attached to remuneration matters, the Company believes that disclosing remuneration in the respective bands and disclosing in aggregate the total remuneration paid to the directors and the top six key management personnel (who are not also directors or the CEO) provide sufficient overview of the remuneration of directors and the top six key management personnel (who are not also directors or the CEO).

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Guidelines of the Code	Corporate Governance Practices of the Company
9.4	REMUNERATION OF EMPLOYEES WHO ARE IMMEDIATE FAMILY MEMBERS OF A DIRECTOR OR THE CHIEF EXECUTIVE OFFICER There is no immediate family member (defined in the Listing Manual of the SGX-ST (the "**Listing Manual**") as the spouse, child, adopted child, step-child, brother, sister and parent) of a director or the CEO in the employment of the Company whose annual remuneration exceeded S$50,000 during FY2017.
9.5 and 9.6	The Company has a share incentive scheme known as the "Uni-Asia Group Performance Share Plan". Further details of the PSP, including the key terms of the PSP, are set out above under "Share Incentive Scheme".

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Guidelines of the Code	Corporate Governance Practices of the Company
10.1	The Board provides shareholders with a detailed and balanced explanation and analysis of the Company's performance and prospects on a quarterly basis. Management provides the Board with management accounts of the Group's performance, position and prospects upon request.
10.2	The Board also takes adequate steps to ensure compliance with legislative and regulatory requirements, including compliance with the continuing listing obligations under the SGX Listing Manual. As and when new rules and regulations are introduced, external professionals will be invited to brief the directors. In line with the Listing Rules of the SGX-ST, the Board issues a negative assurance statement in its interim quarterly financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect. The Company has also procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1). The Company has put in place the following policies: (a) Investor Relations Policy; (b) Directors' Training Policy; (c) Policy on Matters reserved for the Board; and (d) Dividend Policy.

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Guidelines of the Code	Corporate Governance Practices of the Company
10.3	The Management provides the Board and Board Committees with a continual flow of relevant information on a timely basis in order that it may effectively discharge its duties.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Guidelines of the Code	Corporate Governance Practices of the Company
11.1	The Group's system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss. During the year, the AC, on behalf of the Board and through the assistance of internal and external auditors, had reviewed the effectiveness of the Group's internal control systems as well as its financial, operational, compliance and information technology controls, and risk management systems. The process used by the AC to monitor and review the effectiveness of the system of internal controls and risk management includes:- (i) discussions with management on risks identified by management; (ii) the audit processes; (iii) the review of internal and external audit plans; and (iv) the review of significant issues arising from internal and external audits.
11.2	The Group had engaged external consultants from KPMG Services Pte Ltd in 2012 to set up an Enterprise Risk Management ("**ERM**") Framework (the "**ERM Framework**"), which governs the risk management process in the Group. Through this framework, risk capabilities and competencies would be continuously enhanced. The ERM Framework also enables the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. The risk management process in place covers, *inter alia*, financial, operational, compliance and information technology risks faced by the Group. The key risks of the Group are deliberated by the Management and reported to the AC. The AC reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and vis-à-vis the external and internal environment which the Group operates in. Complementing the ERM framework is a Group-wide system of internal controls, which includes the Code of Conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business processes.

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Guidelines of the Code	Corporate Governance Practices of the Company
	To ensure that internal controls and risk management processes are adequate and effective, the AC is assisted by various independent professional service providers. External auditors provide reasonable assurance on the true and fair presentation of the Group's financial statements. Internal auditors (both outsourced and in-house) provide assurance that controls over the key risks of the Group are adequate and effective.
11.3 Also Rule 1207(10) of SGX-ST Listing Manual	The Board is responsible for ensuring that management maintains a sound system of internal controls to safeguard shareholders' investment and the Group's assets. For FY2017, based on (i) the Group's framework of management control, (ii) the internal control policies and procedures established and maintained by the Group as well as (iii) the regular audits, monitoring and reviews performed by the internal and external auditors, the Board, with the concurrence of the AC, is of the opinion that the systems of internal controls and risk management within the Group are adequate and effective, including the financial, operational, compliance and information technology controls and risk management that has been maintained by the Group's management and that was in place throughout the financial year due to errors, fraud or irregularities. The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. Any material non-compliance and internal control weaknesses noted during the internal audit and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system. The Board has received assurance from the CEO, the COO and the Group CFO that the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances as well as the effectiveness of the Company's risk management and internal control systems.
11.4	The Company has not put in place a Risk Management Committee. However, Management have in place a financial risk management policy and regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the directors and AC. Details of the Group's risk management policy are set out in Note 29 "Financial Risk Management" of the Notes to the Consolidated Financial Statements.

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AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

Guidelines of the Code	Corporate Governance Practices of the Company
12.1	The AC, regulated by a set of written terms of reference, comprises four NEIDs. The names of the members of the AC are disclosed in Table 2.
12.2	The AC has three members namely, Mr. Lee Gee Aik, Mr. Ronnie Teo Heng Hock and Mr. Philip Chan Kam Loon, who have accounting or related financial management expertise or experience.
12.3	The AC has full access to and the co-operation of Management and has full discretion to invite any director or executive officer to attend its meetings and has been given adequate resources to enable it to discharge its functions.
12.4	The AC performs the following functions:

(a) reviews the annual and quarterly financial statements of the Company and the Group before submission to the Board for adoption;

(b) reviews with the internal and external auditors, their audit plans and audit reports;

(c) reviews the cooperation given by the Company's officers to the external auditors;

(d) reviews interested person transactions and transactions falling within the scope of Chapter 10 of the Listing Manual;

(e) nominates and reviews the appointment or re-appointment of external auditors;

(f) reviews the independence of the external auditors annually;

(g) undertakes such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

(h) undertakes such other functions and duties as may be required by statute or the Listing Manual and by such amendments made thereto from time to time.

Apart from the above functions, the AC will commission and review the findings of internal investigations into matters where there is suspicion of fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation, which has or is likely to have a material impact on the operating results and/or financial position.

In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing that particular transaction or voting on that particular resolution.

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Guidelines of the Code	Corporate Governance Practices of the Company
	In performing its functions, the AC: (i) has met with the internal and external auditors, without the presence of management, at least once a year; (ii) has explicit authority to investigate any matter within its terms of reference; (iii) has had full access to and cooperation from Management and has full discretion to invite any director and executive officer to attend its meetings; and (iv) has been given reasonable resources to enable it to discharge its functions properly. The executive Management of the Company (including but not limited to the Executive Directors and Group CFO) attends all meetings of the AC on invitation.
12.5	Annually, the AC meets (physically or via teleconference) separately with the internal and external auditors without the presence of Management.
12.6	The AC reviews annually the non-audit services provided by external auditors and determines whether the provision of such services affects their independence. The breakdown of fees (audit and non-audit services) paid to auditors are set out in Note 22 “Other Expenses” of the Notes to the Consolidated Financial Statements. Having reviewed the nature and extent of non-audit services rendered by the external auditors to the Company for the year ended 31 December 2017, the AC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC had therefore recommended to the Board that the auditors, Ernst & Young LLP, be nominated for re-appointment as auditors at the forthcoming AGM of the Company. The auditors, Ernst & Young LLP, have indicated their willingness to accept re-appointment. In recommending the re-appointment of the auditors, the Audit Committee considered and reviewed various factors including the adequacy of resources, experience of supervisory and professional staff to be assigned to the audit, the size and complexity of the Group and its businesses and operations. Accordingly, the AC has recommended the re-appointment of Ernst & Young LLP as external auditors at the AGM of the Company.
12.7	The Company’s Whistle-Blowing programme serves to encourage and to provide a channel for staff of the Group and any other persons to report and raise, in good faith and in confidence, their concerns about possible improprieties in matters of financial reporting or other matters. To facilitate independent investigation of such matters and appropriate follow up actions, all whistle-blowing reports are directed to the AC via a dedicated email address. The Whistle-Blowing programme is communicated to all staff.

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Guidelines of the Code	Corporate Governance Practices of the Company
12.8	**Summary of AC's activities in 2017**

(i) reviewed the financial statements of the Company before the announcement of the Company's quarterly and full-year results;

(ii) together with the CEO, COO, Group CFO and where applicable, the external auditors, reviewed the key areas of Management's judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a material impact on the financials;

(iii) reviewed and approved both the Group internal auditor's and external auditor's plans to ensure that the plans covered sufficiently in terms of audit scope in reviewing the significant internal controls comprising financial, operational, information technology and compliance controls of the Company;

(iv) reviewed the independence and objectivity of the internal and external auditors through discussions with the internal and external auditors;

(v) reviewed non-audit fees;

(vi) reviewed the appointment of different auditors for its subsidiaries;

(vii) reviewed the accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group;

(viii) reviewed the internal audit functions and discussed accounting implications of major transactions including significant financial reporting issues;

(ix) reviewed interested party transactions;

(x) reviewed with the CEO, Group CFO and external auditors on the changes to accounting standards and issues which are relevant to the Group and have a direct impact on the Group's financial statements; and

(xi) reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2017 as well as the Independent Auditors' Report thereon before submitting them to the Board for its approval.

12.9 None of the AC members were previous partners or directors of the existing auditing firm within the previous twelve months and none of the AC members hold any financial interest in the auditing firm.

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Guidelines of the Code	Corporate Governance Practices of the Company

Financial Reporting Matters

In the review of the balance sheet of the Company and the consolidated financial statements of the Group, the AC discussed with management the accounting principles that were applied and also considered the appropriateness of the critical accounting estimates and judgements made in the preparation of the financial statements. The following significant matters impacting the financial statements were discussed with management and the external auditor and were reviewed by the AC:

Matters considered	Action
i. Assessment of impairment of vessels held as property, plant and equipment. ii. Fair valuation of unlisted investments (for both ships and properties).	The AC met with Management to consider the approach and methodology adopted for the valuation models used for impairment assessment and fair valuation of investments including the reasonableness of cash flow forecasts and discount rates used in the valuation models. The AC also discussed with the external auditors their review of the reasonableness and relevance of methodology and assumptions used in valuation models. The above procedures provided the AC with reasonable assurance on the approach and conclusion drawn by Management on these matters. Impairment of vessels held as property, plant and equipment and fair valuation of unlisted investments were also areas of focus for the external auditor. The external auditor has included these items as key audit matters in its audit report for the financial year ended 31 December 2017. Refer to pages 80 and 81 of this annual report.

Following the review and discussions, the AC recommended to the Board to approve the financial statements for FY2017.

Rule 1207(6) and Rules 712 and 715 and/or Rule 716 of the SGX-ST Listing Manual	The Board and AC have reviewed the appointment of different auditors for some of its subsidiaries and were satisfied that such appointment would not compromise the standard and effectiveness of the audit of the Group and that Rule 716 of the Listing Manual has been complied with. Refer to Note 27 "Investments in Subsidiaries" of the Notes to the Consolidated Financial Statements for the subsidiaries audited by different auditors. In appointing the audit firms for the Company, its subsidiaries and significant associated companies, the Audit Committee and the Board are satisfied that the Group has complied with Listing Rules 712, 715 and 716.

Corporate Governance Report

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audit.

Guidelines of the Code	Corporate Governance Practices of the Company
13.1 to 13.4	The Group has outsourced its internal audit function to external audit professionals, RSM Consulting (Hong Kong) Limited. In addition, each of Uni-Asia Capital (Japan) Ltd ("**UACJ**"), Uni-Asia Investment Ltd ("**UAI**") and Vista Hotel Management Co., Ltd ("**VHM**"), the Company's subsidiaries in Japan, has an internal auditor performing the internal audit role in accordance with Japan's regulatory requirements, where applicable. The AC has initiated steps to undertake a high level review of the internal audit process in UACJ, UAI and VHM. Both external audit professionals and internal auditor of Japan report directly to the AC. The AC reviews and approves the annual audit plan and resources to ensure that the internal auditors have the necessary resources to adequately perform their duties. The AC has reviewed the adequacy and effectiveness of the internal audit function and is satisfied that the team is adequately resourced and has appropriate standing within the Company. The AC is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals.
13.5	The internal auditor plans its internal audit schedules in consultation with the AC. The audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. In addition, the internal auditor may be involved in ad-hoc projects initiated by the Management which require the assurance of the internal auditor in specific areas of concerns. The AC reviews the activities of the internal auditors on a regular basis, including overseeing and monitoring the implementation of the improvements required on internal control weaknesses identified. The internal auditors conducted an annual review of the effectiveness of the Group's risk management and key internal control systems, including financial, operational, compliance and information technology controls, and risk management. Any material non-compliance or lapses in internal controls, together with recommendation for improvement, are reported to the AC. A copy of the report is also issued to the relevant department for its follow-up action. The timely and proper implementation of the required corrective, preventive or improvement measures are closely monitored.

Corporate Governance Report

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Guidelines of the Code	Corporate Governance Practices of the Company
14.1	The Company is committed to regular and timely communication with shareholders as part of the organisation's development to build systems and procedures that will enable the Group to compete internationally. The Company places great emphasis on investor relations and strives to maintain a high standard of transparency and to promote better investor communications. It aims to provide investors with clear, balanced and useful information, on a timely basis, about the Group's performance, financial position and prospects.
14.2	Management supported the Code's principle to encourage shareholder participation. Shareholders are encouraged to attend the AGM to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Notice of the general meeting is despatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 days or 21 days, as the case may be, before the general meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the general meeting.
14.3	Whilst there is no limit imposed on the number of proxy votes for nominee companies, the Articles of the Company's Constitution allow each shareholder to appoint up to two proxies to attend AGMs and any other general meeting.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Guidelines of the Code	Corporate Governance Practices of the Company
15.1 to 15.4	The Company has put in place an investor relations ("**IR**") policy to promote regular and proactive communication with its shareholders. The Company keeps its website updated and maintains dedicated IR section for shareholders' convenience. All the announcements disclosed through SGXNET are also posted on the Company's website. The Company conducts briefings regularly for the media, analysts, brokers and fund managers, with the presence of key management personnel.

Corporate Governance Report

Guidelines of the Code	Corporate Governance Practices of the Company
	Briefings for investors are held in conjunction with the release of the Company's quarterly and full year results, with the presence of the CEO, Group CFO, the Executive Directors and/or the key management personnel to answer the relevant questions which the investors may have.
	In addition, the Company has appointed a professional investor relations firm to promote effective communication with shareholders. Any questions from shareholders could either be raised to the investor relations firm or the Company to be addressed by the CEO, Management and/or the Group CFO.
	It is the Board's policy that shareholders be informed of all major developments within the Group. Price-sensitive information and results are released to the public through SGXNET on a timely basis in accordance with the requirements of the SGX-ST. The Company does not practice selective disclosure.
	The steps taken to solicit and understand the views of shareholders are disclosed under "Investor Relations" on Page 34 of this annual report.
15.5	The Company's dividend policy seeks to balance dividend return to shareholders with the need for long-term sustainable growth whilst aiming for an efficient capital structure.
	The declaration of a first and final one-tier tax-exempt dividend of S$0.0625 per ordinary share has been proposed for FY2017.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Guidelines of the Code	Corporate Governance Practices of the Company
16.1	In general meetings, shareholders are given the opportunity to communicate their views and direct questions to Directors and Management regarding the Company. The Chairpersons of Board Committees are present at the AGM and other general meetings of shareholders, to assist the Board in addressing shareholders' questions. The minutes of the AGM are available to shareholders upon their request.
	At every AGM, the Company is likely to present a review on the Group's financial results and its business outlook to shareholders. Shareholders have the opportunity to participate effectively and to vote in the AGM either in person or by proxy.
	The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other issues are satisfactorily resolved.

Corporate Governance Report

Guidelines of the Code	Corporate Governance Practices of the Company
16.2	Resolutions to be passed at general meetings are always separate and distinct in terms of issue and are consistent with the Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.
16.3	The Chairman of the Board, Audit, Remuneration and Nominating Committees will be in attendance at the Company's AGM to address shareholders' questions relating to the work of the Board and Board Committees. The Company's external auditors, Ernst & Young LLP, have also been invited to attend the AGM and will be available to assist the directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.
16.4	The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the directors or the Management questions regarding the Company and its operations. The minutes of general meetings will be prepared and are available to shareholders upon their request.
16.5	In accordance with Rule 730A(2) of the Listing Manual and to have greater transparency in the voting process, the Company has conducted the voting of all its resolutions by poll at all of its general meetings. The detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total numbers of votes cast for or against the resolutions are also announced after the meetings via SGXNET.
Rule 1207(19) of the SGX-ST Listing Manual	**DEALING IN SECURITIES** The Company has adopted an internal policy to govern the conduct of securities transactions by its directors and employees. All directors and officers of the Company and its subsidiaries who have access to price sensitive information are required to refrain from dealing in the Company's securities at all times as provided under the provisions of the Securities and Futures Act, Chapter 289 of Singapore. The directors and officers have been informed not to deal in the Company's shares whilst in possession of price sensitive information and during the periods commencing two weeks prior to the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year results and ending on the date of the announcement of the relevant results. The directors and officers are also discouraged from dealing in the Company's securities on short-term considerations. The directors and officers are required to observe insider trading provisions under the Securities and Futures Act, Chapter 289 of Singapore, at all times even when dealing in the Company's securities within the permitted periods. Directors of the Company are required to report all dealings to the Company Secretary.

Corporate Governance Report

Guidelines of the Code	Corporate Governance Practices of the Company
Rule 1207(8) of the SGX-ST Listing Manual	**MATERIAL CONTRACTS** Save for the Service Agreements entered into with Mr. Michio Tanamoto and Mr. Masaki Fukumori, which are still subsisting as at the end of FY2017, there are no material contracts involving the interests of the CEO, the directors or controlling shareholders entered into by the Group which are still subsisting as at the end of the financial year or entered into during the financial year.
Rule 1207(17) of the SGX-ST Listing Manual	**INTERESTED PERSON TRANSACTIONS** The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC, and that transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. All interested person transactions are subject to review by the AC. The aggregate value of the interested person transactions entered into during the financial year under review is as follows:- Interested Person: Yamasa Co., Ltd (and its associates):-

Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
Nature	Amount USD'000	Nature	Amount USD'000
Equity contribution and shareholders' loan to joint investment companies where Yamasa Co., Ltd holds majority stake	1,690.2	Advisory fee income	975.5
		Administration fee income	282.6
		Charter brokerage fee income	136.4
Foreign exchange transaction with a joint investment company where Yamasa Co., Ltd holds majority stake.	660.2	Commercial management fee income	389.6
		Technical consultancy fee income	48.1
Total	2,350.4	Total	1,832.2

Corporate Governance Report

Guidelines of the Code	Corporate Governance Practices of the Company
Rule 711A -711B of the SGX-ST Listing Rules	**SUSTAINABILITY REPORTING** The Group is committed to good corporate citizenship and sustainable business practices. We believe in creating shared value and improving the impact of our businesses on society and the environment. We will be releasing our first Sustainability Report for year 2017 which will reflect the Group's performance on sustainability across business segments in significant locations of operations. Our report is prepared in accordance with the new GRI Standards (Sustainability Reporting Framework), and is in line with the Singapore Exchange's ("**SGX**") new requirements on sustainability reporting. The Group has identified the material Environmental, Social and Governance ("**ESG**") factors based on business operations and understanding of stakeholder concerns. The Group believes that adopting and considering sustainability in strategy formulation will help to improve performance and achieve sustainable growth in the changing business environment. Our Sustainability Report includes Group's performance during 2017 on each material ESG factor and our plans for improved reporting in future. We hope our stakeholders find our first Sustainability Report informative. We look forward to receiving valuable feedback from our stakeholders to make continued progress in this area.

TABLE 1 – ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS FOR FY2017

	BOARD		AUDIT		REMUNERATION		NOMINATING	
Name of Directors	No. of Meetings	No of Meetings Attended	No. of Meetings	No of Meetings Attended	No. of Meetings	No of Meetings Attended	No. of Meetings	No of Meetings Attended
Michio Tanamoto	4	4	–	–	–	–	–	–
Masaki Fukumori	4	4	–	–	–	–	–	–
Lee Gee Aik	4	4	4	4	1	1	2	2
Ronnie Teo Heng Hock	4	4	4	4	1	1	2	2
Rajan Menon	4	4	4	4	1	1	2	2

Note: Mr. Philip Chan Kam Loon was appointed as director on 1 March 2018 and hence not included in the above table for FY2017.

Corporate Governance Report

TABLE 2 – BOARD AND BOARD COMMITTEES

Name of Directors	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
Michio Tanamoto	Executive Chairman/Non-independent	–	–	–
Masaki Fukumori	Executive/Non-independent	–	–	–
Lee Gee Aik	Non-Executive/Independent	Chairman	Member	Member
Ronnie Teo Heng Hock	Non-Executive/Independent	Member	Chairman	Member
Rajan Menon	Non-Executive/Independent	Member	Member	Chairman
Wu Kuang-hui (1)	Non-Executive/Non-independent	Member	–	–
Philip Chan Kam Loon (2)	Non-Executive/Independent	Member	Member	Member
Masahiro Iwabuchi (2)	Executive/Non-independent	–	–	–
Kenji Fukuyado (2)	Executive/Non-independent	–	–	–
Yukihiro Toda (2)	Executive/Non-independent	–	–	–

Note:

(1) Resigned as Director on 6 November 2017
(2) Appointed as Director on 1 March 2018

TABLE 3 – DATE OF DIRECTORS' INITIAL APPOINTMENT, LAST RE-ELECTION AND THEIR DIRECTORSHIPS

Name of Directors	Age	Date of initial appointment	Date of last re-election	Present directorships in listed companies	Past (preceding 3 years) directorships in listed companies
Michio Tanamoto	61	17/03/1997	–	Uni-Asia Group Limited	–
Masaki Fukumori	57	01/03/2012	–	Uni-Asia Group Limited	–
Ronnie Teo Heng Hock	68	26/06/2007	29/04/2016	1) Uni-Asia Group Limited 2) EnGro Corporation Limited	–
Rajan Menon	69	18/04/2008	28/04/2017	Uni-Asia Group Limited	–
Lee Gee Aik	59	04/01/2016	29/04/2016	1) Uni-Asia Group Limited 2) Anchun International Limited 3) SHS Holdings Limited 4) Astaka Holdings Limited	1) Leader Environment Technologies Limited 2) Ley Choon Group Holdings Limited 3) International Healthway Corporation Limited 4) LHN Limited

Corporate Governance Report

Name of Directors	Age	Date of initial appointment	Date of last re-election	Present directorships in listed companies	Past (preceding 3 years) directorships in listed companies
Philip Chan Kam Loon	57	01/03/2018	–	1) Uni-Asia Group Limited 2) Sarine Technologies Ltd, Israel 3) Megachem Ltd 4) Hupsteel Ltd 5) Jiutian Chemical Group Ltd	1) China Gaoxian Fibre Fabric Holdings Ltd 2) Z-Obee Holdings Ltd 3) Vashion Group Ltd
Masahiro Iwabuchi	55	01/03/2018	–	Uni-Asia Group Limited	–
Kenji Fukuyado	54	01/03/2018	–	Uni-Asia Group Limited	–
Yukihiro Toda	55	01/03/2018	–	Uni-Asia Group Limited	–

TABLE 4 - REMUNERATION OF DIRECTORS FOR FY2017

Name of Directors	Position	Breakdown Of Remuneration In Percentage (%)					Total Remuneration in compensation bands of S$100,000
		Directors' Fee %	Salary %	Cash Performance Bonus %	Benefits-in-Kind [1] %	Total	
Michio Tanamoto	Executive	–	41.9%	34.9%	23.2%	100%	S$700,001 - S$800,000
Masaki Fukumori	Executive	–	43.8%	36.5%	19.7%	100%	S$700,001 - S$800,000
Lee Gee Aik	Independent	100%	–	–	–	100%	<S$100,000
Ronnie Teo Heng Hock	Independent	100%	–	–	–	100%	<S$100,000
Rajan Menon	Independent	100%	–	–	–	100%	<S$100,000
The Aggregate Total Remuneration (S$'000) of Directors						1,759	

Note: Mr. Philip Chan Kam Loon was appointed as director on 1 March 2018 and hence not included in the above table for FY2017.

Corporate Governance Report

TABLE 4A - REMUNERATION OF KEY MANAGEMENT PERSONNEL (WHO ARE NOT ALSO DIRECTORS OR THE CEO) FOR FY2017

Name of Top 6 Key Management Personnel	Position	Breakdown Of Remuneration In Percentage (%)				Total Remuneration in compensation bands of S$250,000
		Salary %	Cash Performance Bonus %	Benefits-in-Kind [1] %	Total	
Masahiro Iwabuchi [2]	Senior Managing Director	59.3%	8.6%	32.1%	100%	S$500,001 - S$750,000
Kenji Fukuyado [2]	Managing Director	81.0%	10.9%	8.1%	100%	S$250,001 - S$500,000
Zac K. Hoshino	Managing Director	85.7%	9.9%	4.4%	100%	S$250,001 - S$500,000
Lim Kai Ching	Group Chief Financial Officer	83.4%	11.0%	5.6%	100%	S$250,001 - S$500,000
Makoto Tokozume	Executive Vice President	83.7%	8.7%	7.6%	100%	S$250,001 - S$500,000
Matthew Yuen	Executive Vice President	63.6%	31.8%	4.6%	100%	S$250,001 - S$500,000
The Aggregate Total Remuneration (S$'000) of Top 6 Key Management Personnel					2,378	

Note:

(1) Benefits-in-kind include employer's contribution to defined contribution plan (e.g. Central Provident Fund), housing, etc.

(2) Mr. Masahiro Iwabuchi and Mr. Kenji Fukuyado were appointed as Executive Director on 1 March 2018. For FY2017, they are key management personnel who are not also directors.

FINANCIAL CONTENTS

Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Uni-Asia Group Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2017.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Michio Tanamoto	(Appointed on 12 January 2017)
Masaki Fukumori	(Appointed on 24 March 2017)
Lee Gee Aik	(Appointed on 24 March 2017)
Rajan Menon	(Appointed on 24 March 2017)
Ronnie Teo Heng Hock	(Appointed on 24 March 2017)
Philip Chan Kam Loon	(Appointed on 1 March 2018)
Masahiro Iwabuchi	(Appointed on 1 March 2018)
Kenji Fukuyado	(Appointed on 1 March 2018)
Yukihiro Toda	(Appointed on 1 March 2018)

During the reporting period, Lim Kai Ching resigned as a director of the Company on 24 March 2017 and Wu Kuang-hui resigned as a director of the Company on 6 November 2017.

In accordance with Article 94 of the Company's constitution, Lee Gee Aik retires and, being eligible, offer himself for re-election, while Ronnie Teo Heng Hock retires but will not be offering himself for re-election.

In accordance with Article 100 of the Company's constitution, Masahiro Iwabuchi, Kenji Fukuyado, Yukihiro Toda and Philip Chan Kam Loon retire and, being eligible, offer themselves for re-election.

Directors' Statement

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objective is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interest in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), an interest in shares of the Company and related corporation as stated below:

	Holdings registered in the name of directors	
	At date of appointment	At end of the financial year
Ordinary shares of the Company		
Michio Tanamoto	1	1,100,312
Masaki Fukumori	–	1,033,920
Ordinary shares of Uni-Asia Holdings Limited		
Michio Tanamoto	1,040,312	–
Masaki Fukumori	1,013,920	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2018.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the year.

Share options

During the financial year, there was:

(a) no option granted by the Company to any person to take up unissued shares of the Company; and

(b) no share issued by virtue of the exercise of options to take up unissued shares of the Company.

At the end of the financial year, there was no unissued share of the Company under option.

Directors' Statement

Audit committee

The audit committee (AC) carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors

- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors

- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor

- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators

- Reviewed the cost effectiveness and the independence and objectivity of the external auditor

- Reviewed the nature and extent of non-audit services provided by the external auditor

- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit

- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate

- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Directors' Statement

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

Michio Tanamoto
Director

Masaki Fukumori
Director

Singapore
15 March 2018

Independent Auditor's Report

For the financial year ended 31 December 2017

To the Shareholders of Uni-Asia Group Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying financial statements of Uni-Asia Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2017, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year then ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditor's Report

For the financial year ended 31 December 2017

Key audit matters (cont'd)

Impairment of vessels held as property, plant and equipment

The Group operates a ship owning and chartering business as disclosed in Note 3 to the financial statements. The total carrying amount of the vessels held as property, plant and equipment is US$193.3 million and represents 69% of the total non-current assets as at 31 December 2017. As disclosed in the Group's accounting policy, Management assessed at the financial year end whether there are any indicators of impairment for the vessels. If there are such indications, an impairment assessment will be carried out.

We have identified this area as a key audit matter due to the magnitude of the carrying amount of vessels, management's judgement in identifying indicators of impairment and the use of various assumptions and estimates in the impairment test.

As part of our audit procedures, we have assessed management's identification of impairment indicators taking into consideration both internal and external sources of information. Internal sources includes operating cash flows of each vessel, comparison of actual performance and budget for the current year, and forecast for the subsequent years. External sources of information includes shipping rates at and subsequent to the year and the existence of any adverse events during the year that will significantly impact the carrying value of the vessels.

For vessels with indicators of impairment, we addressed the appropriateness of the impairment assessment based on IAS 36 Impairment of Assets requirements. We assessed the cash flow forecast against current and forecast charter hire rates and involved our internal valuation specialist to support us in assessing the appropriateness of the key assumptions used in the cash flow forecast such as discount rate. We also assessed on the adequacy of the disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive included in Note 8.

Fair value of unlisted shares and unlisted performance notes in shipping companies

The Group invested in unlisted shares and unlisted performance notes of special purpose companies that own and charter ships which were carried at fair value through profit or loss as disclosed in Note 6 to the financial statements. These investments are significant to our audit due to the magnitude of their total carrying amount of US$18.6 million representing 7% of the total non-current assets as at 31 December 2017. The fair value changes in the unlisted shares and unlisted performance notes are primarily driven by the change in fair value of the underlying vessels held by the investee companies. Management generally engages an external independent valuer to perform the valuation. Such valuation involved significant judgment and the use of various assumptions. As such, we have identified this as a key audit matter.

As part of our audit procedures, we have considered the competencies and objectivity of the external independent valuer and involved our internal valuation specialist to support us in assessing the appropriateness of the key assumptions used in the valuation process such as charter rates and the discount rates. We have also assessed the appropriateness of Note 30 in relation to the disclosures of valuation technique, inputs used, and the sensitivity analysis.

Independent Auditor's Report

For the financial year ended 31 December 2017

Key audit matters (cont'd)

Fair value of unlisted shares in commercial office buildings and small residential property developments, and investment properties.

The Group holds commercial office buildings and small residential properties as investment properties as disclosed in Note 5 to the financial statements. In addition, the Group also invests in unlisted shares of special purpose companies that hold commercial office buildings and small residential properties for capital appreciation which were carried at fair value through profit or loss as disclosed in Note 6 to the financial statements.

The fair valuation of these investments in unlisted shares, investment properties and small residential properties were significant to our audit due to the magnitude of their total carrying amount of US$53.1 million representing 14% of the total non-current and current assets as at 31 December 2017 and the complexity and subjectivity of the valuation to a range of estimates made by management (amongst others, gross development value, development cost, rental yield, vacancy rate, gross capitalisation rates, expense ratio and discount rate). As such, we have identified this as a key audit matter.

Management determines the individual fair value of the commercial office buildings and small residential properties quarterly and at the end of the year. As part of our audit procedures, we have considered the competencies and objectivity of the external independent valuer and involved our internal valuation specialist to support us in assessing the appropriateness of the key assumptions used such as gross development value, development cost, rental yield, vacancy rate, gross capitalisation rates, expense ratio and discount rate used by management in the valuation process. We have also assessed the appropriateness of Note 30 relating to the disclosures of valuation technique, inputs used and the sensitivity analysis.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Independent Auditor's Report

For the financial year ended 31 December 2017

Responsibilities of management and directors for the financial statements (cont'd)

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

For the financial year ended 31 December 2017

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Wong Yew Chung.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
15 March 2018

Balance Sheets

As at 31 December 2017

	Notes	Uni-Asia Group Limited Group 2017 US$'000	Uni-Asia Group Limited Group 2016 US$'000	Uni-Asia Group Limited Company 2017 US$'000	Uni-Asia Holdings Limited Company 2016 US$'000
ASSETS					
Non-current assets					
Investment properties	5	14,975	13,949	–	–
Investments	6	27,668	45,113	–	19,562
Investments in subsidiaries	27	–	–	109,276	72,849
Intangible assets	7	27	1	–	–
Property, plant and equipment	8	222,943	195,254	–	294
Loans receivable	9	–	2,050	–	2,050
Loans to subsidiaries	27(e)	–	–	–	9,392
Rental deposit		4,567	3,150	–	–
Derivative financial instruments	10	430	329	–	588
Finance lease receivable	31(d)	7,643	7,705	–	–
Accounts receivable	11	885	621	–	–
Deferred tax assets	23(b)	129	46	–	–
Total non-current assets		279,267	268,218	109,276	104,735
Current assets					
Investments	6	30,302	2,402	–	–
Loans receivable	9	–	6,983	–	400
Loans to subsidiaries	27(e)	–	–	–	19,301
Derivative financial instruments	10	177	17	–	357
Finance lease receivable	31(d)	364	331	–	–
Accounts receivable	11	4,703	3,810	–	76
Amounts due from subsidiaries	27(d)	–	–	1,824	486
Prepayments, deposits and other receivables		9,950	4,965	550	712
Tax recoverable		711	1,074	–	–
Deposits pledged as collateral	12	3,847	4,320	–	2,450
Cash and bank balances	13	40,556	35,552	76	8,700
Total current assets		90,610	59,454	2,450	32,482
Total assets		369,877	327,672	111,726	137,217

Balance Sheets

As at 31 December 2017

	Notes	Uni-Asia Group Limited Group 2017 US$'000	Uni-Asia Group Limited Group 2016 US$'000	Uni-Asia Group Limited Company 2017 US$'000	Uni-Asia Holdings Limited Company 2016 US$'000
EQUITY					
Equity attributable to owners of the parent					
Share capital	14	109,276	75,167	109,276	75,167
Share premium	14	–	31,319	–	31,319
Retained earnings		19,674	14,460	2,332	3,800
Hedging reserve	26(a)	943	353	–	–
Exchange reserve	26(b)	1,373	525	–	–
Capital reserve	26(c)	(2,907)	(117)	–	–
Total equity attributable to owners of the parent		128,359	121,707	111,608	110,286
Non-controlling interests		7,606	4,185	–	–
Total equity		135,965	125,892	111,608	110,286
LIABILITIES					
Non-current liabilities					
Borrowings	15	150,343	131,125	–	8,700
Derivative financial instruments	10	108	258	–	588
Deferred tax liabilities	23(b)	538	504	–	–
Deferred income		–	973	–	–
Other payables		77	78	–	–
Provision for onerous contract	16	1,735	2,140	–	–
Total non-current liabilities		152,801	135,078	–	9,288
Current liabilities					
Borrowings	15	66,462	54,291	–	16,072
Due to Tokumei Kumiai investors		2,359	1,007	–	–
Derivative financial instruments	10	127	340	–	357
Accounts payable	17	3,970	2,961	–	–
Amounts due to subsidiaries		–	–	–	512
Other payables and accruals		7,716	5,874	118	702
Provision for onerous contract	16	439	1,335	–	–
Income tax payable		38	894	–	–
Total current liabilities		81,111	66,702	118	17,643
Total liabilities		233,912	201,780	118	26,931
Total equity and liabilities		369,877	327,672	111,726	137,217

Consolidated Income Statement

For the financial year ended 31 December 2017

	Notes	Group 2017 US$'000	Group 2016 US$'000
Charter income		37,828	34,252
Fee income	18	7,850	5,824
Hotel income		48,097	41,973
Investment returns	19	8,451	2,134
Interest income	20	788	723
Other income		860	1,392
Total income		103,874	86,298
Employee benefits expenses	21	(16,507)	(14,753)
Amortisation and depreciation		(10,203)	(10,648)
Vessel operating expenses		(17,310)	(18,321)
Hotel lease expenses		(17,028)	(14,445)
Hotel operating expenses		(20,556)	(17,218)
Other expenses	22	(5,622)	(4,826)
Impairment of property, plant and equipment		(1,000)	(8,590)
Provision for onerous contract	16	–	(3,475)
Net foreign exchange loss		(260)	(312)
Total operating expenses		(88,486)	(92,588)
Operating profit/(loss)		15,388	(6,290)
Finance costs - interest expense	20	(5,347)	(5,079)
Finance costs - others		(299)	(316)
Allocation to Tokumei Kumiai[1] investors		(582)	205
Profit/(loss) before tax		9,160	(11,480)
Income tax expense	23(a)	(294)	(748)
Profit/(loss) for the year		8,866	(12,228)
Attributable to:			
Owners of the parent		6,224	(14,166)
Non-controlling interests		2,642	1,938
		8,866	(12,228)
Profit/(loss) per share attributable to owners of the parent (US cents per share):			
- Basic and diluted	25	13.25	(30.15)

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2017

	Notes	Group 2017 US$'000	Group 2016 US$'000
Profit/(loss) for the year		8,866	(12,228)
Other comprehensive income/(expense) for the year, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		841	(356)
Net movement on cash flow hedges		602	488
Other comprehensive income for the year, net of tax		1,443	132
Total comprehensive income/(expense) for the year, net of tax		10,309	(12,096)
Attributable to:			
Owners of the parent		7,662	(14,149)
Non-controlling interests		2,647	2,053
		10,309	(12,096)

Statements of Changes in Equity

For the financial year ended 31 December 2017

Group	Notes	Attributable to the owners of the parent								Non-controlling interests	Total equity
		Share capital	Share premium	Retained earnings	Hedging Reserve	Exchange reserve	Share based compensation reserve	Capital reserve	Total		
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 January 2016		75,167	31,319	30,811	(14)	875	32	(117)	138,073	2,101	140,174
(Loss)/profit for the year		–	–	(14,166)	–	–	–	–	(14,166)	1,938	(12,228)
Other comprehensive income/ (expense) for the year		–	–	–	367	(350)	–	–	17	115	132
Total comprehensive (expense)/ income for the year		–	–	(14,166)	367	(350)	–	–	(14,149)	2,053	(12,096)
Distribution to owners:											
Dividend in respect of 2015	24	–	–	(2,185)	–	–	–	–	(2,185)	–	(2,185)
Capital contributed by non-controlling interest of a subsidiary		–	–	–	–	–	–	–	–	39	39
Payment to non-controlling interest		–	–	–	–	–	–	–	–	(8)	(8)
Reversal of share based compensation		–	–	–	–	–	(32)	–	(32)	–	(32)
At 31 December 2016 and at 1 January 2017		75,167	31,319	14,460	353	525	–	(117)	121,707	4,185	125,892
Profit for the year		–	–	6,224	–	–	–	–	6,224	2,642	8,866
Other comprehensive income for the year		–	–	–	590	848	–	–	1,438	5	1,443
Total comprehensive income for the year		–	–	6,224	590	848	–	–	7,662	2,647	10,309
Adjustments to equity arising from restructuring		34,109	(31,319)	–	–	–	–	(2,790)	–	–	–
Distribution to owners:											
Dividend in respect of 2016	24	–	–	(1,010)	–	–	–	–	(1,010)	–	(1,010)
Payment to non-controlling interest		–	–	–	–	–	–	–	–	(9)	(9)
Capital reserve		–	–	–	–	–	–	–	–	783	783
At 31 December 2017		109,276	–	19,674	943	1,373	–	(2,907)	128,359	7,606	135,965

Statements of Changes in Equity

For the financial year ended 31 December 2017

Uni-Asia Holdings Limited Company	Notes	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
Profit for the year		–	–	1,196	–	–	1,196
Other comprehensive income for the year		–	–	–	1	–	1
Total comprehensive income for the year		–	–	1,196	1	–	1,197
Distribution to owners:							
Dividend in respect of 2015	24	–	–	(2,185)	–	–	(2,185)
Reversal of share based compensation		–	–	–	–	(32)	(32)
At 31 December 2016		75,167	31,319	3,800	–	–	110,286

Uni-Asia Group Limited Company	Share capital US$'000	Retained earnings US$'000	Total equity US$'000
At date of incorporation on 12 January 2017	–	–	–
Profit for the period	–	2,332	2,332
Other comprehensive income for the period	–	–	–
Total comprehensive income for the period	–	2,332	2,332
Issuance of shares	109,276	–	109,276
At 31 December 2017	109,276	2,332	111,608

Consolidated Cash Flow Statement

For the financial year ended 31 December 2017

	Notes	Group 2017 US$'000	Group 2016 US$'000
Cash flows from operating activities			
Profit/(loss) before tax		9,160	(11,480)
Adjustments for:			
Investment returns	19	(8,451)	(2,134)
Amortisation and depreciation		10,203	10,648
Realisation of goodwill arising on acquisition of a subsidiary		–	(975)
(Gain)/loss on disposal of property, plant and equipment		(1)	2
Impairment of property, plant and equipment	8	1,000	8,590
Impairment of goodwill	7	–	67
Provision for onerous contract	16	–	3,475
Reversal of provision for accounts receivable		–	(109)
Net foreign exchange loss		260	312
Interest income	20	(788)	(723)
Finance costs - interest expense	20	5,347	5,079
Finance costs - others		299	316
Allocation to Tokumei Kumiai investors		582	(205)
Share based compensation	21	–	(32)
Operating cash flows before changes in working capital		17,611	12,831
Changes in working capital:			
Net change in accounts receivable		(922)	(572)
Net change in prepayments, deposits and other receivables		(2,145)	641
Net change in accounts payable		830	373
Net change in other payables and accruals		(582)	195
Cash flows generated from operations		14,792	13,468
Interest received on bank balances		164	117
Tax paid		(860)	(1,254)
Net cash flows generated from operating activities		14,096	12,331

Consolidated Cash Flow Statement

For the financial year ended 31 December 2017

	Notes	Group 2017 US$'000	Group 2016 US$'000
Cash flows from investing activities			
Purchase of investment properties		(9,528)	(7,912)
Purchase of investments		(8,821)	(13,576)
Proceeds from sale of investment properties		14,606	4,286
Proceeds from redemption/sale of investments		5,696	17,443
Net cash inflow on acquisition of an investment	28	–	1
Consolidation/(deconsolidation) of consolidated entities	28	1,567	(1,016)
Investment in finance lease		345	287
Hotel lease deposit		(1,369)	(183)
Deposits for small residential projects		(106)	(453)
Transfer from deposits for purchase of vessels		–	6,846
Proceeds from disposal of property, plant and equipment		2	15,840
Purchase of property, plant and equipment		(16,134)	(25,633)
Contribution from Tokumei Kumiai investors		2,601	1,223
Redemption of Tokumei Kumiai investors		(1,855)	(560)
Loans advanced		(5,638)	(12,030)
Loans repaid		8,028	3,900
Interest received from loans and finance lease		630	654
Net decrease in deposits pledged as collateral		593	1,556
Income proceeds from investments		262	342
Settlement of derivative financial instruments		(149)	(1,721)
Proceeds from property rental		785	220
Net cash flows used in investing activities		(8,485)	(10,486)
Cash flows from financing activities			
Proceeds from borrowings		40,589	47,928
Repayment of borrowings		(34,833)	(35,379)
Interests paid on borrowings		(5,278)	(4,888)
Other finance cost paid		(205)	(355)
Dividend paid		(1,010)	(2,185)
Contribution from non-controlling interests		–	39
Payment to non-controlling interest		(9)	(8)
Net cash flows (used in)/generated from financing activities		(746)	5,152
Net increase in cash and cash equivalents		4,865	6,997
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the year		35,552	30,334
Net increase in cash and cash equivalents		4,865	6,997
Effects of foreign exchange rate changes, net		139	(1,779)
Cash and cash equivalents at end of the year	13	40,556	35,552

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

1. Corporate information

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 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.

The registered office and principal place of business of the Company is located at 8 Shenton Way, #37-04 AXA Tower, Singapore 068811.

The principal activities of Company and its subsidiaries (collectively, the "Group") are finance arrangement, investment and investment management of alternative assets including shipping and real estates in Japan, China and Hong Kong, and hotel operations in Japan.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"). The Company has been granted under section 201(12) of the Companies Act relief from preparing its financial statements under the Singapore Financial Reporting Standards for the financial year ended 31 December 2017. The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below. The financial statements are presented in United States dollars ("USD" or "US$") and all values are rounded to the nearest thousand ("US$'000"), except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of its subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies. The results of its subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, income and expenses, and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.1 *Basis of preparation (cont'd)*

Basis of consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises: (i) the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost; (ii) the carrying amount of any non-controlling interest; and (iii) the cumulative translation differences recorded in equity; and recognises: (i) the fair value of the consideration received; (ii) the fair value of any investment retained; and (iii) any surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate.

2.2 *Changes in accounting policies and disclosures*

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards effective as of 1 January 2017:

Amendments to IAS 7 *Disclosure Initiative*
Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to IFRS 12 *Disclosure of Interests in Other Entities*

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

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards that have been issued but not yet effective:

Descriptions	Effective for annual periods beginning on or after
Amendments to IFRS 2 *Classification and Measurement of Share-Based Payment Transactions*	1 January 2018
Amendments to IAS 40 *Transfers of Investment Property*	1 January 2018
IFRS 9 *Financial Instruments*	1 January 2018
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Improvements to IFRS (December 2016)	
Amendments to IAS 28 *Investments in Associates and Joint Ventures*	1 January 2018
IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments*	1 January 2019
IFRS 16 *Leases*	1 January 2019
Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*	To be determined

Notes to the Consolidated Financial Statements

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

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

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application except for IFRS 9, IFRS 15 and IFRS 16 described below.

IFRS 9 *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date and will not restate comparative information. During 2017, the Group has performed a preliminary impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in 2018 when the Group will adopt IFRS 9. Overall, the Group expects no significant impact on its balance sheet and equity except for the effect of applying the impairment requirements of IFRS 9. The Group expects an increase in the loss allowance resulting in a negative impact on equity as discussed below.

Classification and measurement

The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value equity securities currently held at fair value.

The equity shares in non-listed companies are intended to be held for the foreseeable future. The Group expects not to apply the option of fair value through OCI, the shares are continued to be held at fair value through profit or loss.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for these instruments is not required.

Impairment

IFRS 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected losses on all trade receivables. The Group has determined that, due to the unsecured nature of its loans and receivables, the loss allowance will increase.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

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

IFRS 9 *Financial Instruments (cont'd)*

Hedge accounting

The Group determined that all existing hedge relationships that are currently designated in effective hedging relationships will continue to qualify for hedge accounting under IFRS 9. The Group has chosen not to retrospectively apply IFRS 9 on transition to the hedges where the Group excluded the forward points from the hedge designation under IAS 39. As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, applying the hedging requirements of IFRS 9 will not have a significant impact on Group's financial statements.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date. During 2016, the Group performed a preliminary assessment of IFRS 15, which was continued with a more detailed analysis completed in 2017. The Group has assessed that IFRS 15 will not have a significant impact on the Group's financial statements.

IFRS 15 provides presentation and disclosure requirements, which are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Group's financial statements.

IFRS 16 *Leases*

IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

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

IFRS 16 *Leases (cont'd)*

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In 2018, the Group will continue to assess the potential effect of IFRS 16 on its consolidated financial statements.

2.4 *Subsidiaries*

Subsidiaries are all entities that are controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.5 *Joint ventures*

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group has elected to apply the measurement exception where investments held by venture capital or similar entities are designated, upon initial recognition, as a fair value through profit or loss and are accounted for in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). Refer to policy 2.16 on financial assets.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.6 *Associates*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Group has elected to apply the measurement exception where investments held by venture capital or similar entities are designated, upon initial recognition, as a fair value through profit or loss and are accounted for in accordance with IAS 39. Refer to policy 2.16 on financial assets.

2.7 *Fair value measurement*

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.7 *Fair value measurement (cont'd)*

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.8 *Revenue and other income recognition*

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be measured reliably, on the following recognition criteria:

Arrangement fee is recognised on delivery and upon completion of the transaction or service when all obligations associated with the transaction are completed and when the amount of revenue can be measured reliably.

Agency fee and brokerage commission are recognised when pre-agreed duties and functions of acting as an agent have been rendered.

Project management fee, technical/commercial management fee, asset management fee, administration fee, incentive fee and charter income are recognised when pre-agreed terms and services have been rendered.

Hotel income is recognised on a basis that reflects the timing, nature and value when the relevant services are provided.

Rental income is recognised on a straight-line basis over the leases terms.

Interest income is recognised on the effective interest basis.

Dividend income is recognised when the right to receive payment is established.

2.9 *Business combination and goodwill*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.9 *Business combination and goodwill (cont'd)*

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.

- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.

- No additional goodwill is recognised as a result of the combination.

Notes to the Consolidated Financial Statements

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

2.9 *Business combination and goodwill (cont'd)*

- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

2.10 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.11 *Impairment of non-financial assets*

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises.

For assets excluding goodwill, an assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.12 *Property, plant and equipment*

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes expenditure that is directly attributable to the acquisition of the items. Vessel repairs and surveys costs are charged as expenses as they are incurred. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal and value in use.

Freehold land in hotel properties has unlimited useful life and therefore is not depreciated.

Leasehold improvements are depreciated over two years of the lease period while all other property, plant and equipment are depreciated at the following rates on a straight-line basis, which are deemed sufficient to write-off their costs to their residual values over their estimated useful lives: office equipment at 33 1/3%, hotel properties at 2.6%, vessels at 4.0% - 6.5%, and furniture and fixtures at 25% per annum.

An element of the cost of the vessel is attributed at acquisition to its service potential reflecting its maintained condition. This cost is depreciated over the period to the next dry-docking. Costs incurred on subsequent dry-docking of vessel are capitalised and depreciated on a straight-line basis over the estimated period until the next dry-docking. Gain or loss on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.13 *Investment properties*

Investment properties are properties owned by the Group that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially measured at cost and subsequently measured at fair value. Changes in fair value are recognised in profit or loss in the period in which they arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amount of the replaced components are written-off to profit or loss. The cost of maintenance, repairs and minor improvements is charged to the profit or loss when incurred.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.13 *Investment properties (cont'd)*

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

2.14 *Intangible assets (other than goodwill)*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Trademark and licenses

Purchased trademark and licenses are measured at cost less any impairment losses and are amortised on the straight-line basis over their estimate useful lives of 3 to 10 years.

2.15 *Cash dividend to equity owners of the parent*

The Group recognises a liability to make cash distributions to equity owners of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders.

A corresponding amount is recognised directly in equity.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.16 *Financial assets*

Initial recognition and measurement

Financial assets within the scope of IAS 39, at initial recognition, are classified as financial assets at fair value through profit or loss, loans and receivables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

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

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. Financial assets at fair value through profit or loss are carried in the balance sheets at fair value with net changes in fair value recognised in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for in Note 2.8 above.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria under IAS 39 are satisfied.

The Group evaluates its financial assets at fair value through profit or loss (held for trading) to assess whether the intent to sell them in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification from financial assets at fair value through profit or loss to loans and receivables, AFS financial assets or held-to-maturity investments depends on the nature of the assets. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation as these instruments cannot be reclassified after initial recognition.

For investments that meet the definition under IAS 28 *Investments in Associates and Joint Ventures* ("IAS 28"), the Group has elected to apply the measurements exception where investments held by venture capital or similar entities are designated, upon initial recognition, at fair value through profit or loss and are accounted for in accordance with IAS 39.

Notes to the Consolidated Financial Statements

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

2.16 *Financial assets (cont'd)*

Subsequent measurement (cont'd)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using effective interest method less any impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss. The loss arising from impairment is recognised in profit or loss.

Determination of fair value

Fair value for unquoted securities is estimated by the management. In determining fair value, the management makes use of market-based information and fair valuation models such as discounted cash flow models or residual method. In many instances the management also relies on financial data of investees and on estimates provided by the management of the investee companies as to the effect of future developments.

Performance notes are investments with income and maturity values which fluctuate based on the distributions received from underlying assets, which are generally investments in property development companies, distressed loans or shipping companies.

Fair value of performance notes are determined by the Group's interests in the fair value of each scheme's underlying assets.

Although the management uses their best judgement in estimating the fair value of investments, there are inherent limitations in any estimation techniques. Future confirming events will also affect the estimates of fair value and the effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to these consolidated financial statements.

Derecognition

A financial asset is derecognised when:

- the right to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either: (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.16 *Financial assets (cont'd)*

Derecognition (cont'd)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership of the assets. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the differences between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written-off when there is no realistic prospect of future recovery or other criteria for writing-off amounts charged to the allowance account against the carrying amount of impaired financial assets.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.16 *Financial assets (cont'd)*

Impairment of financial assets (cont'd)

Financial assets carried at amortised cost (cont'd)

If in subsequent periods, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

2.17 *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

(b) Financial liabilities at amortised cost

After initial recognition, financial liabilities at amortised cost including accounts payable and other payables, and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.17 *Financial liabilities (cont'd)*

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in profit or loss.

2.18 *Cash and short-term deposits*

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.19 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Notes to the Consolidated Financial Statements

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

2.19 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.20 *Employee benefits*

Pension obligations

The Group companies have various defined contribution pension schemes in accordance with the local conditions and practices in the countries in which they operate. A defined contribution pension scheme is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee services in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis.

Once the contributions have been paid, the Group has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs.

2.21 *Share-based payment*

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). Employees working in the business development group are granted share appreciation rights, which are settled in cash (cash-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 21.

2.22 *Derivative financial instruments and hedge accounting*

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.22 *Derivative financial instruments and hedge accounting (cont'd)*

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instruments, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instruments' effectiveness of changes in the hedging instruments' fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

(a) *Fair value hedges*

The change in the fair value of an interest rate hedging derivative is recognised in profit or loss in investments return. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in profit or loss as investments return.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying values is amortised through profit or loss over the remaining term to maturity. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss as investments return.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instruments are also recognised in profit or loss.

(b) *Cash flow hedges*

The effective portions of the gains or losses on the hedging instruments are recognised directly in other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in profit or loss.

Amounts recognised in other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.22 *Derivative financial instruments and hedge accounting (cont'd)*

(b) *Cash flow hedges (cont'd)*

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss. If the hedging instruments expires or are sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, the amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

2.23 *Foreign currency translations*

The Group's consolidated financial statements are presented in USD, which is the Company's functional currency. Each entity in the Group determines its own functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency of exchange ruling at the end of the reporting period. All differences are taken to profit or loss with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognized in other comprehensive income until the disposal of the net investment, at which time they are recognized in profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on retranslation of a non-monetary item is treated in line with the recognition of the gain or loss on change in fair value of the item i.e., transaction differences on item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively.

The functional currencies of certain overseas subsidiaries are currencies other than the USD. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their profit or loss are translated into USD at the average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amount of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and are translated at the closing rates.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into USD at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into USD at the average exchange rates for the year.

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

2.24 *Leases*

Leases that transfer substantially all the risks and rewards of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

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

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

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

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to profit or loss on the straight-line basis over the lease terms.

2.25 *Provision*

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that a future outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounting present value amount arising from the passage of time is included in finance costs in profit or loss.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

2.26 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.27 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.28 *Related parties*

A related party is defined as follows:

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

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

  (ii) Has significant influence over the Company; or

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

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

3. Segment information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit before tax from continuing operations.

Following the Restructuring Exercise during the year, the operating segments of the Group were re-grouped for better management of the Group's next phase of growth. Following the re-grouping, the comparative segment information of 2016 was restated.

(a) *Operating segments*

At 31 December 2017, the Group is organised on a worldwide basis into seven main reportable segments (activities):

(i) Uni-Asia Shipping ("UAS") is the Group's ship owning and chartering business;

(ii) Maritime Asset Management ("MAM") is the Group's ship investment/asset management as well as finance arrangement business;

(iii) Maritime Services is the Group's ship commercial/technical management business, as well as ship related brokerage service business;

(iv) Property Investment (ex-Japan) is the Group's ex-Japan property investment/asset management and related business;

(v) Property Investment (in-Japan) is the Group's property investment/asset management and related business;

(vi) Hotel Operations in Japan; and

(vii) Headquarters' ("HQ") expenses

No operating segments have been aggregated to form the above reportable operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

3. Segment information (cont'd)

(a) *Operating segments (cont'd)*

The segment results for the years ended 31 December 2017 were as follows:

	Shipping			Property and hotels					
2017	**UAS**	**MAM**	**Maritime services**	**Property investment (ex-Japan)**	**Property investment (in-Japan)**	**Hotel Operations**	**HQ**	**Eliminations[1]**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Total income									
External customers	32,565	6,282	866	7,051	8,080	48,228	14	–	103,086
Interest income	47	183	6	49	463	–	40	–	788
Inter-segment	–	417	991	–	1,028	160	–	(2,596)	–
	32,612	6,882	1,863	7,100	9,571	48,388	54	(2,596)	103,874
Results									
Amortisation and depreciation	(7,343)	(2,394)	(17)	(1)	(209)	(81)	(171)	13	(10,203)
Impairment of property, plant and equipment	(1,000)	–	–	–	–	–	–	–	(1,000)
Finance costs – interest expenses	(3,618)	(784)	–	–	(407)	(34)	(571)	67	(5,347)
Finance costs – others	(231)	(38)	–	–	(94)	(23)	–	87	(299)
Allocation to Tokumei Kumiai investors	–	–	–	–	(582)	–	–	–	(582)
Profit/(loss) before tax	4,692	(1,377)	198	5,915	5,213	479	(5,895)	(65)	9,160
Other segment item is as follows:									
Capital expenditure	510	15,313	6	–	9,837	32	30	–	25,728

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

3. Segment information (cont'd)

(a) *Operating segments (cont'd)*

The restated segment results for the years ended 31 December 2016 were as follows:

	Shipping			Property and hotels					
2016	**UAS** US$'000	**MAM** US$'000	**Maritime services** US$'000	**Property investment (ex-Japan)** US$'000	**Property investment (in-Japan)** US$'000	**Hotel Operations** US$'000	**HQ** US$'000	**Eliminations[1]** US$'000	**Total** US$'000
Total income									
External customers	27,955	1,713	563	8,356	4,929	42,054	5	–	85,575
Interest income	19	117	3	50	498	–	36	–	723
Inter-segment	–	908	991	–	2,991	192	–	(5,082)	–
	27,974	2,738	1,557	8,406	8,418	42,246	41	(5,082)	86,298
Results									
Amortisation and depreciation	(8,273)	(1,911)	(23)	–	(195)	(85)	(174)	13	(10,648)
Impairment of property, plant and equipment	(8,590)	–	–	–	–	–	–	–	(8,590)
Finance costs – interest expenses	(3,703)	(626)	–	(45)	(345)	(31)	(384)	55	(5,079)
Finance costs – others	(284)	(34)	–	(20)	(67)	(6)	–	95	(316)
Allocation to Tokumei Kumiai investors	–	–	–	47	158	–	–	–	205
(Loss)/profit before tax	(13,977)	(3,357)	(688)	6,342	5,369	1,025	(4,234)	(1,960)	(11,480)
Other segment item is as follows:									
Capital expenditure	25,451	–	3	2	7,913	33	53	–	33,455

3. Segment information (cont'd)

(a) *Operating segments (cont'd)*

The segment assets and liabilities were as follows:

	Shipping			Property and hotels					
	UAS	MAM	Maritime services	Property investment (ex-Japan)	Property investment (in-Japan)	Hotel Operations	HQ	Eliminations[1]	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2017									
Segment assets:									
Total assets	162,653	68,853	1,755	42,220	67,305	17,402	12,681	(2,992)	369,877
Segment liabilities:									
Total liabilities	108,990	53,640	539	27,740	56,180	12,117	4,837	(30,131)	233,912
2016									
Segment assets:									
Total assets	169,956	58,432	1,601	36,543	37,765	12,807	13,607	(3,039)	327,672
Segment liabilities:									
Total liabilities	122,117	39,238	633	28,420	29,355	7,975	4,558	(30,516)	201,780

(1) Inter-segment transactions are eliminated on consolidation.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

3. Segment information (cont'd)

(a) *Operating segments (cont'd)*

Segment assets consist primarily of investment properties, property, plant and equipment, receivables, investments, deposits pledged as collateral, cash and bank balances and derivative financial instruments.

Segment liabilities consist primarily of borrowings, payables, accruals and derivative financial instruments.

Capital expenditure represents capital additions to investment properties (Note 5) and property, plant and equipment (Note 8).

(b) *Geographical information*

The Group's seven operating segments operate in three main geographical areas, even though they are managed on a worldwide basis.

Global – the Global segment represents activities with assets or customers with no fixed location, which include ship finance arrangement, investments and asset management of ships, ship owning and chartering.

Asia (ex-Japan) – the Asia (ex-Japan) segment represents activities with assets or customers located in Asia (ex-Japan), which include ship finance arrangement, investments and asset management of properties.

Japan – the Japan segment represents activities with assets or customers located in Japan, which include ship finance arrangement, investments and asset management of properties and hotel operations.

	Group	
	2017	2016
	US$'000	US$'000
Total income:		
Global	36,591	30,212
Asia (ex-Japan)	10,449	6,441
Japan	56,834	49,645
	103,874	86,298

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

3. Segment information (cont'd)

(b) *Geographical information (cont'd)*

During the year, there was no revenue from transactions with a single customer that amounts to ten per cent (10%) or more of the Group's revenue (2016: revenue from one major customer amounted to US$9.7 million, arising from fee income generated from UAS reportable segment).

	Group	
	2017	**2016**
	US$'000	US$'000
Non-current assets:		
Global	213,152	210,791
Asia (ex-Japan)	10,091	23,450
Japan	56,024	33,977
	279,267	268,218

Income and non-current assets attributable to operating segments are based on the countries in which the customers are located. There is no sale between the geographical segments.

4. Significant accounting judgements, estimates and assumptions

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) *Determination of functional currency*

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices. Management has assessed that prices are mainly denominated and settled in the respective local currency of the entities of the Group. In addition, most of the entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

4. Significant accounting judgements, estimates and assumptions (cont'd)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

(a) *Impairment of vessels held as property, plant and equipment*

The Group owns vessels held as property, plant and equipment for ship chartering business. Indicators of impairment on the vessels was assessed annually to identify whether the vessels may be impaired. The Group computed the vessels' recoverable amount using value in use and compared with its carrying amounts to identify impairment losses when indicators of impairment existed. The key assumptions used in the value in use computation comprise of daily charter rates, disposal values, operational expenses, and the discount rate. The discount rate and sensitivity of the discount rate to the recoverable amounts are disclosed in Note 8.

The carrying amount of the vessels held as property, plant and equipment as at 31 December 2017 is disclosed in Note 8.

(b) *Fair value of unlisted shares and unlisted performance notes in shipping companies*

The Group invested in unlisted shares and unlisted performance notes of special purpose companies that own and charter ships which were carried at fair value through profit or loss. The Group generally used external valuation reports in the fair valuation of the unlisted shares and unlisted performance notes. The key assumptions used in the valuation are daily charter rates, terminal values, operational expenses, and the discount rate. The significant unobservable inputs used in fair valuation including its sensitivity analysis are disclosed in Note 30(c).

The carrying amount of the unlisted shares and unlisted performance notes in shipping companies as at 31 December 2017 are disclosed in Note 6.

(c) *Fair value of unlisted shares in commercial office buildings and small residential property developments, and investment properties*

The Group held commercial office buildings and small residential properties as investment properties measured at fair value. In addition, the Group invested in unlisted shares of special purpose companies that held commercial office buildings and small residential properties measured at fair value through profit or loss. The Group generally used external valuation reports in determining fair value of commercial office buildings held as investment properties and held through unlisted shares. For small residential property development held through unlisted shares and held as investment properties, the Group used internal valuation in estimating the fair value of the unlisted shares and investment properties. The key assumptions used in the valuations are gross development value, development cost, rental yield, vacancy rate, capitalisation rates, expense ratio and discount rate. The significant unobservable inputs used in fair valuation including its sensitivity analysis are disclosed in Note 30(c).

The carrying amount of the investment properties and unlisted shares in commercial office building and small residential property developments as at 31 December 2017 are disclosed in Note 5 and Note 6 respectively.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

5. Investment properties

	Group	
	2017	2016
	US$'000	US$'000
At 1 January	13,949	8,565
Additions	9,528	7,912
Disposals	(10,256)	(956)
Fair value adjustment recognised in profit or loss	1,162	(1,348)
Currency translation differences	592	(224)
At 31 December	14,975	13,949

The following amounts are recognised in profit or loss:

	Group	
	2017	2016
	US$'000	US$'000
Rental income	741	186
Direct operating expenses arising from:		
- Investment properties that generated rental income	196	125
- Investment properties that did not generate rental income	–	44

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

5. Investment properties (cont'd)

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

Location	Use	Tenure	Unexpired lease term
Rooms 712-715, 7/F, China Shine Plaza, 9 Lin He Xi Road, Tianhe District, Guangzhou, PRC (1)	Offices	Leasehold	38 years
1-23-12 Otowa, Bunkyo-ku, Tokyo, Japan (2)	Residential	Freehold	–
1-7-13 ShimoOchiai, Shinjuku-ku, Tokyo, Japan (3)	Residential	Freehold	–
1-12-7 Koenji-minami, Suginami-ku, Tokyo, Japan (4)	Residential	Freehold	–
4-40 Kamiuma, Setagaya-ku, Tokyo, Japan (5)	Residential	Freehold	–
4-36-5 Hakusan, Bunkyo-ku, Tokyo, Japan (6)	Residential	Freehold	–
5-33-18 Koenji Minami, Suginami-ku, Tokyo, Japan (7)	Residential	Freehold	–

(1) The Group uses management's valuation in the fair valuation of the investment property. Discounted cash flow method is used which makes reference to the estimated or actual market rental values and equivalent yields.

(2) This investment property was sold during the year. As at 31 December 2016, this investment property amounting to US$4.3 million was mortgaged to secure bank borrowings of US$2.6 million (Note 15).

(3) The Group uses management's valuation in the fair valuation of the investment property. Discounted cash flow method is used which makes reference to the estimated or actual market rental values and equivalent yields. This investment property amounting to US$5.1 million (2016: US$3.8 million) is mortgaged to secure bank borrowings of US$3.7 million (2016: US$2.5 million) (Note 15).

(4) This investment property was sold during the year. As at 31 December 2016, this investment property amounting to US$3.9 million was mortgaged to secure bank borrowings of US$2.9 million (Note 15).

(5) The Group uses management's valuation in the fair valuation of the investment property. Capitalisation rate method is used which makes reference to the capitalisation rates of similar investment properties in the market. This investment property amounting to US$2.6 million (2016: US$0.1 million) is mortgaged to secure bank borrowings of US$1.5 million (2016: US$Nil) (Note 15).

(6) The Group uses management's valuation in the fair valuation of the investment property. Capitalisation rate method is used which makes reference to the capitalisation rates of similar investment properties in the market. This investment property amounting to US$3.2 million (2016: US$0.2 million) is mortgaged to secure bank borrowings of US$1.4 million (2016: US$Nil) (Note 15).

(7) This investment property is stated at fair value which is the acquisition price as the acquisition was made close to the end of the financial year. This investment property amounting to US$2.2 million is mortgaged to secure bank borrowings of US$1.3 million (Note 15).

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

6. Investments

	Uni-Asia Group Limited Group		Uni-Asia Group Limited Company	Uni-Asia Holdings Limited Company
	2017	2016	2017	2016
	US$'000	US$'000	US$'000	US$'000
Non-current				
Financial assets at fair value through profit or loss:				
Unlisted shares				
- Shipping	16,028	15,710	–	15,607
- Hotel	5	988	–	–
- Residential	34	24	–	–
- Commercial office buildings	5,749	21,440	–	–
- Small residential property developments	3,265	2,996	–	–
Unlisted performance notes				
- Shipping	2,587	3,955	–	3,955
	27,668	45,113	–	19,562
Current				
Financial assets at fair value through profit or loss:				
Unlisted shares				
- Commercial office buildings	28,886	–	–	–
- Small residential property developments	204	–	–	–
Listed shares				
- Others	1,212	2,402	–	–
	30,302	2,402	–	–

Fair values of listed shares are based on bid price at the end of the reporting period. Fair values of unlisted shares and unlisted performance notes are further explained in Note 30.

Shipping performance notes are redeemable semi-annually, in whole or in part, based on the net cash inflow from the operation or the disposal of underlying assets. There is no maturity date for the shipping performance notes invested by the Group.

There is no significant restriction on the ability of investments to transfer funds to the Group in the form of cash dividends, repayment of loans or advances.

At 31 December 2017, the Company has pledged the interest in share capital of investments of US$9.0 million (2016: US$6.5 million) as security for investees' bank loans.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

6. Investments (cont'd)

Investment in joint ventures

The Group has investments in joint venture in the form of investments in unlisted shares.

Aggregate information about the Group's investments in joint ventures that are not individually material is as follows:

	2017 US$'000	2016 US$'000
Loss after tax	(395)	(9,425)
Other comprehensive expense	(710)	(881)
Total comprehensive expense	(1,105)	(10,306)

Investment in associates

The Group has investments in associates in the form of investments in unlisted shares.

Aggregate information about the Group's investments in associates that are not individually material is as follows:

	2017 US$'000	2016 US$'000
(Loss)/profit after tax	(15)	33
Other comprehensive income	–	–
Total comprehensive (expense)/income	(15)	33

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

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

7. Intangible assets

Group	Goodwill	Other Intangible assets	Total
	US$'000	US$'000	US$'000
Cost			
At 1 January 2016, 31 December 2016 and 1 January 2017	67	6	73
Addition	–	26	26
At 31 December 2017	67	32	99
Accumulated amortisation and impairment			
At 1 January 2016	–	4	4
Amortisation	–	1	1
Impairment loss	67	–	67
At 31 December 2016, 1 January 2017 and 31 December 2017	67	5	72
Net book value			
At 31 December 2016	–	1	1
At 31 December 2017	–	27	27

Impairment testing of goodwill

Management believes that the carrying amount of the goodwill exceeds its recoverable amount. The Group recognised full impairment of US$67,000 in 2016.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

8. Property, plant and equipment

Group	Hotel properties	Vessels	Office equipment, furniture and fixtures	Total
	US$'000	US$'000	US$'000	US$'000
Cost				
At 1 January 2016	7,873	187,210	1,192	196,275
Additions	22	18,605	70	18,697
Transfer from deposits for purchase of vessels	–	6,846	–	6,846
Acquisition of a subsidiary	–	17,028	–	17,028
Disposals	–	–	(63)	(63)
Written-off	–	(2,361)	(44)	(2,405)
Currency translation differences	225	–	(1)	224
At 31 December 2016 and 1 January 2017	8,120	227,328	1,154	236,602
Additions	482	15,823	69	16,374
Consolidation of a consolidated entity	22,314	–	–	22,314
Disposals	–	–	(4)	(4)
Written-off	–	(2,334)	(50)	(2,384)
Currency translation differences	258	–	12	270
At 31 December 2017	31,174	240,817	1,181	273,172
Accumulated depreciation and impairment				
At 1 January 2016	1,252	22,700	608	24,560
Charge for the year	235	10,171	241	10,647
Disposals	–	–	(60)	(60)
Impairment	–	8,590	–	8,590
Written-off	–	(2,361)	(44)	(2,405)
Currency translation differences	21	–	(5)	16
At 31 December 2016 and 1 January 2017	1,508	39,100	740	41,348
Charge for the year	251	9,723	229	10,203
Disposals	–	–	(4)	(4)
Impairment	–	1,000	–	1,000
Written-off	–	(2,334)	(50)	(2,384)
Currency translation differences	58	–	8	66
At 31 December 2017	1,817	47,489	923	50,229
Net book value				
At 31 December 2016	6,612	188,228	414	195,254
At 31 December 2017	29,357	193,328	258	222,943

Land and buildings included in the hotel properties are freehold.

Notes to the Consolidated Financial Statements

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

(a) *Assets pledged as security*

As at 31 December 2017, the Group's hotel properties with carrying amount of US$28.7 million (2016: US$6.3 million) was pledged to secure the Group's bank borrowings of US$29.1 million (2016: US$3.5 million) (Note 15).

As at 31 December 2017, the Group's vessels amounting to US$193.3 million (2016: US$188.2 million) were pledged to secure the Group's bank borrowings of US$126.9 million (2016: US$125.6 million) (Note 15).

(b) *Impairment of assets*

During the financial year, an impairment loss of US$1.0 million (2016: US$8.6 million), representing the write-down of a vessel to its recoverable amount was recognised as "Impairment of property, plant and equipment" line item in profit or loss and under the reportable segment of UAS. The recoverable amount of the vessels were based on its value in use and the pre-tax discount rate used was 6.6% (2016: 5.6%).

If the discount rate used in the valuation had been 1% higher than management's estimate, the carrying amount of the impaired vessel would have been US$1.7 million (2016: US$3.7 million) lower.

Uni-Asia Holdings Limited Company	Office equipment, furniture and fixtures US$'000
Cost	
At 1 January 2016	708
Additions	50
Disposals	(52)
Written off	(41)
At 31 December 2016	665
Accumulated depreciation	
At 1 January 2016	300
Charge for the year	162
Disposals	(50)
Written off	(41)
At 31 December 2016	371
Net book value	
At 31 December 2016	294

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9. Loans receivable

	Uni-Asia Group Limited Group 2017 US$'000	Uni-Asia Group Limited Group 2016 US$'000	Uni-Asia Group Limited Company 2017 US$'000	Uni-Asia Holdings Limited Company 2016 US$'000
Non-current				
Fixed interest rate at 5% per annum	–	2,050	–	2,050
Current				
Interest free	–	6,983	–	400

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

10. Derivative financial instruments

	Uni-Asia Group Limited Group 2017 US$'000	Uni-Asia Group Limited Group 2016 US$'000	Uni-Asia Group Limited Company 2017 US$'000	Uni-Asia Holdings Limited Company 2016 US$'000
Non-current				
Financial assets at fair value through other comprehensive income:				
Cash flow hedge				
Interest rate swaps (a)	430	329	–	588
Financial liabilities at fair value through other comprehensive income:				
Cash flow hedge				
Interest rate swap (a)	(108)	(258)	–	(588)

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10. Derivative financial instruments (cont'd)

	Uni-Asia Group Limited Group		Uni-Asia Group Limited Company	Uni-Asia Holdings Limited Company
	2017	2016	2017	2016
	US$'000	US$'000	US$'000	US$'000
Current				
Financial assets at fair value through other comprehensive income:				
Cash flow hedge				
Interest rate swaps (a)	156	17	–	357
Financial assets at fair value through profit or loss:				
Derivatives not designated as hedge				
Forward currency contract (b)	21	–	–	–
	177	17	–	357
Financial liabilities at fair value through other comprehensive income:				
Cash flow hedge				
Interest rate swaps (a)	(127)	(340)	–	(357)

(a) ***Cash flow hedge***

At 31 December 2017, the Group has interest rate swaps with notional amount of US$85.7 million (2016: US$69.4 million) to hedge the interest rate risk of bank borrowings.

The interest rate swaps receive floating interest, pay fixed interest and mature between 2018 and 2021.

The terms and the payment dates of the interest rate swaps have been negotiated to match the terms of the bank borrowings. There were no highly probable transactions for which hedge accounting has been claimed that have not occurred and no significant element of hedge ineffectiveness requiring recognition in profit or loss. The cash flow hedge of the expected future interest payment of bank borrowings was assessed to be highly effective.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

10. Derivative financial instruments (cont'd)

(a) *Cash flow hedge (cont'd)*

Below is a schedule indicating as at 31 December, the periods when the hedged forecast cash flows are expected to occur and when they are expected to affect profit or loss:

	Group	
	Less than 1 year	1 year to 5 years
	US$'000	US$'000
2017		
Net cash inflows	22	322
2016		
Net cash (outflows)/inflows	(342)	79

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

	Group	
	2017	2016
	US$'000	US$'000
At 1 January	353	(14)
Gain recognised in other comprehensive income during the year, net	590	367
At 31 December	943	353

(b) *Derivatives not designated as hedging instruments*

At 31 December 2017, the Group has a foreign currency forward contract with notional amount of US$3.3 million (2016: US$Nil) to manage its exchange rate exposures. The foreign currency forward contracts will expire in 2018.

Below is the maturity profile of the derivative as at 31 December:

	Group
	Less than 1 year
	US$'000
2017	
Net cash inflows	22

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For the financial year ended 31 December 2017

11. Accounts receivable

	Uni-Asia Group Limited Group		Uni-Asia Group Limited Company	Uni-Asia Holdings Limited Company
	2017	2016	2017	2016
	US$'000	US$'000	US$'000	US$'000
Non-current				
Accounts receivable	885	621	–	–
Current				
Accounts receivable	4,703	3,810	–	76

In general, the Group normally grants a credit period of 30 days to its customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. Accounts receivable are unsecured and non-interest bearing.

An aged analysis of the accounts receivable as at the end of the reporting period that past due but not impaired is as follows:

	Group	
	2017	2016
	US$'000	US$'000
Less than 30 days	–	7
31 days to 60 days	–	90
	–	97

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

		Group	
	Note	2017	2016
		US$'000	US$'000
At 1 January		–	(129)
Reversal of provision	22	–	109
Provision written off		–	21
Currency translation differences		–	(1)
At 31 December		–	–

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

11. Accounts receivable (cont'd)

The impairment of accounts receivable is individually determined to be impaired. The individually impaired accounts receivable relates to customers that were in financial difficulties. The Group does not hold any collateral or other credit enhancements over these balances.

Included in the Group's accounts receivable balance are receivables from related parties as disclosed in Note 32(a).

12. Deposits pledged as collateral

As at 31 December 2017, the Group had deposits pledged as collateral against Japanese yen ("JPY" or "¥") and USD denominated bank loan facilities. The aggregate amounts of certain deposits pledged shall not at any time be less than 110% of the outstanding amounts under the revolving JPY loan facilities and shall not be less than US$2.5 million under USD demand loan facilities (Note 15).

13. Cash and bank balances

	Uni-Asia Group Limited		Uni-Asia Group Limited	Uni-Asia Holdings Limited
	Group		Company	Company
	2017	2016	2017	2016
	US$'000	US$'000	US$'000	US$'000
Cash at banks and in hand	25,812	22,679	76	3,040
Short-term time deposits	14,744	12,873	–	5,660
Cash and bank balances	40,556	35,552	76	8,700

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between 7 days and three months depending on the immediate cash requirements of the Group and the Company and earn interest at the respective short-term time deposit rates.

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14. Share capital and share premium

The Company was incorporated on 12 January 2017 with an issued and paid-up share capital of US$1.00, comprising one ordinary 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 undertaken by the Company by way of the Scheme. In connection with the Restructuring Exercise and the Scheme, 46,979,279 Scheme Shares were allotted and issued by the Company to the shareholders of Uni-Asia Holdings Limited on 26 May 2017.

	Group and Company	
	Number of shares	Share capital
	2017	2017
	'000	US$'000
Issued and fully paid:		
At date of incorporation on 12 January	–	–
Issuance of shares	46,979	109,276
At 31 December	46,979	109,276

The comparative share capital refers to that of Uni-Asia Holdings Limited.

	Number of shares	Share capital	Share premium
	2016	2016	2016
	'000	US$'000	US$'000
Authorised:			
At 1 January and 31 December	75,000	120,000	–
Issued and fully paid:			
At 1 January and 31 December	46,979	75,167	31,319

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15. Borrowings

	Uni-Asia Group Limited		Uni-Asia Group Limited	Uni-Asia Holdings Limited
	Group		Company	Company
	2017	2016	2017	2016
	US$'000	US$'000	US$'000	US$'000
Non-current				
Repayable per terms of loan facilities:				
- Secured	133,814	118,076	–	–
- Unsecured	16,529	13,049	–	8,700
	150,343	131,125	–	8,700
Current				
Repayable per terms of loan facilities:				
- Secured	40,404	28,184	–	2,138
- Unsecured	26,058	26,107	–	13,934
	66,462	54,291	–	16,072

The effective annual interest rates of the bank borrowings range from approximately 0.7% to 5.0% (2016: approximately 0.9% to 5.0%).

The Group's borrowings are secured by means of cash deposits (Note 12), investment properties (Note 5) and property, plant and equipment (Note 8).

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

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes				
Group	2016	Cash flows	Consolidation of a consolidated entity (Note 28)	Non-controlling interest	Amortised finance cost	Foreign exchange movement	2017
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Borrowings	185,416	5,756	25,638	(783)	232	546	216,805

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16. Provision for onerous contract

Group	2017 US$'000	2016 US$'000
At 1 January	3,475	–
Arose during the year	–	3,475
Utilised	(1,333)	–
Discount rate adjustment	32	–
At 31 December	2,174	3,475
Non-current	1,735	2,140
Current	439	1,335

The provision for onerous contract is for one of the vessels' charter agreement as the aggregate cost required to fulfill the obligation is higher than the economic benefit to be obtained from it. The provision is calculated based on cashflow projection of the vessel's earning.

17. Accounts payable

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

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

18. Fee income

	Group	
	2017 US$'000	2016 US$'000
Arrangement and agency fee	4,989	2,355
Asset management and administration fee	2,198	2,237
Incentive fee	184	824
Brokerage commission	479	408
	7,850	5,824

Notes to the Consolidated Financial Statements

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19. Investment returns

	Group	
	2017	2016
	US$'000	US$'000
Realised gain on investment property	4,350	1,502
Realised gain/(loss) on investments:		
- Shipping	261	220
- Hotel and residential	–	(17)
- Small residential property developments	438	4,548
- Distressed asset	–	122
- Listed shares	691	–
Property rental income	798	186
Fair value adjustment on investment properties	1,162	(1,720)
Fair value adjustment on investments:		
- Shipping	(6,221)	(7,073)
- Hotel and residential	48	18
- Small residential property developments	(9)	332
- Commercial office buildings	6,791	5,609
- Listed shares	270	52
Net loss on derivative financial instruments	(128)	(1,645)
	8,451	2,134

20. Interest income and expense

	Group	
	2017	2016
	US$'000	US$'000
Interest income from:		
- Cash and cash equivalents	161	115
- Bridging loans	164	112
- Finance lease	463	496
	788	723
Interest expense on:		
- Borrowings	5,347	5,079

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For the financial year ended 31 December 2017

21. Employee benefits expenses

	Group	
	2017	2016
	US$'000	US$'000
Salaries and benefits	16,275	14,559
Defined contribution pension schemes	232	226
Share based compensation	–	(32)
	16,507	14,753

Uni-Asia Group Performance Share Plan ("PSP")

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

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

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

The total value is then accrued over the period from the date of award to the vesting date (i.e. 31 December 2016). If the performance target is met, the additional cost of awards must then be recognised based on the nominal value at the date of award. If the performance target is not met, then the accrued expenses will be reversed. As at the vesting date, the performance target was not met. Total expenses previously recognised relating to the PSP amounted to US$32,000 was reversed for the year 2016. During the year, there was no share-based incentive plan.

Notes to the Consolidated Financial Statements

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22. Other expenses

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

	Note	Group 2017 US$'000	Group 2016 US$'000
Operating lease expenses		1,048	1,028
Investment properties operating expenses		196	169
Reversal of provision for accounts receivable	11	–	(109)
Business development expenses		846	952
Professional services fees		2,188	1,597
Audit fee paid to auditors of the Company		412	417
Audit fee paid to other auditors		10	9
Non-audit fee paid to auditors of the Company		30	4
Non-audit fee paid to other auditors		6	6
Tax and public dues		406	112
Miscellaneous		480	641
		5,622	4,826

23. Income tax

The Group's taxes on assessable profits have been calculated at tax rates prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

(a) *Income tax*

	Note	Group 2017 US$'000	Group 2016 US$'000
Current income tax			
Current income taxation		498	522
(Over)/under provision in respect of prior years		(123)	239
		375	761
Deferred income tax			
Origination and reversal of temporary difference		321	1,544
Utilisation of previously unrecognised tax losses		(402)	(1,557)
	23(b)	(81)	(13)
Total tax expense for the year		294	748

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23. Income tax (cont'd)

(a) *Income tax (cont'd)*

A reconciliation between tax expense of the Group applicable to profit before tax using applicable rates and the tax expense for the year is as follows:

	Note	Group 2017 US$'000	Group 2016 US$'000
Profit/(loss) before tax		9,160	(11,480)
Tax at domestic rates applicable to individual group entities		2,570	(1,312)
Tax effects of:			
Expenses not deductible for the tax purposes		6,971	9,062
Income not subject to tax		(9,077)	(6,285)
Utilisation of previously unrecognised tax losses		(402)	(1,557)
Deferred tax on disposal of investment properties	23(b)	–	(324)
Deferred tax assets not recognised		374	935
Partial tax exemption and tax relief		(16)	–
(Over)/under provision in respect of prior years		(123)	239
Others		(3)	(10)
Tax expense for the year		294	748

(b) *Deferred tax*

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

	Note	Group Provision US$'000
At 1 January 2016		33
Credited to income tax expense for the year	23(a)	13
At 31 December 2016 and at 1 January 2017		46
Credited to income tax expense for the year	23(a)	81
Currency translation differences		2
At 31 December 2017		129

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23. Income tax (cont'd)

(b) *Deferred tax (cont'd)*

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

	Note	Group Provision US$'000
At 1 January 2016		(1,236)
Reversal of income tax expense previously charged*	23(a)	324
Reversal of other expenses previously charged		355
Currency translation differences		53
At 31 December 2016 and at 1 January 2017		(504)
Currency translation differences		(34)
At 31 December 2017		(538)

* In relation to capital gain tax upon disposal of investment properties.

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately US$31.3 million (2016: US34.0 million) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Included in the tax losses of approximately US$31.3 million (2016: US$34.0 million), the tax losses generally have no expiry date except for an amount of US$10.1 million (2016: US$14.0 million) which will expire between 2018 and 2023 (2016: 2017 – 2023).

Unrecognised temporary differences relating to investments in subsidiaries and joint venture

At the end of the reporting period, no deferred tax liability (2016: US$Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries and joint venture as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future and the joint venture of the Group cannot distribute its earnings until it obtains the consent of both the venturers. At the end of the reporting period, the Group does not foresee giving such consent.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

24. Dividends

	Group and Company	
	2017	2016
	US$'000	US$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final dividend for 2016: SG cents 3 per share (S$1.4 million) (2015: SG cents 6.25 per share (S$2.9 million))	1,010	2,185
	SGD'000	SGD'000
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final dividend for 2017: SG cents 6.25 per share (2016: SG cents 3 per share)	2,900	1,400

25. Profit/(loss) per share

Basic and diluted profit/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year. The Company did not hold any potential dilutive ordinary shares during the financial year (2016: Nil).

The following table reflects the profit/(loss) and share data used in computation of basic and diluted profit/(loss) per share for the financial year ended 31 December.

	Group	
	2017	2016
Profit/(loss) attributable to owners of the parent (US$'000)	6,224	(14,166)
Weighted average number of ordinary shares in issue ('000)	46,979	46,979
Profit/(loss) per share (US cents per share) - basic and diluted	13.25	(30.15)

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For the financial year ended 31 December 2017

26. Reserves

(a) *Hedging reserve*

Hedging reserve represents the gains or losses of the cash flow hedge of derivative financial instruments until the hedged financial income or financial expense is recognised or when a forecast event occurs.

(b) *Exchange reserve*

Exchange reserve represents exchange differences arising from translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) *Capital reserve*

Capital reserve arose as a result of changes in the ownership interests of subsidiaries that do not result in a loss of control and were accounted for as equity transactions.

27. Investments in subsidiaries

	Uni-Asia Group Limited	Uni-Asia Holdings Limited
	Company	Company
	2017	2016
	US$'000	US$'000
Unlisted shares, at cost	109,276	76,449
Provision for impairment	–	(3,600)
	109,276	72,849

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27. Investments in subsidiaries (cont'd)

(a) *Details of principal investments in subsidiaries*

Details of the principal subsidiaries within the Group as at 31 December 2017 and 2016 were as follows:

Name	Note	Country/ place of incorporation	Proportion of ownership interest 2017 %	Proportion of ownership interest 2016 %	Principal activities and place of operation
Held by the Company:					
Uni-Asia Holdings Limited	(i)	Cayman Islands	100.0	–	Investment holding, Hong Kong
Held through Uni-Asia Holdings Limited:					
Uni-Asia Shipping Limited	(ii)	Hong Kong	100.0	100.0	Ship investment holding, Hong Kong
Uni-Asia Hotels Limited	(ii)	Hong Kong	99.0	99.0	Investment holding, Hong Kong
Uni-Asia Capital (Singapore) Limited	(i)	Singapore	100.0	100.0	Ship chartering arrangement, Singapore
Uni-Asia Capital Company Limited	(ii)	Hong Kong	100.0	100.0	Property investment, Hong Kong
Uni Ships and Management Limited	(ii)	Hong Kong	100.0	100.0	Project management, accounting and administration services, Hong Kong
Uni-Asia Investment Ltd	(vi)	Japan	99.5	99.5	Property investment, Japan
Uni-Asia Capital (Japan) Ltd	(vi)	Japan	100.0	100.0	Investment advisory and asset management, Japan
Florida Containership S.A.	(ii)	Panama	100.0	100.0	Ship owning and chartering, Panama
Fulgida Bulkship S.A.	(ii)	Panama	100.0	–	Ship owning and chartering, Panama
Joule Asset Management (Pte.) Limited	(iii)	Singapore	100.0	100.0	Ship owning and chartering, Singapore

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27. Investments in subsidiaries (cont'd)

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

Name	Note	Country/ place of incorporation	Proportion of ownership interest 2017 %	Proportion of ownership interest 2016 %	Principal activities and place of operation
Indirectly held:					
Hope Bulkship S.A.	(ii)	Panama	83.0	83.0	Ship owning and chartering, Panama
Imperial Bulkship S.A.	(ii)	Panama	100.0	100.0	Ship owning and chartering, Panama
Jade Bulkship S.A.	(ii)	Panama	100.0	100.0	Ship owning and chartering, Panama
Karat Bulkship S.A.	(ii)	Panama	100.0	100.0	Ship owning and chartering, Panama
Luna Bulkship S.A.	(ii)	Panama	100.0	100.0	Ship owning and chartering, Panama
Jubilee Bulkship S.A.	(ii)	Panama	100.0	100.0	Ship owning and chartering, Panama
Mable Bulkship S.A.	(ii)	Panama	100.0	100.0	Ship owning and chartering, Panama
Nora Bulkship S.A.	(ii)	Panama	100.0	100.0	Ship owning and chartering, Panama
Regina Bulkship S.A.	(ii)	Panama	51.0	51.0	Ship owning and chartering, Panama
Uni Ships and Management (Taiwan) Limited	(vi)	Taiwan	100.0	100.0	Promoting ship-related services, Taiwan
Uni Ships and Management Korea Ltd.	(vi)	South Korea	100.0	100.0	Promoting ship-related services, South Korea
Wealth Ocean Ship Management (Shanghai) Co., Ltd	(iv)	People's Republic of China	51.0	51.0	Ship management, China

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27. Investments in subsidiaries (cont'd)

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

Name	Note	Country/ place of incorporation	Proportion of ownership interest 2017 %	Proportion of ownership interest 2016 %	Principal activities and place of operation
Uni-Asia Guangzhou Property Management Company Limited	(v)	People's Republic of China	100.0	100.0	Property investment, China
United Wise Capital Investment Limited	(ii)	Hong Kong	69.6	69.6	Property investment, Hong Kong
Vista Hotel Management Co., Ltd	(vi)	Japan	99.0	99.0	Hotel management and operator, Japan
Sun Vista Naha Co., Ltd.	(vi)	Japan	99.0	99.0	Hotel management and operator, Japan
Arena Godo Kaisha	(vi)	Japan	99.5	99.5	Ship owning and chartering, Japan

Notes

(i) Audited by Ernst & Young LLP, Singapore;

(ii) Audited by Ernst & Young, Hong Kong;

(iii) Audited by RT LLP, Singapore;

(iv) Audited by上海光华会计师事务所, PRC;

(v) Audited by广州正大中信会计师事务所, PRC; and

(vi) Not required to be audited under the laws of the country of incorporation.

The table in the previous page lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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

In appointing the audit firms for the Group, the Audit Committee and the Board of Directors of the Company are satisfied that the Group has complied with Listing Rules 712, 715 and 716.

Notes to the Consolidated Financial Statements

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27. Investments in subsidiaries (cont'd)

(b) 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 undertaken by the Company by way of a scheme of arrangement. Following the completion of the Restructuring Exercise, with effect from 2 June 2017, the Company was listed on the Singapore Exchange and Uni-Asia Holdings Limited was delisted from Singapore Exchange.

(c) On 1 November 2017, the Group acquired 100% shares of Fulgida Bulkship for a consideration of US$10,000.

(d) The amounts due from subsidiaries are unsecured, interest-free and have no fixed term of repayment and will be settled in cash.

(e) In 2016, the loans to subsidiaries are unsecured, interest-free or interest bearing at rates from 0.5% to 1.8% and have fixed terms of repayment or repayable on demand and will be settled in cash.

(f) Corporate guarantees provided to banks/lenders for loans taken by subsidiaries amounted to US$150.1 million (2016: US$137.9 million).

28. Acquisition, consolidation and deconsolidation of entities

(a) Consolidation of a consolidated entity

During the year, GK CJ Investment, a Godo Kaisha entity which the Group invests as a subordinated Tokumei Kumiai ("TK") investor, redeemed the TK interests held by the senior TK investor. As a result, the Group becomes the sole TK investor of GK CJ Investment. As the Group's wholly owned subsidiary, Uni-Asia Capital (Japan) Ltd is the asset manager of GK CJ Investment, the Group is deemed to have control of GK CJ Investment upon the senior TK investor's redemption, and accordingly, GK CJ Investment is consolidated into the Group accounts. At initial consolidation, the cash balance of US$1,567,000, property, plant and equipment of US$22,314,000 and borrowings of US$25,638,000 were in the books of GK CJ Investment.

(b) Acquisition of a subsidiary

On 31 March 2016, the Group increased its interest in Joule Asset Management Pte Limited ("Joule") from 50% to 100% though acquisition of the outstanding shares. As a result, the Group acquired control over Joule and consolidated during the financial year.

Notes to the Consolidated Financial Statements

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28. Acquisition, consolidation and deconsolidation of consolidated entities (cont'd)

(b) Acquisition of a subsidiary (cont'd)

The fair values of the identifiable assets and liabilities of Joule as at the date of acquisition were:

	2016 US$'000
Property, plant and equipment	17,028
Prepayments, deposits and other receivables	248
Cash and bank balances	251
Borrowings	(16,005)
Accounts payable	(11)
Amounts due to subsidiaries	(21)
Other payables and accruals	(182)
Total identifiable net assets at fair value	1,308
Negative goodwill arising on the acquisition	(975)
	333
Consideration transferred for the acquisition:	
Purchase consideration paid	250
Fair value of equity interest in Joule held by the Group immediately before the acquisition	83
	333
Net cash flow arising from consolidation:	
Cash consideration received	251
Purchase consideration paid	(250)
	1

The negative goodwill arising on the acquisition of US$975,000 was mainly resulted from an irrevocable loan waiver of US$1,705,000 undertaken by the ex-joint owner of Joule.

From the date of acquisition, Joule contributed US$2.1 million of revenue and US$0.1 million of profit before tax to the Group for the year ended 31 December 2016.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

28. Acquisition, consolidation and deconsolidation of entities (cont'd)

(c) Deconsolidation of consolidated entities

In 2016, the Group entered into a sales agreement with a related company to dispose the investment in GK Alero 8 and GK Alero 17.

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

	2016 US$'000
Cash and bank balances	2,275
Due to Tokumei Kumiai investors	(10)
Amounts due to subsidiaries	(40)
Other payables and accruals	(2)
Net identifiable assets derecognised	2,223
Cash received	1,259
Cumulated exchange differences in respect of the net assets of a consolidated entity reclassified from equity on deconsolidation	110
	1,369
Loss on deconsolidation of consolidated entities	854
Net cash flow arising from deconsolidation:	
Cash consideration	1,259
Cash and bank balance disposed of	(2,275)
	(1,016)

In 2016, the loss on deconsolidation of consolidated entities of US$854,000 was included in investment returns - realised gain/(loss) on investments in profit or loss.

29. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- market risk (which includes currency risk, interest rate risk and price risk)
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

29. Financial risk management (cont'd)

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's Management Committee manages the Group's risk management policies and procedures, and ensures that the Group responds swiftly to changes in risks. Sub-committees are established to assess risks on a more frequent basis.

(a) *Market risk*

Market risk is the risk that the value of a financial instrument and investments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or factors affecting all financial instruments traded in or indexed to a market. The Group is exposed to market risk on financial instruments and investments that are valued at market prices which primarily consist of investments in shipping, properties and hotels, loans and marketable securities.

(i) *Currency risk*

The Group's revenue and expenses are mainly denominated in the respective functional currencies of Group entities. The Group's main exposure to currency risk is on borrowings that are denominated in a currency other than the respective functional currencies of Group entities. This pertains to foreign exchange risk related to the principal amounts of the Group's JPY bank loans taken by USD functional currency Group entities. The Group may use forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts generally are designated as cash flow hedges.

Interest on borrowings is denominated in the currency of the borrowing. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily USD, but also JPY and HKD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in a currency other than the respective functional currencies of Group entities, such exposure is small, but when necessary, the Group will ensure its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

29. Financial risk management (cont'd)

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

(i) *Currency risk (cont'd)*

The Group is also exposed to currency translation risk arising from its net investments in foreign operations including Japan and People's Republic of China. These net investments are not hedged as such investments are long term in nature.

The summary of quantitative data about the Group's exposure to currency risk that are denominated in a currency other than the respective functional currencies of Group entities is as follows:

	Group	
	2017	**2016**
JPY denominated balances	**US$'000**	**US$'000**
	JPY	JPY
Accounts receivable	1	10
Cash and bank balances	2,843	877
Borrowings	(25,075)	(5,554)
Other payables and accruals	(141)	(99)
Net exposure	(22,372)	(4,766)

Assuming a 5% change in USD against the JPY with all other variables being held constant, the effects arising from the net exposure will be as follows:

	Group	
	Profit before tax	
	2017	**2016**
	US$'000	US$'000
USD against JPY:		
- Strengthened	1,065	227
- Weakened	(1,177)	(251)

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

29. Financial risk management (cont'd)

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

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate from changes in market interest rates and the cash flow risks associated with the variability of cash flows from floating rate financial instruments. The Group is exposed to interest rate risk from interest rate re-pricing differences between loans, borrowings and cash and cash equivalents.

The Group's cash balances are kept in interest bearing current accounts and on term deposits to maximise the level of return while maintaining an adequate level of liquidity. The Group's borrowings at variable rates are denominated in USD and JPY.

The Group may manage its interest rate risk through the use of interest rate swaps. These are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rates (e.g., fixed rate for floating rate) or a combination of all these (i.e., cross-currency interest rate swaps).

As at 31 December 2017, if USD market interest rates had been 100 basis point higher/lower with other variables held constant, profit before tax for the year would have been US$321,000 (2016: US$553,000) lower/higher, mainly as a result of higher/lower net interest expense incurred on floating rate financial instruments after taking into account the effect of interest rate swaps.

As at 31 December 2017, if JPY market interest rates had been 40 basis point higher/lower with other variables held constant, profit/(loss) before tax for the year would have been US$182,000 (2016: US$48,000) lower/higher, mainly as a result of higher/lower net interest expense incurred on floating rate financial instruments.

(iii) *Price risk*

The Group is exposed to price risk on the shipping, hotel and property investments (including investment properties) because the investments are classified on the balance sheets at fair value through profit or loss or at the lower of carrying values or recoverable amount. The Group seeks to manage such risk exposure by keeping a balanced portfolio, performing due diligence procedures, conducting routine analysis and updates on the market and investing through specialised fund structures. The Group maintains a diversified investment portfolio in shipping, hotel, residential, commercial office building and other alternative asset classes.

Notes to the Consolidated Financial Statements

29. Financial risk management (cont'd)

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

(iii) *Price risk (cont'd)*

Assuming a 1% change in prices across the board in the respective investments with all other variables including tax rate being held constant, the effect on the Group's investment portfolio would be as follows:

	2017		2016	
	Effect on portfolio	Portfolio percentage	Effect on portfolio	Portfolio percentage
	US$'million	%	US$'million	%
Investments in:				
Shipping entities or fund	0.5	26	0.6	32
Entities holding small residential property development projects in Japan	0.1	23	0.1	25
Entities holding commercial office building developments in Hong Kong	0.5	48	0.2	35

(b) *Credit risk*

Credit risk is the risk of loss resulting from the failure of counterparties to meet the terms of their obligations under a financial instrument or customer contract. The Group is exposed to credit risk from accounts receivable and loans receivable, deposits with banks and financial institutions, foreign exchange transactions, other financial instruments and counterparty default risk from investing activities. The Group seeks to minimise these risks by performing detailed reviews of loan counterparties or asset issuers and by either selling on participated loans to other parties or entering into offsetting loans payable when management wishes to preserve the Group's liquidity.

The Group deals only with customers of good credit standing and the loans are currently extended only to investees or related companies. Lastly, the business of hotel operation is conducted largely on cash basis. Under special circumstances, credit may be offered to corporate account holders but this represents a very marginal part of hotel business.

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

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

29. Financial risk management (cont'd)

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

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheets except as the following:

	2017 US$'million	2016 US$'million
Corporate guarantees provided to financial institutions for borrowings of investee companies	10.6	23.0

(c) *Liquidity risk*

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions in order to meet ongoing normal operating commitment and capital investment requirement. The table below analyses the maturity profile of the Group's financial liabilities (including derivative financial instruments) based on contractual undiscounted cash flows:

Group 2017	Less than 1 year US$'000	1 year to 5 years US$'000	Over 5 years US$'000	Total US$'000
Non-derivative cash flows				
Financial liabilities				
Borrowings	71,853	131,312	27,554	230,719
Due to Tokumei Kumiai investors	2,359	–	–	2,359
Financial liabilities included in accounts payable, other payables and accruals	9,608	–	77	9,685
	83,820	131,312	27,631	242,763
Derivative cash flows				
Cash inflows	4,458	2,133	–	6,591
Cash outflows	(4,414)	(1,811)	–	(6,225)
	44	322	–	366

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

29. Financial risk management (cont'd)

(c) *Liquidity risk (cont'd)*

Group 2016	Less than 1 year US$'000	1 year to 5 years US$'000	Over 5 years US$'000	Total US$'000
Non-derivative cash flows				
Financial liabilities				
Borrowings	57,755	125,930	15,242	198,927
Due to Tokumei Kumiai investors	1,007	–	–	1,007
Financial liabilities included in accounts payable, other payables and accruals	6,641	–	78	6,719
	65,403	125,930	15,320	206,653
Derivative cash flows				
Cash inflows	631	2,151	–	2,782
Cash outflows	(973)	(2,072)	–	(3,045)
	(342)	79	–	(263)

(d) *Capital management*

In the near term, the Group's objective in managing capital is to maintain an optimal capital structure in order to expand the size of the Group's investment portfolio. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell investments to reduce borrowings. The Group conducts regular cash flow analysis to determine the capital requirement of each department and the cash flow and financial position of all business activities in order to closely monitor the cash flow and capital structure of the Group. The Group may monitor capital using the gearing ratio, which is net debt divided by total equity.

	Group 2017 US$'000	Group 2016 US$'000
Borrowings	216,805	185,416
Due to Tokumei Kumiai investors	2,359	1,007
Derivative financial instruments	235	598
Financial liabilities included in accounts payable, other payables and accruals	10,327	7,345
Less: cash and bank balances	(40,556)	(35,552)
Net debt	189,170	158,814
Total equity	135,965	125,892
Gearing ratio	139.1%	126.2%

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

30. Assets and liabilities measured at fair value

Financial instruments at fair value through profit or loss are designated upon initial recognition except for investment in listed shares are categorised as held for trading. Derivatives are categorised as held for trading unless they are designated as hedges.

The carrying value of financial instruments by classes as at the end of the reporting period are as follows:

Group	Loans and receivables	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Derivative used for hedging
	US$'000	US$'000	US$'000	US$'000
2017				
Financial assets				
Investments - listed	–	–	1,212	–
Investments - unlisted	–	–	56,758	–
Rental deposit	4,567	–	–	–
Derivative financial instruments	–	–	21	586
Finance lease receivable	8,007	–	–	–
Accounts receivable	5,588	–	–	–
Financial assets included in prepayments, deposits and other receivables	2,433	–	–	–
Deposits pledged as collateral	3,847	–	–	–
Cash and bank balances	40,556	–	–	–
	64,998	–	57,991	586
Financial liabilities				
Borrowings	–	(216,805)	–	–
Due to Tokumei Kumiai investors	–	(2,359)	–	–
Derivative financial instruments	–	–	–	(235)
Financial liabilities included in accounts payable, other payables and accruals	–	(10,327)	–	–
	–	(229,491)	–	(235)

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

Group	Loans and receivables	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Derivative used for hedging
	US$'000	US$'000	US$'000	US$'000
2016				
Financial assets				
Investments - listed	–	–	2,402	–
Investments - unlisted	–	–	45,113	–
Loans receivable	9,033	–	–	–
Rental deposit	3,150	–	–	–
Derivative financial instruments	–	–	–	346
Finance lease receivable	8,036	–	–	–
Accounts receivable	4,431	–	–	–
Financial assets included in prepayments, deposits and other receivables	467	–	–	–
Deposits pledged as collateral	4,320	–	–	–
Cash and bank balances	35,552	–	–	–
	64,989	–	47,515	346
Financial liabilities				
Borrowings	–	(185,416)	–	–
Due to Tokumei Kumiai investors	–	(1,007)	–	–
Derivative financial instruments	–	–	–	(598)
Financial liabilities included in accounts payable, other payables and accruals	–	(7,345)	–	–
	–	(193,768)	–	(598)

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

	Loans and receivables US$'000	Financial liabilities at amortised cost US$'000	Financial assets at fair value through profit or loss US$'000	Derivative used for hedging US$'000
Uni-Asia Group Limited				
Company				
2017				
Financial assets				
Amounts due from subsidiaries	1,824	–	–	–
Cash and bank balances	76	–	–	–
	1,900	–	–	–
Financial liabilities				
Financial liabilities included in accounts payable, other and accruals	–	(102)	–	–
Uni-Asia Holdings Limited				
Company				
2016				
Financial assets				
Investments - unlisted	–	–	19,562	–
Loans receivable	2,450	–	–	–
Loans to subsidiaries	28,693	–	–	–
Derivative financial instruments	–	–	–	945
Accounts receivable	76	–	–	–
Amounts due from subsidiaries	486	–	–	–
Financial assets included in prepayments, deposits and other receivables	199	–	–	–
Deposits pledged as collateral	2,450	–	–	–
Cash and bank balances	8,700	–	–	–
	43,054	–	19,562	945
Financial liabilities				
Borrowings	–	(24,772)	–	–
Derivative financial instruments	–	–	–	(945)
Amounts due to subsidiaries	–	(512)	–	–
Financial liabilities included in accounts payable, other payables and accruals	–	(682)	–	–
	–	(25,966)	–	(945)

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is depended on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

Analysis of each class of assets and liabilities measured at fair value by level of fair value hierarchy as at the end of the reporting period was as follows:

Group	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
2017				
Recurring fair value measurements				
Financial assets				
Fair value through profit or loss				
Unlisted shares				
- Shipping	–	–	16,028	16,028
- Hotel	–	–	5	5
- Residential	–	–	34	34
- Commercial office buildings	–	–	34,635	34,635
- Small residential property developments	–	–	3,469	3,469
Unlisted performance notes				
- Shipping	–	–	2,587	2,587
Listed shares	1,212	–	–	1,212
Forward currency contracts	–	21	–	21
Derivatives designated as hedge				
Interest rate swaps	–	586	–	586
	1,212	607	56,758	58,577
Non-financial assets				
Investment properties	–	–	14,975	14,975
	1,212	607	71,733	73,552
Financial liabilities				
Derivatives designated as hedge				
Interest rate swaps	–	(235)	–	(235)

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

(a) *Fair value hierarchy (cont'd)*

Group	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
2016				
Recurring fair value measurements				
Financial assets				
Fair value through profit or loss				
Unlisted shares				
- Shipping	–	–	15,710	15,710
- Hotel	–	–	988	988
- Residential	–	–	24	24
- Commercial office buildings	–	–	21,440	21,440
- Small residential property developments	–	–	2,996	2,996
Unlisted performance notes				
- Shipping	–	–	3,955	3,955
Listed shares	2,402	–	–	2,402
Derivatives designated as hedge				
Interest rate swaps	–	346	–	346
	2,402	346	45,113	47,861
Non-financial assets				
Investment properties	–	–	13,949	13,949
	2,402	346	59,062	61,810
Financial liabilities				
Derivatives designated as hedge				
Interest rate swaps	–	(598)	–	(598)

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

(a) *Fair value hierarchy (cont'd)*

Uni-Asia Holdings Limited Company	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
2016				
Recurring fair value measurements				
Financial assets				
Fair value through profit or loss				
Unlisted shares				
- Shipping	–	–	15,607	15,607
Unlisted performance notes				
- Shipping	–	–	3,955	3,955
Derivatives designated as hedge				
Interest rate swaps	–	945	–	945
	–	945	19,562	20,507
Financial liabilities				
Derivatives designated as hedge				
Interest rate swaps	–	(945)	–	(945)

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

(a) *Fair value hierarchy (cont'd)*

The movements in fair value measurements in Level 3 during the years were as follows:

Group	Unlisted shares US$'000	Investment properties US$'000	Total US$'000
At 1 January 2016	46,959	8,565	55,524
Fair value adjustment recognised in profit or loss	(1,114)	(1,348)	(2,462)
Purchases	13,579	7,912	21,491
Disposals	(12,524)	(956)	(13,480)
Arising from acquisition of a subsidiary	(1,788)	–	(1,788)
Currency translation differences	1	(224)	(223)
At 31 December 2016 and at 1 January 2017	45,113	13,949	59,062
Fair value adjustment recognised in profit or loss	609	1,162	1,771
Purchases	8,821	9,528	18,349
Disposals	(3,282)	(10,256)	(13,538)
Arising from consolidation of a consolidated entity	(827)	–	(827)
Conversion from loan receivables	6,531	–	6,531
Currency translation differences	(207)	592	385
At 31 December 2017	56,758	14,975	71,733

During the years 2017 and 2016, there was no transfer of fair value measurements between Levels 1 and 2.

(b) *Level 2 fair value measurements*

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivative financial instruments

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

(c) *Level 3 fair value measurements*

Description of significant unobservable inputs used in Level 3 fair value measurements are as follows:

Descriptions	Note	Fair value at 31 December 2017 US$'000	Fair value at 31 December 2016 US$'000	Valuation techniques	Significant unobservable inputs	Range 2017	Range 2016
Commercial office building:							
- Unlisted shares	(i)	34,635	21,438	Residual method	Gross development value per square foot	HK$17,000 -HK$20,000	HK$17,000
					Development cost per square foot	HK$3,600	HK$4,000
					Discount rate	5.0%	5.0%
- Investment properties	(ii)	1,804	1,690	Discounted cash flow	Long term sustainable growth rate	1%	1%
					Capitalisation rate	3.43%	3.66%
Shipping:							
- Unlisted shares and unlisted performance notes	(iii)	18,509	19,562	Discounted cash flow	Daily charter rate	US$5,000 – US$27,000	US$4,000 – US$27,000
					Terminal value	US$15 million – US$18 million	US$13 million – US$25 million
					Discount rate	5.6% - 6.3%	5.6% - 6.3%

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

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

Descriptions	Note	Fair value at 31 December 2017 US$'000	Fair value at 31 December 2016 US$'000	Valuation techniques	Significant unobservable inputs	Range 2017	Range 2016
Small residential property developments:							
- Investment properties	(iv)	13,171	12,016	Capitalisation rate method	Property completed:		
					Discount rate/Gross capitalisation rate	5.9%	5.3% - 5.5%
					Monthly rental per square meter	JPY4,000	JPY4,000
					Property under construction:		
					Gross development value per square meter	JPY1.0 million	JPY0.9 million
					Development cost per square meter	JPY0.3 million	JPY0.3 million
					Discount rate	5.0%	5.0%

Notes to the Consolidated Financial Statements

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

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

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

Note	Descriptions	Significant unobservable inputs	2017 Impact of 1% change in inputs on profit before tax	2016 Impact of 1% change in inputs on profit before tax
			US$'000	US$'000
	Commercial office building:			
(i)	- Unlisted shares	Gross development value per square foot	608	283
		Development cost per square foot	222	109
		Discount rate	237	169
(ii)	- Investment properties	Long term sustainable growth rate	241	253
		Capitalisation rate	314	331
	Shipping:			
(iii)	- Unlisted shares and unlisted performance notes	Daily charter rate	54	550
		Terminal Value	252	348
		Discount rate	1,398	2,307
	Small residential property development:			
(iv)	- Investment properties	Property completed:		
		Discount rate/Gross capitalisation rate	201	1,855
		Monthly rental per square metre	45	82
		Property under construction:		
		Gross development value per square metre	45	31
		Development cost per square metre	21	16
		Discount rate	22	22

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

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

(d) *Valuation policies and procedures*

Management oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For valuation performed by external valuation experts, management reviews the appropriateness of the valuation methodologies and assumptions adopted as well as evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources or internal sources if necessary and appropriate.

Management documents and reports its analysis and results of the external valuations to the Board of Directors on a quarterly basis.

(e) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

Loans receivable, accounts receivable, amounts due from subsidiaries, other receivables, deposits pledged as collateral, cash and bank balances, borrowings, due to Tokumei Kumiai investors, accounts payable, amounts due to subsidiaries, other payables and accruals

The carrying amounts of these financial assets and liabilities other than loans receivable and borrowings at fixed rate are reasonable approximation of fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of loans receivable and borrowings at fixed rate are reasonable approximation of fair values, either due to their short-term nature or that they are fixed rate instruments, which the fixed interest rate are reasonable approximation of market floating rates on or near the end of the reporting period.

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

31. Commitments

(a) *Capital commitments*

Capital expenditure contracted for at the end of the reporting period but not recognised in the consolidated financial statements of the Group was as follows:

	Group	
	2017	2016
	US$'000	US$'000
Capital commitments in respect of:		
- Investment properties under construction	783	2,321

(b) *Operating lease commitments – the Group as lessee*

The Group leases certain of its office and hotel properties and office equipments under operating lease arrangements. The remaining term for the leases range from fourteen days to twenty years.

At the end of the reporting period, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due were as follows:

	Uni-Asia Group Limited		Uni-Asia Group Limited	Uni-Asia Holdings Limited
	Group		Company	Company
	2017	2016	2017	2016
	US$'000	US$'000	US$'000	US$'000
Premises and office equipment				
Within one year	1,191	1,117	–	826
Later than one year and not later than five years	369	608	–	425
	1,560	1,725	–	1,251
Hotel properties				
Within one year	13,648	9,792	–	–
Later than one year and not later than five years	48,154	34,651	–	–
Later than five years	75,160	42,440	–	–
	136,962	86,883	–	–

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

31. Commitments (cont'd)

(c) *Operating lease commitments – the Group as lessor*

The Group has entered leases for certain of its investment properties and vessels and sub-leases a portion of the hotel under operating lease arrangements. These non-cancellable leases have remaining lease terms range from one month to four years.

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

	Group	
	2017	2016
	US$'000	US$'000
Rental income from investment properties		
Within one year	244	76
Later than one year and not later than five years	25	57
	269	133
Charter income from vessels/vessels under construction		
Within one year	26,888	18,132
Later than one year and not later than five years	26,474	42,267
	53,362	60,399
Hotel income from hotel under management		
Within one year	62	60
Later than one year and not later than five years	36	94
	98	154

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

31. Commitments (cont'd)

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

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

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

	Group			
	Minimum lease receivable		Present value of receivable	
	2017	2016	2017	2016
	US$'000	US$'000	US$'000	US$'000
Within one year	805	775	364	331
Later than one year and not later than five years	8,276	8,739	7,643	7,705
Total minimum lease receivable	9,081	9,514	8,007	8,036
Less: Unearned interest income	(1,074)	(1,478)	–	–
Present value of minimum lease receivable	8,007	8,036	8,007	8,036

(e) *Investment commitments*

	Uni-Asia Group Limited		Uni-Asia Group Limited	Uni-Asia Holdings Limited
	Group		Company	Company
	2017	2016	2017	2016
	US$'million	US$'million	US$'million	US$'million
Loan investments	2.6	4.2	–	3.2
Loan to joint venture/associate companies	3.9	4.9	–	4.5
	6.5	9.1	–	7.7

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

32. Related party transactions

(a) In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Group and related parties in the normal course of business:

Group	Notes	2017 Investee companies US$'000	2017 Other related companies US$'000	2016 Investee companies US$'000	2016 Other related companies US$'000
Consolidated income statement					
Fee income					
Arrangement and agency fee		245	1,750	872	329
Brokerage commission		366	–	381	–
Incentive fee		164	–	793	–
Asset management and administration fee		1,722	–	1,475	25
Investment returns					
Realised gain on investments					
- Shipping		245	–	194	–
- Small residential property developments		–	–	4,548	–
- Gain on derivative financial instruments		1	–	–	–
Interest income from participation in bridging loan	20	164	–	112	–
Other income		27	–	191	–
Interest expense on borrowings		–	78	–	34
Consolidated balance sheets					
Loans receivable – current		–	–	6,983	–
Loans receivable – non-current		–	–	2,050	–
Accounts receivable – current		91	6	441	33
Borrowings - current		(4,606)	–	(4,642)	–
Borrowings – non-current		–	(5,118)	–	(5,158)
Accounts payable		(3)	–	–	–
Other payable		–	(14)	–	(14)
Corporate guarantees provided to banks/lenders	29(b)	10,600	–	23,000	–

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

Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2017

32. Related party transactions (cont'd)

(b) *Compensation of key management personnel and directors*

	Group	
	2017	2016
	US$'000	US$'000
Short-term benefits	2,542	1,912
Employer's contribution to defined contribution plans	65	50
Other welfare and allowances	387	275
	2,994	2,237

Included in the above is total compensation to directors of the Group amounting to US$1,272,000 (2016: US$728,000).

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

33. Events occurring after the reporting period

On 5 February 2018, the Group entered into a memorandum of agreement with a third party in respect of the sale of a vessel under Property, Plant and Equipment. On 8 March 2018, the Group signed an agreement to sell a hotel property under Property, Plant and Equipment. As at the date of these accounts, both transactions have not been completed and an estimate of the financial effects cannot be made.

34. Approval of the financial statements

The financial statements of the Group for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 15 March 2018.

Statistics of Shareholdings

As at 20 March 2018

SHARE CAPITAL

Number of Issued Shares	:	46,979,280
Share Capital	:	USD109,275,956
Class of Shares	:	Ordinary Shares
Voting Rights	:	one vote for every ordinary share

The Company has no subsidiary holdings(1) and treasury shares as at 20 March 2018.

(1) subsidiary holdings – as defined in the SGX-ST Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Cap 50.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 20 MARCH 2018

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDINGS	NO. OF SHARES	% OF SHAREHOLDINGS
1 - 99	50	1.57	905	0.00
100 - 1,000	1,342	42.13	823,915	1.76
1,001 - 10,000	1,533	48.13	5,835,627	12.42
10,001 - 1,000,000	255	8.01	14,817,788	31.54
1,000,001 and above	5	0.16	25,501,045	54.28
Grand Total	3,185	100.00	46,979,280	100.00

TOP 20 LARGEST SHAREHOLDERS AS AT 20 MARCH 2018

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	16,437,911	34.99
2	EVERGREEN INTERNATIONAL S.A.	4,687,500	9.98
3	DBS NOMINEES PTE LTD	2,241,402	4.77
4	MICHIO TANAMOTO	1,100,312	2.34
5	MASAKI FUKUMORI	1,033,920	2.20
6	HAM YONG KWAN	941,400	2.00
7	YOSHIDA KAZUHIKO	895,312	1.91
8	EXENO YAMAMIZU CORPORATION	768,750	1.64
9	OCBC SECURITIES PRIVATE LTD	592,630	1.26
10	LI YAN	571,570	1.22
11	NG HWEE KOON	499,170	1.06
12	MAYBANK KIM ENG SECURITIES PTE LTD	428,183	0.91
13	KENJI FUKUYADO	390,000	0.83
14	LECK HANG WEI	370,000	0.79
15	UOB KAY HIAN PTE LTD	354,450	0.75
16	CITIBANK NOMINEES SINGAPORE PTE LTD	314,900	0.67
17	PHILLIP SECURITIES PTE LTD	309,890	0.66
18	PHONG CHONG YEE	251,000	0.53

Statistics of Shareholdings

As at 20 March 2018

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
19	WONG YUN HEY	231,800	0.49
20	GOH HOCK CHAN	186,010	0.40
	TOTAL	32,606,110	69.40

SUBSTANTIAL SHAREHOLDERS AS AT 20 MARCH 2018

as shown in the Company's Register of Substantial Shareholders

Name of Substantial Shareholders	Shareholding registered in name of substantial shareholders		Other shareholdings in which substantial shareholders are deemed to have an interest	
	No of Shares	% of Issued Shares	No of Shares	% of Issued Shares
Yamasa Co., Ltd	–	–	15,721,411[1]	33.46%
Evergreen International S.A.	4,687,500	9.98%	–	–

Notes:-

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

PUBLIC SHAREHOLDINGS

Based on the information available to the Company as at 20 March 2018, approximately 50.80% of the total number of issued shares of the Company is held by the public and therefore Rule 723 of the Listing rules of the SGX-ST is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Uni-Asia Group Limited (the "**Company**") will be held at Anson III, Level 2, M Hotel Singapore, 81 Anson Road, Singapore 079908 on Friday, April 27, 2018 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended December 31, 2017 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final one-tier tax-exempt dividend of S$0.0625 per ordinary share for the financial year ended December 31, 2017. (Resolution 2)

3. To re-elect Mr Lee Gee Aik, a Director who is retiring by rotation in accordance with Article 94 of the Company's Constitution and who, being eligible, offers himself for re-election. **(Resolution 3)**

   Mr Ronnie Teo Heng Hock is also due to retire by rotation under Article 94 of the Company's Constitution but will not be offering himself for re-election.

   Mr Lee Gee Aik will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and he will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

   [See Explanatory Note (a)]

4. To re-elect the following Directors who are retiring in accordance with Article 100 of the Company's Constitution and who, being eligible, offers himself for re-election:

   (a) Mr Masahiro Iwabuchi **(Resolution 4)**
   (b) Mr Kenji Fukuyado **(Resolution 5)**
   (c) Mr Yukihiro Toda **(Resolution 6)**
   (d) Mr Philip Chan Kam Loon **(Resolution 7)**

   Mr Philip Chan Kam Loon will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and he will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

   [See Explanatory Note (a)]

5. To approve Directors' fees of S$217,828.77 for the financial year ending December 31, 2018, payable quarterly in arrears (2017: S$207,500). **(Resolution 8)**

   [See Explanatory Note (b)]

6. To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 9)**

7. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

Notice of Annual General Meeting

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8(i) Authority to allot and issue shares

"That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the Listing Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Company's Constitution, authority be and is hereby given to the Directors of the Company to:-

(A) (i) issue shares of the Company ("**Shares**") whether by way of rights, bonus or otherwise, and/or

(ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for:-

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with the provisions of the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

Notice of Annual General Meeting

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(d) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier; or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments." **(Resolution 10)**

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

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

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

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

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

(Resolution 11)

8(iii) Proposed Adoption of the Share Purchase Mandate

"That:

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

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

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

Notice of Annual General Meeting

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

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

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

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

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

whichever is the earliest;

(C) in this Resolution:

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

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

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

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

(D) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents, as may be required) as they or he may consider expedient or necessary to give effect to the transactions contemplated by this Resolution." **(Resolution 12)**

Notice of Annual General Meeting

8(iv) Proposed Renewal of the Shareholders' Mandate for Interested Person Transactions

"That:

(A) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Chapter 9**"), for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to Notice of Annual General Meeting dated April 11, 2018 ("**Appendix**"), with any party who is of the class or classes of interested persons described in the Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the "**IPT Mandate**");

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

(C) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution. **(Resolution 13)**

NOTICE OF BOOK CLOSURE DATE FOR DIVIDEND

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Book and the Register of Members of the Company will be closed on May 8, 2018 for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #02-00 Singapore 068898 up to 5.00 p.m. on May 7, 2018 will be registered to determine shareholders' entitlement to the proposed dividend. The first and final one-tier tax-exempt dividend of S$0.0625 per ordinary share for the financial year ended 31 December 2017, if approved at the Annual General Meeting, will be paid on May 16, 2018.

By Order of the Board

Joanna Lim Lan Sim
Company Secretary

Singapore, April 11, 2018

Notice of Annual General Meeting

Explanatory Notes

(a) In relation to Resolutions 3 to 7 proposed under items 3 and 4 above, the detailed information on Messrs Lee Gee Aik, Masahiro Iwabuchi, Kenji Fukuyado, Yukihiro Toda and Philip Chan Kam Loon are set out in the section entitled "Board of Directors" and Table 3 in the "Corporate Governance Report" section of the Company's 2017 Annual Report.

Mr Lee Gee Aik has no shareholdings in the Company and its related corporations, and has no relationships with the Company, its 10% shareholders or its Directors. Mr Lee is considered independent by the Board.

Mr Philip Chan Kam Loon has no shareholdings in the Company and its related corporations, and has no relationships with the Company, its 10% shareholders or its Directors. Mr Chan is considered independent by the Board.

Messrs Masahiro Iwabuchi, Kenji Fukuyado and Yukihiro Toda are Executive Directors of the Company.

(b) In relation to Ordinary Resolution 8 proposed in item 5 above, the Board of Directors proposes the payment of directors' fees to all Independent Non-Executive Directors to be approved by shareholders in advance during the forthcoming Annual General Meeting. Upon approval, the directors' fees would then be paid in arrears on a quarterly basis by the Company.

Statement Pursuant to Article 57 of the Company's Constitution

The effect of the resolutions under the heading "Special Business" in this Notice of the Annual General Meeting is:-

(i) Resolution 10 proposed in item 8(i) above, if passed, will empower the Directors of the Company (unless varied or revoked by the Company in general meeting) from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier, to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares and issue shares in pursuance of such instruments. The number of shares (including shares to be issued in pursuance of instruments made or granted) that the Directors of the Company may issue under Resolution 10 shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time of the passing of Resolution 10, of which up to twenty per centum (20%) may be issued other than on a pro rata basis to the shareholders. The aggregate number of shares which may be issued shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time that Resolution 10 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 10 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

(ii) Resolution 11 proposed in item 8(ii) above, if passed, will authorise the Directors of the Company to grant awards and to allot and issue new Shares pursuant to the Uni-Asia Group Performance Share Plan ("**PSP**"), provided that the aggregate number of Shares over which awards may be granted under the PSP on any date, when aggregated with the number of new shares allotted and issued and/or to be allotted and issued and issued shares (including treasury shares) delivered and/or to be delivered, pursuant to awards granted under the PSP, and any shares subject to any other share option or share incentive schemes of the Company, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

Resolution 12 proposed in item 8(iii) above, if passed, will authorise the Directors of the Company to make on-market and off-market purchases or acquisitions of Shares of up to 10 per centum (10%) of the issued Shares (excluding treasury shares and subsidiary holdings) (ascertained as at the date of the passing of Resolution 12 above) at such price(s) up to the Maximum Price (as defined in Resolution 12 above) and will empower the Directors of the Company to do all acts necessary to give effect to the Share Purchase Mandate (as defined in Resolution 12 above). This authority will, unless revoked or varied by the Company at a general meeting, expire on the date on which the next Annual General Meeting of the Company is held, or the day by which the next Annual General Meeting of the Company is required by law to be held, or the date on which the purchases or acquisitions of Shares pursuant to the Shares Purchase Mandate are carried out to the full extent mandated, whichever is the earliest. Detailed information on the Share Purchase Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial impact on the Company's financial position, is set out in the Appendix to the Notice of Annual General Meeting dated April 11, 2018 ("**Appendix**"). Please refer to the Appendix for more details.

(iii) Resolution 13 proposed in item 8(iv) above is to renew the mandate to enable the Company, its subsidiaries and associated companies which are considered to be "entities at risk" under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Appendix. Please refer to the Appendix for more details.

Notice of Annual General Meeting

Notes:

(1) A member of the Company who is not a relevant intermediary is entitled appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(2) Any member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(3) A proxy need not be a member of the Company.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

(4) The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, either by hand at 80 Robinson Road, #11-02 Singapore 068898 or by post at 80 Robinson Road, #02-00 Singapore 068898 not less than 72 hours before the time appointed for the holding of the Annual General Meeting.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("**AGM**") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the personal data of the member by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the proxy(ies) and/or representative(s) of the member to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the breach of warranty of the member.

If you are in any doubt as to the contents herein or as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all of your shares in the capital of Uni-Asia Group Limited (the "**Company**"), you should immediately forward this Appendix together with the Notice of Annual General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

UNI-ASIA GROUP LIMITED

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

APPENDIX TO THE

NOTICE OF ANNUAL GENERAL MEETING

DATED 11 APRIL 2018

In this Appendix, the following definitions apply throughout unless otherwise stated:

"Annual General Meeting"	:	The annual general meeting of the Company to be held on 27 April 2018
"Approval Date"	:	The date of the forthcoming Annual General Meeting at which the adoption of the Share Purchase Mandate is proposed to be approved
"Audit Committee"	:	The audit committee of the Company, comprising Lee Gee Aik, Ronnie Teo Heng Hock, Rajan Menon and Philip Chan Kam Loon
"CDP"	:	The Central Depository (Pte) Limited
"Code"	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore
"Company"	:	Uni-Asia Group Limited
"Directors"	:	The directors of the Company from time to time
"EPS"	:	Earnings per Share
"Group"	:	The Company and its subsidiaries, collectively
"Independent Directors"	:	The Directors who are considered to be independent in relation to the proposed renewal of the Shareholders' Mandate for Interested Person Transactions, being, as at the Latest Practicable Date, Michio Tanamoto, Masaki Fukumori, Masahiro Iwabuchi, Kenji Fukuyado, Yukuhiro Toda, Lee Gee Aik, Ronnie Teo Heng Hock, Rajan Menon and Philip Chan Kam Loon
"Latest Practicable Date"	:	20 March 2018, being the latest practicable date prior to the printing of this Appendix
"Listing Manual"	:	The listing manual of the SGX-ST, as amended and modified from time to time
"Listing Rules"	:	The listing rules of the SGX-ST as set out in the Listing Manual
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"NTA"	:	Total net assets less intangible assets
"Scheme"	:	As defined in the announcement by Uni-Asia Holdings Limited dated 23 January 2017 on the proposed restructuring of Uni-Asia Holdings Limited by way of a scheme of arrangement under section 86 of the Companies Law (2016 Revision) of the Cayman Islands
"Scheme Document"	:	The document issued by Uni-Asia Holdings Limited on 3 April 2017 in relation to the Scheme

"**Securities Accounts**"	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Share Purchase Mandate**"	:	The general and unconditional share purchase mandate to permit the Company to purchase or acquire Shares
"**Shareholders**"	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares
"**Shareholders' Mandate**" or "**Shareholders' Mandate for Interested Person Transactions**"	:	The general mandate for interested person transactions pursuant to Chapter 9 of the Listing Manual
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Uni-Asia Group Performance Share Plan**"	:	The Uni-Asia Group Performance Share Plan approved by shareholders of Uni-Asia Holdings Limited on 28 April 2017
"**%**" or "**per cent.**"	:	Per centum
"**S$**"	:	The lawful currency of Singapore
"**US$**" or "**US cents**"	:	The lawful currency of the United States of America

The terms "**Depositor**" and "**Depository Agent**" shall have the meanings ascribed to them in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any statutory modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Companies Act or the Listing Manual or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts listed and the totals thereof are due to rounding.

1. INTRODUCTION

1.1 **Background.** The Company refers to Resolutions 12 and 13 of the Notice of Annual General Meeting of the Company. Resolutions 12 and 13 are Ordinary Resolutions to be proposed at the Annual General Meeting for (a) the proposed adoption of the Share Purchase Mandate (as defined in paragraph 2.1 below); and (b) the proposed renewal of the Shareholders' Mandate for Interested Person Transactions (as defined in paragraph 3.1 below), respectively.

1.2 **Appendix.** The purpose of this Appendix is to provide Shareholders with information relating to Resolutions 12 and 13.

2. THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

2.1 **Introduction.** Any purchase or acquisition of Shares would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the rules of the Listing Manual and such other laws and regulations as may, for the time being, be applicable. The Company is also required to obtain approval of its Shareholders if it wishes to purchase or acquire its own Shares. Accordingly, approval is being sought from Shareholders at the Annual General Meeting for the proposed adoption of a general and unconditional share purchase mandate to permit the Company to purchase or acquire Shares ("**Share Purchase Mandate**").

If approved by Shareholders at the Annual General Meeting, the authority conferred by the Share Purchase Mandate will continue in force until the next annual general meeting of the Company (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next annual general meeting).

2.2 **Rationale for the Share Purchase Mandate.** While it is not possible to anticipate in advance any specific circumstances in which the Directors might think it appropriate to purchase or acquire Shares, the Directors believe that the grant of a general and unconditional mandate to purchase or acquire Shares would give the Company the flexibility to undertake such purchases or acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. The purchases or acquisitions may, depending on market conditions at the relevant time, lead to an enhancement of the net asset value and/or earnings per Share and would allow the Company to optimally allocate its resources and maximise share value.

In addition, purchases or acquisitions pursuant to the Share Purchase Mandate would continue to provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. It also allows the Directors greater flexibility to exercise control over the Company's share capital structure, dividend policy and cash reserves with a view to enhancing the earnings per Share and/or net asset value per Share. Shares purchased by the Company and held in treasury may also be transferred for the purposes of or pursuant to employees' share schemes implemented by the Company. The use of treasury shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.

2.3 **Authority and Limits of the Share Purchase Mandate.** The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate, if adopted at the Annual General Meeting, are summarised below:

2.3.1 *Maximum Number of Shares*

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date of the Annual General Meeting at which the proposed adoption of the Share Purchase Mandate is approved. Any Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual[1]) will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only: on the basis of 46,979,280 Shares in issue[2], excluding treasury shares, as at 20 March 2018 (the "**Latest Practicable Date**") and assuming no further Shares are issued and no Shares are held as subsidiary holdings on or prior to the Annual General Meeting, not more than 4,697,928 Shares (representing 10 per cent. of the total number of issued Shares, excluding treasury shares) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

In the event that any of the awards to acquire Shares granted or to be granted to an employee of the Group pursuant to the Uni-Asia Group Performance Share Plan ("**Awards**") that have vested are released, during the period between the Latest Practicable Date and the date of the Annual General Meeting, only those new Shares that are allotted and issued by the date of the Annual General Meeting ("**Approval Date**") pursuant to the release of such vested Awards will be taken into account for the purposes of determining the total number of Shares as at the Approval Date.

2.3.2 *Duration of Authority*

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the Annual General Meeting at which the Share Purchase Mandate is approved, up to:

(a) the date on which the next annual general meeting of the Company is held or required by law to be held;

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

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

whichever is the earliest.

2.3.3 *Manner of Purchases or Acquisitions of Shares*

Purchases or acquisitions of Shares may be made by way of:

(a) an on-market purchase ("**On-Market Purchase**") transacted through the SGX-ST; and/or

(b) an off-market purchase ("**Off-Market Purchase**") effected pursuant to an equal access scheme (as defined in Section 76C of the Companies Act) as may be determined or formulated by the Directors as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act and the Listing Rules.

Under the Companies Act, an Off-Market Purchase effected in accordance with an equal access scheme must satisfy all of the following conditions:

(i) the offers under the scheme are to be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

[1] "Subsidiary holdings" is defined in the Listing Manual to mean Shares referred to in sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

[2] As at the Latest Practicable Date, the Company had no subsidiary holdings.

(ii) all of those persons have a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers are the same except that there shall be disregarded:

a. differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;

b. differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

c. differences in the offers introduced solely to ensure that each member is left with a whole number of Shares.

In addition, the Listing Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which contains at least the following information:

(1) the terms and conditions of the offer;

(2) the period and procedures for acceptances;

(3) the reasons for the proposed share purchase;

(4) the consequences, if any, of share purchases by the Company that will arise under the Code or other applicable takeover rules;

(5) whether the share purchase, if made, could affect the listing of the Shares on the SGX-ST;

(6) details of any share purchases made by the Company in the previous 12 months (whether On-Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(7) whether the Shares purchased will be cancelled or kept as treasury shares.

2.3.4 *Maximum Purchase Price*

The purchase price (excluding related brokerage, commission, clearance fees, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share in the event of any share purchase shall be determined by the Directors, but in any event, shall not exceed the maximum price ("**Maximum Price**"), which:

(a) in the case of an On-Market Purchase, shall mean the price per Share based on not more than five per cent. above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day of the On-Market Purchase and deemed to be adjusted for any corporate action occurring after such five Market Day period; and

(b) in the case of an Off-Market Purchase, shall mean the price per Share based on not more than 20 per cent. above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an equal access scheme.

2.4 **Status of Purchased or Acquired Shares.** Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to those Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares.

2.5 **Treasury Shares.** Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

2.5.1 *Maximum Holdings*

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.5.2 *Voting and Other Rights*

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed and any such shares so allotted shall be treated, for the purposes of the Companies Act, as if they were purchased by the Company at the time they were allotted, in circumstances in which Section 76H of the Companies Act applied. A subdivision or consolidation of any treasury share into treasury shares is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 *Disposal and Cancellation*

Where Shares are held as treasury shares, the Company may at any time but subject always to the Code:

(a) sell the treasury shares for cash;

(b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the treasury shares; or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 **Sources of Funds.** The Company may purchase or acquire its own Shares out of the Company's capital, as well as from its profits, so long as the Company is solvent.

The Company may use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares pursuant to the Share Purchase Mandate.

The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the financial position of the Group would be materially adversely affected.

2.7 **Singapore Take-over Implications.**

2.7.1 *Provisions under the Code*

Some of the provisions of the Code are summarised below:

(a) Under Appendix 2 of the Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a share purchase by the Company will be treated as an acquisition for the purposes of Rule 14 of the Code.

(b) Pursuant to Rule 14 of the Code, a shareholder and persons acting in concert with the shareholder will incur an obligation to make a mandatory takeover offer if, inter alia, he and persons acting in concert with him increase their voting rights in the company to 30 per cent. or more or, if they, together holding between 30 per cent. and 50 per cent. of the company's voting rights, increase their voting rights in the company by more than one per cent. in any period of six months.

(c) Persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the Code presumes certain persons to be acting in concert, namely, the following:

(i) a company, its parent, its subsidiaries and fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, ownership or control of at least 20 per cent. but not more than 50 per cent. of the voting rights of a company will be the test of associated company status;

(ii) a company with any of its directors (together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts);

(iii) a company with any of its pension funds and employee share schemes;

(iv) a person with any investment company, unit trust or other fund in respect of the portion which the person manages on a discretionary basis;

(v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser, and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10 per cent. or more of the client's equity share capital;

(vi) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(vii) partners; and

(viii) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the above persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

(d) The effect of Rule 14 and Appendix 2 of the Code is that:

(i) unless exempted, directors and persons acting in concert with them will incur an obligation to make a takeover offer if, as a result of the company purchasing or acquiring its own shares, the voting rights of such shareholders and their concert parties increase to 30 per cent. or more, or if such shareholders and their concert parties hold between 30 per cent. and 50 per cent. of the voting rights of the company, such voting rights increase by more than one per cent. in any period of six months; and

(ii) a shareholder not acting in concert with the directors will not be required to make a takeover offer if, as a result of the company purchasing or acquiring its own shares, the voting rights of such shareholder would increase to 30 per cent. or more or, or if such shareholder holds between 30 per cent. and 50 per cent. of the Company's voting rights, his voting rights increase by more than one per cent. in any period of six months as a result of the company buying back its shares. Such shareholder need not abstain from voting in respect of the resolution approving the adoption of the Share Purchase Mandate.

2.7.2 *Directors' and substantial Shareholders' Interest*

Based on the 46,979,280 Shares in issue, excluding treasury shares, as at the Latest Practicable Date, and assuming that:

(a) there is no change in the total number of issued Shares between the Latest Practicable Date and the date of the Annual General Meeting;

(b) the Company purchases or acquires 4,697,928 Shares being the maximum 10 per cent. of the total number of issued Shares, excluding treasury shares, as at the Latest Practicable Date under the Share Purchase Mandate; and

(c) there is no change in the number of issued Shares held or deemed to be held by the Directors or the substantial Shareholders as set out in the table below, the aggregate interest (direct and deemed) in Shares of the Directors and the substantial Shareholders as at the date of the Annual General Meeting and after the purchase or acquisition by the Company of 10 per cent. of the total number of issued Shares, excluding treasury shares, pursuant to the Share Purchase Mandate are as follows:

Name	Direct Interest (Number of Shares)	Deemed Interest (Number of Shares)	Before Purchase/ Acquisition (%)	After Purchase/ Acquisition (%)
Directors				
Michio Tanamoto *(Chairman and Chief Executive Officer)*	1,100,312	–	2.34	2.60
Masaki Fukumori *(Executive Director)*	1,033,920	–	2.20	2.44
Masahiro Iwabuchi *(Executive Director)*	30,500	–	0.06	0.07
Kenji Fukuyado *(Executive Director)*	390,000	–	0.83	0.92
Yukuhiro Toda *(Executive Director)*	23,437	–	0.05	0.06
Lee Gee Aik *(Lead Independent Non-Executive Director)*	–	–	–	–
Ronnie Teo Heng Hock *(Independent Non-Executive Director)*	–	–	–	–
Rajan Menon *(Independent Non-Executive Director)*	–	–	–	–
Philip Chan Kam Loon *(Independent Non-Executive Director)*	–	–	–	–
Substantial Shareholders				
Yamasa Co., Ltd	–	15,721,411[1]	33.46[1]	37.18
Evergreen International S.A.	4,687,500	–	9.98	11.09

Note:

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

Save as disclosed above, as at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer in the event the Company purchases the maximum number of 4,697,928 Shares under the Share Purchase Mandate. Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any substantial Shareholder (together with persons acting in concert with them) who may become obligated to make a mandatory offer in the event that the Company purchases the maximum number of 4,697,928 Shares under the Share Purchase Mandate. In this regard, Yamasa Co., Ltd has a shareholding interest of 33.46% in the Company as at the Latest Practicable Date, and each of the Directors has confirmed that he is not acting in concert with Yamasa Co., Ltd to obtain or consolidate effective control of the Company.

The Share Purchase Mandate is not intended to assist any Shareholder or its concert parties to obtain or consolidate effective control of the Company. The Directors will decide when, how many and on what terms to repurchase any Shares pursuant to the Share Purchase Mandate in the interests of the Company and its Shareholders as a whole, taking into account various commercial considerations such as the financial effects of the share purchases on the Company.

Notwithstanding the foregoing, Shareholders are advised to consult their professional advisers at the earliest opportunity as to whether an obligation to make a general offer would arise by reason of any share purchases or acquisitions by the Company.

2.8 **Tax Implications.** Shareholders who are in doubt as to their respective tax positions or the tax implications of share repurchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.9 **Effect of the Share Purchase Mandate on the SGX-ST Listing.** Rule 723 of the Listing Manual requires a listed company to ensure that at least 10 per cent. of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) must be held by the public. The term "public" is defined in the Listing Manual as persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of a company and its subsidiaries, as well as the associates of such persons. As at the Latest Practicable Date, approximately 50.80 per cent. of the total number of issued Shares are held by public shareholders. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10 per cent. limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.10 **Details of Share Purchases.** By reason that there is no subsisting Share Purchase Mandate currently in force during the 12 months preceding the Latest Practicable Date, no purchases or acquisitions of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

2.11 **Financial Effects.** The financial effects on the Company and the Group arising from share purchases made pursuant to the Share Purchase Mandate will depend on, inter alia, the number of Shares purchased or acquired and the price paid for such Shares.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2017, are based on the assumptions set out below:

2.11.1 *Purchase or Acquisition out of Capital and/or Profits*

(a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (the "**Purchase Price**") and the amount available for the distribution of cash dividends by the Company will not be reduced;

(b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price and correspondingly reduce the amount available for the distribution of cash dividends by the Company; or

(c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

2.11.2 *Number of Shares purchased or acquired*

Based on the number of issued and paid-up Shares as at the Latest Practicable Date and on the assumptions set out in paragraph 2.3.1 above, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 4,697,928 Shares.

2.11.3 *Maximum price to be paid for share purchases*

For illustrative purposes only, in the case of an On-Market purchase by the Company and assuming that the Company purchases or acquires 4,697,928 Shares at the Maximum Price of S$1.512 per share (being five per cent. above the average of the closing market prices of the Shares for the five Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 4,697,928 Shares is approximately S$7,103,267 (or approximately US$5,381,263 after translation based on an exchange rate of US$1.00 to S$1.32).

For illustrative purposes only, in the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 4,697,928 Shares at the Maximum Price of S$1.728 per Share (being 20 per cent. above the average of the closing market prices of the Shares for the five Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 4,697,928 Shares is approximately S$8,118,020 (or approximately US$6,150,015 after translation based on an exchange rate of US$1.00 to S$1.32).

For illustrative purposes only, and based on the assumptions set out above, and further assuming the On-Market Purchases and Off-Market Purchases are made entirely out of profits, the financial effects of the share purchases pursuant to the Share Purchase Mandate on the audited accounts of the Company and the Group for the financial year ended 31 December 2017 as if the Share Purchase Mandate had been effective on 31 December 2017 are as follows:

(a) On-Market Purchases made entirely out of profits and held as treasury shares

	Group		Company	
As at 31 December 2017	Before the Share Purchase US$'000	After the Share Purchase US$'000	Before the Share Purchase US$'000	After the Share Purchase US$'000
Equity excluding treasury shares	135,965	135,965	111,608	111,608
Treasury shares	–	(5,381)	–	(5,381)
Total equity including treasury shares	135,965	130,584	111,608	106,227
NTA	135,938	130,557	111,608	106,227
Current assets	90,610	85,229	2,450	(2,931)
Current liabilities	81,111	81,111	118	118
Total borrowings	216,805	216,805	–	–
Cash and cash equivalents	40,556	35,175	76	(5,305)
Net profit/ (loss) attributable to owners of parent	6,224	6,224	2,332	2,332
Total number of issued Shares ('000)	46,979	42,281	46,979	42,281
Financial Ratios				
NTA per Share (US$)	2.89	3.09	2.38	2.51
Gearing (%)	159.5%	166.0%	0.0%	0.0%
Current ratio (times)	1.12	1.05	20.76	(24.84)
EPS (US cents)	13.25	14.72	4.96	5.52

(b) Off-Market Purchases made entirely out of profits and held as treasury shares

As at 31 December 2017	Group		Company	
	Before the Share Purchase US$'000	After the Share Purchase US$'000	Before the Share Purchase US$'000	After the Share Purchase US$'000
Equity excluding treasury shares	135,965	135,965	111,608	111,608
Treasury shares	–	(6,150)	–	(6,150)
Total equity including treasury shares	135,965	129,815	111,608	105,458
NTA	135,938	129,788	111,608	105,458
Current assets	90,610	84,460	2,450	(3,700)
Current liabilities	81,111	81,111	118	118
Total borrowings	216,805	216,805	–	–
Cash and cash equivalents	40,556	34,406	76	(6,074)
Net profit/ (loss) attributable to owners of parent	6,224	6,224	2,332	2,332
Total number of issued Shares ('000)	46,979	42,281	46,979	42,281
Financial Ratios				
NTA per Share (US$)	2.89	3.07	2.38	2.49
Gearing (%)	159.5%	167.0%	0.0%	0.0%
Current ratio (times)	1.12	1.04	20.76	(31.36)
EPS (US cents)	13.25	14.72	4.96	5.52

(c) On-Market Purchases made entirely out of profits and cancelled

	Group		Company	
As at 31 December 2017	Before the Share Purchase US$'000	After the Share Purchase US$'000	Before the Share Purchase US$'000	After the Share Purchase US$'000
Equity excluding treasury shares	135,965	130,584	111,608	106,227
Treasury shares	–	–	–	–
Total equity including treasury shares	135,965	130,584	111,608	106,227
NTA	135,938	130,557	111,608	106,227
Current assets	90,610	85,229	2,450	(2,931)
Current liabilities	81,111	81,111	118	118
Total borrowings	216,805	216,805	–	–
Cash and cash equivalents	40,556	35,175	76	(5,305)
Net profit/ (loss) attributable to owners of parent	6,224	6,224	2,332	2,332
Total number of issued Shares ('000)	46,979	42,281	46,979	42,281
Financial Ratios				
NTA per Share (US$)	2.89	3.09	2.38	2.51
Gearing (%)	159.5%	166.0%	0.0%	0.0%
Current ratio (times)	1.12	1.05	20.76	(24.84)
EPS (US cents)	13.25	14.72	4.96	5.52

(d) Off-Market Purchases made entirely out of profits and cancelled

As at 31 December 2017	Group		Company	
	Before the Share Purchase US$'000	After the Share Purchase US$'000	Before the Share Purchase US$'000	After the Share Purchase US$'000
Equity excluding treasury shares	135,965	129,815	111,608	105,458
Treasury shares	–	–	–	–
Total equity including treasury shares	135,965	129,815	111,608	105,458
NTA	135,938	129,788	111,608	105,458
Current assets	90,610	84,460	2,450	(3,700)
Current liabilities	81,111	81,111	118	118
Total borrowings	216,805	216,805	–	–
Cash and cash equivalents	40,556	34,406	76	(6,074)
Net profit/ (loss) attributable to owners of parent	6,224	6,224	2,332	2,332
Total number of issued Shares ('000)	46,979	42,281	46,979	42,281
Financial Ratios				
NTA per Share (US$)	2.89	3.07	2.38	2.49
Gearing (%)	159.5%	167.0%	0.0%	0.0%
Current ratio (times)	1.12	1.04	20.76	(31.36)
EPS (US cents)	13.25	14.72	4.96	5.52

Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited accounts of the Company and the Group for the financial year ended 31 December 2017 and is not necessarily representative of the future financial performance of the Company or the Group.

Although the Share Purchase Mandate would authorise the Company to purchase 10 per cent. of the total number of issued Shares, the Company may not necessarily purchase or be able to purchase the entire 10 per cent. of the total number of issued Shares, nor to such an extent that would materially and adversely affect the financial position of the Company or the Group.

Share purchases will only be effected after assessing the relative impact of a share purchase taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and the performance of the Shares).

2.12 **Listing Rules – Reporting Requirements.** Rule 886 of the Listing Manual provides that a listed company shall notify the SGX-ST of any share purchase as follows:

(a) in the case of an On-Market Purchase, by 9.00 a.m. on the Market Day following the day on which it purchases shares; and

(b) in the case of an Off-Market Purchase under an equal access scheme, by 9.00 a.m. on the second Market Day after the close of acceptances of the offer.

The notification of such share purchases to the SGX-ST shall be in such form and shall include such details as the SGX-ST may prescribe, such as, inter alia, the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

In addition, in accordance with Rule 704(28) of the Listing Manual, the Company will announce any sale, transfer, cancellation and/or use of treasury shares, stating the following:

(i) date of the sale, transfer, cancellation and/or use;

(ii) purpose of such sale, transfer, cancellation and/or use;

(iii) number of treasury shares sold, transferred, cancelled and/or used;

(iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;

(v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

The Company may not undertake any purchases or acquisitions of its Shares prior to the announcement of any price-sensitive information by the Company, until such time as the price sensitive information has been publicly announced or disseminated in accordance with the requirements of the Listing Manual.

The Company may not effect any purchases or acquisitions of Shares on the SGX-ST during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month before the announcement of the Company's financial statements for its financial year, as the case may be, and ending on the date of announcement of the relevant results.

3. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

3.1 **Introduction.** At the extraordinary general meeting of Uni-Asia Holdings Limited held on 28 April 2017 (the "**2017 EGM**"), shareholders of Uni-Asia Holdings Limited had approved the adoption of the general mandate for interested person transactions (the "**Shareholders' Mandate**" or "**Shareholders' Mandate for Interested Person Transactions**"). The terms of the Shareholders' Mandate for Interested Person Transactions were set out in the document issued by Uni-Asia Holdings Limited on 3 April 2017 in relation to the Scheme (the "**Scheme Document**"). The Shareholders' Mandate for Interested Person Transactions enables the Company, its subsidiaries and associated companies that are considered to be "entities at risk" to enter in the ordinary course of business into certain types of transactions with specified classes of the Company's "interested persons", provided that such transactions are made on normal commercial terms, are not prejudicial to the interests of the Company and its minority Shareholders, and are in accordance with the review procedures for such transactions.

3.2 **Annual Renewal of the Shareholders' Mandate for Interested Person Transactions.** The Shareholders' Mandate for Interested Person Transactions was expressed to take effect until the conclusion of the Annual General Meeting of the Company, which is scheduled to be held on 27 April 2018. Accordingly, the Directors propose that the Shareholders' Mandate for Interested Person Transactions be renewed at the Annual General Meeting, to take effect until the conclusion of the next annual general meeting of the Company (unless sooner revoked or varied by the Company in general meeting).

3.3 **Particulars of the Shareholders' Mandate for Interested Person Transactions to be renewed.** The nature of the interested person transactions and the classes of interested persons in respect of which the Shareholders' Mandate for Interested Person Transactions is sought to be renewed remain unchanged. Particulars of the Shareholders' Mandate for Interested Person Transactions, including the rationale for the Shareholders' Mandate for Interested Person Transactions, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of interested persons, are set out in paragraph 3.6 and 3.10 of this Appendix.

3.4 **Audit Committee's Confirmation.** For the purposes of Rule 920(1)(c) of the Listing Manual, the Audit Committee confirms that:

(a) the methods or procedures for determining the transaction prices have not changed since the 2017 EGM; and

(b) the methods or procedures set out in sub-paragraph (a) above for determining the transaction prices under the Shareholders' Mandate for Interested Person Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3.5 **Chapter 9 of the Listing Manual.**

3.5.1 Chapter 9 of the Listing Manual governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be "at risk", with the listed company's interested persons.

3.5.2 Except for any transaction which is below S$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and hence are excluded from the ambit of Chapter 9, when this Chapter applies to a transaction with an interested person and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company's latest audited consolidated NTA), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for the transaction. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

(a) 5.0% of the listed company's latest audited consolidated NTA; or

(b) 5.0% of the listed company's latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the "same interested person" (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

3.5.3 Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2017, the consolidated NTA of the Group was US$135.9 million. Accordingly, in relation to the Group, for the purposes of Chapter 9 of the Listing Manual, in the current financial year and until such time as the audited consolidated financial statements of the Group for the financial year ending 31 December 2018 are published, 5.0% of the Group's latest audited consolidated NTA would be US$6.8 million.

3.5.4 Chapter 9 of the Listing Manual, however, allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not for the purchase or sale of assets, undertakings or businesses) which may be carried out with the listed company's interested persons. A general mandate is subject to annual renewal.

3.5.5 For the purposes of Chapter 9 of the Listing Manual:

(a) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;

(b) an "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;

(c) an "**associated company**" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;

(d) an "**entity at risk**" means:

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;

(e) an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

(f) an "**interested person transaction**" means a transaction between an entity at risk and an interested person;

(g) a "**transaction**" includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly; and

(h) in interpreting the term "**same interested person**" for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905 and 906 of Chapter 9 of the Listing Manual, the following applies:

(i) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and

(ii) if an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different.

3.6 **Rationale and Benefit to Shareholders.**

3.6.1 It is envisaged that in the ordinary course of their businesses, transactions between companies in the Entity at Risk Group (as defined below) and the Company's interested persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provision of services in the ordinary course of business by the Entity at Risk Group to the Company's interested persons.

3.6.2 In view of the time-sensitive and recurrent nature of commercial transactions, the obtaining of the Shareholders' Mandate pursuant to Chapter 9 of the Listing Manual will enable:

(a) the Company;

(b) subsidiaries of the Company (excluding other subsidiaries listed on the SGX-ST or an approved exchange); and

(c) associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Company, or the Company and its interested person(s), has or have control,

(together, the "**Entity at Risk Group**"), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions ("**Mandated Transactions**") set out in paragraph 3.9 below with the specified classes of the Company's interested persons ("**Mandated Interested Persons**") set out in paragraph 3.8 below, provided such Mandated Transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

3.6.3 The Shareholders' Mandate (and its subsequent renewal thereafter on an annual basis) will enhance the ability of companies in the Entity at Risk Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings, on each occasion to seek shareholders' prior approval for the entry by the relevant company in the Entity at Risk Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining corporate objectives.

3.6.4 During the last financial year ended 31 December 2017, the Entity at Risk Group has, in the ordinary course of business, provided services falling within the categories of Mandated Transactions to the Mandated Interested Persons and has charged a fee(s) for such services depending on the nature of the services provided.

3.7 **Scope and Validity Period of the Shareholders' Mandate.**

3.7.1 The Shareholders' Mandate covers various types of Mandated Transactions under each category of activities to which the Shareholders' Mandate applies, and describes the review procedures for ensuring that such transactions will be entered into with the specified classes of Mandated Interested Persons on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3.7.2 The Shareholders' Mandate will not apply to any transaction by a company in the Entity at Risk Group with a Mandated Interested Person that:

(a) is below S$100,000 in value, as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such transactions; or

(b) is equal to or exceeds S$100,000 in value, but qualifies as an excepted transaction for the purposes of Chapter 9 of the Listing Manual and is thus exempted from the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual.

Transactions with interested persons (including the Mandated Interested Persons) that do not fall within the ambit of either of the exceptions in (a) or (b) above, or the scope of the Shareholders' Mandate, will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

3.7.3 The Shareholders' Mandate will take effect from the passing of Resolution 13, being the Ordinary Resolution relating thereto, and will continue in force until the conclusion of the next annual general meeting of the Company (unless sooner revoked or varied by the Company in general meeting). Approval from Shareholders will be sought for the renewal of the Shareholders' Mandate at the next annual general meeting and at each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Mandated Transactions.

3.8 **Classes of Mandated Interested Persons.** The Shareholders' Mandate will apply to the Mandated Transactions that are carried out with Yamasa Co., Ltd (a controlling shareholder of the Company) and its associates. The Group currently provides services to Yamasa Co., Ltd and/or its associates. The Group currently has and may from time to time also have a minority equity investment in some of these associates[3]. Accordingly, the Shareholders' Mandate will also apply to the Mandated Transactions that are carried out with these associates.

[3] Such associates in which the Group had a minority equity investment, as at the Latest Practicable Date, are Olive Bulkship S.A., Polaris Bulkship S.A., Quest Bulkship S.A., Stella Bulkship S.A., Tiara Bulkship S.A., Unicorn Bulkship S.A. and Victoria Bulkship S.A.. As at the Latest Practicable Date, the Group has an equity interest of 18% in each of these associates.

3.9 **Categories of Mandated Transactions.** The Mandated Transactions to which the Shareholders' Mandate will apply are set out below:

3.9.1 the provision by the Entity at Risk Group of brokerage services for the charter of ships, and the sale and purchase of ships and properties;

3.9.2 the provision by the Entity at Risk Group of administrative services (including but not limited to the establishment and maintenance of bank account(s), bookkeeping, preparation of insurance and tax records);

3.9.3 the provision by the Entity at Risk Group of commercial management services for ships (including but not limited to the arrangement of employment, bunker fuels, insurance and surveys for the ships and the appointment of agents for the ships);

3.9.4 the provision by the Entity at Risk Group of (a) technical consultancy services for newbuildings (including but not limited to services relating to advice on newbuilding specifications, and the review and approval of drawings of newbuildings) and (b) shipbuilding supervision services (including but not limited to services relating to inspection of materials, machinery and equipment before installation on the newbuilding, attendance of sea trials and surveys, and monitoring of the progress of construction work);

3.9.5 the provision by the Entity at Risk Group of construction management services for small residential property development projects (including but not limited to services relating to sourcing for suitable sites and overseeing design and construction of projects);

3.9.6 the provision by the Entity at Risk Group of property management services for completed residential properties (including but not limited to services relating to leasing management);

3.9.7 the provision by the Entity at Risk Group of advisory services (including but not limited to advisory services relating to investment advice on asset acquisitions); and

3.9.8 the provision by the Entity at Risk Group of such other services which are incidental to or in connection with the provision of services in paragraphs 3.9.1 to 3.9.7 above.

3.10 **Review Procedures for Mandated Transactions with Mandated Interested Persons.** The Entity at Risk Group has an internal control system in place to ensure that Mandated Transactions with the Mandated Interested Persons are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, and are consistent with the Entity at Risk Group's usual policies and practices.

In particular, the following review procedures have been implemented:

3.10.1 *Review Procedures*

(a) all contracts entered into or transactions with Mandated Interested Persons by the Entity at Risk Group are to be carried out at prevailing market rates or prices on terms which are no more favourable to the Mandated Interested Persons than the usual commercial terms extended to unrelated third parties in recent transactions or otherwise in accordance with applicable industry norms. At least two most recent comparable contracts entered into by the Entity at Risk Group with unrelated third parties will be used as a basis for comparing and determining the price and commercial terms to be offered to the Mandated Interested Persons, after taking into account, amongst others, if applicable, factors such as but not limited to prevailing market conditions (such as supply and demand for such services); and

(b) in the limited circumstances where the prevailing market rates or prices are not available due to the nature of service to be provided or in the circumstances where it is impractical or impossible to compare against recent contracts entered into by the Entity at Risk Group with unrelated third parties, the Entity at Risk Group's pricing for such services to be provided to Mandated Interested Persons is determined in accordance with the Entity at Risk Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the Entity at Risk Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by the Mandated Interested Persons for such services, non-price factors such as, but not limited to, customer requirements, specifications, duration of contract, strategic purposes of the transaction (including benefits of, and rationale for, transacting with the Mandated Interested Persons), customers' credit standing, transaction volume, size of the transaction, delivery requirements, resources available to the Entity at Risk Group, length of business relationship, potential for future repeat business, prevailing market conditions and demand for such services will be taken into account.

3.10.2 *Threshold Limits*

For the purposes of sub-paragraphs (a), (b) and (c) below, the "Financial Limit" shall be the amount equivalent to 3.0% of the Group's audited consolidated NTA for the time being, as determined by reference to the Group's latest announced audited consolidated financial statements.

In addition to the above review procedures, the following review and approval procedures will apply to the Mandated Transactions:

(a) transactions equal to or exceeding S$100,000 but below the Financial Limit (as defined above) each in value, will be reviewed and approved prior to their entry by, as the case may be:

(i) ***where the transaction involves the provision of services to a Mandated Interested Person in which the Group has an equity investment***: the Review Committee of the Company (the "**Review Committee**"), being a committee appointed by the Company's Chief Executive Officer and authorised to review and approve, amongst others, transactions entered into in connection with investments to be made by the Group (such as services provided to a joint venture between the Group and a Mandated Interested Person). As at the Latest Practicable Date, the members of the Review Committee comprise of Michio Tanamoto (Chairman and Chief Executive Officer), Masaki Fukumori (Executive Director), Masahiro Iwabuchi (Executive Director), Kenji Fukuyado (Executive Director), Yukihiro Toda (Executive Director) and Lim Kai Ching (Group Chief Financial Officer); or

(ii) ***where the transaction involves the provision of services to a Mandated Interested Person in which the Group does not have an equity investment***: the Management Committee of the Company (the "**Management Committee**"), being a committee appointed by the Company's Chief Executive Officer and authorised to review and approve, amongst others, transactions that do not involve investments to be made by the Group or transactions which are not entered into in connection with such investments. As at the Latest Practicable Date, the members of the Management Committee comprise of Michio Tanamoto (Chairman and Chief Executive Officer), Masaki Fukumori (Executive Director), Masahiro Iwabuchi (Executive Director), Kenji Fukuyado (Executive Director), Yukihiro Toda (Executive Director), Zac K. Hoshino (Managing Director), Lim Kai Ching (Group Chief Financial Officer), Katsuro Ouchi (President, Vista Hotel Management Co., Ltd) and Mr. Matthew Yuen Wai Keung (Managing Director).

Transactions equal to or exceeding S$100,000 but below the Financial Limit are also tabled for review by the Audit Committee on a quarterly basis;

(b) transactions equal to or exceeding the Financial Limit each in value will be reviewed and approved by the Audit Committee prior to their entry;

(c) where the value of a transaction, when aggregated with previous transactions of the same kind in any particular financial year, is equal to or exceeds the Financial Limit, such transaction, and all future transactions of the same kind in that particular financial year will be reviewed and approved by the Audit Committee prior to their entry; and

(d) the Review Committee, the Management Committee or, as the case may be, the Audit Committee, may, as it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers.

3.10.3 *Other Review Procedures*

The following will apply to the review and approval process:

(a) if any member of the Review Committee or, as the case may be, the Management Committee has an interest in the transaction or is a nominee for the time being of the Mandated Interested Person, he shall abstain from participating in the review and approval process of the Review Committee or, as the case may be, the Management Committee in relation to that transaction;

(b) if the members of the Review Committee or, as the case may be, the Management Committee have an interest in the transaction or are nominees for the time being of the Mandated Interested Person, the review and approval process shall be undertaken by the Chairman of the Audit Committee or another member of the Audit Committee (who is not a nominee of the Mandated Interested Person and has no interest in the transaction) designated by the Chairman of the Audit Committee from time to time for such purpose; and

(c) if a member of the Audit Committee has an interest in a transaction or is a nominee for the time being of the Mandated Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction.

3.10.4 *Register of Mandated Transactions*

The Company will maintain a register of Mandated Transactions carried out with Mandated Interested Persons (recording the basis on which they are entered into), and the Company's annual internal audit plan will incorporate a review of the Mandated Transactions recorded in the register to ascertain that the guidelines and review procedures for Mandated Transactions have been complied with.

3.10.5 *Audit Committee Review*

The Audit Committee will review the internal audit reports on an annual basis to ascertain that the guidelines and review procedures for Mandated Transactions have been complied with.

If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Entity at Risk Group or the Mandated Interested Persons are conducted, the Company will revert to Shareholders for a fresh general mandate based on new guidelines and review procedures so that Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3.11 **Disclosures.** In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will:

3.11.1 disclose in the Company's annual report the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the Shareholders' Mandate during the financial year (as well as in the annual reports for subsequent financial years that the Shareholders' Mandate continues in force); and

3.11.2 announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the Shareholders' Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report.

4. DIRECTORS' RECOMMENDATIONS

4.1 **The Proposed Adoption of the Share Purchase Mandate.** Having considered, amongst others, the terms and the rationale for, and the financial effects of the proposed adoption of, the Share Purchase Mandate set out in this Appendix, the Directors are of the opinion that the proposed adoption of the Share Purchase Mandate is in the interests of the Company and Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 12, being the Ordinary Resolution relating to the proposed adoption of the Share Purchase Mandate.

4.2 **The Proposed Renewal of the Shareholders' Mandate for Interested Person Transactions.** The Independent Directors are of the opinion that the entry by the Entity at Risk Group into the Mandated Transactions with the Mandated Interested Persons in the ordinary course of business will enhance the efficiency of the Group, and is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 13, being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate for Interested Person Transactions.

4.3 **Abstention from Voting.** Yamasa Co., Ltd will abstain from voting, whether in person or by representative or proxy, and will procure that its associates will abstain from voting, their shareholdings, if any, in respect of Resolution 13.

5. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix on the proposed adoption of the Share Purchase Mandate and the proposed renewal of the Shareholders' Mandate for Interested Person Transactions constitutes full and true disclosure of all material facts about the proposed adoption of the Share Purchase Mandate and the proposed renewal of the Shareholders' Mandate for Interested Person Transactions, the Company and its subsidiaries which are relevant to the proposed adoption of the Share Purchase Mandate and the proposed renewal of the Shareholders' Mandate for Interested Person Transactions, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix on the proposed adoption of the Share Purchase Mandate and the proposed renewal of the Shareholders' Mandate for Interested Person Transactions misleading. Where information in this Appendix on the proposed adoption of the Share Purchase Mandate and the proposed renewal of the Shareholders' Mandate for Interested Person Transactions has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at 8 Shenton Way #37-04, AXA Tower Singapore 068811 during usual business hours from the date of hereof up to and including the date of the Annual General Meeting:

(a) the Constitution of the Company;

(b) the Scheme Document; and

(c) the annual report of the Company for the financial year ended 31 December 2017.

UNI-ASIA GROUP LIMITED
(Company Regn. No: 201701284Z)
(Incorporated in Singapore)

PROXY FORM

Important:
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (the "Companies Act") may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Uni-Asia Group Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 April 2018.

*I / We, ______________________________ NRIC/Passport no. ______________

of ____

being *a member/members of UNI-ASIA GROUP LIMITED (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholding(s) (%)

*and/or

as *my/our proxy/proxies* to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at Anson III, Level 2, M Hotel Singapore, 81 Anson Road, Singapore 079908 on Friday, April 27, 2018 at 2.00 p.m. and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with a tick [√] in the space provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

	Ordinary Resolutions	For	Against
1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended December 31, 2017, together with the Auditors' Report thereon.		
2	To declare a first and final one-tier tax-exempt dividend of S$0.0625 per ordinary share for the financial year ended December 31, 2017.		
3	To re-elect Mr Lee Gee Aik (Retiring under Article 94).		
4	To re-elect Mr Masahiro Iwabuchi (Retiring under Article 100).		
5	To re-elect Mr Kenji Fukuyado (Retiring under Article 100).		
6	To re-elect Mr Yukihiro Toda (Retiring under Article 100).		
7	To re-elect Mr Philip Chan Kam Loon (Retiring under Article 100).		
8	To approve Directors' fees of S$217,828.77 for the financial year ending December 31, 2018, payable quarterly in arrears (2017: S$207,500).		
9	To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration.		
10	To authorise the Directors to allot and issue shares.		
11	To authorise the Directors to grant share awards and to allot and issue shares under the Uni-Asia Group Performance Share Plan.		
12	To approve the proposed adoption of the Share Purchase Mandate.		
13	To approve the proposed renewal of the Shareholders' Mandate for Interested Person Transactions.		

* *If you wish to exercise all your votes 'For' or 'Against', please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ____________ day of ____________________ 2018

Total Number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Member(s) / Common Seal

** Delete where applicable*

Notes:-

1. A member of the Company who is not a relevant intermediary is entitled appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

2. Any member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

3. A proxy need not be a member of the Company.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**").

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.

6. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or duly certified copy thereof, must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, either by hand at 80 Robinson Road, #11-02 Singapore 068898 or by post at 80 Robinson Road, #02-00 Singapore 068898 not less than 72 hours before the time appointed for the holding of the Annual General Meeting.

Fold along this line

Affix
postage
stamp

UNI-ASIA GROUP LIMITED
c/o Tricor Barbinder Share Registration Services
80 Robinson Road, #02-00 Singapore 068898

Fold along this line

7. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

9. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to attend, speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated April 11, 2018.

Designed and Produced by SageStudio +65 6438 2990

UNI-ASIA
GROUP LIMITED
Registration No. 201701284Z
Incorporated in the Republic of Singapore

30/F., Prosperity Millennia Plaza,
No. 663 King's Road, North Point
Hong Kong
Tel: (852) 2528 5016
Uni-Asia Group Limited: www.uni-asia.com
Uni-Asia Shipping Limited: www.uniasiashipping.com
Uni-Asia Capital (Japan) Ltd.: www.uni-asia.co.jp
Vista Hotel Management Co., Ltd.: www.hotel-vista.jp