



UNI-ASIA HOLDINGS LIMITED

Registration No: CR - 72229

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

**CLARIFICATION REGARDING ANNOUNCEMENT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Uni-Asia Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) has on 12 April 2017 received the following queries from the Singapore Exchange Securities Trading Limited regarding the Company’s announcement on 28 February 2017 (the “**Announcement**”) in relation to the Group’s financial statements for the year ended 31 December 2016:

1. *“In the Financial Statements, the Company recorded an amount of US\$3.5 million for Provision of onerous contract under its Income Statement. Please provide details of the terms of the onerous contract and how the provision for the onerous contract of US\$3.5 million was derived.”*

In response, the Company would like to clarify that the onerous contract related to a vessel charter agreement as stated on page 12 of the Announcement under the header “Total Operating Expenses” and page 124 of the Company’s Annual Report 2016 under Note 17 to the Consolidated Financial Statements. Pursuant to the terms of the charter agreement, the Group had hired a vessel on charter from a third party for a period of five years. Subsequent to the entry of the charter agreement in 2015, after taking into account (a) the Group’s assessment in 2016 of future variable charter hire income and operating expenses attributable to the vessel over the remaining four year charter period based on recent industry market reports and data; and (b) the fixed charter hire which the Group is obliged to pay under such charter agreement over the same period, the Group had, in consultation with its auditors, accounted for the charter agreement as an onerous contract and made a provision of its obligations under such agreement. An onerous contract is defined under the International Accounting Standards as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Please also refer to page 124 of the Company’s Annual Report 2016 under Note 17 to the Consolidated Financial Statements for further information.

2. *“Under the Company’s commentary on Total Income found on page 11 of the Financial Statements, the Company’s total Fee Income had decreased by 25% from US\$7.8 million in FY2015 to US\$5.8 million in FY2016 due to, amongst others, lower arrangement and agency fees contributed by fewer ad-hoc arrangement transactions. Please elaborate the ad-hoc arrangement transactions that is provided by the Company as well as the factors that led to fewer ad-hoc arrangement and brokerage transactions for FY2016.”*

In response, the Company would like to clarify that the ad hoc arrangement transactions refer primarily to the provision of ship finance arrangement solutions. To elaborate, such ad hoc arrangement transactions are transaction-based business which generates non-recurrent income. The volume of such transactions depends on the Group gaining and executing finance arrangement mandates. The Group’s ability to gain and execute such mandates is in turn dependent on various factors including but not limited to the demand for financing arrangements, the financing requirements of ship owners, the ability of the client to repay the debt, the lenders’ willingness to participate in the financing arrangement and the agreement of the client and the lenders as to the terms of finance. Due to the Group gaining and executing less finance arrangement mandates in FY2016 as compared to the preceding year, there were fewer ad hoc arrangement and brokerage transactions for FY2016.

For and on behalf of
Uni-Asia Holdings Limited

17 April 2017