



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

PRESS RELEASE -- FOR IMMEDIATE RELEASE

Uni-Asia Group Limited

Reports US\$4.3 million Profit for 1H2023

- Net profit was US\$4.3 million amidst slowing shipping market
- Declares interim dividends of 2.2 Singapore cents per share representing around 30% of pay-out ratio

SINGAPORE, 14 August, 2023 – Uni-Asia Group Ltd. (SGX: CHJ) (“Uni-Asia Group” or the “Company”, and together with its subsidiaries, the “Group”), an investment management group specialising in alternative assets, including shipping and real estate in Japan, Hong Kong and China, has announced its financial results for the six months ended 30 June 2023 (“1H2023”).

Income Statements Highlights	1H2023	1H2022	Change
	US\$'000	US\$'000	%
Total Income	29,707	48,860	(39%)
Total Operating Expenses	(23,223)	(29,700)	(22%)
Operating Profit	6,484	19,160	(66%)
<i>Operating Profit Margin</i>	<i>21.8%</i>	<i>39.2%</i>	
Net Profit	4,269	16,477	(74%)
<i>Net Profit Margin</i>	<i>14.4%</i>	<i>33.7%</i>	

Dry bulk market had slowed down since 2H2022 and continued to be soft in 1H2023. Despite this, the Group achieved a total income of US\$29.7 million in 1H2023. Charter income for the Group was US\$20.6 million in 1H2023 with average daily charter rate for the Group’s 10 consolidated dry bulk carriers at US\$11,595/day for 1H2023. Meanwhile, the Group’s operating expenses reduced by 22% in 1H2023 compared to 1H2022, with reduction in most operating expense items including employee benefit expenses and vessel operating expenses. The Group’s net profit amounted to US\$4.3 million for 1H2023 notwithstanding shipping market’s slowdown.



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Meanwhile, the Group's leverage reduction effort started to see results. While the US Federal Funds Rate increased by more than 100% from 1H2022 to 1H2023, the Group's total finance costs increased by only 40% from US\$1.3 million in 1H2022 to US\$1.8 million in 1H2023. The Group's total borrowings¹ stood at US\$62.0 million as at 30 June 2023, down from US\$72.7 million as at 31 December 2022.

The Group declares an interim dividend of 2.2 Singapore cents per ordinary share which represents a 30% dividend payout ratio² for the Group.

Financial Review

Revenue	1H2023	1H2022	Change
	US\$'000	US\$'000	%
Charter income	20,568	34,036	(40%)
Fee income	2,711	4,244	(36%)
Sale of properties under development	3,270	9,222	(65%)
Investment returns	2,778	1,089	155%
Interest income	275	35	N.M.
Other income	105	234	(55%)
Total income	29,707	48,860	(39%)

The sale of properties under development was US\$3.3 million in 1H2023 with only one property under development in Japan sold in 1H2023 compared to two properties in 1H2022.

Investment returns increased by US\$1.7 million in 1H2023 from 1H2022. The Group recorded realised gain on investment property of US\$1.0 million following the disposal of an ALERO project classified as investment property, as well as realised gain from ship investment of US\$1.3 million from joint venture with Matin Shipping Ltd. ("Matin") which ship was disposed in 1H2023.

¹ Total borrowings is the sum of current and non-current borrowings

² Dividend payout ratio is the dividends payable as a percentage of profit for the period attributable to owners of the parent. USD/SGD rate as at 30 June 2023 is 1.3562. Source: Yahoo Finance



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Business Outlook

Dry Bulk Shipping

The dry bulk shipping industry has encountered significant challenges in the past quarters, with the downward trajectory that originated in the second half of 2022 continuing throughout the first half of 2023. The market's weakness has been attributed to multiple factors, including a softening of dry bulk seaborne trade resulting from widespread economic headwinds. Moreover, the ongoing Russia-Ukraine war has severely disrupted global agricultural trade, leading to a breakdown of the Black Sea grain trade. Climate change-induced weather conditions have also compounded the industry's difficulties, impacting global soft commodities trade.

Despite these headwinds affecting demand, the dry bulk shipping industry has witnessed some encouraging developments on the supply side. Notably, ship owners are hesitant in placing significant new dry bulk shipbuilding orders, influenced by factors such as increasing US\$ interest rates, high construction costs, and uncertainties surrounding new environmental regulations. Additionally, the introduction of the global EEXI (Energy Efficiency Existing Ship Index) by the IMO has reduced ship's maximum speed capability, thereby limiting vessels' ability to respond swiftly to potential demand increases.

Within this challenging market environment, industry players remain cautiously optimistic about the medium-term prospects of the dry bulk market. Notably, the Group's strategic approach of signing index-linked charter contracts during the renewal of time charter contracts positions could allow the Group to benefit from any future upturn in the dry bulk charter market.

Hong Kong Property

Hong Kong's commercial property market has demonstrated resilience in the post-COVID-19 landscape, albeit facing a sluggish recovery. To bolster economic growth and attract investments from individuals and enterprises, the government has introduced measures focused on tax reduction and initiatives such as "InvestHK" to entice more family offices to Hong Kong. Hong Kong's active pursuit of membership in the Regional Comprehensive Economic Partnership (RCEP), a trade pact involving 15 Asia-Pacific countries, seeks to



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elevate its stature as a prominent regional trade center. Moreover, the ongoing Greater Bay Area initiatives, which include infrastructure projects connecting Hong Kong to China, are expected to provide favorable implications for the commercial and industrial property market in the medium to long term.

Japan Property

The property market in Japan continues to thrive, with Tokyo's home price index showing a notable year-on-year increase of 6.94% in April 2023 based on JREI Home Price Indices released by the Japan Real Estate Institute in June 2023. Within this attractive low-interest-rate environment, the Group's property businesses in Japan, including property asset management, have experienced a steady flow of promising deals. The Japanese yen's weakening against major foreign currencies has further fuelled interest among foreign investors to explore property investment opportunities in Japan. The Group is working on expanding its cross border business by inviting foreign investors to invest in properties in Japan, or assist foreign investors in managing property assets in Japan.

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About Uni-Asia Group Limited (Bloomberg Code: UAG SP)

UNI-ASIA GROUP LIMITED and its subsidiaries (the “Group”) is an alternative investment group specialising in creating alternative investment opportunities and providing integrated services relating to such investments. The Group’s alternative investment targets are mainly handy dry bulk ships and properties. The Group also has extensive know-how and networks relating to such alternative investments and provides services relating these investments. The two main alternative asset classes the Group focuses on are Shipping and Property.

The business strategy for shipping employed by the Group is to offer one-stop, integrated ship-related service solutions for clients, including ship investments, ship asset management services, ship chartering, ship management, ship brokerage and ship finance arrangement solutions. The strategy of offering a wide array of maritime-related services ensures the Group remains resilient regardless of market conditions and allows for growth in the long term. The Group currently owns 10 wholly-owned ships and 7 joint-investment ships.

The Group’s property investment business enhances its asset base as well as asset management business. Outside of Japan, the Group focuses on investments in Hong Kong office development projects and office assets in Guangzhou, China. Within Japan, the Group has a Japan-licensed property asset management subsidiary which specialises in property asset management as well as development of trademark small residential properties, the “ALERO” series.

Listed on the Mainboard of Singapore Exchange in August 2007, Uni-Asia’s offices are located in Hong Kong, Singapore, Tokyo, Shanghai and Guangzhou.

For more information, please visit the corporate website at www.uni-asia.com.

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