



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

PRESS RELEASE -- FOR IMMEDIATE RELEASE

Uni-Asia reports 9% increase in 9M2018 net profit to US\$6.2 million

- **Total income increased by 17% in 9M2018 compared to 9M2017, supported by the 7% growth in charter income and 40% growth in hotel income**
- **Charter income growth was attributable to one additional vessel in the fleet for 9M2018 and improving dry bulk market**
- **Hotel income growth was in line with Group's expansion plan in hotel operation business, with five hotels added to the Group's hotel operation portfolio in 2018**

Singapore, 08 November 2018 – Uni-Asia Group Limited (“**Uni-Asia**” or the “**Group**”), an alternative investment company and integrated service provider of vessels and properties, announced its financial results for the three months and nine months ended 30 September 2018 (“**3Q2018**” and “**9M2018**” respectively).

Financial Highlights	3Q2018	3Q2017	Chg	9M2018	9M2017	Chg
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Total Income	31,390	25,418	23	86,039	73,550	17
Total Operating Expenses	(29,248)	(22,898)	28	(74,207)	(62,690)	18
Operating Profit	2,142	2,520	(15)	11,832	10,860	9
Operating Profit Margin	6.8%	10.0%	(3.2ppts*)	13.8%	14.8%	1.0ppts
Net Profit/ (Loss)After Tax	(140)	167	(184%)	6,203	5,688	9
Profit Attributable to Owners of Parent Company	(179)	33	N/M	4,955	4,846	2
Basic Earnings Per Share (US cents) **	(0.38)	0.07	(184%)	10.55	10.32	2

*ppts: percentage points

**Based on the weighted average of 46,979,280 ordinary shares in issue for each period respectively

9M2018 FINANCIAL REVIEW

Total income for the Group increased by 17% from US\$73.6 million in 9M2017 to US\$86.0 million in 9M2018, mainly contributed by positive financial performances from charter income and hotel income.

Revenue	3Q2018 US\$'000	3Q2017 US\$'000	Chg %	9M2018 US\$'000	9M2017 US\$'000	Chg %
Charter Income	9,725	9,480	3	29,405	27,493	7
Fee Income	1,666	872	91	5,689	4,729	20
Hotel Income	20,158	13,468	50	48,168	34,488	40
Investment Returns	(670)	1,083	(162%)	787	5,448	(86)
Interest Income	232	221	5	640	595	8
Other Income	279	294	(5)	1,350	797	69
Total Income	31,390	25,418	23	86,039	73,550	17

(i) Charter Income

Charter income increased by 7% from US\$27.5 million in 9M2017 to US\$29.4 million in 9M2018. The increase was attributed to the inclusion of charter income of a vessel under Fulgida in 9M2018, but not in 9M2017 (Fulgida acquired the vessel on 2 November 2017).

(ii) Fee Income

Total fee income rose by 20% from US\$4.7 million in 9M2017 to US\$5.7 million in 9M2018 as a result of arrangement and agency fee increasing by 18% to US\$3.1 million while asset management and administration fee increased by 11% to US\$1.8 million in 9M2018.

(iii) Hotel Income

Hotel income accounted for 56.0% of the Group's total income in 9M2018, up from 46.9% in 9M2017. Hotel income increased by 40% from US\$34.5 million in 9M2017 to US\$48.2 million in 9M2018. The growth was in line with the Group's strategy to expand its hotel operation business. Five new hotels were added to the Group's portfolio in 2018 and the number of rooms under operations had increased from 1,851 as at end of 2017 to 2,667 as of end of September 2018.

(iv) Investment Returns

Investment returns for 9M2018 was US\$0.8 million compared to US\$5.4 million in 9M2017. The decrease was primarily due to the fair value loss of US\$3.5 million recognised for the containership investments in 3Q2018 following the deteriorations of containership investments as a result of the ongoing trade war. \$1.2 million in cash was recovered from distressed assets.

Total Operating Expenses

The Group's total operating expenses increased by 18% from US\$62.7 million in 9M2017 to US\$74.2 million in 9M2018. This was primarily because of increases in various expense items such as employee benefits, hotel leases, hotel operations, depreciation and vessels operations. Pre-opening expenses totalling US\$1.1 million for the 5 new hotels added to the Group's portfolio in 9M2018 contributed to the increase in hotel operating expenses.

Net Profit after Tax

The Group registered 9% increase in net profit after tax to US\$6.2 million in 9M2018, as compared to US\$5.7 million in 9M2017.

Net Asset Value

As of 30 September 2018, the Group's Net Asset Value ("**NAV**") per share was US\$2.89¹, same as the NAV as of 31 December 2017.

OUTLOOK

Dry Bulk

According to Clarksons Research "Dry Bulk Trade Outlook" September 2018 issue, 2018 has so far seen the balance of fundamentals improve in the bulker sector due to limited fleet growth although going forward, there are a number of risks to the demand outlook including the potential for Chinese major bulk imports to soften. Overall, the fundamentals in the bulkcarrier market initially look set to be broadly balanced in the coming year. The Group monitors the bulkcarrier market carefully and makes adjustments to the Group's bulkcarrier strategy accordingly.

Containership

According to Howe Robinson Partners Third Quarter Containership Review 2018, the combined impact of tariff, Brexit, financial instability, weaker German growth may result in a highly uncertain containership demand, while the legacy of oversupply from 2018 could weigh on the containership freight, charter and secondhand markets in the coming year. The 4 containerships in the Group shipping portfolio may be impacted under such market conditions.

Hong Kong Property

In Hong Kong, the high-speed rail link between Hong Kong and mainland China opened to the public on 23 September 2018. The Hong Kong-Zhuhai-Macau bridge linking up Hong Kong, Macau and the mainland's River Delta cities to form the Greater Bay Area was declared officially open on 23 October 2018 by Chinese President Mr. Xi Jinping. Hong Kong's economy is expected to be more robust with the opening of these infrastructures. Following the success of the Group's 2nd property investment project at 650 Cheung Sha Wan Road, the Group has invested in the fifth property investment project and is now exploring a sixth property investment project. The aim is to capitalise on Hong Kong's commercial property growth and for such projects to add on to the Group's bottomline annually.

Japan Property

Japan's property market remains buoyant. While expanding new ALERO projects opportunities, the Group is also exploring new asset/construction management opportunities including hotel redevelopment projects.

Hotel Operation

For 2017's Hotel Chain Ranking organised by "Jalan.net", one of the largest online hotels and ryokans booking site in Japan, the Group's Hotel Vista was voted first for 2 categories:

- i) "Business Travel – Less Than JPY15,000 Per Night" Category
- ii) "Family Travel – Less Than JPY15,000 Per Night" Category

With the Group's existing portfolio of hotels and new hotels to be added to the Group's portfolio, and the endorsement by guests as top in its category, the Group is in a good position to benefit from the growing hospitality market in Japan.

--- The End ---

¹ Based on the weighted average of 46,979,280 ordinary shares in issue for 9M2018 and 9M2017

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

Uni-Asia Group Ltd is an alternative investment company performing a variety of roles including asset owner and manager, operator, co-investor, ship finance arranger, broker and fund manager. Uni-Asia's investments are focused on cargo vessels and properties in Hong Kong and Japan. To improve investment returns, Uni-Asia also provides integrated services for the invested assets, including acting as operator for commercial maritime vessels and invested properties which encompasses commercial, residential and hotel properties.

Listed on the Main Board of the Singapore Exchange in August 2007, their offices are located in Hong Kong, Singapore, Tokyo, China, Taiwan, and South Korea.

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

Issued for and on behalf of Uni-Asia Group Limited

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