UNI-ASIA GROUP LIMITED

Company Registration No: 201701284Z
Incorporated in the Republic of Singapore

FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2019

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FIRST QUARTER RESULTS

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

		3 months ended 31 March		
	Note	**2019 US$'000**	**2018 US$'000**	**% Change**
Charter income	8(i)	9,102	10,184	(11%)
Fee income	8(ii)	2,536	2,409	5%
Hotel income	8(iii)	18,609	12,826	45%
Investment returns	8(iv)	1,574	(897)	N/M
Interest income		223	201	11%
Other income		169	827	(80%)
Total income		32,213	25,550	26%
Employee benefits expenses		(4,587)	(4,142)	11%
Amortisation and depreciation		(2,663)	(2,695)	(1%)
Depreciation of right-of-use assets[1]		(5,218)	-	N/M
Vessel operating expenses		(3,989)	(4,341)	(8%)
Hotel lease expenses		(1,734)	(4,056)	(57%)
Hotel operating expenses		(8,921)	(6,053)	47%
Gain on disposal of property, plant and equipment		4,231	112	N/M
Reversal of impairment of property, plant and equipment		-	3,051	(100%)
Net foreign exchange gain/ (loss)		53	(1,122)	(105%)
Other expenses		(1,288)	(1,151)	12%
Total operating expenses		(24,116)	(20,397)	18%
Operating profit		8,097	5,153	57%
Finance costs – interest expense		(1,391)	(1,401)	(1%)
Finance costs – lease interest[1]		(1,173)	-	N/M
Finance costs – others		(172)	(136)	26%
Allocation to Tokumei Kumiai[2] investors		(1,604)	(176)	N/M
Profit before tax		3,757	3,440	9%
Income tax expense		(102)	(124)	(18%)
Profit for the period		3,655	3,316	10%
Attributable to:				
Owners of the parent		3,483	3,182	9%
Non-controlling interests		172	134	28%
		3,655	3,316	10%

[1] *New items on face of Income Statements due to adoption of new "IFRS16 – Leases" effective 1 January 2019.*

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

	3 months ended 31 March		
	2019 US$'000	**2018 US$'000**	**% Change**
Profit for the period	3,655	3,316	10%
Other comprehensive income for the period, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	17	1,256	(99%)
Net movement on cash flow hedges	(639)	525	N/M
Other comprehensive (expense)/ income for the period, net of tax	(622)	1,781	(135%)
Total comprehensive income for the period	3,033	5,097	(40%)
Attributable to:			
Owners of the parent	2,889	4,936	(42%)
Non-controlling interests	144	161	(11%)
	3,033	5,097	(40%)

N/M: Not meaningful

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

	Group		Company	
	31 March 2019 US$'000	**31 December 2018 US$'000**	**31 March 2019 US$'000**	**31 December 2018 US$'000**
ASSETS				
Non-current assets				
Investment properties	18,145	16,248	-	-
Investments	28,386	28,914	-	-
Investment in subsidiary	-	-	109,276	109,276
Intangible assets	3	25	-	-
Property, plant and equipment	175,529	177,893	-	-
Right-of-use assets	264,001	-	473	-
Rental deposit	6,788	7,083	-	-
Derivative financial instruments	61	209	-	-
Finance lease receivable	7,281	7,397	-	-
Accounts receivable	512	730	-	-
Deferred tax assets	56	120	-	-
Total non-current assets	500,762	238,619	109,749	109,276
Current assets				
Investments	9,021	9,204	-	-
Loans receivable	900	51	-	-
Derivative financial instruments	413	473	-	-
Finance lease receivable	396	393	-	-
Accounts receivable	6,628	6,434	-	-
Amounts due from subsidiaries	-	-	1,992	2,001
Prepayments, deposits and other receivables	7,937	9,700	468	390
Tax recoverable	1,126	229	-	-
Asset held for sale	-	22,423	-	-
Deposits pledged as collateral	3,284	3,236	-	-
Cash and bank balances	47,293	43,462	637	948
Total current assets	76,998	95,605	3,097	3,339
Total assets	577,760	334,224	112,846	112,615

NOTES:
The Group's non-current assets increased by $262.2 million from $238.6 million on 31 December 2018 to $500.8 million on 31 March 2019. This was mainly due to the recognition of right-of-use assets of $264.0 million as at 31 March 2019 following the adoption of *IFRS 16 Leases* on 1 January 2019.

Current assets decreased by $18.6 million from $95.6 million on 31 December 2018 to $77.0 million on 31 March 2019 mainly due to the disposal of a hotel asset under asset held for sale, which balance was $22.4 million as at 31 December 2018. This hotel asset was re-classified from property, plant and equipment under non-current assets to asset held for sale under current assets as at 31 December 2018.

	Group		Company	
	31 March 2019 US$'000	31 December 2018 US$'000	31 March 2019 US$'000	31 December 2018 US$'000
EQUITY				
Equity attributable to owners of the parent				
Share capital	109,276	109,276	109,276	109,276
Retained earnings	13,443	18,667	2,503	3,035
Hedging reserve	87	695	-	-
Exchange reserve	1,512	1,498	-	-
Capital reserve	(2,899)	(2,899)	-	-
Total equity attributable to owners of the parent	121,419	127,237	111,779	112,311
Non-controlling interests	6,207	6,095	-	-
Total equity	127,626	133,332	111,779	112,311
LIABILITIES				
Non-current liabilities				
Borrowings	94,790	111,525	-	-
Lease liabilities	254,188	-	348	-
Derivative financial instruments	603	306	-	-
Deferred tax liabilities	522	510	-	-
Other payables	81	79	-	-
Provision for onerous contract	-	3,659	-	-
Total non-current liabilities	350,184	116,079	348	-
Current liabilities				
Borrowings	62,455	69,193	-	-
Lease liabilities	24,678	-	128	-
Due to Tokumei Kumiai investors	2,142	2,307	-	-
Derivative financial instruments	341	192	-	-
Accounts payable	4,024	4,204	-	-
Amount due to subsidiary	-	-	264	10
Other payables and accruals	6,262	7,666	327	294
Provision for onerous contract	-	1,033	-	-
Income tax payable	48	218	-	-
Total current liabilities	99,950	84,813	719	304
Total liabilities	450,134	200,892	1,067	304
Total equity and liabilities	577,760	334,224	112,846	112,615

NOTES:

Total liabilities increased by $249.2 million from $200.9 million on 31 December 2018 to $450.1 million on 31 March 2019 mainly due to the impact of adoption of *IFRS 16 Leases* from 1 January 2019. Non-current lease liabilities of $254.2 million and current lease liabilities of $24.7 million were due to the requirements of IFRS 16. Onerous contract provisions of $3.7 million (non-current) and $1.0 million (current) as at 31 December 2018 were included as part of right-of-use assets from 1 January 2019 under IFRS 16.

Total borrowings (including both current and non-current) of the Group as at 31 March 2019 was $157.2 million compared to $180.7 million as at 31 December 2018. The decrease was mainly due to repayment of borrowings following the disposal of a hotel asset.

Current liabilities exceeded current assets by $23.0 million as at 31 March 2019 mainly due to the inclusion of $24.7 million current lease liabilities due to adoption of IFRS 16, the exclusion of which will result in current assets exceeding current liabilities.

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

	As at 31 March 2019		As at 31 December 2018	
	Secured US$'000	**Unsecured US$'000**	**Secured US$'000**	**Unsecured US$'000**
Amount repayable in one year or less, or on demand	48,067	14,388	55,857	13,336
Amount repayable after one year	80,224	14,566	99,839	11,686
Total	128,291	28,954	155,696	25,022

Details of any collateral

The Group's borrowings as at 31 March 2019 are secured by means of:

- legal mortgages over certain cash deposits of a subsidiary
- legal mortgages over investment properties of subsidiaries
- legal mortgages over vessels of subsidiaries

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

		3 months ended 31 March	
	Note	2019 US$'000	2018 US$'000
Cash flows from operating activities			
Profit before tax		3,757	3,440
Adjustments for:			
Investment returns		(1,574)	897
Amortisation and depreciation		2,663	2,695
Depreciation of right-of-use assets		5,218	-
Gain on disposal of property, plant and equipment		(4,231)	(112)
Reversal of impairment of property, plant and equipment		-	(3,051)
Reversal of impairment of financial assets		(6)	-
Net foreign exchange (gain)/ loss		(53)	1,122
Interest income		(223)	(201)
Finance costs – interest expense		1,391	1,401
Finance costs – lease interest		1,173	-
Finance costs – others		172	136
Allocation to Tokumei Kumiai investors		1,604	176
Operating cash flows before changes in working capital		9,891	6,503
Changes in working capital:			
Net change in accounts receivable		(6)	610
Net change in prepayments, deposits and other receivables		34	205
Net change in accounts payable		(67)	(721)
Net change in other payables and accruals		625	(2,160)
Cash flows generated from operations		10,477	4,437
Interest received on bank balances		197	55
Tax paid		(1,092)	(67)
Net cash flows generated from operating activities	[A]	9,582	4,425
Cash flows from investing activities			
Purchase of investment properties		(1,430)	(3,171)
Purchase of investments		(932)	(3,749)
Proceeds from redemption/ sale of investments		2,477	1,710
Deconsolidation of consolidated entity		(1,888)	-
Proceeds from finance lease		98	93
Hotel lease deposit refund/ (payment)		295	(502)
Deposits for small residential projects refund/ (payment)		91	(183)
Purchase of property, plant and equipment		(348)	(288)
Proceeds from disposal of property, plant and equipment		27,616	9,061
Net (redemption)/ contribution from Tokumei Kumiai investors		(326)	515
Net loans advanced		(849)	(140)
Interest received from loans and finance leases		11	132
Net increase in deposits pledged as collateral		(4)	(1)
Income proceeds from investments		38	64
Settlement of derivative financial instruments		113	(59)
Proceeds from property rental		192	174
Net cash flows generated from investing activities	[B]	25,154	3,656

	Note	3 months ended 31 March 2019 US$'000	2018 US$'000
Cash flows from financing activities			
Proceeds from borrowings		5,726	5,121
Repayment of borrowings		(29,128)	(11,931)
Interest and other finance cost paid		(1,530)	(1,398)
Lease principal paid		(4,586)	-
Lease interest paid		(1,173)	-
Net cash flows used in from financing activities	[C]	(30,691)	(8,208)
Net increase/ (decrease) in cash and cash equivalents		4,045	(127)
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the period		43,462	40,556
Net increase/ (decrease) in cash and cash equivalents		4,045	(127)
Effects of foreign exchange rate changes, net		(214)	967
Cash and cash equivalents at end of the period		47,293	41,396

NOTES:

The Group's cash and bank balances increased by $3.8 million in 1Q2019 after the effects of foreign exchange rate changes mainly due to the following:

[A] Cash flows generated from operating activities amounted to $9.6 million for 1Q2019 compared to $4.4 million for 1Q2018. Following the adoption of *IFRS 16 Leases*, fixed lease payments are classified as lease principal and lease interest paid under cash flows from financing activities, when under IAS 17, such payments are classified as expense paid in net profit before tax under operating cash flows. As a result, operating cash flows increased.

[B] Cash flows generated from investing activities were $25.1 million for 1Q2019.

Main cash inflows from investing activities include:

i) proceeds from disposal of a hotel which was classified under property, plant and equipment of $27.6 million; and
ii) proceeds from redemption/sale of investments of $2.5 million, of which $1.5 million pertains to small residential property projects (ALERO projects) and $1.0 million pertains to ship investment;

Main cash outflows from investing activities include:

i) investment in investment properties (ALERO projects) of $1.4 million; and
ii) cash outflow of $1.9 million as a result of deconsolidation of a consolidated Godo Kaisha entity.

[C] Cash flows used in financing activities were $30.7 million in 1Q2019 mainly due to repayments of borrowings offset by new borrowings in 1Q2019. Following the adoption of *IFRS 16 Leases*, fixed lease payments are classified as lease principal paid (amounting to $4.6 million) and lease interest paid (amounting to $1.2 million) under cash flows from financing activities in 1Q2019.

Use of proceeds from private placement

Subsequent to 31 March 2019, the Company allotted and issued 5,420,720 new ordinary shares of the Company on 4 April 2019 in connection with a placement undertaken by the Company at S$1.08 per share with a gross proceed of approximately S$5.85 million which is not reflected in the above statement of cash flows.

As at the date of this results announcement, the proceeds raised from the above-mentioned private placement have not been used.

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

Group	Share capital US$'000	Retained earnings US$'000	Hedging reserve US$'000	Exchange reserve US$'000	Capital reserve US$'000	Total equity attributable to owners of the parent US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2018	109,276	19,674	943	1,373	(2,907)	128,359	7,606	135,965
Adjustments due to first time adoption of IFRS 9	-	(15)	-	-	-	(15)	-	(15)
Profit for the period	-	3,182	-	-	-	3,182	134	3,316
Other comprehensive income	-	-	493	1,261	-	1,754	27	1,781
Total comprehensive income	-	3,182	493	1,261	-	4,936	161	5,097
At 31 March 2018	109,276	22,841	1,436	2,634	(2,907)	133,280	7,767	141,047
At 1 January 2019	109,276	18,667	695	1,498	(2,899)	127,237	6,095	133,332
Adjustments due to first time adoption of IFRS 16	-	(8,707)	-	-	-	(8,707)	(32)	(8,739)
Profit for the period	-	3,483	-	-	-	3,483	172	3,655
Other comprehensive income/ (expense)	-	-	(608)	14	-	(594)	(28)	(622)
Total comprehensive income	-	3,483	(608)	14	-	2,889	144	3,033
At 31 March 2019	109,276	13,443	87	1,512	(2,899)	121,419	6,207	127,626

Company	Share capital US$'000	Retained earnings US$'000	Total equity US$'000
At 1 January 2018	109,276	2,332	111,608
Loss for the period	-	(67)	(67)
Total comprehensive expense	-	(67)	(67)
At 31 March 2018	109,276	2,265	111,541
At 1 January 2019	109,276	3,035	112,311
Loss for the period	-	(532)	(532)
Total comprehensive expense	-	(532)	(532)
At 31 March 2019	109,276	2,503	111,779

1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the period ended 31 March 2019, there was no change in share capital for the Company.

Subsequent to 31 March 2019, the Company allotted and issued 5,420,720 new ordinary shares of the Company on 4 April 2019 in connection with a placement undertaken by the Company which resulted in an increase in the total number of issued ordinary shares of the Company from 46,979,280 ordinary shares to 52,400,000 ordinary shares. For further details on the placement, please refer to the Company's announcements on 26 March 2019, 3 April 2019 and 4 April 2019.

The Company did not have any convertibles or treasury shares as at 31 March 2019, 31 March 2018, and 31 December 2018.

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

	As at 31 March 2019	**As at 31 December 2018**
Total number of issued shares	46,979,280	46,979,280

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and method of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and method of computation in the financial statements for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2018, except for the adoption of "*IFRS 16 – Leases*" that is effective as of 1 January 2019.

5 If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

The Group has adopted IFRS 16 on 1 January 2019.

IFRS 16 – Leases

In January 2016, the IASB issued the final version of *IFRS 16 Leases* that replaces *IAS 17 Accounting for Leases* and all previous versions of IAS 17. IFRS 16 provides a single lessee accounting model to be applied to all leases whilst retaining a two model approach for lessors.

Under IFRS 16, lessees recognise a right-of-use asset and a lease liability on the commencement of a lease. The asset is initially recognised at the amount of lease liability plus initial direct costs. It is subsequently measured using the cost model unless the underlying is an investment property measured at fair value or PPE measured under the revaluation model. The liability is initially measured at the present value of the lease payments over the lease term, discounted at the rate implicit in the lease.

For lessors, leases are classified either as operating or finance leases.

For the transition to IFRS 16 from IAS 17, the Group has adopted Modified Retrospective approach where the right-of-use assets of existing leases where the Group is a lessee are re-measured from inception of the lease and the beginning retained earnings are adjusted. No restatement of comparatives is done under this transition approach.

As a result of the adoption of IFRS 16, the following are new items on the face of the Group's balance sheet as at 31 March 2019 and income statement for the period ended 31 March 2019.

	US$'000
Balance sheet:	
Non-current assets	
Right-of-use assets	264,001
Non-current liabilities	
Lease liabilities	254,188
Current liabilities	
Lease liabilities	24,678
Income statement:	
Depreciation of right-of-use assets	5,218
Finance costs – lease interest	1,173

An adjustment of US$8.7 million was made to the beginning retained earnings.

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

	3 months ended 31 March	
	2019	**2018**
Profit attributable to owners of the parent (US$'000)	3,483	3,182
Weighted average number of ordinary shares in issue ('000)	46,979	46,979
Earnings per share (US cents per share) - basic and diluted	7.41	6.77

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

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

	31 March 2019	**31 December 2018**
Net asset value per ordinary share based on issued share capital (in US$)	2.72	2.84

8 A review of the group performance, to the extent necessary for a reasonable understanding of the group's business. It must include discussion of any significant factors that affected the turnover, costs, and earnings for the current financial period report on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the group during current financial period reported on:

Review of Income Statement

Total Income

Total income of the Group was $32.2 million for 1Q2019, a 26% increase from 1Q2018. Changes in major components of total income, including charter income, fee income, hotel income and investment returns are explained below.

(i) Charter Income

Charter income decreased by 11% from $10.2 million in 1Q2018 to $9.1 million in 1Q2019. The total number of wholly-owned/majority-owned ships contributing to the Group's charter income was 11 for 1Q2019 compared to 12 for 1Q2018 as a vessel was disposed in April 2018. In addition, overall dry bulk market was weak in 1Q2019 due to several factors including Brazilian dam disaster, weak grain trade and Japan steel production. The weak dry bulk market in 1Q2019 affected two older 28,000 dwt dry bulk carriers which charter are on spot rate.

(ii) Fee Income

	3 months ended 31 March		
Breakdown of Fee Income:	**2019 US$'000**	**2018 US$'000**	**% Change**
Asset management & administration fee	730	490	49%
Arrangement and agency fee	585	1,737	(66%)
Brokerage commission	788	106	N/M
Incentive fee	433	76	N/M
	2,536	2,409	5%

Total fee income increased by 5% to $2.5 million in 1Q2019 from $2.4 million in 1Q2018. Asset management and administration fee increased due to more assets under management in Japan. Less arrangement deals completed in 1Q2019 resulted in a decrease in arrangement and agency fee, while more brokerage transactions in 1Q2019 resulted in an increase in brokerage commission. Incentive fees earned by subsidiary Uni-Asia Capital (Japan) from managing Japan property projects increased to $0.4 million in 1Q2019.

(iii) Hotel Income

Number of rooms under operations were 2,667 for 1Q2019 as compared to 2,004 for 1Q2018. Hotel income increased by 45% from $12.8 million in 1Q2018 to $18.6 million in 1Q2019 due to more rooms under operations in 1Q2019.

(iv) Investment Returns

Breakdown of Investment Returns:	3 months ended 31 March 2019 US$'000	 2018 US$'000	 % Change
Realised gain on investments			
- shipping	274	64	N/M
- small residential property developments	58	84	(31%)
Property rental income	192	144	33%
Fair value adjustment on investment property	491	-	N/M
Fair value adjustment on investments			
- shipping	-	(1,381)	N/M
- commercial office building	352	(37)	N/M
- small residential property developments	71	(11)	N/M
- listed shares	140	285	(51%)
- others	(4)	-	N/M
Net loss on derivative financial instruments	-	(45)	N/M
	1,574	(897)	N/M

Investment returns for 1Q2019 was a gain of $1.6 million compared to a loss of $0.9 million for 1Q2018. Contributions from realised gain of ship and property investments, and fair valuation gain of property investments contributed to positive investment returns for 1Q2019.

Total Operating Expenses

The Group's employee benefit expenses and hotel operating lease expenses increased by 11% and 47% respectively in 1Q2019 compared to 1Q2018 due to 16 hotels under operations in 1Q2019 compared to 11 hotels in 1Q2018.

All long term hotel and ship leases of the Group are accounted according to *IFRS 16 Leases*. The effects on the adoption of IFRS 16 are set out in Note 5 above. This has resulted in depreciation of right-of-use assets of $5.2 million in the current quarter and decrease in hotel operating lease expenses by $2.4 million from $4.1 million in 1Q2018 to $1.7million in 1Q2019. Hotel operating lease expenses are in respect of leases of the Group that are outside the scope of IFRS 16.

In 1Q2019, the Group disposed of a hotel held as PPE through a consolidated Godo Kaisha entity. The disposal resulted in a gain of $4.2 million which was recognised as gain on disposal of PPE.

Due to the above factors, the Group's net operating expenses increased by 18% for 1Q2019 compared to 1Q2018.

Operating Profit

Operating profit of the Group increased by 57% from $5.2 million for 1Q2018 to $8.1 million for 1Q2019.

Finance costs and other costs

Interest on borrowings was $1.4 million for both 1Q2019 and 1Q2018.

Following the adoption of *IFRS 16 Leases*, the Group has to recognise lease interest for the lease liabilities recognised on the balance sheet in accordance to IFRS 16. The Group recognised a lease interest expense of $1.2 million in 1Q2019 which was not needed in 1Q2018.

The share of profit of $1.6 million to Tokumei Kumiai investors are similar to the allocation of profit to non-controlling interest, but for Godo Kaisha structure in Japan. The increase is mainly due to sharing of profit following disposal of PPE as mentioned above.

Net Profit After Tax

The Group posted a net profit after tax of $3.7 million for 1Q2019, a 10% increase from $3.3 million in 1Q2018.

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

Not applicable. The Group has not provided a forecast.

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

Dry Bulk
2019 began on a disappointing note for dry bulk market compounded by seasonal and non-seasonal factors including Vale dam disaster in Brazil in January 2019 and Cyclone Veronica in Australia. However, bulkcarrier fleet supply growth could be limited by the forthcoming IMO 2020 sulphur cap as bulkcarriers dry dock for scrubber retrofit. The dry bulk market outlook is mixed but the Group is cautiously optimistic that dry bulk market will pick up seasonally from the current lows.

Hong Kong Property
While Hong Kong commercial market may experience occasional short term fluctuations, medium to long-term demand for Hong Kong commercial property appears positive given Hong Kong's position as a business gateway to mainland China aided by the increasingly connected infrastructure network from Hong Kong to mainland China. The Group will continue to explore opportunities in Hong Kong property market.

Japan Residential Property
Tokyo residential property market remains robust. The Group monitors the Tokyo residential market carefully and selects investment sites for our ALERO projects prudently so as to maximise returns while minimising risks to the Group. On the other hand, the Group is exploring various property asset management opportunities in Japan to expand new income source.

Hotel Operation
Japan's 10-day imperial succession Golden Week holiday, upcoming Rugby World Cup and Tokyo 2020 Olympics are some positive factors for Japan's hospitality industry. On the other hand, there are signs of oversupply of hotel rooms in areas such as Kyoto. The Group is working to capitalise on Hotel Vista brand name and good service standards to deliver good returns from hotel operations.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended by the Directors for the first quarter ended 31 March 2019. As announced on 8 April 2019, the Group intends to pay out dividend semi-annually following announcement of 2Q2019 results. In the meantime, the Group intends to deploy its cash reserves for the purposes of the Group's investments and operations.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	**Aggregate value of all interested person transactions conducted under the Shareholders' Mandate (excluding transactions less than S$100,000) pursuant to Rule 920** **US$'000**
Yamasa Co., Ltd (and its associates)	367.2

14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

BY THE ORDER OF THE BOARD
Michio Tanamoto
Chairman and CEO
15 May 2019

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

On behalf of the Board of Directors of the Company, I, the undersigned, hereby confirm to the best of my knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 31 March 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Michio Tanamoto
Chairman and CEO

Date: 15 May 2019