



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

PRESS RELEASE -- FOR IMMEDIATE RELEASE

Uni-Asia reports 10% increase in 1Q2019 net profit to US\$3.7 million

- Total income increased by 26% to US\$32.2 million, due to better investment returns and increase in hotel income in 1Q2019
- Group's net profit after tax increased by 10% from 1Q2018 notwithstanding that the bottomline has been negatively impacted by the adoption of IFRS16

Singapore, 15 May 2019 – 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 ended 31 March 2019 (“1Q2019”).

Financial Highlights	1Q2019	1Q2018	Chg
	US\$'000	US\$'000	%
Total Income	32,213	25,550	26
Total Operating Expenses	(24,116)	(20,397)	18
Operating Profit	8,097	5,153	57
Operating Profit Margin	25.1%	20.2%	4.9ppts*
Net Profit After Tax	3,655	3,316	10
Profit Attributable to Owners of Parent Company	3,483	3,182	9
Basic Earnings Per Share (US cents) ***	7.41	6.77	9

*ppts: percentage points

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

1Q2019 FINANCIAL REVIEW

Total income for the Group increased by 26% from US\$25.6 million in 1Q2018 to US\$32.2 million in 1Q2019. The growth was primarily attributable to the increase in hotel income and better investment returns.

Revenue	1Q2019 US\$'000	1Q2018 US\$'000	Chg %
Charter Income	9,102	10,184	(11)
Fee Income	2,536	2,409	5
Hotel Income	18,609	12,826	45
Investment Returns	1,574	(897)	NM*
Interest Income	223	201	11
Other Income	169	827	(80)
Total Income	32,213	25,550	26

*NM – not meaningful

(i) Charter Income

Charter income decreased by 11% from US\$10.2 million in 1Q2018 to US\$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 one vessel was disposed in April 2018. In addition, the overall dry bulk market was weak in 1Q2019 due to several factors including the Brazilian dam disaster, and the weakness in grain trade and the lower steel production in Japan in January and February¹. The weak dry bulk market in 1Q2019 affected two older 28k dwt dry bulk carriers which were on spot charter.

(ii) Fee Income

Total fee income increased by 5% from US\$2.4 million in 1Q2018 to US\$2.5 million in 1Q2019, as asset management and administration fee and brokerage commission income increased. Less arrangement deals completed in 1Q2019 resulted in a decrease in arrangement and agency fee. Incentive fees earned by subsidiary Uni-Asia Capital (Japan) from managing Japan property projects increased to US\$0.4 million in 1Q2019.

(iii) Hotel Income

Hotel income increased by 45% from US\$12.8 million in 1Q2018 to US\$18.6 million in 1Q2019, as hotel rooms under operations increased. In 1Q2019, the Group had 16 hotels (2,667 rooms) under operations compared to 11 hotels (2,004 rooms) in 1Q2018.

(iv) Investment Returns

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

¹ <https://tradingeconomics.com/japan/steel-production>

Total Operating Expenses

The Group's total operating expenses increased by 18% from US\$20.4 million in 1Q2018 to US\$24.1 million in 1Q2019. The increase was primarily due to higher employee benefits expenses and hotel operating lease expenses as the number of hotel rooms under operations increased.

All long term hotel and ship leases of the Group are accounted according to IFRS 16 Leases. 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 US\$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 was US\$8.1 million for 1Q2019, an improvement of operating margin from 20.2% in 1Q2018 to 25.1% in 1Q2019

Net Profit after Tax

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

Net Asset Value

As of 31 March 2019, the Group's Net Asset Value ("**NAV**") per share was US\$2.72², compared to US\$2.84 of 31 December 2018.

OUTLOOK

Dry Bulk

The dry bulk market remained weak as it entered 2019, and the sentiment was compounded by seasonal and non-seasonal factors including Vale dam disaster in Brazil in January 2019 and Cyclone Veronica in Australia. However, bulk carrier fleet supply growth could be limited by the forthcoming IMO 2020 sulphur cap as bulk carriers drydock for scrubber retrofit. Although the outlook for the dry bulk market is mixed, 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.

² Based on the weighted average of 46,979,280 ordinary shares in issue for 1Q2019 and FY2018

Japan Residential Property

Tokyo residential property market remains robust. The Group monitors the Tokyo residential market carefully and selects investment sites for its ALERO projects prudently so as to maximise returns while minimising risks to the Group. The Group is also 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 optimise the returns from hotel operations.

Bonus Issue

As part of the Group's efforts to reward shareholders, Uni-Asia announced today a 1 for 2 bonus shares issue aimed at rewarding shareholders and to enhance trading liquidity for Uni-Asia shares.

Total number of shares is to increase from 52.4 million to 78.6 million

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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

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