



UNI-ASIA GROUP LIMITED

Company Registration No: 201801284Z
Incorporated in the Republic of Singapore

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR 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.

	Note	4 th Quarter ("4Q")			Full year ("FY")		
		2019 US\$'000	2018 US\$'000	% Change	2019 US\$'000	2018 US\$'000	% Change
Charter income	8(i)	9,096	10,239	(11%)	36,525	39,644	(8%)
Fee income	8(ii)	2,051	1,314	56%	7,790	7,003	11%
Hotel income	8(iii)	20,803	20,419	2%	81,244	68,587	18%
Investment returns	8(iv)	633	4,973	(87%)	8,776	5,760	52%
Interest income		321	226	42%	1,052	866	21%
Other income		251	71	N/M	625	1,421	(56%)
Total income		33,155	37,242	(11%)	136,012	123,281	10%
Employee benefits expenses		(5,482)	(5,630)	(3%)	(20,333)	(18,764)	8%
Amortisation and depreciation		(2,602)	(2,565)	1%	(10,508)	(10,423)	1%
Depreciation of right-of-use assets ¹		(5,931)	-	N/M	(21,938)	-	N/M
Vessel operating expenses		(4,727)	(4,699)	1%	(17,727)	(18,621)	(5%)
Hotel lease expenses		(1,600)	(7,321)	(78%)	(8,194)	(23,450)	(65%)
Hotel operating expenses		(9,513)	(9,024)	5%	(37,120)	(31,802)	17%
Gain/ (loss) on disposal of property, plant and equipment		6	(1)	N/M	4,265	113	N/M
(Impairment)/ reversal of impairment of property, plant and equipment		-	(3,068)	(100%)	-	24	(100%)
Provision for onerous contract		-	(2,957)	(100%)	-	(2,957)	(100%)
Net foreign exchange gain/ (loss)		149	(396)	(138%)	(117)	(204)	(43%)
Other expenses		(1,086)	(1,554)	(30%)	(4,693)	(5,338)	(12%)
Total operating expenses		(30,786)	(37,215)	(17%)	(116,365)	(111,422)	4%
Operating profit		2,369	27	N/M	19,647	11,859	66%
Finance costs – interest expense		(1,249)	(1,423)	(12%)	(5,314)	(5,815)	(9%)
Finance costs – lease interest ¹		(1,245)	-	N/M	(4,739)	-	N/M
Finance costs – others		(47)	(88)	(47%)	(319)	(424)	(25%)
Share of results of an associate		5	-	N/M	(5)	-	N/M
Allocation to Tokumei Kumiai ² investors		41	(582)	(107%)	(1,794)	(1,267)	42%
(Loss)/ profit before tax		(126)	(2,066)	(94%)	7,476	4,353	72%
Income tax expense		(694)	(217)	N/M	(871)	(433)	101%
(Loss)/ profit for the period/ year		(820)	(2,283)	(64%)	6,605	3,920	68%
Attributable to:							
Owners of the parent		(858)	(3,721)	(77%)	5,848	1,234	N/M
Non-controlling interests		38	1,438	(97%)	757	2,686	(72%)
		(820)	(2,283)	(64%)	6,605	3,920	68%

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.

	4 th Quarter ("4Q")			Full year ("FY")		
	2019 US\$'000	2018 US\$'000	% Change	2019 US\$'000	2018 US\$'000	% Change
(Loss)/ profit for the period/ year	(820)	(2,283)	(64%)	6,605	3,920	68%
Other comprehensive income/ (expense) for the period/ year, net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	(63)	628	(110%)	241	97	148%
Net movement on cash flow hedges	68	(964)	(107%)	(1,299)	(264)	N/M
Other comprehensive income/ (expense) for the period/ year, net of tax	5	(336)	(101%)	(1,058)	(167)	N/M
Total comprehensive (expense)/ income for the period/ year	(815)	(2,619)	(69%)	5,547	3,753	48%
Attributable to:						
Owners of the parent	(831)	(4,024)	(79%)	4,902	1,111	N/M
Non-controlling interests	16	1,405	(99%)	645	2,642	(76%)
	(815)	(2,619)	(69%)	5,547	3,753	48%

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 December 2019 US\$'000	31 December 2018 US\$'000	31 December 2019 US\$'000	31 December 2018 US\$'000
ASSETS				
Non-current assets				
Investment properties	16,397	16,248	-	-
Investments	20,026	28,914	-	-
Investment in subsidiary	-	-	110,457	109,276
Investment in associate	27	-	-	-
Intangible assets	3	25	-	-
Property, plant and equipment	170,003	177,893	6	-
Right-of-use assets	294,201	-	340	-
Rental deposit	6,964	7,083	-	-
Derivative financial instruments	-	209	-	-
Finance lease receivable	-	7,397	-	-
Accounts receivable	-	730	-	-
Deferred tax assets	209	120	-	-
Total non-current assets	507,830	238,619	110,803	109,276
Current assets				
Investments	1,945	9,204	-	-
Loans receivable	950	51	-	-
Derivative financial instruments	42	473	-	-
Finance lease receivable	7,580	393	-	-
Accounts receivable	7,381	6,434	-	-
Amount due from subsidiary	-	-	3,428	2,001
Prepayments, deposits and other receivables	8,497	9,700	328	390
Tax recoverable	945	229	-	-
Assets held for sale	-	22,423	-	-
Deposits pledged as collateral	2,819	3,236	-	-
Cash and bank balances	56,089	43,462	2,850	948
Total current assets	86,248	95,605	6,606	3,339
Total assets	594,078	334,224	117,409	112,615

NOTES:

The Group's non-current assets increased by \$269.2 million from \$238.6 million on 31 December 2018 to \$507.8 million on 31 December 2019. This was mainly due to:

- 1) Recognition of right-of-use assets of \$294.2 million as at 31 December 2019 following the adoption of *IFRS 16 Leases* on 1 January 2019; offset by
- 2) Decrease in investments of \$8.9 million mainly due to receipt of investment proceeds from the 3rd Hong Kong property investment project;
- 3) Decrease in property, plant and equipment of \$7.9 million due to depreciation offset by addition to property, plant and equipment; and
- 4) Re-classification of finance lease receivable of \$7.4 million and long term accounts receivable of \$0.7 million from non-current to current in accordance with the terms of the finance lease and accounts receivable.

Current assets decreased by \$9.4 million from \$95.6 million on 31 December 2018 to \$86.2 million on 31 December 2019. The decrease in current assets was mainly due to:

- 1) Decrease in investments of \$7.3 million due mainly to receipt of investment proceeds from 2nd Hong Kong property investment project;
- 2) Disposal of asset held for sale in 1Q2019 which balance was \$22.4 million as at 31 December 2018; and offset by:
- 3) Increase in loan receivable by \$0.9 million due to short-term loans provided to ship investments;
- 4) Above-mentioned finance lease receivable and accounts receivable re-classified to current assets as at 31 December 2019.

	Group		Company	
	31 December 2019 US\$'000	31 December 2018 US\$'000	31 December 2019 US\$'000	31 December 2018 US\$'000
EQUITY				
Equity attributable to owners of the parent				
Share capital	113,174	109,276	113,174	109,276
Retained earnings	14,055	18,667	2,470	3,035
Hedging reserve	(487)	695	-	-
Exchange reserve	1,734	1,498	-	-
Capital reserve	(2,877)	(2,899)	-	-
Total equity attributable to owners of the parent	125,599	127,237	115,644	112,311
Non-controlling interests	469	6,095	-	-
Total equity	126,068	133,332	115,644	112,311
LIABILITIES				
Non-current liabilities				
Borrowings	71,289	111,525	-	-
Lease liabilities	286,212	-	171	-
Derivative financial instruments	579	306	-	-
Deferred tax liabilities	502	510	-	-
Other payables	82	79	-	-
Provision for onerous contract	-	3,659	-	-
Total non-current liabilities	358,664	116,079	171	-
Current liabilities				
Borrowings	71,287	69,193	743	-
Lease liabilities	23,685	-	180	-
Due to Tokumei Kumiai investors	1,194	2,307	-	-
Derivative financial instruments	496	192	-	-
Accounts payable	4,002	4,204	-	-
Amount due to subsidiary	-	-	265	10
Other payables and accruals	8,012	7,666	406	294
Provision for onerous contract	-	1,033	-	-
Income tax payable	670	218	-	-
Total current liabilities	109,346	84,813	1,594	304
Total liabilities	468,010	200,892	1,765	304
Total equity and liabilities	594,078	334,224	117,409	112,615

NOTES:

Total liabilities increased by \$267.1 million from \$200.9 million on 31 December 2018 to \$468.0 million on 31 December 2019 mainly due to the impact of adoption of *IFRS 16 Leases* from 1 January 2019 offset by decrease in borrowings, as well as amount due to Tokumei Kumiai investors. With the adoption of *IFRS 16 Leases* from 1 January 2019, non-current lease liabilities of \$286.2 million and current lease liabilities of \$23.7 million were added to the balance sheet. 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 December 2019 was \$142.6 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 in 1Q2019 and other repayments, and is part of the Group's effort in managing the Group's gearing.

Current liabilities exceeded current assets by \$23.1 million as at 31 December 2019 mainly due to the inclusion of \$23.7 million current lease liabilities due to adoption of *IFRS 16*, the exclusion of which will result in a positive working capital.

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

	As at 31 December 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	53,158	18,129	55,857	13,336
Amount repayable after one year	64,652	6,637	99,839	11,686
Total	117,810	24,766	155,696	25,022

Details of any collateral

The Group's borrowings as at 31 December 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.

	Note	Full year	
		2019 US\$'000	2018 US\$'000
Cash flows from operating activities			
Profit before tax		7,476	4,353
Adjustments for:			
Investment returns		(8,776)	(5,760)
Amortisation and depreciation		10,508	10,423
Depreciation of right-of-use assets		21,938	-
Gain on disposal of property, plant and equipment		(4,265)	(113)
Reversal of impairment of property, plant and equipment		-	(24)
Provision for onerous contract		-	2,957
(Reversal of allowance)/ allowance for accounts receivable		(30)	15
Net foreign exchange loss		117	204
Interest income		(1,052)	(866)
Finance costs – interest expense		5,314	5,815
Finance costs – lease interest		4,739	-
Finance costs – others		319	424
Share of results of an associate		5	-
Allocation to Tokumei Kumiai investors		1,794	1,267
Operating cash flows before changes in working capital		38,087	18,695
Changes in working capital:			
Net change in accounts receivable		(151)	(1,525)
Net change in prepayments, deposits and other receivables		(132)	(196)
Net change in accounts payable		(199)	141
Net change in other payables and accruals		2,561	(668)
Cash flows generated from operations		40,166	16,447
Interest received on bank balances		401	298
Tax (paid)/ reimbursed		(1,224)	254
Net cash flows generated from operating activities	[A]	39,343	16,999
Cash flows from investing activities			
Purchase of investment properties		(7,709)	(10,257)
Purchase of investments		(7,005)	(17,480)
Proceeds from sale of investment properties		9,082	11,581
Proceeds from redemption/ sale of investments		13,500	23,487
Deconsolidation of consolidated entities		(2,306)	(19)
Proceeds from finance lease		354	371
Hotel lease deposit		(115)	(2,326)
Deposits refund/ (paid) for small residential projects		527	(90)
Purchase of property, plant and equipment		(2,846)	(1,297)
Proceeds from disposal of property, plant and equipment		27,841	14,393
Net redemption from Tokumei Kumiai investors		(1,490)	(1,108)
Net loans advanced		(899)	(51)
Interest received from loans and finance lease		585	502
Net decrease in deposits pledged as collateral		392	505
Income proceeds from investments		13,424	16,346

	Note	Full year	
		2019 US\$'000	2018 US\$'000
Settlement of derivative financial instruments		(9)	(12)
Proceeds from property rental		566	860
Net cash flows generated from investing activities	[B]	43,892	35,405
Cash flows from financing activities			
Net proceeds from issue of shares		3,998	-
Proceeds from borrowings		13,604	16,015
Repayment of borrowings		(50,599)	(53,710)
Interests and other finance cost paid on borrowings		(5,514)	(5,740)
Lease principal paid		(20,664)	-
Lease interest paid		(4,739)	-
Dividend paid		(3,826)	(2,218)
Payment to non-controlling interest		(3,297)	(4,152)
Net cash flows used in financing activities	[C]	(71,037)	(49,805)
Net increase in cash and bank balances		12,198	2,599
Movements in cash and bank balances:			
Cash and bank balances at beginning of the year		43,462	40,556
Net increase in cash and bank balances		12,198	2,599
Effects of foreign exchange rate changes, net		429	307
Cash and bank balances at end of the year		56,089	43,462

NOTES:

The Group's cash and bank balances increased by \$12.6 million in FY2019 after the effects of foreign exchange rate changes mainly due to the followings:

[A] Cash flows generated from operating activities amounted to \$39.3 million for FY2019 compared to \$17.0 million for FY2018. 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 were 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 \$43.9 million for FY2019.

Main cash inflows from investing activities include:

- i) proceeds from disposal of a hotel which was classified under property, plant and equipment of \$27.8 million;
- ii) proceeds from redemption/sale of investments of \$13.5 million, of which \$8.5 million pertained to Hong Kong property investment projects, \$2.9 million pertained to small residential property projects (ALERO projects), and \$2.1 million pertained to ship investment;
- iii) proceeds from sale of investment properties (ALERO projects) of \$9.1 million; and
- iv) income proceeds from investments of \$13.4 million, of which \$13.2 million pertain to dividend proceeds from Hong Kong property investment projects.

Main cash outflows from investing activities include:

- i) investment in investment properties (ALERO projects) of \$7.7 million;
- ii) purchase/ additional funding of investments of \$7.0 million;
- iii) purchase of property, plant and equipment of \$2.8 million mainly pertained to capitalised dry-docking expenses;
- iv) cash outflow of \$2.3 million as a result of deconsolidation of consolidated Godo Kaisha entities;
- v) net redemption from Tokumei Kumiai investors of \$1.5 million from ALERO investments; and
- vi) net loans advance of \$0.9 million.

[C] Cash flows used in financing activities were \$71.0 million in FY2019.

Main cash outflows from financing activities include:

- i) repayments of borrowings offset by new borrowings in FY2019; and
- ii) fixed lease payments classified as lease principal paid (amounting to \$20.7 million) and lease interest paid (amounting to \$4.7 million) under cash flows from financing activities in FY2019 following the adoption of *IFRS 16 Leases*;
- iii) dividend of \$3.8 million paid of which \$2.7 million pertained to final dividend for FY2018 paid in 2Q2019 and \$1.1 million pertained to interim dividend for FY2019 paid in 3Q2019; and
- iv) payment to non-controlling interest of \$3.3 million.

On 4 April 2019, the Company allotted and issued 5,420,720 new ordinary shares of the Company 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 partially reduces the cash outflows from financing activities.

Use of proceeds from private placement

As at the date of this results announcement, the company has utilised all the proceeds from the above-mentioned private placement in relation to small residential property development projects in Tokyo under the brand name of ALERO and the Group's seventh Hong Kong property investment project. Please refer to the Company's announcements dated 15 July 2019 and 9 January 2020.

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: Uni-Asia Group Limited	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 <i>IFRS 9</i>	-	(15)	-	-	-	(15)	-	(15)
Profit for the year	-	1,234	-	-	-	1,234	2,686	3,920
Other comprehensive (expense)/ income	-	-	(248)	125	-	(123)	(44)	(167)
Total comprehensive income/ (expense)	-	1,234	(248)	125	-	1,111	2,642	3,753
Distribution to owners - Dividend in respect of 2017	-	(2,218)	-	-	-	(2,218)	-	(2,218)
Transfer to capital reserve	-	(8)	-	-	8	-	-	-
Payment to non-controlling interests	-	-	-	-	-	-	(4,153)	(4,153)
At 31 December 2018	109,276	18,667	695	1,498	(2,899)	127,237	6,095	133,332
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 <i>IFRS 16</i>	-	(8,707)	-	-	-	(8,707)	(32)	(8,739)
Profit for the year	-	5,848	-	-	-	5,848	757	6,605
Other comprehensive (expense)/ income	-	-	(1,182)	236	-	(946)	(112)	(1,058)
Total comprehensive income/ (expense)	-	5,848	(1,182)	236	-	4,902	645	5,547
Shares issued	3,898	-	-	-	-	3,898	-	3,898
Acquisition of additional interests in subsidiaries	-	2,103	-	-	-	2,103	(2,941)	(838)
Distribution to owners - FY2018 dividend	-	(2,693)	-	-	-	(2,693)	-	(2,693)
FY2019 interim dividend	-	(1,141)	-	-	-	(1,141)	-	(1,141)
Transfer to capital reserve	-	(22)	-	-	22	-	-	-
Payment to non-controlling interests	-	-	-	-	-	-	(3,298)	(3,298)
At 31 December 2019	113,174	14,055	(487)	1,734	(2,877)	125,599	469	126,068

Company	Share capital US\$'000	Retained earnings US\$'000	Total equity US\$'000
At 1 January 2018	109,276	2,332	111,608
Profit for the year	-	2,921	2,921
Total comprehensive income	-	2,921	2,921
Distribution to owners - Dividend in respect of 2017	-	(2,218)	(2,218)
At 31 December 2018	109,276	3,035	112,311
At 1 January 2019	109,276	3,035	112,311
Profit for the year	-	3,269	3,269
Total comprehensive income	-	3,269	3,269
Shares issued	3,898	-	3,898
Distribution to owners – FY2018 dividend	-	(2,693)	(2,693)
Distribution to owners – FY2019 interim dividend	-	(1,141)	(1,141)
At 31 December 2019	113,174	2,470	115,644

- 1 (d) (ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

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.

Subsequent to the completion of the placement, the Company allotted and issued 26,199,987 additional new ordinary shares of the Company on 7 June 2019 in connection with a one-for-two bonus issue undertaken by the Company which resulted in a further increase in the total number of issued ordinary shares of the Company from 52,400,000 ordinary shares to 78,599,987 ordinary shares. For further details on the bonus issue, please refer to the Company's announcements on 15 May 2019, 19 May 2019, 24 May 2019 and 7 June 2019.

The Company did not have any convertibles, treasury shares or subsidiary holdings held against the total number of shares outstanding in a class that is listed as at 31 December 2019 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 December 2019	As at 31 December 2018
Total number of issued shares	78,599,987	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.

- 1 (d) (v) **A statement showing all sales, transfers, disposal, cancellation and/ or use of subsidiary holdings 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 December 2019 and income statement for the period ended 31 December 2019.

	US\$'000
Balance sheet:	
Non-current assets	
Right-of-use assets	294,201
Non-current liabilities	
Lease liabilities	286,212
Current liabilities	
Lease liabilities	23,685
Income statement:	
Depreciation of right-of-use assets	21,938
Finance costs – lease interest	4,739

An adjustment of \$8.7 million was made to the beginning retained earnings as at 1 January 2019.

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.

	4th Quarter			Full year		
	2019	Adjusted 2018 ⁽¹⁾	2018	2019	Adjusted 2018 ⁽¹⁾	2018
(Loss)/ profit attributable to owners of the parent (US\$'000)	(858)	(3,721)	(3,721)	5,848	1,234	1,234
Weighted average number of ordinary shares in issue ('000)	78,600	70,469	46,979	76,528	70,469	46,979
(Losses)/ earnings per share (US cents per share) - basic and diluted	(1.09)	(5.28)	(7.92)	7.64	1.75	2.63

⁽¹⁾ Numbers are adjusted for weighted average number of ordinary shares in issue and earnings per share. The adjusted number is based on or is calculated based on the weighted average number of shares after adjusting for bonus issue.

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 December 2019	31 December 2018
Net asset value per ordinary share based on issued share capital (in US\$)	1.60 ⁽¹⁾	2.84 ⁽²⁾

⁽¹⁾ Based on issued share capital of 78,599,987 issued shares as at 31 December 2019.

⁽²⁾ Based on issued share capital of 46,979,280 issued shares as at 31 December 2018.

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 of the Group was \$136.0 million for FY2019, a 10% increase from FY2018. 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 8% from \$39.6 million in FY2018 to \$36.5 million in FY2019. The total number of wholly-owned/majority-owned ships contributing to the Group's charter income for the first 3 months of 2019 was 11 compared to 12 during the first 3 months of 2018 as a vessel was disposed in April 2018. Although the number of wholly-owned/majority-owned ships contributing to the Group's charter income was 11 for the next 9 months of both 2019 and 2018, dry bulk market deteriorated badly during 2019, and the average 2019 dry bulk shipping market was weaker than 2018. In addition, scheduled maintenance dry-docking of some of the Group's ships reduced the charter hire days and hence charter income. The charter for the Group's sole wholly-owned containership was also weaker in FY2019 compared to FY2018 due to uncertainties arising from trade war in FY2019.

(ii) Fee Income

Breakdown of Fee Income:	4Q			FY		
	2019 US\$'000	2018 US\$'000	% Change	2019 US\$'000	2018 US\$'000	% Change
Asset management and administration fee	863	756	14%	3,175	2,575	23%
Arrangement and agency fee	1,007	317	N/M	2,799	3,458	(19%)
Brokerage commission	141	159	(11%)	1,264	537	135%
Incentive fee	40	82	(51%)	552	433	27%
	2,051	1,314	56%	7,790	7,003	11%

Total fee income at \$7.8 million for FY2019 represented an 11% increase from FY2018. Asset management and administration fee increased by 23% to \$3.2 million mainly due to increase in assets under management of the Group's property asset management subsidiary, Uni-Asia Capital (Japan) Limited ("UACJ"). Arrangement and agency fee for FY2019 at \$2.8 million was less than FY2018 by 19% due to less arrangement deal transactions in FY2019. The increase in brokerage commission to \$1.3 million in FY2019 from \$0.5 million in FY2018 was due to more brokerage commission deals closed in FY2019. Incentive fees earned by subsidiary UACJ from meeting targets in managing Japan property projects increased by 27% to \$0.6 million in FY2019.

(iii) Hotel Income

Hotel income increased by 18% from \$68.6 million in FY2018 to \$81.2 million in FY2019. Average occupancy rates for the Group's hotels increased to 83.3% for FY2019 compared to 80.5% for FY2018. Average daily room rate for FY2019 increased by 3.0% compared to FY2018.

(iv) Investment Returns

Breakdown of Investment Returns:	4Q			FY		
	2019 US\$'000	2018 US\$'000	% Change	2019 US\$'000	2018 US\$'000	% Change
Realised gain on investment properties	2	1,154	(100%)	1,319	2,417	(45%)
Realised gain on investments						
- shipping	29	64	(55%)	509	472	8%
- commercial office building	4,241	-	N/M	6,181	-	N/M
- small residential property developments	(5)	45	(111%)	125	186	(33%)
- distressed asset	-	-	N/M	-	1,182	(100%)
- listed shares	-	-	N/M	26	18	44%
Property rental income	131	209	(37%)	586	839	(30%)
Fair value adjustment on investments						
- shipping	(618)	(2,992)	(79%)	(618)	(9,245)	(93%)
- commercial office building	(3,854)	6,284	(161%)	(53)	9,336	(101%)
- small residential property developments	570	467	22%	496	736	(33%)
- distressed asset	100	-	N/M	100	-	N/M
- listed shares	37	(267)	(114%)	114	(149)	(177%)
Net gain/ (loss) on derivative financial instruments	-	9	(100%)	(9)	(32)	(72%)
	633	4,973	(87%)	8,776	5,760	52%

Investment returns for FY2019 was a gain of \$8.8 million compared to \$5.8 million for FY2018.

Realised gain on investment properties was \$1.3 million for FY2019.

Realised gain from ship and property investments contributed \$6.8 million to investment returns for FY2019.

Total Operating Expenses

The Group's employee benefits expenses and hotel operating expenses increased by 8% and 17% respectively in FY2019 compared to FY2018. With increased business activities as the new hotels which opened between April 2018 and August 2018 (towards end of 4Q2018) became more established in 2019, more expenses were incurred. In addition, one new hotel started operation in December 2019. The total number of hotel rooms available for sale (i.e. room inventory) had increased from around 848 thousand rooms during FY2018 to around 938 thousand rooms during FY2019.

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 \$21.9 million in FY2019 and decrease in hotel lease expenses by 65% from \$23.5 million in FY2018 to \$8.2 million in FY2019. Hotel lease expenses are in respect of those leases of the Group that are outside the scope of *IFRS 16*.

In FY2019, the Group disposed of a hotel held as PPE through a consolidated Godo Kaisha entity. The disposal resulted in a gain of \$4.3 million which was recognised as gain on disposal of PPE.

Due to the above factors, the Group's net operating expenses increased by 4% for FY2019 compared to FY2018.

Operating Profit

Operating profit of the Group increased by 66% from \$11.9 million for FY2018 to \$19.6 million for FY2019.

Finance costs and other costs

Interest on borrowings was \$5.3 million for FY2019, a 9% decrease from FY2018 as the Group pared down borrowings in FY2019.

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 \$4.7 million in FY2019. No lease interest expense was recorded in FY2018 as the Group adopted *IFRS 16* on 1 January 2019.

The allocation of profit of \$1.8 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 \$6.6 million for FY2019, a 68% increase from \$3.9 million in FY2018.

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.

COVID-19 Epidemic

The COVID-19 epidemic has caused global fear and anxiety. While it is still unclear the extent to which the global business environment will be impacted, it is certain that there would be negative impact to the global economy which will affect the Group's different business segments to various degree.

Shipping

As COVID-19 epidemic disrupts travelling to and from China, global shipping market would be adversely affected as China is a major player in the import and export of commodities and finished goods. In addition, other than China, many countries have set up stricter requirements and checks on ships entering their ports and shipyards. The Group's ship management arm has put in place procedures to protect the Group's shipping crew. Meanwhile, charter and resale markets face tough times ahead especially if the epidemic prolongs.

Hong Kong Property

Prior to the COVID-19 epidemic, Hong Kong had already been bracing itself for a tough 2020 due to continuation of anti-extradition bill protests. As the Group's investment horizon in Hong Kong commercial property projects is mid to long term, and the Group has realised gains from the 2nd and 3rd projects during the past years, the Group would be able to take some time to assess the Hong Kong's commercial property market situation before deciding on the timing of exit.

Japan Residential Property

Tokyo residential property market was robust before the COVID-19 epidemic. It is unclear if the epidemic would affect this market. Meanwhile, this is one of the main business focus of the Group for 2020.

Hotel Operation

The Group's hotel operation is the business segment most badly affected by the epidemic. Changes in travel patterns will gravely affect the Group's hotel operation bottomline. In 2019, approximately 68% of the hotel guests were from Japan, 7.1% from mainland China, and 24.9% from other countries. While the Group is strategising and considering all options to get better returns from hotel operation in 2020 and beyond, hotel operation is not expected to do well in 2020 especially if the epidemic prolongs.

11 Dividend

The Directors are pleased to announce that a final dividend of 2.2 Singapore cents per share has been recommended for the year ended 31 December 2019. Together with the interim dividend of 2.0 Singapore cents per share paid on 27 September 2019, the total dividend for the year ended 31 December 2019 will be 4.2 Singapore cents per share and amounts to approximately S\$3.30 million or US\$2.42 million. This represents approximately 36.7% of the Group's consolidated net profit after tax, in line with the Group's Dividend Policy and Guidance on Dividends as announced on 8 April 2019. The recommended dividends take into consideration the Group's FY2019 profit after tax, present cash position, positive cash flow generated from operations and projected capital requirements. Payment of the final dividend is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

For FY2019:

Name of Dividend	Interim tax exempt (one-tier)	Final tax exempt (one-tier)	Total
Dividend Type	Cash	Cash	Cash
Dividend Per Share	2.0 Singapore cents per ordinary share	2.2 Singapore cents per ordinary share	4.2 Singapore cents per ordinary share
Total Dividend	S\$1.57 million	S\$1.73 million	S\$3.30 million
Payment Date	27 September 2019	21 May 2020	

These financial statements do not reflect the final dividend, which will be accounted for in shareholder's equity as an appropriation of retained earnings in the financial year ending 31 December 2020.

(b) Corresponding period of the Immediately Preceding Financial Year

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

Yes.

For FY2018:

Name of Dividend	Final tax exempt (one-tier)	Special tax exempt (one-tier)	Total
Dividend Type	Cash	Cash	Cash
Dividend Per Share (total number of shares before 2019 bonus issue)	6.25 Singapore cents per ordinary share	0.75 Singapore cents per ordinary share	7.0 Singapore cents per ordinary share
Total Dividend Paid	S\$3.28 million	S\$0.39 million	S\$3.67 million
Payment Date	17 May 2019	17 May 2019	

(c) The date the dividend is payable.

21 May 2020

(d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Up to 5 pm on 11 May 2020

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

Not applicable.

- 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)	2,490.0

- 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.

- 15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segments

The segment results are as follows:

	Shipping			Property and Hotels			HQ US\$'000	Eliminations US\$'000	Total US\$'000
	UAS US\$'000	MAM US\$'000	Maritime Services US\$'000	Property Investment (ex-Japan) US\$'000	Property Investment (in-Japan) US\$'000	Hotel Operations US\$'000			
Year ended									
31 December 2019:									
Total income									
External customers	29,223	10,559	1,290	6,835	5,582	81,434	37	-	134,960
Interest income	125	111	26	150	482	-	158	-	1,052
Inter-segment	-	217	1,116	-	286	33	-	(1,652)	-
	29,348	10,887	2,432	6,985	6,350	81,467	195	(1,652)	136,012
Results									
Amortisation and depreciation	(6,881)	(3,344)	(5)	(1)	(112)	(154)	(24)	13	(10,508)
Depreciation of right-of-use assets	(828)	-	-	-	80	(20,618)	(572)	-	(21,938)
Finance costs – interest expense	(3,397)	(1,078)	-	-	(336)	(91)	(412)	-	(5,314)
Finance costs - lease interest	(440)	-	-	-	(3)	(4,240)	(56)	-	(4,739)
Finance costs – others	(125)	(8)	-	-	(174)	(52)	(2)	42	(319)
Share of results of associates	-	-	-	-	(5)	-	-	-	(5)
Allocation to Tokumei Kumiai investors	-	-	-	-	(1,794)	-	-	-	(1,794)
Profit/ (loss) before tax	3,269	(297)	590	5,803	4,931	(2,208)	(4,657)	45	7,476
Other segment item is as follows:									
Capital expenditure	703	1,241	8	-	7,785	505	6	-	10,248

Legend:

UAS:	Uni-Asia Shipping – the Group's ship owning and chartering business
MAM:	Maritime Asset Management – the Group's ship investment/asset management as well as finance arrangement business
Maritime Services:	The Group's ship commercial/technical management business, as well as ship related brokerage service business
Property Investment (ex-Japan):	The Group's ex-Japan property investment/asset management and related business
Property Investment (in-Japan):	The Group's property investment/asset management and related business in Japan
HQ:	Headquarter expenses

	Shipping			Property and Hotels			HQ US\$'000	Eliminations US\$'000	Total US\$'000
	UAS US\$'000	MAM US\$'000	Maritime Services US\$'000	Property Investment (ex-Japan) US\$'000	Property Investment (in-Japan) US\$'000	Hotel Operations US\$'000			
Year ended 31 December 2018:									
Total income									
External customers	31,291	4,512	930	11,139	5,821	68,709	13	-	122,415
Interest income	116	63	19	93	450	-	125	-	866
Inter-segment	-	257	1,172	-	1,982	639	-	(4,050)	-
	31,407	4,832	2,121	11,232	8,253	69,348	138	(4,050)	123,281
Results									
Amortisation and depreciation	(6,515)	(3,086)	(5)	(1)	(596)	(106)	(127)	13	(10,423)
Impairment of property, plant and equipment	735	(3,048)	-	-	2,281	-	-	56	24
Finance costs – interest expense	(3,476)	(1,099)	-	(168)	(715)	(49)	(319)	11	(5,815)
Finance costs – others	(194)	(26)	-	(22)	(233)	(44)	-	95	(424)
Allocation to Tokumei Kumiai investors	-	-	-	-	(1,267)	-	-	-	(1,267)
Profit/ (loss) before tax	3,227	(9,393)	433	9,620	4,426	617	(4,628)	51	4,353
Other segment item is as follows:									
Capital expenditure	952	-	5	-	10,508	231	4	-	11,700

The segment assets and liabilities are as follows:

	Shipping			Property and Hotels			HQ US\$'000	Eliminations US\$'000	Total US\$'000
	UAS US\$'000	MAM US\$'000	Maritime Services US\$'000	Property Investment (ex-Japan) US\$'000	Property Investment (in-Japan) US\$'000	Hotel Operations US\$'000			
Year ended 31 December 2019:									
Segment assets									
Total assets	148,058	45,256	2,126	30,648	40,950	315,202	14,943	(3,105)	594,078
Segment liabilities									
Total liabilities	90,734	38,391	656	4,797	18,456	318,530	11,358	(14,912)	468,010
Year ended 31 December 2018:									
Segment assets									
Total assets	152,673	48,056	1,992	34,053	65,680	20,701	14,087	(3,018)	334,224
Segment liabilities									
Total liabilities	93,586	37,957	546	17,827	46,159	14,572	9,801	(19,556)	200,892

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

For review of performance, please refer to Note 8.

17 A breakdown of sales as follows:-

	2019 US\$'000	2018 US\$'000	% Change
Total income reported for first half year	67,969	54,649	24%
Profit after tax for first half year	6,751	6,343	6%
Total income reported for second half year	68,043	68,632	(1%)
Loss after tax for second half year	(146)	(2,423)	(94%)

- 18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

Please refer to Note 11(a) and (b).

- 19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13).

BY THE ORDER OF THE BOARD

Michio Tanamoto
Chairman and CEO
28 February 2020