



UNI-ASIA GROUP LIMITED

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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")		
		2018 US\$'000	2017 US\$'000	% Change	2018 US\$'000	2017 US\$'000	% Change
Charter income	8(i)	10,239	10,335	(1%)	39,644	37,828	5%
Fee income	8(ii)	1,314	3,121	(58%)	7,003	7,850	(11%)
Hotel income	8(iii)	20,419	13,609	50%	68,587	48,097	43%
Investment returns	8(iv)	4,973	3,003	66%	5,760	8,451	(32%)
Interest income		226	193	17%	866	788	10%
Other income		71	63	13%	1,421	860	65%
Total income		37,242	30,324	23%	123,281	103,874	19%
Employee benefits expenses		(5,630)	(5,225)	8%	(18,764)	(16,507)	14%
Amortisation and depreciation		(2,565)	(2,601)	(1%)	(10,423)	(10,203)	2%
Vessel operating expenses		(4,699)	(4,936)	(5%)	(18,621)	(17,310)	8%
Hotel lease expenses		(7,321)	(4,689)	56%	(23,450)	(17,028)	38%
Hotel operating expenses		(9,024)	(5,870)	54%	(31,802)	(20,556)	55%
Other expenses		(1,554)	(1,421)	9%	(5,338)	(5,623)	(5%)
(Loss)/ gain on disposal of property, plant and equipment		(1)	-	N/M	113	1	N/M
(Impairment)/ reversal of impairment of property, plant and equipment		(3,068)	(1,000)	207%	24	(1,000)	(102%)
Provision for onerous contract		(2,957)	-	N/M	(2,957)	-	N/M
Net foreign exchange loss		(396)	(54)	N/M	(204)	(260)	(22%)
Total operating expenses		(37,215)	(25,796)	44%	(111,422)	(88,486)	26%
Operating profit		27	4,528	(99%)	11,859	15,388	(23%)
Finance costs – interest expense		(1,423)	(1,363)	4%	(5,815)	(5,347)	9%
Finance costs – others		(88)	(73)	21%	(424)	(299)	42%
Allocation to Tokumei Kumiai ^A investors		(582)	41	N/M	(1,267)	(582)	118%
(Loss)/ profit before tax		(2,066)	3,133	(166%)	4,353	9,160	(52%)
Income tax (expense)/ credit		(217)	45	N/M	(433)	(294)	47%
(Loss)/ profit for the period/ year		(2,283)	3,178	(172%)	3,920	8,866	(56%)
Attributable to:							
Owners of the parent		(3,721)	1,378	N/M	1,234	6,224	(80%)
Non-controlling interests		1,438	1,800	(20%)	2,686	2,642	2%
		(2,283)	3,178	(172%)	3,920	8,866	(56%)

^A 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")		
	2018 US\$'000	2017 US\$'000	% Change	2018 US\$'000	2017 US\$'000	% Change
(Loss)/ profit for the period/ year	(2,283)	3,178	(172%)	3,920	8,866	(56%)
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	628	26	N/M	97	841	(88%)
Net movement on cash flow hedges	(964)	437	N/M	(264)	602	(144%)
Other comprehensive income/ (expense) for the period/ year, net of tax	(336)	463	(173%)	(167)	1,443	(112%)
Total comprehensive income/ (expense) for the period/ year	(2,619)	3,641	(172%)	3,753	10,309	(64%)
Attributable to:						
Owners of the parent	(4,024)	1,817	N/M	1,111	7,662	(85%)
Non-controlling interests	1,405	1,824	(23%)	2,642	2,647	(0%)
	(2,619)	3,641	(172%)	3,753	10,309	(64%)

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 2018 US\$'000	31 December 2017 US\$'000	31 December 2018 US\$'000	31 December 2017 US\$'000
ASSETS				
Non-current assets				
Investment properties	16,248	14,975	-	-
Investments	28,914	27,668	-	-
Investment in subsidiary	-	-	109,276	109,276
Intangible assets	25	27	-	-
Property, plant and equipment	177,893	222,943	-	-
Rental deposit	7,083	4,567	-	-
Derivative financial instruments	209	430	-	-
Finance lease receivable	7,397	7,643	-	-
Accounts receivable	730	885	-	-
Deferred tax assets	120	129	-	-
Total non-current assets	238,619	279,267	109,276	109,276
Current assets				
Investments	9,204	30,302	-	-
Loans receivable	51	-	-	-
Derivative financial instruments	473	177	-	-
Finance lease receivable	393	364	-	-
Accounts receivable	6,434	4,703	-	-
Amount due from subsidiary	-	-	2,001	1,824
Prepayments, deposits and other receivables	9,700	9,950	390	550
Tax recoverable	229	711	-	-
Assets held for sale	22,423	-	-	-
Deposits pledged as collateral	3,236	3,847	-	-
Cash and bank balances	43,462	40,556	948	76
Total current assets	95,605	90,610	3,339	2,450
Total assets	334,224	369,877	112,615	111,726

NOTES:

The Group's non-current assets decreased by \$40.7 million from \$279.3 million on 31 December 2017 to \$238.6 million on 31 December 2018. This was mainly due to:

- 1) Decrease in property, plant and equipment from \$222.9 million on 31 December 2017 to \$177.9 million on 31 December 2018 primarily due to the disposal of a hotel and a ship investment held under property, plant and equipment, and transfer of a hotel from property, plant and equipment to asset held for sale;

Offset by:

- 2) Increase in investment properties from \$15.0 million on 31 December 2017 to \$16.2 million on 31 December 2018 due mainly to additional funding of existing investment properties; and
- 3) Increase in rental deposits from \$4.6 million on 31 December 2017 to \$7.1 million on 31 December 2018 due to rental deposits for new hotels added to the Group's hotel operation portfolio.

Current assets increased by \$5.0 million from \$90.6 million on 31 December 2017 to \$95.6 million on 31 December 2018. In 3Q2018, the Group received capital and partial gain from the second Hong Kong property investment project held under investment in current assets totalling \$29.4 million. Out of this, \$4.2 million was paid to non-controlling interest's share of the second Hong Kong property investment project. The balance of the proceeds were used for the fifth and sixth Hong Kong property investment projects, other investments, repayment of borrowings, as well as held in cash. Separately, a hotel investment with book value of \$22.4 million was earmarked for disposal in 2019 and was re-classified from property, plant and equipment under non-current assets to asset held for sale under current assets.

	Group		Company	
	31 December 2018 US\$'000	31 December 2017 US\$'000	31 December 2018 US\$'000	31 December 2017 US\$'000
EQUITY				
Equity attributable to owners of the parent				
Share capital	109,276	109,276	109,276	109,276
Retained earnings	18,667	19,674	3,035	2,332
Hedging reserve	695	943	-	-
Exchange reserve	1,498	1,373	-	-
Capital reserve	(2,899)	(2,907)	-	-
Total equity attributable to owners of the parent	127,237	128,359	112,311	111,608
Non-controlling interests	6,095	7,606	-	-
Total equity	133,332	135,965	112,311	111,608
LIABILITIES				
Non-current liabilities				
Borrowings	111,525	150,343	-	-
Derivative financial instruments	306	108	-	-
Deferred tax liabilities	510	538	-	-
Other payables	79	77	-	-
Provision for onerous contract	3,659	1,735	-	-
Total non-current liabilities	116,079	152,801	-	-
Current liabilities				
Borrowings	69,193	66,462	-	-
Due to Tokumei Kumiai investors	2,307	2,359	-	-
Derivative financial instruments	192	127	-	-
Accounts payable	4,204	3,970	-	-
Amount due to subsidiary	-	-	10	-
Other payables and accruals	7,666	7,716	294	118
Provision for onerous contract	1,033	439	-	-
Income tax payable	218	38	-	-
Total current liabilities	84,813	81,111	304	118
Total liabilities	200,892	233,912	304	118
Total equity and liabilities	334,224	369,877	112,615	111,726

NOTES:

Total liabilities decreased by \$33.0 million from \$233.9 million on 31 December 2017 to \$200.9 million on 31 December 2018 mainly due to decrease in borrowings following repayments made with proceeds from disposal of a hotel and a ship investment (held under "property, plant and equipment") as well as from part of the proceeds received from the Group's second Hong Kong property investment project.

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

	As at 31 December 2018		As at 31 December 2017	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	55,857	13,336	40,404	26,058
Amount repayable after one year	99,839	11,686	133,814	16,529
Total	155,696	25,022	174,218	42,587

Details of any collateral

The Group's borrowings as at 31 December 2018 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
- legal mortgages over a freehold property under the category of "Property, plant and equipment" of a subsidiary

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	
		2018 US\$'000	2017 US\$'000
Cash flows from operating activities			
Profit before tax		4,353	9,160
Adjustments for:			
Investment returns		(5,760)	(8,451)
Amortisation and depreciation		10,423	10,203
Gain on disposal of property, plant and equipment (Reversal of impairment)/ impairment of property, plant and equipment		(113)	(1)
Provision for onerous contract		(24)	1,000
Reversal of provision for accounts receivable		2,957	-
Net foreign exchange loss		15	-
Interest income		204	260
Finance costs – interest expense		(866)	(788)
Finance costs – others		5,815	5,347
Allocation to Tokumei Kumiai investors		424	299
		1,267	582
Operating cash flows before changes in working capital		18,695	17,611
Changes in working capital:			
Net change in accounts receivable		(1,525)	(922)
Net change in prepayments, deposits and other receivables		(196)	(2,145)
Net change in accounts payable		141	830
Net change in other payables and accruals		(668)	(582)
Cash flows generated from operations		16,447	14,792
Interest received on bank balances		298	164
Tax reimbursed/ (paid)		254	(860)
Net cash flows generated from operating activities	[A]	16,999	14,096
Cash flows from investing activities			
Purchase of investment properties		(10,257)	(9,528)
Purchase of investments		(17,480)	(8,821)
Proceeds from sale of investment properties		11,581	14,606
Proceeds from redemption/ sale of investments		23,487	5,696
(Deconsolidation)/ consolidation of consolidated entities		(19)	1,567
Investment in finance lease		371	345
Hotel lease deposit		(2,326)	(1,369)
Deposits for small residential projects		(90)	(106)
Purchase of property, plant and equipment		(1,297)	(16,134)
Proceeds from disposal of property, plant and equipment		14,393	2
Net (redemption)/ contribution from Tokumei Kumiai investors		(1,108)	746
Loans advanced		(140)	(5,638)
Loans repaid		89	8,028
Interest received from loans and finance lease		502	630
Net decrease in deposits pledged as collateral		505	593
Income proceeds from investments		16,346	262

	Note	Full year	
		2018 US\$'000	2017 US\$'000
Settlement of derivative financial instruments		(12)	(149)
Proceeds from property rental		860	785
Net cash flows generated from/ (used in) investing activities	[B]	35,405	(8,485)
Cash flows from financing activities			
New borrowings		16,015	40,589
Repayment of borrowings		(53,710)	(34,833)
Interests and other finance cost paid on borrowings		(5,740)	(5,483)
Dividend paid		(2,218)	(1,010)
Payment to non-controlling interest		(4,152)	(9)
Net cash flows used in financing activities	[C]	(49,805)	(746)
Net increase in cash and bank balances		2,599	4,865
Movements in cash and bank balances:			
Cash and bank balances at beginning of the year		40,556	35,552
Net increase in cash and bank balances		2,599	4,865
Effects of foreign exchange rate changes, net		307	139
Cash and bank balances at end of the year		43,462	40,556

NOTES:

The Group's cash and bank balances increased by \$2.9 million in FY2018 after the effects of foreign exchange rate changes mainly due to the followings:

[A] Cash flows generated from operating activities amounted to \$17.0 million for FY2018 compared to \$14.1 million for FY2017, mainly due to contribution from ship charter income and arrangement fees earned.

[B] Cash flows generated from investing activities were \$35.4 million for FY2018.

Main cash inflows from investing activities include:

- i) proceeds from sale of investment properties, which pertain to the Group's small residential property investment, ALERO series, of \$11.6 million,
- ii) proceeds from redemption/sale of investments of \$23.5 million, of which \$14.7 million pertains to the capital returned from the Group's second Hong Kong property project investment;
- iii) proceeds from disposal of a hotel and a ship (both of which are classified under property, plant and equipment) totalling \$14.4 million; and
- iv) income proceeds from investments of \$16.3 million, of which \$14.7 million pertains to income proceeds from the Group's second Hong Kong property project investment.

Main cash outflows from investing activities include:

- i) investment in investment properties (ALERO projects) of \$10.3 million;
- ii) purchase/additional funding of investments of \$17.5 million, of which \$14.2 million pertains to the Group's fifth and sixth Hong Kong property project investment; and
- iii) payment of new hotel lease deposit of \$2.3 million.

[C] Cash flows used in financing activities were \$49.8 million in FY2018 mainly due to repayments of borrowings offset by new borrowings and refinancing of existing borrowings in FY2018. Dividend of \$2.2 million for FY2017 approved in AGM was paid in 2Q2018.

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	Share premium 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 2017	75,167	31,319	14,460	353	525	(117)	121,707	4,185	125,892
Profit for the year	-	-	6,224	-	-	-	6,224	2,642	8,866
Other comprehensive income	-	-	-	590	848	-	1,438	5	1,443
Total comprehensive income	-	-	6,224	590	848	-	7,662	2,647	10,309
Adjustments to equity arising from restructuring	34,109	(31,319)	-	-	-	(2,790)	-	-	-
Distribution to owners - Dividend in respect of 2016	-	-	(1,010)	-	-	-	(1,010)	-	(1,010)
Payment to non-controlling interests	-	-	-	-	-	-	-	(9)	(9)
Capital reserve	-	-	-	-	-	-	-	783	783
At 31 December 2017	109,276	-	19,674	943	1,373	(2,907)	128,359	7,606	135,965
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 year	-	-	1,234	-	-	-	1,234	2,686	3,920
Other comprehensive income/ (expense)	-	-	-	(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

Company	Share capital US\$'000	Retained earnings US\$'000	Total equity US\$'000
At date of incorporation on 12 January 2017	-	-	-
Profit for the year	-	2,332	2,332
Total comprehensive income	-	2,332	2,332
Issuance of shares	109,276	-	109,276
At 31 December 2017	109,276	2,332	111,608
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

- 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 year ended 31 December 2018, there was no change in share capital.

The Company did not have any convertibles or treasury shares as at 31 December 2018 and 31 December 2017.

- 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 2018	As at 31 December 2017
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 year as compared with the audited financial statements for the financial year ended 31 December 2017, except for the adoption of "IFRS 9 – Financial Instruments" and "IFRS 15 – Revenue from Contracts with Customers" that are effective as of 1 January 2018.

- 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 9 and IFRS 15 on 1 January 2018.

IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment, and hedge accounting. There were no significant changes to the classification and measurement of the Group financial instruments and the accounting for hedges.

With regard to impairment, IFRS 9 requires the Group to assess expected credit losses on all of its relevant financial assets, either on a 12-month or lifetime basis. The Group applied the simplified approach and recorded lifetime expected losses on the relevant financial assets. As a result of the assessment, an impairment loss of US\$15,000 was made to the beginning retained earnings on 1 January 2018 (please refer to page 8) and a net reversal of impairment loss of US\$15,000 was made for the year ended 31 December 2018.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The adoption of IFRS 15 did not have a material impact to the Group's financials.

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.

	4 th Quarter		Full year	
	2018	2017	2018	2017
Profit/ (loss) attributable to owners of the parent (US\$'000)	(3,721)	1,378	1,234	6,224
Weighted average number of ordinary shares in issue ('000) [see Note (i)]	46,979	46,979	46,979	46,979
Earnings/ (loss) per share (US cents per share) - basic and diluted	(7.92)	2.93	2.63	13.25

Note (i): Total number of issued shares remains the same at 46,979,280 ordinary shares before and after the restructuring.

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 2018	31 December 2017
Net asset value per ordinary share based on issued share capital (in US\$)	2.84	2.89

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 \$123.3 million for FY2018, a 19% increase from FY2017. 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 increased by 5% from \$37.8 million in FY2017 to \$39.6 million in FY2018 mainly due to the inclusion of charter income of the vessel under Fulgida Bulkship S.A. ("Fulgida") for 12 months in FY2018, but 2 months in FY2017. This is because Fulgida acquired its vessel on 2 November 2017. On the other hand, the vessel under Luna Bulkship S.A. was disposed in April 2018, capping partially the increase in total charter income in FY2018.

(ii) Fee Income

Breakdown of Fee Income:	4Q			FY		
	2018 US\$'000	2017 US\$'000	% Change	2018 US\$'000	2017 US\$'000	% Change
Asset management & administration fee	756	566	34%	2,575	2,198	17%
Arrangement and agency fee	317	2,327	(86%)	3,458	4,989	(31%)
Brokerage commission	159	112	42%	537	479	12%
Incentive fee	82	116	(29%)	433	184	135%
	1,314	3,121	(58%)	7,003	7,850	(11%)

Total fee income decreased by 11% to \$7.0 million in FY2018 from \$7.9 million in FY2017. Less arrangement deals closed in FY2018 resulted in less arrangement and agency fee income, while incentive fees earned by subsidiary Uni-Asia Capital (Japan) from managing Japan property projects increased by 135% to \$0.4 million in FY2018.

(iii) Hotel Income

Hotel income increased by 43% from \$48.1 million in FY2017 to \$68.6 million in FY2018 due to more rooms under operations in FY2018. 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 December 2018.

(iv) Investment Returns

Breakdown of Investment Returns:	4Q			FY		
	2018 US\$'000	2017 US\$'000	% Change	2018 US\$'000	2017 US\$'000	% Change
Realised gain on investment properties	1,154	2,181	(47%)	2,417	4,350	(44%)
Realised gain/ (loss) on investments						
- shipping	64	64	N/M	472	261	81%
- small residential property developments	45	181	(75%)	186	438	(58%)
- distressed asset	-	-	N/M	1,182	-	N/M
- listed shares	-	-	N/M	18	691	(97%)
Property rental income	209	161	30%	839	798	5%
Fair value adjustment on investment properties	-	(2)	(100%)	-	1,162	(100%)
Fair value adjustment on investments						
- shipping	(2,992)	(4,310)	(31%)	(9,245)	(6,221)	49%
- commercial office building	6,284	4,685	34%	9,336	6,791	37%
- hotel and residential	-	85	(100%)	-	48	(100%)
- small residential property developments	467	7	N/M	736	(9)	N/M
- listed shares	(267)	(52)	N/M	(149)	270	(155%)
Net gain/ (loss) on derivative financial instruments	9	3	200%	(32)	(128)	(75%)
	4,973	3,003	66%	5,760	8,451	(32%)

Investment returns for FY2018 was \$5.8 million, a 32% decrease from FY2017. This was mainly due to:

- (i) net realised gain on investment properties of \$2.4 million;
 - (ii) net recovery of \$1.2 million from distressed asset investment; and
 - (iii) net fair value gain on Hong Kong property investment (commercial office building) of \$9.3 million;
- offset by additional net fair valuation loss of \$9.2 million booked in FY2018 following the deterioration of containerships investments as a result of (i) weakened container trade demand due to ongoing trade war and geopolitical events; and (ii) tonnage over-supply. Following these fair valuation losses taken for containership investments, the containership investments which are subjected to fair valuation had been written down to zero.

Total Operating Expenses

The Group's total operating expenses increased by 26% from \$88.5 million in FY2017 to \$111.4 million in FY2018. Employee benefits expenses, hotel lease expenses and hotel operating expenses increased in correspond with the increase in hotel income. In particular, pre-opening expenses totalling US\$1.1 million for the 5 new hotels added to the Group's hotel portfolio in FY2018 contributed to the increase in hotel operating expenses. Depreciation and vessel operating expenses increased slightly due mainly in correspond to reasons as described under Charter Income above.

While the Group made a reversal of impairment of property, plant and equipment totalling \$3.1 million in FY2018 following the disposal of a hotel and a ship previously impaired, the Group took an additional impairment of \$3.0 million for the only containership held under property, plant and equipment following the deterioration of containership value as a result of (i) weakened container trade demand due to ongoing trade war and geopolitical events and (ii) tonnage over-supply.

In addition, the Group provided \$3.0 million for onerous contract of a ship under sale and leaseback contract.

Operating Profit

Operating profit of the Group was \$11.9 million for FY2018, a decrease of 23% compared to FY2017.

Net Profit After Tax

The Group posted a net profit after tax of \$3.9 million for FY2018, as compared to \$8.9 million for FY2017.

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

According to Clarksons Research "Dry Bulk Trade Outlook" January 2019 issue, increased availability of high quality iron ore from Brazil and Australia, possible grain trade growth and possible moderate expansion of coal trade could aid in demand growth of global seaborne dry bulk trade. On the supply side, impact of forthcoming IMO 2020 global sulphur cap may have a positive impact including through increased recycling, slower operating speeds and vessel time 'out of service' for scrubber retrofits. As it is technically not feasible to have scrubber retrofit on handysize bulk carriers, and most of the vessels in the Group's dry bulk portfolio are handysize bulk carriers, the Group is not expected to incur scrubber retrofit costs on the handysize portfolio. Hence, with possible improvement in the supply-demand fundamentals, the Group is cautiously optimistic that the Group's dry bulk portfolio will perform better in 2019.

Containership

According to Howe Robinson Partners Containership Annual Review 2018, containership market began well in 2018, but quickly deteriorated due to oversupply and weakened demand. The weakened demand resulted from various geopolitical and socio-economic factors, including US-China trade war. The Group has one wholly-owned 3,500 TEU containership and three joint-investment containership investments (one 3,500 TEU and two 4,300 TEU). The average age of these ships is 12 years old. The age and size of these 4 containerships exacerbated the problems of this containership portfolio arising from a weak containership market. The Group has taken impairment loss for the wholly-owned containership and fair valuation losses for the three joint-investment containerships in FY2018. Following these losses, the current valuation of the Group's shipping portfolio is fairly low, and any further downward valuation loss would be limited going forward. In particular, containership joint-investments had been written off completely to zero and there would not be further fair valuation losses from these investments.

Hong Kong Property

Following the success of the Group's 2nd property investment project at 650 Cheung Sha Wan Road, the Group has invested in the fourth, fifth and sixth Hong Kong property investment projects in 2018. The aim is to capitalise on Hong Kong's commercial property growth and for such projects to add on to the Group's bottom line 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. A consortium led by the Group's licensed property asset management subsidiary in Japan, Uni-Asia Capital (Japan) ("UACJ") was awarded the first negotiation right of a Private Finance Initiative ("PFI") project by Wako City, Saitama Prefecture in Japan in late December 2018. The Group hopes that such projects would raise the Group's profile and open more doors to more property asset management opportunities in Japan.

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 expansion of hotel operating portfolio, and endorsement by guests, the Group hotel operating business would be better positioned in Japan's highly competitive hospitality industry.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

For the financial year ended 31 December 2018, the Directors have recommended:

- (i) a final one-tier tax exempt cash dividend of 6.25 Singapore cents for each Uni-Asia Group Limited ordinary share ("FY2018 Final Dividend"); and
- (ii) a special one-tier tax exempt cash dividend of 0.75 Singapore cents for each Uni-Asia Group Limited ordinary share ("Special Dividend").

The FY2018 Final Dividend and Special Dividend will be subject to shareholders' approval at the forthcoming Annual General Meeting.

Details of the proposed dividends are as follows:

	2018 S\$'000	2017 S\$'000
Per Uni-Asia Group Limited ordinary share		
Final one-tier tax exempt cash dividend of 6.25 Singapore cents (2017: 6.25 Singapore cents)	2,936	2,936
Special one-tier tax exempt cash dividend of 0.75 Singapore cents	352	-
Total	3,288	2,936

These financial statements do not reflect the FY2018 Final Dividend and Special Dividend, which will be accounted for in shareholder's equity as an appropriation of retained earnings in the financial year ending 31 December 2019.

(b) Corresponding period of the Immediately Preceding Financial Year

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

Yes.

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

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)	2,753.6

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 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

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 2017:									
Total income									
External customers	32,565	6,282	866	7,051	8,080	48,228	14	-	103,086
Interest income	47	183	6	49	463	-	40	-	788
Inter-segment	-	417	991	-	1,028	160	-	(2,596)	-
	32,612	6,882	1,863	7,100	9,571	48,388	54	(2,596)	103,874
Results									
Amortisation and depreciation	(7,343)	(2,394)	(17)	(1)	(209)	(81)	(171)	13	(10,203)
Impairment of property, plant and equipment	(1,000)	-	-	-	-	-	-	-	(1,000)
Finance costs – interest expense	(3,618)	(784)	-	-	(407)	(34)	(571)	67	(5,347)
Finance costs – others	(231)	(38)	-	-	(94)	(23)	-	87	(299)
Allocation to Tokumei Kumiai investors	-	-	-	-	(582)	-	-	-	(582)
Profit/ (loss) before tax	4,692	(1,377)	198	5,915	5,213	479	(5,895)	(65)	9,160
Other segment item is as follows:									
Capital expenditure	510	15,313	6	-	9,837	32	30	-	25,728

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 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
Year ended 31 December 2017:									
Segment assets									
Total assets	162,653	68,853	1,755	42,220	67,305	17,402	12,681	(2,992)	369,877
Segment liabilities									
Total liabilities	108,990	53,640	539	27,740	56,180	12,117	4,837	(30,131)	233,912

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:-

	2018 US\$'000	2017 US\$'000	% Change
Total income reported for first half year	54,649	48,132	14%
Profit after tax for first half year	6,343	5,521	15%
Total income reported for second half year	68,632	55,742	23%
(Loss)/ profit after tax for second half year	(2,423)	3,345	(172%)

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).

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
1 March 2019