



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

PRESS RELEASE -- FOR IMMEDIATE RELEASE

Uni-Asia Recorded Highest 9-month Profits in 5 Years

- Total income rose by 20% to US\$102.9 million in 9M2019, boosted by increase in investment returns and hotel income
- Operating profit increased by 46% to US\$17.3 million
- Cash flow remains strong with net cash inflow of US\$11.0 million for 9M2019

Singapore, 14 November 2019 – Uni-Asia Group Limited (“Uni-Asia” or the “Group”), an alternative investment company, asset manager and integrated service provider of vessels and properties, announced its financial results for the three months and nine months ended 30 September 2019 (“3Q2019” and “9M2019” respectively).

Income Statements Highlights	3Q2019	3Q2018	Chg	9M2019	9M2018	Chg
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Total Income	34,888	31,390	11	102,857	86,039	20
Total Operating Expenses	(31,357)	(29,248)	7	(85,579)	(74,207)	15
Operating Profit	3,531	2,142	65	17,278	11,832	46
Net Profit/ (Loss) After Tax	674	(140)	N/M	7,425	6,203	20
Profit/ (Loss) Attributable to Owners of Parent Company	259	(179)	N/M	6,706	4,955	35
Basic Earnings Per Share (US cents) ¹	0.33	(0.25)	N/M	8.84	7.03	26

N/M – not meaningful

Cash Flow Highlights	9M2019 US\$'000	9M2018 US\$'000	%
Cash at the Beginning of Period	43,462	40,556	7
Net Cash Inflow	11,039	8,922	24
Cash at the End of Period	54,501	49,478	10

¹ Based on bonus-issue adjusted weighted average of 78,599,987 ordinary shares in issue for 3Q2019 and 75,830,059 ordinary shares in issue for 9M2019 (3Q2018 and 9M2018: 70,468,908)

9M2019 FINANCIAL REVIEW

Total Income

Total income for the Group increased by 24% to US\$68.0 million in 1H2019 as the Group recognised higher investment returns and hotel income as compared to 1H2018.

Revenue	3Q2019 US\$'000	3Q2018 US\$'000	Chg %	9M2019 US\$'000	9M2018 US\$'000	Chg %
Charter Income	9,220	9,725	(5)	27,429	29,405	(7)
Fee Income	1,426	1,666	(14)	5,739	5,689	1
Hotel Income	21,435	20,158	6	60,441	48,168	25
Investment Returns	2,447	(670)	N/M	8,143	787	N/M
Interest Income	269	232	16	731	640	14
Other Income	91	279	(67)	374	1,350	(72)
Total Income	34,888	31,390	11	102,857	86,039	20

N/M – not meaningful

(i) Charter Income

Charter income decreased by 7% from US\$29.4 million in 9M2018 to US\$27.4 million in 9M2019. The total number of wholly-owned/majority-owned ships contributing to the Group's charter income was 11 for 9M2019 compared to 12 for 9M2018 as a vessel was disposed in April 2018. Dry bulk market deteriorated badly in 1H2019, although in 3Q2019, market recovered some lost grounds. Notwithstanding the recovery, the average 9M2019 shipping market was still weaker than 9M2018. In addition, scheduled maintenance dry-docking of some of the Group's ships reduced the charter hire days and hence charter income for 3Q2019. The charter for the Group's sole wholly owned containership was also weaker in 9M2019 compared to 9M2018 due to uncertainties arising from trade war in 9M2019.

(ii) Fee Income

Total fee income, at US\$5.7 million for 9M2019, represented a 1% increase from 9M2018. Asset management and administration fee increased by 27% to US\$2.3 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 9M2019 at US\$1.8 million was less than 9M2018 by 43% due to less arrangement deal transactions in 9M2019. The increase in brokerage commission to US\$1.1 million in 9M2019 from US\$0.4 million in 9M2018 was due to more brokerage commission deals closed in 9M2019. Incentive fees earned by subsidiary UACJ from meeting targets in managing Japan property projects increased by 46% to US\$0.5 million in 9M2019.

(iii) Hotel Income

Hotel income increased by 25% from US\$48.2 million in 9M2018 to US\$60.4 million in 9M2019. Average occupancy rates for the Group's hotels increased to 83.3% for 9M2019 as compared to 79.7% for 9M2018. Average daily room rate for 9M2019 increased by 4.4% as compared to 9M2018.

(iv) Investment Returns

Investment returns for 9M2019 was a gain of US\$8.1 million compared to US\$0.8 million for 9M2018. Realised gain on investment properties was US\$1.3 million for 9M2019. Realised gain from ship and property investments contributed US\$2.5 million to investment returns for 9M2019, while fair valuation gain from the Group's 3rd Hong Kong commercial office property projects contributed US\$3.8 million in investment returns for 9M2019.

Total Operating Expenses

The Group's employee benefit expenses and hotel operating expenses increased by 13% and 21% respectively in 9M2019 compared to 9M2018. With increased business activities as the new hotels which opened between April 2018 to August 2018 (towards end of 3Q2018) became more established in 2019, more expenses were incurred. The total number of hotel rooms available for sale (i.e. room inventory) had increased from around 603 thousand rooms during 9M2018 to around 700 thousand rooms during 9M2019.

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 US\$16.0 million in 9M2019 and decrease in hotel operating lease expenses by 59% from US\$16.1 million in 9M2018 to US\$6.6 million in 9M2019. Hotel operating lease expenses are in respect of leases of the Group that are outside the scope of IFRS 16.

In 9M2019, the Group disposed of a hotel held as Property, Plant and Equipment ("PPE") through a consolidated Godo Kaisha entity. The disposal resulted in a gain of US\$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 15% for 9M2019 compared to 9M2018.

Operating Profit

Operating profit of the Group increased by 46% from US\$11.8 million for 9M2018 to US\$17.3 million for 9M2019.

Finance And Other Costs

Interest on borrowings was US\$4.1 million for 9M2019, a 7% decrease from 9M2018 as the Group pared down borrowings in 9M2019.

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 US\$3.5 million in 9M2019. No lease interest expense was recorded in 9M2018 as the Group adopted IFRS 16 on 1 January 2019.

The allocation of profit of US\$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 US\$7.4 million for 9M2019, a 20% increase from US\$6.2 million in 9M2018.

Net Profit After Tax Attributable to Shareholders

The Group recorded a 35% increase in net profit attributable to shareholders of US\$6.7 million for 9M2019.

OUTLOOK

Dry Bulk

According to Clarksons Research "Dry Bulk Trade Outlook" October 2019 issue, 2020's bulkcarrier market may be fairly balanced in terms of bulkcarrier demand growth vs fleet growth, but other factors including reduced speed, scrubber retrofit time and increased recycling may lend support to bulkcarrier market. Some of the Group's vessels which are on short term index-linked charter may be able to benefit as the market improves, although there is normally a time lag between market improvement and increase in index-linked charter.

Hong Kong Property

Anti-extradition bill protests continue to take place in Hong Kong. While the Hong Kong commercial property market could be adversely affected in the short run, it is still uncertain whether there would be significant impact in the long run. The Group is monitoring the situation closely, in particular, the impact of the protests on the Group's Hong Kong property projects.

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

The Group is working to capitalise on Hotel Vista brand name and good service standards to deliver better returns from hotel operations.

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

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

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

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

Issued for and on behalf of Uni-Asia Group Limited

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