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

PRESS RELEASE -- FOR IMMEDIATE RELEASE

Uni-Asia reports 19% increase in total income to US$123.3 million in FY2018 but lower profits in FY2018 as Uni-Asia completes write-off of containership investments

- **The higher total income was mainly attributable to the 5% growth in charter income and 43% growth in hotel income**
- **Five new hotels were opened in FY2018 and the total number of rooms under operations increased by 44%**
- **Group reported US$3.9 million net profit for FY2018 despite recognition of impairment and fair valuation losses on its containerships**

Singapore, 1 March 2019 – Uni-Asia Group Limited ("**Uni-Asia**" or the "**Group**"), an alternative investment company and integrated service provider of vessels and properties, announced its financial results for the three months and twelve months ended 31 December 2018 ("**4Q2018**" and **"FY2018"** respectively).

Financial Highlights	4Q2018 US$'000	4Q2017 US$'000	Chg %	FY2018 US$'000	FY2017 US$'000	Chg %
Total Income	37,242	30,324	*23*	123,281	103,874	*19*
Total Operating Expenses	(37,215)	(25,796)	*44*	(111,422)	(88,486)	*26*
Operating Profit/(Loss)	27	4,528	*(99)*	11,859	15,388	*(23)*
Operating Profit Margin	*NM*	*14.9%*	*NM**	*9.6%*	*14.8%*	*(5.2ppts**)*
Net Profit/ (Loss)After Tax	(2,283)	3,178	*(172)*	3,920	8,866	*(56)*
Profit Attributable to Owners of Parent Company	(3,721)	1,378	*NM*	1,234	6,224	*(80)*
Basic Earnings Per Share (US cents) *	(7.92)	2.93	*NM*	2.63	13.25	*(80)*

*NM: Not meaningful
**ppts: percentage points
****Based on the weighted average of 46,979,280 ordinary shares in issue for each period respectively*

FY2018 FINANCIAL REVIEW

Total income for the Group increased by 18% from US$103.9 million in FY2017 to US$122.6 million in FY2018. The growth was primarily attributable the increase in charter income and hotel income.

Revenue	4Q2018 US$'000	4Q2017 US$'000	Chg %	FY2018 US$'000	FY2017 US$'000	Chg %
Charter Income	10,239	10,335	*(1)*	39,644	37,828	*5*
Fee Income	1,314	3,121	*(58)*	7,003	7,850	*(11)*
Hotel Income	20,419	13,609	*50*	68,587	48,097	*43*
Investment Returns	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***

(i) Charter Income

Charter income increased by 5% from US$37.8 million in FY2017 to US$39.6 million in FY2018. The increase was mainly due to the inclusion of the charter income of the vessel under Fulgida Bulkship S.A. ("Fulgida") for 12 months in FY2018, while only for 2 months in FY2017 (the vessel was acquired on 2 November 2017). On the other hand, the vessel under Luna Bulkship S.A. was disposed in April 2018, limiting the increase in total charter income in FY2018.

(ii) Fee Income

Total fee income decreased by 11% to US$7.0 million in FY2018 from US$7.9 million in FY2017. This was due to lower arrangement and agency fee income as fewer arrangement deals were closed in FY2018, while incentive fees earned by subsidiary Uni-Asia Capital (Japan) from managing Japan property projects increased by 135% to US$0.4 million in FY2018.

(iii) Hotel Income

Hotel income increased by 43% from US$48.1 million in FY2017 to US$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 by 44% from 1,851 as at end of 2017 to 2,667 as of end of December 2018

(iv) Investment Returns

Investment returns for FY2018 was US$5.8 million, a 32% decrease from FY2017. The investment returns were mainly contributed by net realised gain from investment properties of US$2.4 million, net recovery of $1.2 million from distressed asset investment, and a net fair value gain of US$9.3 million on its investment in a commercial office building in Hong Kong. The gains were offset by additional net fair valuation loss of US$9.2 million booked in FY2018 following the deterioration of containership 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 completely written down to zero.

Total Operating Expenses

The Group's total operating expenses increased by 26% from US$88.5 million in FY2017 to US$111.4 million in FY2018. The increase was primarily due to (1) Higher employee benefits expenses, hotel lease expenses and hotel operating expenses as the number of hotel rooms under operations increased, (2) pre-opening expenses of US$1.1 million for the 5 new hotels added to the Group's hotel portfolio in FY2018, and (3) a provision of US$3.0 million for an onerous sale and leaseback contract for a ship.

Net Profit after Tax

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

Net Asset Value

As of 31 December 2018, the Group's Net Asset Value ("**NAV**") per share was US$2.84[1], compared to US$2.89 of 31 December 2017.

OUTLOOK

Recent research suggested potential improvement in the supply-demand fundamentals for dry bulk shipping, and the Group is cautiously optimistic on its dry bulk portfolio's performance in 2019. On the demand side, global seaborne dry bulk trade growth is expected to be supported by increased availability of high quality iron ore from Brazil and Australia and potential growth of both grain trade and coal trade[2]. On the supply side, the impact of the IMO 2020 global sulphur cap may have a positive impact through higher scrapping rate, slower operating speeds and vessel time 'out of service' for scrubber retrofits, etc.

The container shipping market showed mild recovery in early 2018, before demand weakened due to geopolitical events and trade tensions while oversupply persisted. As the market condition didn't favour slightly older vessels, the Group has recognised 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. In particular, containership joint-investments had been written off and there would not be further fair valuation losses from these investments.

Following the Group's 2nd Hong Kong property investment project at 650 Cheung Sha Wan Road's success, it has made a few further investments in Hong Kong property projects, bringing the total cumulative number of property investment projects in Hong Kong to six. The aim is to capitalise on Hong Kong's commercial property growth and for such projects to add on to the Group's bottomline annually.

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1 Based on the weighted average of 46,979,280 ordinary shares in issue for FY2018 and FY2017

2 Clarksons Research "Dry Bulk Trade Outlook" January 2019 issue

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.

Japan's hospitality industry has been boosted in recent years by growing inbound tourism and rising average daily room rates. In 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 in both "Business Travel – Less Than JPY15,000 Per Night" Category and "Family Travel – Less Than JPY15,000 Per Night" Category. With the expansion of hotel operating portfolio and the endorsement by guests, the Group hotel operating business would be better positioned in Japan's highly competitive hospitality industry.

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

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

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

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

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