



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

**PRESS RELEASE -- FOR IMMEDIATE RELEASE**

## **Uni-Asia's Profit Attributable to Owners Jumped 26% to US\$6.4m in 1H2019**

- Total income rose by 24% to US\$68.0 million in 1H2019, boosted by increase in investment returns and hotel income
- Operating profit increased by 42% to US\$13.7 million
- The Group declared an interim dividend of S\$0.02 per share payable on 27 September 2019.

Singapore, 14 August 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 half year ended 30 June 2019 (“**2Q2019**” and “**1H2019**” respectively).

Financial Highlights	2Q2019	2Q2018	Chg	1H2019	1H2018	Chg
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Total Income	35,756	29,099	23	67,969	54,649	24
Total Operating Expenses	(30,106)	(24,562)	23	(54,222)	(44,959)	21
Operating Profit	5,650	4,537	25	13,747	9,690	42
Operating Profit Margin	15.8%	15.6%	0.2 ppts <sup>1</sup>	20.2%	17.7%	2.5 ppts
Net Profit After Tax	3,096	3,027	2	6,751	6,343	6
Profit Attributable to Owners of Parent Company	2,964	1,952	52	6,447	5,134	26
Basic Earnings Per Share (US cents) <sup>2</sup>	3.78	2.77	36.5	8.64	7.29	18.8

<sup>1</sup> ppts: percentage points

<sup>2</sup> Based on bonus-issue adjusted weighted average of 78,331,929 ordinary shares in issue for 2Q2019 and 74,422,139 ordinary shares in issue for 1H2019 (2Q2018 and 1H2018: 70,468,920)

## 1H2019 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.

<b>Revenue</b>	<b>2Q2019 US\$'000</b>	<b>2Q2018 US\$'000</b>	<b>Chg %</b>	<b>1H2019 US\$'000</b>	<b>1H2018 US\$'000</b>	<b>Chg %</b>
<b>Charter Income</b>	9,107	9,496	(4)	18,209	19,680	(7)
<b>Fee Income</b>	1,777	1,614	10	4,313	4,023	7
<b>Hotel Income</b>	20,397	15,184	34	39,006	28,010	39
<b>Investment Returns</b>	4,122	2,354	75	5,696	1,457	NM
<b>Interest Income</b>	239	207	15	462	408	13
<b>Other Income</b>	114	244	(53)	283	1,071	(74)
<b>Total Income</b>	<b>35,756</b>	<b>29,099</b>	<b>23</b>	<b>67,969</b>	<b>54,649</b>	<b>24</b>

NM – not meaningful

#### (i) Charter Income

Charter income decreased by 7% from US\$19.7 million in 1H2018 to US\$18.2 million in 1H2019. The total number of wholly-owned/majority-owned ships contributing to the Group's charter income was 11 for 1H2019 compared to 12 for 1H2018 as a vessel was disposed in April 2018. In addition, overall dry bulk market was weak in 1H2019 due to several factors including Brazilian dam disaster, weak grain trade and Japan steel production. The weak dry bulk market in 1H2019 affected the older 28,000 dwt dry bulk carriers which charter are on spot rate. The charter for the Group's sole wholly owned containership was also weaker in 1H2019 compared to 1H2018 due to uncertainties arising from trade war in 1H2019.

#### (ii) Fee Income

Total fee income, at US\$4.3 million for 1H2019, represents a 7% increase from 1H2018. Asset management and administration fee increased by 44% 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 1H2019 was less than 1H2018 by 46% due to less arrangement deal transactions in 1H2019. Increase in brokerage commission was due to more brokerage commission deals closed in 1H2019. Incentive fees earned by subsidiary UACJ from meeting targets in managing Japan property projects increased to US\$0.5 million in 1H2019.

#### (iii) Hotel Income

Number of rooms under operations were 2,515 as at 30 June 2019 as compared to 2,357 as at 30 June 2018. Hotel income increased by 39% from US\$28.0 million in 1H2018 to US\$39.0 million in 1H2019 due to more rooms under operations in 1H2019 and better performance of the hotel portfolio. In particular, Japan's unprecedented 10-day holiday from 27 April 2019 to 6 May 2019 boosted hotel income. Average occupancy rates for the Group's hotels increased to 82.0% for 1H2019 compared to 77.6% for 1H2018. Average daily room rate for 1H2019 increased by 7.3% compared to 1H2018.

#### (iv) Investment Returns

Investment returns for 1H2019 was a gain of US\$5.7 million compared to US\$1.5 million for 1H2018.

Realised gain of ship and property investments contributed US\$1.2 million to investment returns for 1H2019, while fair valuation gain from the Group's 2nd and 3rd Hong Kong commercial office property projects contributed US\$4.2 million in investment returns for 1H2019.

### **Total Operating Expenses**

The Group's employee benefit expenses and hotel operating expenses increased by 8% and 33% respectively in 1H2019 compared to 1H2018 due to 15 hotels under operations in 1H2019 compared to 14 hotels in 1H2018.

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 US\$10.6 million in 1H2019 and decrease in hotel operating lease expenses by 52% from US\$8.7 million in 1H2018 to US\$4.1 million in 1H2019. Hotel operating lease expenses are in respect of leases of the Group that are outside the scope of *IFRS 16*.

In 1H2019, the Group disposed of a hotel held as PPE through a consolidated Godo Kaisha entity. The disposal resulted in a gain of US\$4.2 million which was recognised as gain on disposal of PPE.

Due to the above factors, the Group's net operating expenses increased by 21% for 1H2019 compared to 1H2018.

### **Operating Profit**

Operating profit of the Group increased by 42% from US\$9.7 million for 1H2018 to US\$13.7 million for 1H2019.

### **Finance And Other Costs**

Interest on borrowings was US\$2.7 million for 1H2019, a 6% decrease from 1H2018 as the Group pared down borrowings in 1H2019.

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\$2.3 million in 1H2019. No lease interest expense was recorded in 1H2018 as the Group adopted *IFRS 16* on 1 January 2019.

The share of profit of US\$1.5 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\$6.8 million for 1H2019, a 6% increase from US\$6.3 million in 1H2018.

### **Net Profit After Tax Attributable to Shareholders**

The Group recorded a 26% increase in net profit attributable to shareholders of US\$6.4 million for 1H2019.

### **Dividends**

In line with the Group's dividend policy to distribute dividends of not less than 35% of its consolidated net profit after tax for FY2019, the board and management of Uni-Asia has declared an interim dividend of S\$0.02 per share to be payable on 27 September 2019.

## **OUTLOOK**

### **Dry Bulk**

According to Clarksons Research “Dry Bulk Trade Outlook” July 2019 issue, 2H2019 bulkcarrier market may be better than 1H2019 following the lows seen in the beginning of 2019 due to the Vale dam disaster in Brazil in January 2019 and Cyclone Veronica in Australia. The impact of vessels taking time ‘out of service’ for scrubber retrofits and the return of some Brazilian iron ore volumes to the market are viewed as some of the key factors lending potential support. The recent increase in Baltic Handysize Index reflects these sentiments and could be positive for some of the Group’s vessels which are on short term index-linked charter.

### **Hong Kong Property**

While anti-extradition bill protests continue to take place in Hong Kong, it is still too early to conclude if the commercial property market would be adversely affected in the long run. The Group is monitoring the situation closely, in particular, the impact on the Hong Kong property market.

### **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**

Japan’s upcoming Rugby World Cup and Tokyo 2020 Olympics are some positive factors for Japan’s hospitality industry. The Group will be opening one more hotel in December 2019 in Fukuoka and four more hotels in 2020. The Group is working to capitalise on Hotel Vista brand name and good service standards to deliver good returns from hotel operations.

--- The End ---

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

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

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

For more information, please visit the corporate website at [www.uni-asia.com](http://www.uni-asia.com)

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Issued for and on behalf of Uni-Asia Group Limited

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