



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

**PRESS RELEASE -- FOR IMMEDIATE RELEASE**

## **Uni-Asia Reports 13% Higher Total Income of US\$24.4 million for 2H2020 versus US\$21.6 million for 1H2020**

- Charter income rose by 21% from US\$13.7 million in 1H2020 to US\$16.7 million for 2H2020 as the global shipping market improves gradually notwithstanding the COVID-19 pandemic
- Investment returns jumped 79% to US\$3.9 million in 2H2020 versus US\$2.2 million in 1H2020 as Group recognised gains from its ALERO series projects in Japan and commercial projects in Hong Kong
- Operating loss reduced to US\$0.2 million in 2H2020 compared to US\$7.3 million in 1H2020
- A final dividend of 1.0 Singapore cent per share is declared

**Singapore, 1 March 2021** – 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 six months and twelve months ended 31 December 2020 (“2H2020” and “FY2020” respectively). For more meaningful comparison, 2H2020 results are compared with 1H2020 results, while FY2020 results are compared with Restated FY2019 results.

<b>Income Statements Highlights</b>	<b>2H2020 US\$'000</b>	<b>1H2020 US\$'000</b>	<b>HoH Change %</b>	<b>FY2020 US\$'000</b>	<b>Restated FY2019 US\$'000</b>	<b>YoY Change %</b>
<b>Total Income</b>	24,384	21,559	13	45,943	54,545	(16)
<b>Total Operating Expenses</b>	(24,558)	(28,833)	(15)	(53,391)	(37,073)	44
<b>Operating (Loss)/ Profit</b>	(174)	(7,274)	(98)	(7,448)	17,472	(143)
<b>Net (Loss) / Profit After Tax From Continuing Operations</b>	(3,570)	(10,036)	(64)	(13,606)	8,904	N/M
<b>Net Gain / (Loss) From Discontinued Operation</b>	-	6,131	N/M	6,131	(2,299)	N/M
<b>(Loss) / Profit For The Period</b>	(3,570)	(3,905)	(9)	(7,475)	6,605	N/M
<b>(Loss) / Profit Attributable To Owners Of The Parent</b>	(3,906)	(3,827)	2	(7,733)	5,848	N/M
<b>Basic (Loss) / Earnings Per Share (US cents) <sup>1</sup></b>	(4.97)	(4.87)	2	(9.84)	7.64	N/M

N/M – not meaningful

<sup>1</sup> Based on weighted average 78.6 million ordinary shares in issue for 2H2019, 2H2020 and FY2020 and 76.5 million ordinary shares in issue for FY2019.

## **2H2020 vs 1H2020 FINANCIAL REVIEW**

### **Total Income**

Total Income increased by 13% from US\$21.6 million in 1H2020 to US\$24.4 million in 2H2020 mainly aided by improvements in charter income and investment returns.

<b>Revenue</b>	<b>2H2020 US\$'000</b>	<b>1H2020 US\$'000</b>	<b>HoH Change %</b>	<b>FY2020 US\$'000</b>	<b>Restated FY2019 US\$'000</b>	<b>YoY Change %</b>
<b>Charter Income</b>	16,653	13,743	21	30,396	36,525	(17)
<b>Fee Income</b>	2,943	4,828	(39)	7,771	7,790	-
<b>Investment Returns</b>	3,947	2,206	79	6,153	8,776	(30)
<b>Interest Income</b>	263	487	(46)	750	1,052	(29)
<b>Other Income</b>	578	295	96	873	402	117
<b>Total Income</b>	<b>24,384</b>	<b>21,559</b>	<b>13</b>	<b>45,943</b>	<b>54,545</b>	<b>(16)</b>

N/M – not meaningful

#### (i) Charter Income

Despite the COVID-19 pandemic's negative impact on the shipping market globally which affected short-term charter rates and the ships whose charter was due for renewal under the Group's fleet, charter income rose by 21% from US\$13.7 million in 1H2020 to US\$16.7 million for 2H2020 indicating signs of gradual recovery in the shipping market. Notwithstanding the improvement in 2H2020, for full year, charter income decreased by 17% from US\$36.5 million in FY2019 to US\$30.4 million in FY2020.

#### (ii) Fee Income

Fee income dropped from US\$4.8 million in 1H2020 to US\$2.9 million in 2H2020. The Group recognised lower arrangement and agency fees due to the Group's clients adopting a more conservative wait-and-see approach towards closing finance arrangement deals. On a positive note, asset management and administration fee increased from US\$1.7 million in 1H2020 to US\$1.8 million for 2H2020 as Uni-Asia Capital (Japan) Limited ("UACJ") expanded its spectrum of assets under management. For full year, the total fee income for FY2020 remained around the same level as that for FY2019.

#### (iii) Investment Returns

Investment returns climbed by 79% to US\$3.9 million in 2H2020 versus US\$2.2 million in 1H2020 as the Group realised US\$1.3 million gain from its ALERO projects in Japan and a fair valuation gain of US\$1.7 million from its property projects in Hong Kong for 2H2020. For full year, US\$2.7 million of realised gain were recognised for ALERO projects, and US\$2.5 million of fair valuation gain were recognised for property projects in Hong Kong. Investment returns for FY2020 was US\$6.2 million, a 30% decline from US\$8.8 million for FY2019.

### **Total Operating Expenses**

The Group incurred lower amortisation and depreciation in 2H2020, and had no impairment of property, plant and equipment in 2H2020. As a result of the deterioration in the ships' value-in-use caused by COVID-19 pandemic in early 2020, the Group recorded US\$7.9 million of impairment for ship investments under property, plant and equipment in 1H2020. The Group also recognised US\$1.1 million impairment of loan receivable from a ship investment due to the pandemic in 1H2020. With improving shipping market conditions, the Group has made slight upward adjustments to the charter assumptions for assessing the

“value-in-use” of ship investments under the Group’s Property, Plant and Equipment for 31 December 2020. While the slight upward adjustments of daily charter rates assumptions imply no additional impairment loss was booked for 2H2020, the impairment loss of US\$7.9 million provided for in 1H2020 will not be reversed in 2H2020 as the ship asset values as at 31 December 2020, after factoring in the impairment taken in 1H2020, are still reflective of the uncertain and volatile business conditions facing the Group’s ship owning and chartering business.

On the other hand, in 2H2020, the Group made a US\$3.7 million impairment of loans to deconsolidated Uni-Asia Hotels group due to further deterioration of the hotel operating business post-2020 as COVID-19 situation in Japan worsen, reversing the recovery made in 2H2020. Balance of loans to Uni-Asia Hotels group is nil after this impairment.

Due to the above, the Group’s net operating expenses decreased from US\$28.8 million in 1H2020 to US\$24.6 million for 2H2020. Taken together, the Group’s net operating expenses for FY2020 were US\$53.4 million, a 44% increase from US\$37.1 million in FY2019.

### **Operating Loss and Net Loss After Tax**

Group had a reduced operating loss of US\$0.2 million in 2H2020 versus an operating loss of US\$7.3 million in 1H2020. For full year, operating loss was US\$7.4 million for FY2020 compared to operating profit of US\$17.5 million for FY2019.

After factoring in the performance of discontinued operations, net loss after tax was US\$7.5 million for FY2020 compared to a net profit after tax of US\$6.6 million for FY2019.

### **Dividend**

Group declared a final dividend of 1.0 Singapore cent per share for FY2020 after careful consideration of factors including cash flows and capital requirements. With this proposed dividend for FY2020, the Group will have declared dividend for 9 consecutive financial years since FY2012.

## **BUSINESS OUTLOOK**

### **Dry Bulk**

According to Clarksons Research<sup>2</sup>, the dry bulk market could see an improvement in 2021 although uncertainty remains high and volatility could be expected. From the supply side, bulker orderbook is at a record low of 6% of fleet capacity, and is projected to grow by around 2.6% in 2021. Any decline in operating speeds could also help to reduce capacity. On the demand side, following a challenging COVID-19 impacted 2020, a 4% rebound in bulker demand for 2021 is projected. 2H2020 had already seen an improvement in the performance of dry bulk market due to factors such as increase in Chinese dry bulk imports from the Atlantic and port congestions.

### **Hong Kong Property**

While the Hong Kong office and industrial property market had generally softened in 2020 compared to 2019 due to COVID-19 pandemic and geopolitical factors, the fundamentals of Hong Kong economy in the long run are still strong, and Hong Kong still has very healthy foreign currency reserve assets figures according to Hong Kong Monetary Authority’s website. Due to the pandemic, many sellers and buyers are cautious about entering into transactions during this period of uncertainties, and current transactional figures may not reflect the true market appetite for Hong Kong commercial/industrial properties. Notwithstanding, preparation is underway to launch pre-sale of the Group’s 4<sup>th</sup> and 5<sup>th</sup> project so as to take advantage of any possible window of opportunity that may arise in the near term.

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<sup>2</sup> Clarksons Research “Dry Bulk Trade Outlook” January 2021 issue

## **Japan Property**

The Group's small residential property projects – "ALERO" series business segment, as well as the Group's other property businesses in Japan including property asset management business, are doing well amid the pandemic. The Group's portfolio of property assets under management including residential and healthcare facility assets had increased in 2020. Notwithstanding the impact of the pandemic, the Group will continue to expand property asset management business in Japan and look for suitable property investment opportunities to lift the overall returns of the Group in 2021.

## **Summary**

Being an investment and asset management company of diversified assets, the Group has more strategic options as well as the resiliency of varied income source to help cushion the impact of this pandemic. The Group is managing its cashflow cautiously while seeking new opportunities during the pandemic to grow the Group's business.

--- 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, and China.

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

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