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

PRESS RELEASE -- FOR IMMEDIATE RELEASE

Uni-Asia Reverses Net Loss to Record Net Profit of US$7.0 million for 1H2021

- **Charter income surged 46% year-on-year to US$20.0 million in 1H2021, underpinned by a strong improvement in the dry bulk market. Charters for the Group's 10 wholly-owned dry bulk carriers are due in 2H2021 to 2022**
- **The Group sold a property under development for US$5.1 million in 1H2021 and another two Hong Kong projects are ready for pre-sale**
- **With the good results, the Group resumes interim dividend and declared an interim dividend of 2.0 Singapore cents per share**

Singapore, 13 August 2021 – Uni-Asia Group Limited ("**Uni-Asia**" or the "**Group**"), an alternative investment company, asset manager and integrated service provider of vessels and properties, reported net profit of US$7.0 million for the six months ended 30 June 2021 ("**1H2021**"), reversing a net loss of US$3.9 million posted in 1H2020.

Income Statements Highlights	1H2021 US$'000	1H2020 US$'000	Change %
Total Income	31,661	21,559	*47*
Total Operating Expenses	(22,513)	(28,833)	*(22)*
Operating Profit / (Loss)	9,148	(7,274)	*N/M*
Operating Margin	*28.9%*	*N/M*	*N/M*
Net Profit / (Loss) After Tax from Continuing Operations	7,033	(10,036)	*170*
Net Gain from Discontinued Operation	-	6,131	*N/M*
Profit / (Loss) for the period	7,033	(3,905)	*N/M*
Basic Earnings / (Loss) Per Share (US cents)	9.13	(4.87)	*N/M*

N/M – not meaningful

FINANCIAL REVIEW

Total Income

The Group's total income surged 47% year-on-year (**"yoy"**) to US$31.7 million for 1H2021, mainly due to higher charter income and the sale of property under development, partially offset by a lower fee income.

Revenue	1H2021 US$'000	1H2020 US$'000	Change %
Charter Income	19,998	13,743	*46*
Fee Income	2,925	4,828	*(39)*
Sale of property under development	5,091	-	*N/M*
Investment Returns	2,505	2,206	*14*
Interest Income	70	487	*(86)*
Other Income	1,072	295	*N/M*
Total Income	**31,661**	**21,559**	*47%*

N/M – not meaningful

(i) Charter Income

Charter income increased by 46% yoy to US$20.0 million in 1H2021 despite the disposal of one wholly-owned containership in 1Q2021, buoyed by a strong improvement in the dry bulk market. The Baltic Handysize Index ("BHSI") averaged 1,084 for 1H2021, a strong recovery from 1H2020 when the BHSI averaged 327. Average daily charter income for 1H2021 is about US$10,900 compared to about US$7,000 for 1H2020.

(ii) Fee Income

Fee income for 1H2021 was US$2.9 million, a 39% decline yoy. Recurring asset management and administration fee income in 1H2021 declined 5% yoy mainly due to less administration fee income following the disposal of 2 joint-investment containership investments. In 1H2021, arrangement and agency fee as well as brokerage commission declined due to less arrangement and brokerage commission deals closed. No incentive fee was recorded in 1H2021.

(iii) Sale of Property under Development

The Group sold a property under development for US$5.1 million in 1H2021.

(iv) Investment Returns

Includes realised gain from sale of joint-investment containership and sale of small residential property development projects for US$0.9 million and US$0.6 million respectively. Realised gain from sale of listed shipping shares was US$0.5 million while property rental income recorded US$0.3 million. Total net fair valuation gain from the Group's shipping, property and other investments were US$0.09 million for 1H2021.

Total Operating Expenses

Net operating expenses decreased by 22% yoy to US$22.5 million for 1H2021 despite incurring a US$4.5 million cost for the sale of property under development. Amortisation and depreciation decreased by 18% because of impairment of property, plant and equipment in 2020[1]. Vessel operating expenses increased by 13% mainly due to pandemic-related expenses, including additional costs incurred for crew change and crew-related costs, but increased at a lower rate than the increase of charter income.

Profitability

The Group recorded an operating margin and profit of 28.9% and US$9.1 million respectively in 1H2021, versus an operating loss of US$7.3 million in 1H2020. As part of the Group's deleveraging strategy and in line with lower borrowings, interest on borrowings declined 32% yoy to US$1.5 million for 1H2021.

Accordingly, the Group recorded net profit of US$7.0 million for 1H2021, reversing a net loss of US$3.9 million posted in 1H2020. Net cash generated from operating activities for 1H2021 was US$8.1 million as compared to US$1.8 million in 1H2020. The Group has declared an interim dividend of 2.0 Singapore cents per share.

BUSINESS OUTLOOK

Dry Bulk[2]

As global economies recover from COVID-19, dry bulk market freight rates are at a decade high, driven by strong demand for key commodities while there is a shortage of supply of ships caused by factors including port congestion. As global demand for cross-border trades stretches capacity, significant bottlenecks push up freight and charter rates. According to Clarksons Research, global dry bulk seaborne trade is projected to grow by 4.2% for 2021 and 1.7% for 2022 while total handysize dry bulk fleet capacity is projected to grow by only 1.8% for 2021 and negative 0.3% for 2022. With the rate of growth of demand for dry bulk carriers outstripping rate of growth of supply of dry bulk carriers until 2022, it is likely that the current good market will continue into at least 2022. This bodes well for the Group as the charters for all 10 wholly-owned dry bulk carriers are due in 2H2021 to 2022 and the Group will be able to capitalise on the ongoing bullish shipping market.

Hong Kong Property

Hong Kong's property market remained sluggish due to the negative impact stemming from the pandemic, although there are some market expectations that Hong Kong's real estate market could bottom-out in 2H2021. This comes as Hong Kong's economic recovery remains on track, with real GDP growing by an estimate of 7.8% yoy for first half of 2021[3] and the Hong Kong government maintaining its full-year GDP growth forecast at 3.5%-5.5%[4], compared with a 6.1% decline in 2020. As the Hong Kong community strives towards widespread vaccination and containment of the pandemic, Hong Kong could see a recovery in market sentiments and the Group remains prepared to launch aggressive sales activities for the Group's 4th and 5th projects once there is a broad-based recovery for the property market.

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1 In 1H2020, due to severe deterioration in value-in-use of ships caused by the COVID-19 pandemic, the Group recorded US$7.9 million of impairment of property, plant and equipment.

2 Clarksons Research "Dry Bulk Trade Outlook July 2021"

3 https://www.censtatd.gov.hk/en/press_release_detail.html?id=4883

4 https://www.hkeconomy.gov.hk/en/pdf/er_20q4.pdf

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 remains stable. The assets under management by subsidiary Uni-Asia Capital (Japan) Ltd has increased from around JPY30 billion as at end of 2020 to around JPY32 billion as at end of June 2021. The Group is exploring new business opportunities as well as investment structures to expand income stream and returns from its property business in Japan.

Summary

As part of the Group's continuous deleveraging strategy, the Group has also made a net repayment of US$17.7 million worth of borrowings and will continue to manage its capital allocation to enhance the firm's long-term financial stability and maximise shareholders' value. Notwithstanding the negative impacts from the pandemic, the Group's business diversification also ensures a robust and varied source of income for the Group. The Group will continue to seek growth both organically and inorganically through the exploration of new opportunities.

--- The End ---

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

UNI-ASIA GROUP LIMITED and its subsidiaries (the "Group") is an alternative investment group specialising in creating alternative investment opportunities and providing integrated services relating to such investments. The Group's alternative investment targets are mainly cargo ships and properties. The Group also has extensive know-how and network relating to such alternative investments and provides services relating these investments. The two main alternative asset classes the Group focuses in are Shipping and Property.

The business strategy employed by the Group towards shipping is to offer a one-stop integrated ship-related service solutions for clients, including ship investments, ship asset management services, ship chartering, ship management, ship brokerage and ship finance arrangement solutions. The strategy of offering a wide array of maritime related services would ensure the Group is resilient regardless of the market conditions and allow for growth in the long term. The Group currently owns 10 wholly-owned ships and 8 joint-investment ships.

Property investment business enhances Group's asset base as well as the Group's asset management business. Outside of Japan, the Group focuses on investment in Hong Kong office development projects and office investment in Guangzhou, China. Within Japan, the Group has a Japan licensed property asset management subsidiary which specialises in areas of property asset management as well as development of trademark small residential properties, the "ALERO" series.

Listed on the Main Board of the Singapore Exchange in August 2007, their offices are located in Hong Kong, Singapore, Tokyo, Shanghai and Guangzhou.

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

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