



UNI-ASIA GROUP LIMITED

Company Registration No: 201701284Z
Incorporated in the Republic of Singapore

UNI-ASIA GROUP LIMITED AND ITS SUBSIDIARIES

**UNAUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS AND FULL YEAR ENDED
31 DECEMBER 2021**

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Condensed Interim Consolidated Statement of Profit or Loss

For The Six Months And Full Year Ended 31 December 2021

	Note	The Group					
		6 months ended 31 December ("2H")			12 months ended 31 December ("FY")		
		2021 US\$'000	2020 US\$'000	% Change	2021 US\$'000	2020 US\$'000	% Change
Continuing Operations							
Charter income	10	27,807	16,653	67%	47,805	30,396	57%
Fee income	11	2,806	2,943	(5%)	5,731	7,771	(26%)
Sale of properties under development		4,043	–	N/M	9,134	–	N/M
Investment returns	12	2,926	3,947	(26%)	5,431	6,153	(12%)
Interest income		19	263	(93%)	89	750	(88%)
Other income		173	578	(70%)	1,245	873	43%
Total income		37,774	24,384	55%	69,435	45,943	51%
Employee benefits expenses		(5,269)	(3,635)	45%	(9,493)	(6,771)	40%
Amortisation and depreciation		(4,966)	(4,959)	0%	(9,484)	(10,437)	(9%)
Depreciation of right-of-use assets		(771)	(783)	(2%)	(1,572)	(1,482)	6%
Vessel operating expenses		(9,176)	(8,980)	2%	(18,550)	(17,270)	7%
Costs of properties under development sold		(3,459)	–	N/M	(7,965)	–	N/M
Impairment of property, plant and equipment	6	–	–	N/M	–	(7,920)	N/M
Gain on disposal of asset held for sale	7	–	–	N/M	365	–	N/M
(Impairment)/reversal of impairment of loan receivables		–	(3,723)	N/M	1,050	(4,773)	(122%)
(Impairment)/reversal of impairment of receivables		(47)	56	(184%)	(50)	(19)	163%
Net foreign exchange gain/(loss)		383	(529)	172%	1,562	(593)	N/M
Other expenses		(1,370)	(2,005)	(32%)	(3,051)	(4,126)	(26%)
Total operating expenses		(24,675)	(24,558)	0%	(47,188)	(53,391)	(12%)
Operating profit/(loss)		13,099	(174)	N/M	22,247	(7,448)	N/M
Finance costs – interest expense		(1,199)	(1,785)	(33%)	(2,686)	(3,964)	(32%)
Finance costs – lease interest		(104)	(174)	(40%)	(243)	(381)	(36%)
Finance costs – others		(61)	(68)	(10%)	(140)	(143)	(2%)
Share of results of associates		97	(2)	N/M	108	(5)	N/M
Allocation to Tokumei Kumiai ¹ investors		(194)	(488)	(60%)	(290)	(398)	(27%)
Profit/(loss) before tax from continuing operations		11,638	(2,691)	N/M	18,996	(12,339)	N/M
Income tax expense	13	(626)	(879)	(29%)	(951)	(1,267)	(25%)
Profit/(loss) after tax from continuing operations		11,012	(3,570)	N/M	18,045	(13,606)	N/M
Discontinued Operation							
Loss from discontinued operation, net of tax		–	–	N/M	–	(18,304)	N/M
Gain from deconsolidation of subsidiary		–	–	N/M	–	24,435	N/M
Net gain from discontinued operation		–	–	N/M	–	6,131	N/M
Profit/(loss) for the period/year		11,012	(3,570)	N/M	18,045	(7,475)	N/M

¹ Tokumei Kumiai ("TK") refers to a form of silent partnership structure used in Japan. Allocation to TK investors refers to share of profit and loss attributable to other TK investors of the TK structure.

Condensed Interim Consolidated Statement of Comprehensive Income

For The Six Months And Full Year Ended 31 December 2021

	Note	The Group					
		6 months ended 31 December ("2H")			12 months ended 31 December ("FY")		
		2021 US\$'000	2020 US\$'000	% Change	2021 US\$'000	2020 US\$'000	% Change
Profit/(loss) for the period/year		11,012	(3,570)	N/M	18,045	(7,475)	N/M
Other comprehensive income/(expense) for the period/year, net of tax:							
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translation of foreign operations from continuing operations		(919)	1,475	(162%)	(2,967)	1,613	N/M
Exchange differences on translation of foreign operations from discontinued operation		–	–	N/M	–	(126)	N/M
Reclassification of exchange differences on discontinued foreign operation		–	–	N/M	–	553	N/M
Net movement on cash flow hedges		(262)	468	(156%)	206	(197)	N/M
Total other comprehensive (expense)/income for the period/year, net of tax		(1,181)	1,943	(161%)	(2,761)	1,843	N/M
Total comprehensive income/(expense) for the period/year		9,831	(1,627)	N/M	15,284	(5,632)	N/M
Profit/(loss) for the period/year attributable to:							
Owners of the parent							
- from continuing operations		11,021	(3,906)	N/M	18,201	(14,049)	N/M
- from discontinued operation		–	–	N/M	–	6,316	N/M
		11,021	(3,906)	N/M	18,201	(7,733)	N/M
Non-controlling interests		(9)	336	(103%)	(156)	258	(160%)
		11,012	(3,570)	N/M	18,045	(7,475)	N/M
Total comprehensive income/(expense) for the period/year attributable to:							
Owners of the parent							
- from continuing operations		9,835	(1,999)	N/M	15,430	(12,664)	N/M
- from discontinued operation		–	–	N/M	–	6,744	N/M
		9,835	(1,999)	N/M	15,430	(5,920)	N/M
Non-controlling interests		(4)	372	(101%)	(146)	288	(151%)
		9,831	(1,627)	N/M	15,284	(5,632)	N/M

N/M: Not meaningful

Condensed Interim Statements of Financial Positions

As At 31 December 2021

	Note	The Group 31 December		The Company 31 December	
		2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
ASSETS					
Non-current assets					
Investment properties	5	13,085	9,853	–	–
Investments	18	31,379	30,549	–	–
Investment in subsidiary		–	–	113,022	113,022
Investment in associates		124	23	–	–
Property, plant and equipment	6	136,357	144,028	5	11
Right-of-use assets		2,286	2,500	382	162
Rental deposit		398	546	–	–
Deferred tax assets		158	206	–	–
Total non-current assets		183,787	187,705	113,409	113,195
Current assets					
Investments	18	1,543	5,239	–	–
Properties under development		4,206	6,572	–	–
Accounts receivable		525	1,256	–	–
Amount due from subsidiary		–	–	4,200	1,805
Prepayments, deposits and other receivables		3,780	3,504	83	70
Tax recoverable		163	322	–	–
Asset held for sale	7	–	9,393	–	–
Cash and bank balances		36,732	35,477	760	626
Total current assets		46,949	61,763	5,043	2,501
Total assets		230,736	249,468	118,452	115,696

Condensed Interim Statements of Financial Positions (cont'd)

As At 31 December 2021

	Note	The Group 31 December		The Company 31 December	
		2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
EQUITY					
Equity attributable to owners of the parent					
Share capital	8	113,174	113,174	113,174	113,174
Retained earnings		21,525	5,086	3,001	678
Hedging reserve		(478)	(684)	–	–
Exchange reserve		767	3,744	–	–
Capital reserve		(2,854)	(2,856)	–	–
Total equity attributable to owners of the parent		132,134	118,464	116,175	113,852
Non-controlling interests		440	878	–	–
Total equity		132,574	119,342	116,175	113,852
LIABILITIES					
Non-current liabilities					
Borrowings	9	61,556	69,538	–	–
Lease liabilities		840	3,163	257	–
Derivative financial instruments		97	379	–	–
Amount due to subsidiary		–	–	1,000	1,000
Deferred tax liabilities		550	536	–	–
Other payables		52	59	–	–
Total non-current liabilities		63,095	73,675	1,257	1,000
Current liabilities					
Borrowings	9	22,285	44,435	–	–
Lease liabilities		3,599	3,546	131	174
Due to Tokumei Kumiai investors		1,230	1,972	–	–
Derivative financial instruments		422	618	–	–
Accounts payable		236	241	–	–
Amount due to subsidiary		–	–	4	3
Other payables and accruals		6,661	5,011	555	468
Income tax payable		634	628	330	199
Total current liabilities		35,067	56,451	1,020	844
Total liabilities		98,162	130,126	2,277	1,844
Total equity and liabilities		230,736	249,468	118,452	115,696

Condensed Interim Consolidated Statement of Changes in Equity

For The Full Year Ended 31 December 2021

The Group	Note	Attributable to the owners of the parent						Non-controlling interests US\$'000	Total equity US\$'000
		Share capital (Note 8) US\$'000	Retained earnings US\$'000	Hedging reserve US\$'000	Exchange reserve US\$'000	Capital reserve US\$'000	Total US\$'000		
At 1 January 2020		113,174	14,055	(487)	1,734	(2,877)	125,599	469	126,068
(Loss)/profit for the year		–	(7,733)	–	–	–	(7,733)	258	(7,475)
Other comprehensive (expense)/income for the year		–	–	(197)	2,010	–	1,813	30	1,843
Total comprehensive (expense)/income for the year		–	(7,733)	(197)	2,010	–	(5,920)	288	(5,632)
Acquisition of additional interests in a subsidiary		–	–	–	–	–	–	(54)	(54)
Disposal of interests in a subsidiary		–	–	–	–	–	–	228	228
Distributions to owners:									
Final dividend in respect of 2019	14	–	(1,224)	–	–	–	(1,224)	–	(1,224)
Transfer to capital reserve		–	(12)	–	–	21	9	–	9
Payment to non-controlling interests		–	–	–	–	–	–	(53)	(53)
At 31 December 2020 and at 1 January 2021		113,174	5,086	(684)	3,744	(2,856)	118,464	878	119,342
Profit/(loss) for the year		–	18,201	–	–	–	18,201	(156)	18,045
Other comprehensive income/(expense) for the year		–	–	206	(2,977)	–	(2,771)	10	(2,761)
Total comprehensive income/(expense) for the year		–	18,201	206	(2,977)	–	15,430	(146)	15,284
Acquisition of additional interests in a subsidiary		–	–	–	–	–	–	(52)	(52)
Distributions to owners:									
Final dividend in respect of 2020	14	–	(592)	–	–	–	(592)	–	(592)
Interim dividend in respect of 2021	14	–	(1,170)	–	–	–	(1,170)	–	(1,170)
Transfer to capital reserve		–	–	–	–	2	2	(2)	–
Payment to non-controlling interests		–	–	–	–	–	–	(238)	(238)
At 31 December 2021		113,174	21,525	(478)	767	(2,854)	132,134	440	132,574

Condensed Interim Statement of Changes in Equity

For The Full Year Ended 31 December 2021

The Company	Note	Share capital (Note 8) US\$'000	Retained earnings US\$'000	Total equity US\$'000
At 1 January 2020		113,174	2,470	115,644
Loss for the year, representing total comprehensive expense for the year		–	(568)	(568)
Distribution to owners:				
Final dividend in respect of 2019	14	–	(1,224)	(1,224)
At 31 December 2020 and 1 January 2021		113,174	678	113,852
Profit for the year, representing total comprehensive income for the year		–	4,085	4,085
Distribution to owners:				
Final dividend in respect of 2020	14	–	(592)	(592)
Interim dividend in respect of 2021	14	–	(1,170)	(1,170)
At 31 December 2021		113,174	3,001	116,175

Condensed Interim Consolidated Statement of Cash Flows

For The Full Year Ended 31 December 2021

	Note	The Group	
		12 months ended 31 December	
		2021 US\$'000	2020 US\$'000
Cash flows from operating activities			
Profit/(loss) before tax from continuing operations		18,996	(12,339)
Loss from discontinued operation before tax		–	(18,252)
Gain from deconsolidation of subsidiary		–	24,435
Profit/(loss) before tax		18,996	(6,156)
Adjustments for:			
Investment returns	12	(5,431)	(6,153)
Amortisation and depreciation		9,484	10,519
Depreciation of right-of-use assets		1,572	14,767
Gain on deconsolidation of subsidiary		–	(24,435)
Write-off of property, plant and equipment		6	–
Impairment of property, plant and equipment	6	–	7,920
Gain on disposal of asset held for sale	7	(365)	–
(Reversal of impairment)/impairment of loan receivables		(1,050)	4,773
Impairment of receivables		50	19
Net foreign exchange (gain)/loss		(1,562)	593
Interest income		(89)	(750)
Finance costs – interest expense		2,686	4,069
Finance costs – lease interest		243	3,288
Finance costs – others		140	171
Share of results of associates		(108)	5
Allocation to Tokumei Kumiai investors		290	398
Operating cash flows before changes in working capital		24,862	9,028
Changes in working capital:			
Net change in properties under development		1,771	(6,347)
Net change in accounts receivable		653	4,130
Net change in prepayments, deposits and other receivables		(280)	2,197
Net change in accounts payable		9	(542)
Net change in other payables and accruals		2,087	(1,251)
Cash flows generated from operations		29,102	7,215
Interest received on bank balances		24	293
Tax paid		(747)	(703)
Net cash flows generated from operating activities		28,379	6,805

Condensed Interim Consolidated Statements of Cash Flow (cont'd)

For The Full Year Ended 31 December 2021

	Note	The Group	
		12 months ended 31 December	
		2021 US\$'000	2020 US\$'000
Cash flows from investing activities			
Purchase of investment properties		(4,240)	(7,251)
Purchase of investments		(3,703)	(17,662)
Proceeds from sale of investment properties		–	17,094
Proceeds from redemption/sale of investments		9,020	6,402
Deconsolidation of consolidated entities		(8)	(10,871)
Proceeds from finance lease		–	7,701
Hotel lease deposit payment		–	(1,270)
Deposits (paid)/refunded for small residential projects		(11)	70
Purchase of property, plant and equipment		(2,050)	(2,111)
Proceeds from disposal of asset held for sale		9,758	–
Net (redemption)/contribution from Tokumei Kumiai investors		(857)	294
Net loans repaid/(advanced)		1,050	(100)
Interest received from loans and finance lease		62	604
Net decrease in deposits pledged as collateral		–	2,896
Income proceeds from investments		1,124	217
Settlement of derivative financial instruments		(5)	–
Proceeds from property rental		835	722
Net cash flows generated from/(used in) investing activities		10,975	(3,265)
Cash flows from financing activities			
Proceeds from borrowings		11,828	47,016
Repayment of borrowings		(39,463)	(49,122)
Interests and other finance cost paid on borrowings		(2,881)	(4,595)
Lease principal paid		(3,628)	(14,397)
Lease interest paid		(243)	(2,874)
Dividends paid	14	(1,762)	(1,224)
Payment to non-controlling interests		(238)	(53)
Net cash flows used in financing activities		(36,387)	(25,249)
Net increase/(decrease) in cash and cash equivalents		2,967	(21,709)
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the year		35,477	56,089
Net increase/(decrease) in cash and cash equivalents		2,967	(21,709)
Effects of foreign exchange rate changes, net		(1,712)	1,097
Cash and cash equivalents at end of the year		36,732	35,477

Notes To The Condensed Interim Consolidated Financial Statements

1. Corporate information

Uni-Asia Group Limited (the “Company”) is a limited liability company incorporated in Singapore on 12 January 2017 and its shares are listed and publicly traded on the Mainboard of the Singapore Exchange.

The registered office and principal place of business of the Company is located at 30 Cecil Street #10-06/07, Prudential Tower, Singapore 049712.

The principal activities of Company and its subsidiaries (collectively, the “Group”) are finance arrangement, investment and investment management of alternative assets including shipping and real estates in Japan, Hong Kong and China.

2. Basis of preparation

These unaudited condensed interim consolidated financial statements as at and for the six months and the year ended 31 December 2021 have been prepared in accordance with *IAS 34 Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”) and *SFRS(I) 1-34 Interim Financial Reporting* issued by the Accounting Standards Council Singapore (“ASC”). The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the IASB and Singapore Financial Reporting Standards (International) (SFRS(I)s) issued by the ASC (collectively, the “Standards”), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in United States dollars (“USD” or “US\$”) which is the Company’s functional currency, and all values are rounded to the nearest thousand (“US\$’000”), except when otherwise indicated.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2.2. Use of judgements and estimates

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Notes To The Condensed Interim Consolidated Financial Statements

2. Basis of preparation (cont'd)

2.2. Use of judgements and estimates (cont'd)

Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the condensed interim consolidated financial statements:

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

(a) Impairment of vessels held as property, plant and equipment

The Group owns vessels held as property, plant and equipment for ship chartering business. Indicators of impairment on the vessels was assessed annually to identify whether the vessels may be impaired. The Group computed the vessels' recoverable amount using value in use and compared with its carrying amounts to identify impairment losses when indicators of impairment existed, including impact arising from the COVID-19 pandemic. The key assumptions used in the value in use computation comprise of daily charter rates, disposal values, operational expenses, and the discount rate.

The carrying amount of the vessels held as property, plant and equipment as at 31 December 2021 is US\$135.8 million (31 December 2020: US\$143.6 million).

(b) Fair value of unlisted shares in shipping companies

The Group invested in unlisted shares of special purpose companies that own and charter ships which were carried at fair value through profit or loss. The Group generally used external valuation reports in the fair valuation of the unlisted shares. The key assumptions used in the valuation are daily charter rates, terminal values, operational expenses, and the discount rate.

The carrying amount of the unlisted shares in shipping companies as at 31 December 2021 and 31 December 2020 and significant unobservable inputs used in fair valuation including its sensitivity analysis are disclosed in Note 18.

Notes To The Condensed Interim Consolidated Financial Statements

2. Basis of preparation (cont'd)

2.2. Use of judgements and estimates (cont'd)

Estimates and assumptions (cont'd)

(c) Fair value of investment properties and unlisted shares in commercial office and industrial buildings and small residential property developments

The Group held commercial office buildings and small residential properties as investment properties measured at fair value. In addition, the Group invested in unlisted shares of special purpose companies that held commercial office and industrial buildings and small residential properties measured at fair value through profit or loss. The Group generally used external valuation reports and performed internal valuations in determining fair value of commercial office buildings held as investment properties and commercial office and industrial buildings held through unlisted shares. For small residential property development held through unlisted shares and held as investment properties, the Group used internal valuation in estimating the fair value of the unlisted shares and investment properties. The key assumptions used in the valuations are gross development value, development cost, rental yield, vacancy rate, gross capitalisation rates, expense ratio and discount rate, including impact arising from the COVID-19 pandemic.

The carrying amount of the investment properties and unlisted shares in commercial office and industrial buildings and small residential property developments as at 31 December 2021 and 31 December 2020 are disclosed in Note 18.

(d) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

Notes To The Condensed Interim Consolidated Financial Statements

4. Segment information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit before tax from continuing operations.

(a) *Operating segments*

At 31 December 2021, the Group is organised on a worldwide basis into six (31 December 2020: six excluding operating segment discontinued in June 2020) main reportable segments (activities):

- (i) Ship Owning and Chartering is the Group's ship owning and chartering business.
- (ii) Maritime Asset Management ("MAM") comprises of the Group's ship investment activity as a venture capital/asset management as well as finance arrangement business;
- (iii) Maritime Services is the Group's ship commercial/technical management business, as well as ship related brokerage service business;
- (iv) Property Investment (ex-Japan) includes the Group's ex-Japan property investment, venture capital/asset management and related business;
- (v) Property Investment (in-Japan) is the Group's in-Japan property investment/asset management and related business; and
- (vi) Headquarters' ("HQ") expenses

No operating segments have been aggregated to form the above reportable operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes To The Condensed Interim Consolidated Financial Statements

4. Segment information (cont'd)

(a) Operating segments (cont'd)

The segment results for the six months ended 31 December 2021 were as follows:

For the 6 months ended 31 December 2021	Shipping			Property		HQ US\$'000	Eliminations ⁽¹⁾ US\$'000	Total US\$'000
	Ship owning and chartering US\$'000	MAM US\$'000	Maritime services US\$'000	Property investment (ex-Japan) US\$'000	Property investment (in-Japan) US\$'000			
Total income								
External customers	28,970	980	521	697	6,520	67	–	37,755
Interest income	2	10	2	4	–	1	–	19
Inter-segment	–	134	645	–	67	–	(846)	–
	28,972	1,124	1,168	701	6,587	68	(846)	37,774
Results								
Amortisation and depreciation	(4,914)	–	(8)	–	(45)	(3)	4	(4,966)
Depreciation of right-of-use assets	(413)	–	–	–	(97)	(261)	–	(771)
Finance costs – interest expenses	(1,152)	21	–	–	(70)	(57)	59	(1,199)
Finance costs – lease interest	(95)	–	–	–	(1)	(8)	–	(104)
Finance costs – others	(30)	–	–	–	(31)	–	–	(61)
Share of results of associate	–	–	–	–	97	–	–	97
Allocation to Tokumei Kumiai investors	–	–	–	–	(194)	–	–	(194)
Profit/(loss) before tax	12,579	252	183	91	1,206	(2,670)	(3)	11,638
Other segment items are as follows:								
Capital expenditure	1,555	–	62	–	2,858	–	–	4,475
Investment in associate	–	–	–	–	124	–	–	124

⁽¹⁾ Inter-segment transactions are eliminated on consolidation.

Notes To The Condensed Interim Consolidated Financial Statements

4. Segment information (cont'd)

(a) Operating segments (cont'd)

The segment results for the six months ended 31 December 2020 were as follows:

For the 6 months ended 31 December 2020	Shipping			Property		HQ US\$'000	Eliminations ⁽¹⁾ US\$'000	Total US\$'000
	Ship owning and chartering US\$'000	MAM US\$'000	Maritime services US\$'000	Property investment (ex-Japan) US\$'000	Property investment (in-Japan) US\$'000			
Total income								
External customers	17,556	794	609	1,970	3,027	165	–	24,121
Interest income	1	65	–	29	131	37	–	263
Inter-segment	–	215	315	–	71	–	(601)	–
	17,557	1,074	924	1,999	3,229	202	(601)	24,384
Results								
Amortisation and depreciation	(4,926)	–	(3)	–	(31)	(5)	6	(4,959)
Depreciation of right-of-use assets	(414)	–	–	–	(83)	(286)	–	(783)
Impairment of loan receivables	–	–	–	–	–	(3,723)	–	(3,723)
Finance costs – interest expenses	(1,714)	(5)	–	–	(115)	(92)	141	(1,785)
Finance costs – lease interest	(158)	–	–	–	(3)	(13)	–	(174)
Finance costs – others	(49)	–	–	–	(19)	–	–	(68)
Share of results of associate	–	–	–	–	(2)	–	–	(2)
Allocation to Tokumei Kumiai investors	–	–	–	–	(488)	–	–	(488)
Profit/(loss) before tax	251	400	151	1,462	636	(5,581)	(10)	(2,691)
Other segment items are as follows:								
Capital expenditure	562	–	4	–	4,898	–	–	5,464
Investment in associate	–	–	–	–	23	–	–	23

⁽¹⁾ Inter-segment transactions are eliminated on consolidation.

Notes To The Condensed Interim Consolidated Financial Statements

4. Segment information (cont'd)

(a) Operating segments (cont'd)

The segment results for the year ended 31 December 2021 were as follows:

2021	Shipping			Property		HQ US\$'000	Eliminations ⁽¹⁾ US\$'000	Total US\$'000
	Ship owning and chartering US\$'000	MAM US\$'000	Maritime services US\$'000	Property investment (ex-Japan) US\$'000	Property investment (in-Japan) US\$'000			
Total income								
External customers	50,852	2,677	1,229	829	13,668	91	–	69,346
Interest income	3	62	5	14	–	5	–	89
Inter-segment	–	321	1,046	–	137	–	(1,504)	–
	50,855	3,060	2,280	843	13,805	96	(1,504)	69,435
Results								
Amortisation and depreciation	(9,394)	–	(11)	–	(84)	(6)	11	(9,484)
Depreciation of right-of-use assets	(827)	–	–	–	(198)	(547)	–	(1,572)
Reversal of impairment of loan receivable	–	1,050	–	–	–	–	–	1,050
Finance costs – interest expenses	(2,603)	–	–	–	(139)	(115)	171	(2,686)
Finance costs – lease interest	(225)	–	–	–	(3)	(15)	–	(243)
Finance costs – others	(81)	–	–	–	(57)	(2)	–	(140)
Share of results of associate	–	–	–	–	108	–	–	108
Allocation to Tokumei Kumiai investors	–	–	–	–	(290)	–	–	(290)
Profit/(loss) before tax	18,910	2,567	582	141	2,199	(5,381)	(22)	18,996
Other segment items are as follows:								
Capital expenditure	1,594	–	64	–	10,348	–	–	12,006
Investment in associate	–	–	–	–	124	–	–	124

⁽¹⁾ Inter-segment transactions are eliminated on consolidation.

Notes To The Condensed Interim Consolidated Financial Statements

4. Segment information (cont'd)

(a) Operating segments (cont'd)

The segment results for the year ended 31 December 2020 were as follows:

2020	← Continuing operations →					Discontinued operation				
	Shipping			Property		HQ	Eliminations ⁽¹⁾	Sub-total	Hotel operation	Total
	Ship owning and chartering	MAM	Maritime services	Property investment (ex-Japan)	Property investment (in-Japan)					
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Total income										
External customers	31,384	2,156	1,143	3,246	6,931	333	–	45,193	41,746	86,939
Interest income	17	133	5	92	436	67	–	750	–	750
Inter-segment	–	471	836	–	169	–	(1,476)	–	–	–
	31,401	2,760	1,984	3,338	7,536	400	(1,476)	45,943	41,746	87,689
Results										
Amortisation and depreciation	(10,377)	–	(6)	–	(55)	(12)	13	(10,437)	(82)	(10,519)
Depreciation of right-of-use assets	(828)	–	–	–	(82)	(572)	–	(1,482)	(13,285)	(14,767)
Impairment of property, plant and equipment	(7,920)	–	–	–	–	–	–	(7,920)	–	(7,920)
Impairment of loan receivables	–	(1,050)	–	–	–	(3,723)	–	(4,773)	–	(4,773)
Finance costs – interest expenses	(3,766)	(14)	–	–	(277)	(229)	322	(3,964)	(105)	(4,069)
Finance costs – lease interest	(342)	–	–	–	(6)	(33)	–	(381)	(2,907)	(3,288)
Finance costs – others	(95)	–	–	–	(48)	(2)	2	(143)	(28)	(171)
Share of results of associates	–	–	–	–	(5)	–	–	(5)	–	(5)
Allocation to Tokumei Kumiai investors	–	–	–	–	(398)	–	–	(398)	–	(398)
(Loss)/profit before tax	(11,225)	329	500	2,273	3,006	(7,227)	5	(12,339)	6,183	(6,156)
Other segment items are as follows:										
Capital expenditure	2,499	–	6	–	13,623	9	–	16,137	21	16,158
Investment in associate	–	–	–	–	23	–	–	23	–	23

⁽¹⁾ Inter-segment transactions are eliminated on consolidation.

Notes To The Condensed Interim Consolidated Financial Statements

4. Segment information (cont'd)

(a) Operating segments (cont'd)

The segment assets and liabilities were as follows:

	Shipping			Property		HQ US\$'000	Eliminations ⁽¹⁾ US\$'000	Total US\$'000
	Ship owning and chartering US\$'000	MAM US\$'000	Maritime services US\$'000	Property investment (ex-Japan) US\$'000	Property investment (in-Japan) US\$'000			
	2021							
Segment assets:								
Total assets	152,360	2,646	2,218	30,873	36,109	6,952	(422)	230,736
Segment liabilities:								
Total liabilities	85,287	–	271	5,335	12,814	4,944	(10,489)	98,162
2020								
Segment assets:								
Total assets	167,113	2,409	1,992	32,330	39,582	6,304	(262)	249,468
Segment liabilities:								
Total liabilities	124,282	32	403	5,324	13,377	5,237	(18,529)	130,126

⁽¹⁾ Inter-segment transactions are eliminated on consolidation.

Segment assets consist primarily of investment properties, properties under development, asset held for sale, property, plant and equipment, right-of-use assets, receivables, investments and cash and bank balances.

Segment liabilities consist primarily of borrowings, lease liabilities, payables, accruals and derivative financial instruments.

Notes To The Condensed Interim Consolidated Financial Statements

4. Segment information (cont'd)

(b) Geographical information

The Group's six (31 December 2020: six excluding operating segment discontinued in June 2020) operating segments operate in three main geographical areas, even though they are managed on a worldwide basis.

Global - the Global segment represents activities with assets or customers with no fixed location, which include ship finance arrangement, investments and asset management of ships, ship owning and chartering.

Asia (ex-Japan) - the Asia (ex-Japan) segment represents activities with assets or customers located in Asia (ex-Japan), which include ship finance arrangement, investments and asset management of properties.

Japan - the Japan segment represents activities with assets or customers located in Japan, which include ship finance arrangement, investments and asset management of properties.

	The Group			
	2H2021 US\$'000	2H2020 US\$'000	2021 US\$'000	2020 US\$'000
Total income:				
Global	30,367	18,650	54,091	34,163
Asia (ex-Japan)	886	2,458	1,672	4,120
Japan	6,521	3,276	13,672	7,660
	37,774	24,384	69,435	45,943

During the year, total revenue of US\$22.6 million (2020: no revenue) were with customers where transactions with each of the customer amounted to ten per cent (10%) or more of the Group's revenue.

	The Group	
	2021 US\$'000	2020 US\$'000
Non-current assets:		
Global	139,324	147,703
Asia (ex-Japan)	30,062	28,471
Japan	14,401	11,531
	183,787	187,705

Income and non-current assets attributable to operating segments are based on the countries in which the customers are located. There is no sale between the geographical segments.

Notes To The Condensed Interim Consolidated Financial Statements

5. Investment properties

	The Group	
	2021 US\$'000	2020 US\$'000
Beginning of year	9,853	16,397
Additions	4,254	7,251
Disposals	–	(14,370)
Currency translation differences	(1,022)	575
End of year	13,085	9,853

The following amounts are recognised in profit or loss:

	The Group	
	2021 US\$'000	2020 US\$'000
Rental income	454	486
Direct operating expenses arising from:		
- Investment properties that generated rental income	100	111

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Further particulars of the Group's investment properties are detailed below:

Location	Use	Tenure	Unexpired lease term
Rooms 712-715, 7/F, China Shine Plaza, 9 Lin He Xi Road, Tianhe District, Guangzhou, PRC ⁽¹⁾	Offices	Leasehold	34 years
1-7-12 Shimoochiai, Shinjuku-ku, Tokyo ⁽²⁾	Residential	Freehold	–
1-173-18, Takadanobaba Shinjuku-ku, Tokyo ⁽³⁾	Residential	Freehold	–
2-35-2 Hanegi, Setagaya-ku, Tokyo ⁽⁴⁾	Residential	Freehold	–

(1) The Group engages external independent valuer in the fair valuation of the investment property. Market comparable approach is used which makes reference to the estimated or actual market transaction price based on valuer's assumptions.

(2) The Group uses management's valuation in the fair valuation of the investment property. Discounted cash flow method is used which makes reference to the estimated or actual market rental values and equivalent yields. This investment property amounting to US\$5.0 million (2020: US\$5.6 million) is mortgaged to secure bank borrowing of US\$3.2 million (2020: US\$3.7 million).

(3) The Group uses management's valuation in the fair valuation of the investment property. Capitalisation rate method is used which makes reference to the capitalisation rates of similar investment properties in the market. This investment property amounting to US\$4.2 million (2020: US\$2.5 million) is mortgaged to secure bank borrowing of US\$2.4 million (2020: US\$2.0 million).

(4) The Group uses management's valuation in the fair valuation of the investment property. Capitalisation rate method is used which makes reference to the capitalisation rates of similar investment properties in the market. This investment property amounting to US\$2.1 million (2020: US\$Nil) is mortgaged to secure bank borrowing of US\$1.5 million (2020: US\$Nil).

Notes To The Condensed Interim Consolidated Financial Statements

6. Property, plant and equipment

During the year, the Group acquired assets amounting to US\$1.9 million (2020: acquired assets amounting to US\$2.6 million and taken US\$7.9 million impairment loss).

7. Asset held for sale

During the year, the Group disposed of a vessel classified as an asset held for sale of US\$9.4 million (2020: US\$Nil), and recorded a US\$0.4 million gain on disposal of asset held for sale (2020: US\$Nil).

8. Share capital

	The Group and the Company			
	2021		2020	
	Number of shares '000	Share capital US\$'000	Number of shares '000	Share capital US\$'000
<i>Issued and fully paid:</i>				
Beginning of year	78,600	113,174	78,600	113,174
End of year	78,600	113,174	78,600	113,174

The Company did not hold any treasury shares nor have any outstanding convertibles as at 31 December 2021 and 31 December 2020.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

Notes To The Condensed Interim Consolidated Financial Statements

9. Borrowings

	The Group		The Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Non-current				
Repayable per terms of loan facilities:				
Secured	61,556	69,538	–	–
Unsecured	–	–	–	–
	61,556	69,538	–	–
Current				
Repayable per terms of loan facilities:				
Secured	19,285	29,154	–	–
Unsecured	3,000	15,281	–	–
	22,285	44,435	–	–

The Group's borrowings are secured by means of investment properties (Note 5), property, plant and equipment; and properties under development.

10. Charter income

	The Group			
	2H2021 US\$'000	2H2020 US\$'000	2021 US\$'000	2020 US\$'000
Lease	18,722	7,818	29,520	13,241
Non-lease	9,085	8,835	18,285	17,155
Total charter income	27,807	16,653	47,805	30,396

11. Fee income

	The Group			
	2H2021 US\$'000	2H2020 US\$'000	2021 US\$'000	2020 US\$'000
Asset management and administration fee	1,681	1,849	3,262	3,517
Arrangement and agency fee	594	710	1,605	2,463
Brokerage commission	263	278	596	1,489
Incentive fee	268	106	268	302
Total fee income	2,806	2,943	5,731	7,771

Notes To The Condensed Interim Consolidated Financial Statements

12. Investment returns

	The Group			
	2H2021 US\$'000	2H2020 US\$'000	2021 US\$'000	2020 US\$'000
Realised gain on investment property	–	1,321	–	2,724
Realised gain/(loss) on investments:				
- Shipping	528	76	1,443	152
- Commercial office/industrial buildings	(166)	–	(166)	(31)
- Small residential property developments	838	424	1,481	516
- Listed shares	–	–	527	15
Property rental income	397	477	725	722
Fair value adjustment on investments:				
- Shipping	55	–	206	(224)
- Commercial office/industrial buildings	580	1,670	539	2,541
- Small residential property developments	104	(259)	208	(225)
- Listed shares	–	238	–	(124)
- Others	(42)	–	(164)	–
Net adjustments on derivative financial instruments	632	–	632	87
	2,926	3,947	5,431	6,153

13. Income tax

The Group calculates the period income tax expense using tax rates prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof, that would also be applicable to the expected total annual earnings.

	The Group			
	2H2021 US\$'000	2H2020 US\$'000	2021 US\$'000	2020 US\$'000
Current income taxation	618	886	940	1,272
(Over)/under-provision in respect of prior years	(17)	16	(17)	16
Deferred income tax expense relating to origination and reversal of temporary differences	(838)	(23)	(835)	(21)
Deferred income tax expense relating to utilisation of previously unrecognised tax losses	863	-	863	-
Income tax expense recognised in profit or loss	626	879	951	1,267

Notes To The Condensed Interim Consolidated Financial Statements

14. Dividends

	The Group and the Company	
	2021 US\$'000	2020 US\$'000
Paid during the year:		
<i>Dividends on ordinary shares:</i>		
- Final dividend for 2020: SG cents 1.00 per share (S\$0.79 million) (2019: SG cents 2.20 per share (S\$1.73 million))	592	1,224
- Interim dividend for 2021: SG cents 2.00 per share (S\$1.57 million) (2020: S\$Nil)	1,170	–
	1,762	1,224

	The Group and the Company	
	2021 S\$'000	2020 S\$'000
Proposed but not recognised as a liability as at 31 December:		
<i>Dividends on ordinary shares, subject to shareholders' approval at the AGM:</i>		
- Final dividend for 2021: SG cents 3.00 per share (2020: SG cents 1.00 per share)	2,358	786
- Special dividend for 2021: SG cents 2.00 per share (2020: S\$Nil)	1,572	–
	3,930	786

Notes To The Condensed Interim Consolidated Financial Statements

15. Profit/(loss) per share

Basic and diluted profit/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

The following table reflects the profit/(loss) and share data used in computation of basic and diluted profit per share for the year:

The Group	2H		FY	
	2021	2020	2021	2020
Weighted average number of ordinary shares in issue ('000)	78,600	78,600	78,600	78,600
<u>Continuing operations</u> Profit/(loss) from continuing operations attributable to owners of the parent (US\$'000)	11,021	(3,906)	18,201	(14,049)
Profit/(loss) per share (US cents per share) from continuing operations - basic and diluted	14.02	(4.97)	23.16	(17.87)
<u>Discontinued operation</u> Profit from discontinued operation attributable to owners of the parent (US\$'000)	-	-	-	6,316
Profit per share (US cents per share) from discontinued operation - basic and diluted	-	-	-	8.04
<u>Total</u> Profit/(loss) attributable to owners of the parent (US\$'000)	11,021	(3,906)	18,201	(7,733)
Profit/(loss) per share (US cents per share) - basic and diluted	14.02	(4.97)	23.16	(9.84)

16. Net asset value

	The Group		The Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Total number of ordinary shares in issue ('000)	78,600	78,600	78,600	78,600
Net asset value per ordinary share (US\$)	1.69	1.52	1.48	1.45

Notes To The Condensed Interim Consolidated Financial Statements

17. Deconsolidation of consolidated entities

During the year ended 31 December 2021, the Group dissolved the investments in GK Alero 33 and GK Alero 44 (2020: Arena Godo Kaisha, GK Alero 3, GK Alero 20 and GK Alero 39). The consolidated entities were dormant following the disposal of their investment in small residential properties (2020: investment in GAT ship for Arena Godo Kaisha and investment in small residential properties for GK Alero 3, GK Alero 20 and GK Alero 39).

In addition, wholly-owned Florida Containership S.A. was liquidated and deconsolidated during the year ended 31 December 2021 following the disposal of its containership investment.

No gain or loss arose from the deconsolidation of consolidated entities for the current financial year and the corresponding financial year in 2020.

18. Assets and liabilities measured at fair value

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is depended on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

Notes To The Condensed Interim Consolidated Financial Statements

18. Assets and liabilities measured at fair value (cont'd)

(a) Fair value hierarchy (cont'd)

Analysis of each class of assets and liabilities measured at fair value by level of fair value hierarchy as at the end of the reporting period was as follows:

The Group	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
As at 31 December 2021				
Recurring fair value measurements				
<i>Financial assets</i>				
<u>Fair value through profit or loss</u>				
Unlisted shares				
- Shipping	–	–	2,745	2,745
- Residential	–	–	68	68
- Commercial office/industrial buildings	–	4,365	22,523	26,888
- Small residential property developments	–	–	1,635	1,635
- Others	–	–	1,586	1,586
	–	4,365	28,557	32,922
<i>Non-financial assets</i>				
Investment properties	–	–	13,085	13,085
	–	4,365	41,642	46,007
<i>Financial liabilities</i>				
<u>Derivatives designated as hedges</u>				
Interest rate swaps	–	(271)	–	(271)
Cross currency rate swaps	–	(248)	–	(248)
	–	(519)	–	(519)

Investments in unlisted shares of special purpose companies that hold ships, residential projects, commercial office/industrial buildings, small residential property developments and other projects are measured at fair value through profit or loss. The fair values of these investments are assessed with reference to the fair values of the underlying assets.

Notes To The Condensed Interim Consolidated Financial Statements

18. Assets and liabilities measured at fair value (cont'd)

(a) Fair value hierarchy (cont'd)

The Group	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
As at 31 December 2020				
Recurring fair value measurements				
<i>Financial assets</i>				
<u>Fair value through profit or loss</u>				
Unlisted shares				
- Shipping	–	–	2,520	2,520
- Residential	–	–	66	66
- Commercial office/industrial buildings	–	16,004	11,401	27,405
- Small residential property developments	–	–	3,649	3,649
- Others	–	–	997	997
Unlisted performance notes				
- Distressed asset	–	–	100	100
Listed shares	1,051	–	–	1,051
	1,051	16,004	18,733	35,788
<i>Non-financial assets</i>				
Investment properties	–	–	9,853	9,853
	1,051	16,004	28,586	45,641
<i>Financial liabilities</i>				
<u>Derivatives designated as hedges</u>				
Interest rate swaps	–	(839)	–	(839)
Cross currency rate swaps	–	(158)	–	(158)
	–	(997)	–	(997)

Notes To The Condensed Interim Consolidated Financial Statements

18. Assets and liabilities measured at fair value (cont'd)

(a) Fair value hierarchy (cont'd)

The movements in fair value measurements in Level 3 during the periods were as follows:

The Group	Unlisted shares US\$'000	Investment properties US\$'000	Total US\$'000
At 1 January 2020	11,128	16,397	27,525
Fair value adjustment recognised in profit or loss	2,040	–	2,040
Purchases	6,188	7,251	13,439
Disposals	(3,765)	(14,370)	(18,135)
Deconsolidation of subsidiary	(6)	–	(6)
Income proceeds from investment	(522)	–	(522)
Transfers into level 3	3,464	–	3,464
Currency translation differences	206	575	781
At 31 December 2020 and at 1 January 2021	18,733	9,853	28,586
Fair value adjustment recognised in profit or loss	814	–	814
Purchases	3,610	4,254	7,864
Disposals	(5,801)	–	(5,801)
Transfers into level 3	11,657	–	11,657
Currency translation differences	(456)	(1,022)	(1,478)
At 31 December 2021	28,557	13,085	41,642

There was no transfer of fair value measurements between Level 1 and Level 2 during the periods.

(b) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivative financial instruments

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

Notes To The Condensed Interim Consolidated Financial Statements

18. Assets and liabilities measured at fair value (cont'd)

(c) Level 3 fair value measurements

Description of significant unobservable inputs used in Level 3 fair value measurements are as follows:

Descriptions	Note	Fair value at		Valuation techniques	Significant unobservable inputs	Range	
		2021 US\$'000	2020 US\$'000			2021	2020
Commercial office/industrial building:							
- Unlisted shares	(i)	12,664	8,674	Income approach	Gross development value per square foot	HK\$14,000 – HK\$16,000	HK\$11,500 – HK\$17,000
					Discount rate	5.0%	5.0%
		9,859	2,727	Market comparable approach	Development cost per square foot	HK\$1,400 – HK\$2,100	HK\$1,400 – HK\$2,100
					Adjustments on market transaction price based on valuer's assumption ¹	5.0 - 20.0%	5.0 - 20.0%
- Investment properties		–	1,798	Income approach	Long term sustainable growth rate	–	1%
					Capitalisation rate	–	3.35%
		1,843	–	Market comparable approach	Adjustments on market transaction price based on valuer's assumption ¹	5.0 - 20.0%	–
Shipping:							
- Unlisted shares	(ii)	2,641	2,403	Income approach	Daily charter rate	US\$11,000 - US\$21,000	US\$8,000 - US\$27,000
					Terminal value	US\$Nil	US\$7 million
					Discount rate	6.7% - 7.4%	4.6% - 6.6%
Small residential property developments:							
- Investment properties		11,242	8,055	Income approach	Property completed:		
					Discount rate/Gross capitalisation rate	5%	5%
					Monthly rental per square meter	JPY4,000 – JPY5,000	JPY4,000
				Income approach	Property under construction:		
					Gross development value per square meter	–	JPY1.2 million
					Development cost per square meter	–	JPY0.5 million
					Discount rate	–	5%

¹ the adjustments are made for any difference in the nature, location or condition of the specific property

Notes To The Condensed Interim Consolidated Financial Statements

18. Assets and liabilities measured at fair value (cont'd)

(c) Level 3 fair value measurements (cont'd)

The following table shows the impact on the Level 3 fair value measurement of assets and liabilities that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same unless stated otherwise.

Note	Descriptions	Significant unobservable inputs	Percentage change	Impact of percentage change in inputs on profit before tax	
				2021 US\$'000	2020 US\$'000
Commercial office/industrial building:					
(i)	- Unlisted shares	Gross development value per square foot	(15%)	(3,070)	(1,787)
		Discount rate	(2%)	136	109
		Development cost per square foot	(5%)	191	106
		Adjustments on market transaction price based on valuer's assumption	(20%)	(3,190)	(513)
Shipping:					
(ii)	- Unlisted shares	Daily charter rate	5%	1,408	1,336
		Selling price at end of lease term ¹	15%	-	-
		Discount rate	1%	(157)	(68)

¹ There are no negative effect as the investments with this input are already nil balance.

(d) Valuation policies and procedures

Management oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For valuation performed by external valuation experts, management reviews the appropriateness of the valuation methodologies and assumptions adopted as well as evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources or internal sources if necessary and appropriate.

Management documents and reports its analysis and results of the external valuations to the Board of Directors on a periodic basis.

Notes To The Condensed Interim Consolidated Financial Statements

18. Assets and liabilities measured at fair value (cont'd)

- (e) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Accounts receivable, amounts due from subsidiary, other receivables, cash and bank balances, borrowings, due to Tokumei Kumiai investors, accounts payable, amounts due to subsidiaries, other payables and accruals.

The carrying amounts of these financial assets and liabilities other than borrowings at fixed rate are reasonable approximation of fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of borrowings at fixed rate are reasonable approximation of fair values, either due to their short-term nature or that they are fixed rate instruments, which the fixed interest rate are reasonable approximation of market floating rates on or near the end of the reporting period.

19. Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised in the consolidated financial statements of the Group was as follows:

	The Group	
	2021 US\$'000	2020 US\$'000
Capital commitments in respect of:		
Investment properties under construction	756	2,313
Properties under development	426	–

Notes To The Condensed Interim Consolidated Financial Statements

20. Related party transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Group and related parties in the normal course of business:

	The Group					
	2021			2020		
	Associates US\$'000	Investee companies US\$'000	Other related companies US\$'000	Associates US\$'000	Investee companies US\$'000	Other related companies US\$'000
Consolidated income statement						
Fee income:						
Asset management and administration fee	–	2,595	–	122	2,710	–
Arrangement and agency fee	–	1,189	284	–	746	708
Brokerage commission	–	474	–	–	528	–
Incentive fee	–	268	–	–	302	–
Investment returns:						
Realised gain on investments - Shipping	–	1,443	–	–	152	–
Property rental income	–	153	77	235	–	–
Miscellaneous Income	–	37	–	–	–	–
Interest income	–	65	–	12	156	–

	The Group					
	2021			2020		
	Associates US\$'000	Investee companies US\$'000	Other related companies US\$'000	Associates US\$'000	Investee companies US\$'000	Other related companies US\$'000
Consolidated balance sheets						
Current						
Accounts receivable	–	241	8	32	432	9
Other receivable	–	–	–	28	–	–
Accounts payable	–	–	–	3	1	–
Other payable	–	–	20	23	10	–
Corporate guarantees provided to lenders	–	–	–	–	4,538	–

Other related companies refer to shareholders of the Group, who fit the definition of related parties and entities invested by an investee company.

21. Events occurring after the reporting period

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.

Part B - Other Information Required by Listing Rule Appendix 7.2

B1 – Appendix 7.2 – 2

Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

B2 – Appendix 7.2 – 3

Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

B3 – Appendix 7.2 – 8

A review of the group performance, to the extent necessary for a reasonable understanding of the group's business. It must include discussion of any significant factors that affected the turnover, costs, and earnings for the current financial period report on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the group during current financial period reported on.

Review of Consolidated Profit or Loss Statement

Total Income

Total income of the Group was US\$69.4 million for the year ended 31 December 2021 ("FY2021"), a 51% increase from US\$45.9 million for the year ended 31 December 2020 ("FY2020"). Changes in major components of total income, including charter income, fee income, sale of properties under development, investment returns and other income are explained below.

(i) Charter Income

Charter income increased by 57% from US\$30.4 million in FY2020 to US\$47.8 million in FY2021, notwithstanding that the Group had disposed of one wholly-owned containership in the first quarter of 2021, i.e. there was one less ship contributing to charter income in FY2021 compared to FY2020.

Following a disappointing year in 2020 as a result of the COVID-19 pandemic, the shipping market bounced back strongly in 2021 due to various factors including increased cross-border trade (increasing demand) and port congestion (decreasing supply). The Group's wholly-owned dry bulk ships benefited from the strong market in 2021, with daily charter rates averaging around US\$13,500 per day for FY2021.

(ii) Fee Income

Total fee income was US\$5.7 million in FY2021, a decrease of 26% from US\$7.8 million in FY2020. Recurring asset management and administration fee income reduced by 7% in FY2021 compared to FY2020 mainly due to less administration fee income following the disposal of 3 joint-investment containership investments which had contributed to administration fee income in FY2020. Arrangement and agency fee as well as brokerage commission decreased in FY2021 due to less arrangement and brokerage commission deals closed in FY2021. Incentive fees decreased by 11% in FY2021. Please refer to Note 11 of Notes To The Condensed Interim Consolidated Financial Statements for breakdown of Fee Income for FY2021 and FY2020.

(iii) Sale of properties under development

Properties under development were sold for US\$9.1 million in FY2021. No property categorised as property under development was sold in FY2020.

(iv) Investment Returns

Investment returns for FY2021 was a gain of US\$5.4 million compared to US\$6.2 million for FY2020.

A total realised gain of US\$1.4 million was recognised for a joint-investment containership sold during the year. Realised gain from sale of small residential property development projects was US\$1.5 million while realised gain from sale of listed shipping shares was US\$0.5 million for FY2021.

Property rental income was US\$0.7 million for FY2021, the same level as that in FY2020.

Total net fair valuation gain from the Group's shipping, property and other investments were US\$0.8 million for FY2021.

Please refer to Note 12 of Notes To The Condensed Interim Consolidated Financial Statements for breakdown of Investment Returns for FY2021 and FY2020.

(v) Other Income

Other income was US\$1.2 million for FY2021 compared to US\$0.8 million in FY2020 mainly due to various one-off miscellaneous receipts in FY2021.

Total Operating Expenses

Employee benefits expenses increased by 40% from US\$6.8 million in FY2020 to US\$9.5 million in FY2021 due to accrual of variable performance bonus component associated with performance of the Group. Amortisation and depreciation decreased by 9% from US\$10.4 million in FY2020 to US\$9.5 million in FY2021 as a result of impairment of property, plant and equipment in 2020 as well as one less consolidated ship's depreciation expense. Vessel operating expenses increased by 7% from US\$17.3 million in FY2020 to US\$18.6 million in FY2021 mainly due to increase in pandemic-related vessel operating expenses, including additional costs incurred for crew change and crew-related costs. Notwithstanding the aforementioned, the 7% increase of vessel operating expenses was at a much lower rate than the 57% increase of charter income from FY2020 to FY2021. Costs of properties under development sold were US\$8.0 million for FY2021.

During the year, the Group completed the sale of (i) one wholly-owned containership and (ii) one 50% owned containership. The sale of (i) the wholly-owned containership resulted in a gain from disposal of asset held for sale of US\$0.4 million in 2021. The sale of (ii) the 50% owned containership resulted in the receipt of a US\$1.1 million loan previously impaired, hence the reversal of impairment of loan receivable.

Net foreign exchange gain of US\$1.6 million was mainly due to unrealised translation gain from unhedged portion of Japanese Yen loans arising from weakening of Japanese Yen against US Dollars in FY2021.

Net operating expenses was US\$47.2 million for FY2021 compared to US\$53.4 million for 2020, a decrease of 12%.

Operating Profit

The Group recorded an operating profit of US\$22.2 million for FY2021 compared to an operating loss of US\$7.4 million for FY2020, achieving a V-shaped recovery.

Finance Costs and Other Costs

Interest on borrowings was US\$2.7 million for FY2021, a 32% decrease from US\$4.0 million for FY2020 following decrease in total borrowings as the Group pared down borrowings in anticipation of interest rate hike in 2022 and beyond.

Net Profit After Tax

The Group achieved a net profit after tax of US\$18.0 million for FY2021, the highest net profit achieved in the history of the Group.

Review of Statement of Financial Positions

Non-current assets

The Group's non-current assets decreased by US\$3.9 million from US\$187.7 million on 31 December 2020 to US\$183.8 million on 31 December 2021. Material variances are as follows:

- 1) Increase in investment properties by US\$3.2 million mainly due to additional investments in investment properties;
- 2) Increase in investments of US\$0.8 million mainly due to investment in small residential property investments; and
- 3) Decrease in property, plant and equipment of US\$7.7 million and decrease in right-of-use assets of US\$0.2 million mainly due to depreciation.

Current assets

The Group's current assets decreased by US\$14.9 million from US\$61.8 million on 31 December 2020 to US\$46.9 million on 31 December 2021. Material variances are as follows:

- 1) Decrease in investments of US\$3.7 million mainly due to disposal of small residential property investments;
- 2) Decrease in properties under development of US\$2.4 million from US\$6.6 million on 31 December 2020 to US\$4.2 million on 31 December 2021 due to net disposal of investments in the Group's ALERO develop-for-sale projects;
- 3) Asset held for sale was US\$9.4 million on 31 December 2020 compared to US\$Nil on 31 December 2021 as the containership investment classified under asset held for sale on 31 December 2020 had been disposed of in 2021; and
- 4) Increase in cash and bank balances by US\$1.3 million. Please see the following note on review of statement of cash flows for further information.

Total liabilities

Total liabilities decreased by US\$31.9 million from US\$130.1 million on 31 December 2020 to US\$98.2 million on 31 December 2021. Material variances are as follows:

- 1) Decrease in total borrowings (including both current and non-current) of the Group by US\$30.1 million mainly due to scheduled repayment of long-term borrowings as well as repayment of short-term borrowings as part the Group's deleveraging strategy;
- 2) Decrease in total lease liabilities by US\$2.3 million as a leased asset is nearing the end of its lease term; and
- 3) Increase in other payables and accruals of US\$1.6 million mainly due to accrual of variable component associated with performance of the Group.

Review of Statement of Cash Flows

The Group's cash and bank balances decreased by US\$1.3 million in FY2021 after the effects of foreign exchange rate changes. Material items are listed below.

[A] In FY2021, due mainly to good shipping market as well as sale of properties under development, US\$28.4 million was generated from operating activities, an increase of US\$21.6 million from FY2020.

[B] Cash flows generated from investing activities were US\$10.9 million for FY2021.

Main cash inflows from investing activities include:

- i) proceeds from redemption/sale of investments of US\$9.0 million, of which US\$5.6 million pertained to small residential property projects (ALERO projects), US\$1.8 million pertained to redemption of capital from ship investee companies, and US\$1.6 million pertained to proceeds from sale of shipping-related listed investment;
- ii) proceeds from disposal of a containership of US\$9.8 million (proceeds from disposal of asset held for sale);
- iii) repayment of loan by ship investee company of US\$1.1 million; and
- iv) income proceeds from investments of US\$1.1 million mainly from property investment in Hong Kong.

Main cash outflows from investing activities include:

- i) additional capital injection into investment properties (ALERO project) of US\$4.2 million;
- ii) purchase of investments of US\$3.7 million of which US\$3.1 million pertained to small residential property investments (ALERO projects), US\$0.2 million pertained to Hong Kong property investee companies, and US\$0.4 million pertained to funding of an existing ship investment; and
- iii) increase in property, plant and equipment of US\$2.1 million mainly due to capitalisation of drydocking-related expenses.

[C] Cash flows used in financing activities were US\$36.4 million in FY2021.

Main cash outflows from financing activities include:

- i) repayments of borrowings of US\$39.5 million offset by proceeds from borrowings of US\$11.8 million;
- ii) interest and other finance cost paid of US\$2.9 million;
- iii) fixed lease payments classified as lease principal paid (amounting to US\$3.6 million) and lease interest paid (amounting to US\$0.2 million); and
- iv) FY2020 final dividend of US\$0.6 million and FY2021 interim dividend of US\$1.2 million paid during the year.

B4 – Appendix 7.2 – 9

Where a forecast, or a prospect statement, has been previously disclosed to shareholders, and variance between it and the actual results.

Not applicable. The Group has not provided a forecast.

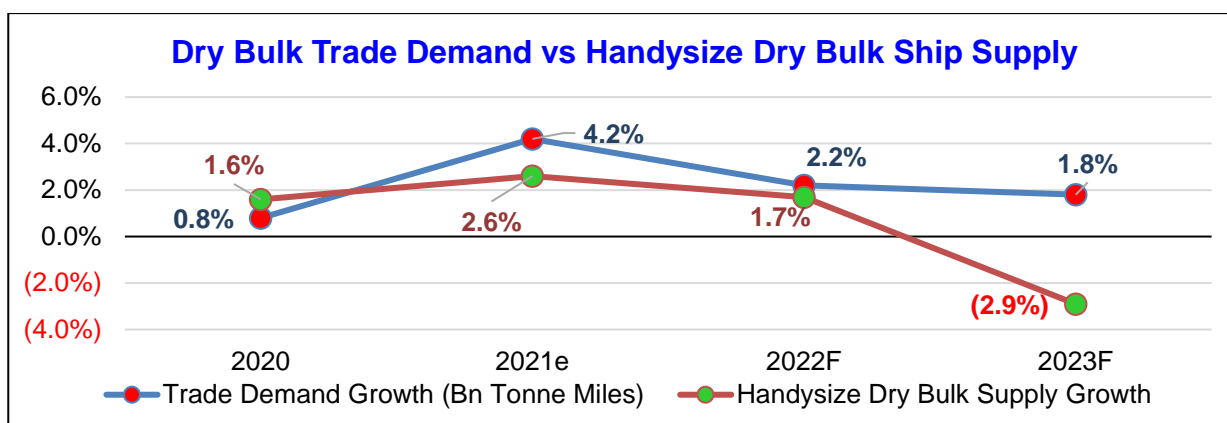
B5 – Appendix 7.2 – 10

A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Dry Bulk

2021 had been a bumper year for the shipping market, including the dry bulk market. While the dry bulk spot rates had pulled back in the last two months of 2021, the second half of 2021 saw the highest average charter rates level since 2010. According to Marsoft Dry Bulk Market eBrief January 2022, Chinese steel production is likely to be weak in 1Q2022 due to the Chinese Government extending restrictions in order to limit pollution during the Beijing Winter Olympics. However, from 2Q2022, trade demand is likely to bounce back, boosted by seasonal spike in grain trade and rebound in steel-related trade, thereby driving dry bulk trade demand for the rest of 2022. As a result, dry bulk rates, including handysize rates, could see a decline in 1Q2022 before recovering from 2Q2022 onwards.

In addition, the supply-demand fundamentals of handysize dry bulk ships remain strong. According to Clarksons Research Dry Bulk Trade Outlook January 2022 edition, dry bulk tonne-miles trade demand is projected to grow by 2.2% and 1.8% in 2022 and 2023 respectively. On the other hand, handysize dry bulk ship supply is projected to grow by 1.7% in 2022 and decline by 2.9% in 2023. Accordingly, the good handysize dry bulk market could continue in 2022.



Source: Clarksons Research DBTO January 2022

Hong Kong Property

Hong Kong commercial/industrial property market remained sluggish due to the COVID-19 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. The market may be more active after the border controls are relaxed.

Japan Property

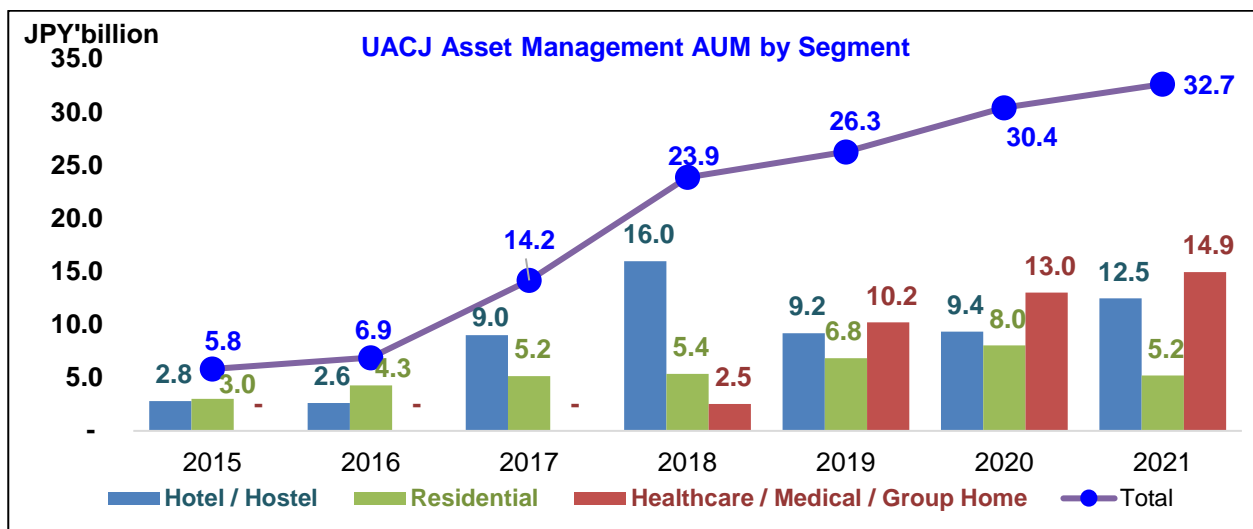
In addition to the Group’s small residential property projects – “ALERO” series as well as property asset management businesses in Japan, subsidiary Uni-Asia Capital (Japan) Ltd (“UACJ”) continually search for new business opportunities to widen the scope of UACJ’s property asset management expertise.

On 31 August 2021, UACJ established a fund to develop group homes for persons with disabilities. The fund will invest and develop the group homes, and thereafter these group homes will be operated by unrelated third-party professional operator, Social Inclu Co., Ltd. The Group has a stake in this fund through wholly-owned subsidiary, Uni-Asia Investment Ltd (“UAI”).

Separately, in 2019, UACJ led a consortium to participate and won the bid for a public work facility development project in Wako City, Saitama Prefecture in Japan. The project is a private finance initiative project to build a public use facility which includes a children’s centre, a healthcare facility, a public swimming pool and a spa. The facility opened officially on 4 December 2021. The UACJ-led consortium will operate the facility for 20 years. At the end of the 20-year operating contract, Wako City will purchase the facility back from the consortium.

Such projects are in line with the Group’s commitment to good corporate citizenship and sustainable business practices, and its belief in creating shared value and improving the impact of its businesses on society.

By continually developing new products, UACJ is able to offer new opportunities for investors and thereby expanding UACJ’s asset management business. The assets managed by UACJ had increased from around JPY5.8 billion as at end of 2015 to around JPY32.7 billion as at end of 2021.



Such varied product range allow the Group to be more resilient to seasonal market fluctuations, and helps the Group in increasing recurring income base and market outreach.

B6 – Appendix 7.2 – 11

Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend (one-tier tax exempt)	Interim	Final	Special	Total
Dividend Type	Cash	Cash	Cash	Cash
Dividend Per Share	2 Singapore cent per ordinary share	3 Singapore cents per ordinary share	2 Singapore cents per ordinary share	7 Singapore cents per ordinary share
Total Dividend	S\$1,572,000	S\$2,358,000	S\$1,572,000	S\$5,502,000
Payment date	Paid on 30 Sep 2021	31 May 2022	31 May 2022	

(b) Corresponding period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend	Final tax exempt (one-tier)
Dividend Type	Cash
Dividend Per Share	1 Singapore cent per ordinary share
Total Dividend	S\$786,000

(c) The date the dividend is payable.

31 May 2022

(d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Up to 5.00 p.m. on 20 May 2022

B7 – Appendix 7.2 – 12

If no dividend has been declared/ recommended, a statement to that effect.

Not applicable.

B8 – Appendix 7.2 – 13

If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	Aggregate value of all interested person transactions conducted under the Shareholders' Mandate (excluding transactions less than S\$100,000) pursuant to Rule 920 US\$'000
Yamasa Co., Ltd (and its associates)	2,588.9

B9 – Appendix 7.2 – 15

Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

B10 – Appendix 7.2 – 16

Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to Note 4 of the unaudited condensed interim consolidated financial statements.

B11 – Appendix 7.2 – 17

In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Note B3.

B12 – Appendix 7.2 – 18

A breakdown of sales as follows:-

	2021 US\$'000	2020 US\$'000	% Change
Total income reported for first half year	31,661	21,559	47%
Profit/(loss) after tax for first half year	7,033	(3,905)	N/M
Total income reported for second half year	37,774	24,384	55%
Profit/(loss) after tax for second half year	11,012	(3,570)	N/M

B13 – Appendix 7.2 – 19

A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Please refer to Note B6.

B14 – Appendix 7.2 – 20

Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13).

BY THE ORDER OF THE BOARD

Michio Tanamoto
Executive Chairman
28 February 2022