



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

PRESS RELEASE -- FOR IMMEDIATE RELEASE

Uni-Asia Delivers Record FY2021 Net Profit of US\$18.0 million, Proposes Highest Dividend in the Last 10 Years

- **Charter income rose by 57% to US\$47.8 million for FY2021, underpinned by decade-high charter rates**
- **Reversal from US\$7.4 million operating loss in FY2020 to record an operating profit of US\$22.2 million, despite higher pandemic-related vessel operating expenses**
- **Proposed final dividend of S\$0.03 per share and special dividend of S\$0.02 per share, totalling S\$0.05 per share**
- **Including interim dividend paid, FY2021's dividends totalled S\$0.07 per share – the highest in the last 10 years**

Singapore, 28 February 2022 – 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 2021 (“**2H2021**” and “**FY2021**” respectively).

Strong Financial Performance

For FY2021, the Group achieved a net profit of US\$18.0 million, a strong recovery from the loss of US\$7.5 million in FY2020. This is also the highest net profit that the Group has recorded since its listing. Correspondingly, net cash inflows from operations were US\$28.4 million in FY2021, a significant improvement over the net cash inflow of US\$6.8 million in FY2020. The Group continues to reduce its borrowings, reducing debt levels from US\$114.0 million a year ago to US\$83.8 million as of 31 December 2021.

Following strong financial performance and to reward shareholders for their continued support and confidence in the Group, the Board of Directors has proposed a total final and special dividend of S\$0.05 per share. Together with the interim cash dividend of S\$0.02, the Group will be paying out a total cash dividend of S\$0.07 per share to shareholders in FY2021 (FY2020: S\$0.01 per share). This is the highest dividend per share declared in the last 10 years and the Group remains committed to ensure sustainable returns for its shareholders.

Income Statements Highlights	2H2021	1H2021	HoH Change	FY2021	FY2020	YoY Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Total Income	37,774	31,661	19	69,435	45,943	51
Total Operating Expenses	(24,675)	(22,513)	10	(47,188)	(53,391)	(12)
Operating Profit / (Loss)	13,099	9,148	43	22,247	(7,448)	N/M
Operating Margin	34.7%	28.9%	5.8ppts	32.0%	N/M	N/M
Net Profit / (Loss) After Tax	11,012	7,033	57	18,045	(13,606)	N/M
Net gain from discontinued operation	-	-	N/M	-	6,131	N/M
Profit / (loss) for the period	11,012	7,033	57	18,045	(7,475)	N/M
Basic (Loss) / Earnings Per Share (US cents)	14.02	9.13	54	23.16	(9.84)	N/M

Ppts – percentage points

N/M – not meaningful

FINANCIAL REVIEW

Total income increased by 51% year-on-year ('yoy') from US\$45.9 million in FY2020 to US\$69.4 million in FY2021, buoyed by improved charter income and sale of properties under development.

Revenue	2H2021	1H2021	HoH Change	FY2021	FY2020	YoY Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Charter Income	27,807	19,998	39	47,805	30,396	57
Fee Income	2,806	2,925	(4)	5,731	7,771	(26)
Sale of Properties under Development	4,043	5,091	(21)	9,134	-	N/M
Investment Returns	2,926	2,505	17	5,431	6,153	(12)
Interest Income	19	70	(73)	89	750	(88)
Other Income	173	1,072	(84)	1,245	873	43
Total Income	37,774	31,661	19	69,435	45,943	51

N/M – not meaningful

(i) Charter Income

The shipping market saw a V-shaped recovery in 2021, recovering from a low base in 2020 following COVID-19 related disruptions, underpinned by strong global economic recovery and port congestions straining supplies. Charter income has been on an upward trajectory over the past four quarters, with daily charter rates averaging around US\$13,500 a day for FY2021, significantly higher than the average daily charter rates of about US\$7,700 a day for FY2020.

Despite the lack of charter income contribution from one ship in FY2021 (one wholly owned containership was disposed in 1Q2021), charter income increased by 57% yoy to US\$47.8 million in FY2021.

(ii) Fee Income

Fee income decreased by 26% yoy to US\$5.7 million in FY2021 due to lower administration fee income following the disposal of 3 joint-investment containership investments which had contributed to administration fee income in FY2020. Incentive fees decreased by 11% in FY2021 and arrangement

and agency fee as well as brokerage commission also declined in FY2021 due to less arrangement and brokerage commission deals closed.

(iii) Sale of properties under development

The Group recorded US\$9.1 million following the sale of properties under development.

(iv) Investment Returns

Investment returns was US\$5.4 million in FY2021. The Group recorded total realised gain of US\$1.4 million 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 while total net fair valuation gain from the Group's shipping, property and other investments was US\$0.8 million.

Total Operating Expenses

Net operating expenses declined by 12% yoy to US\$47.2 million in FY2021 mainly due to a US\$1.1 million reversal of impairment of loan receivable, compared to an US\$4.8 million impairment of loan receivable in FY2020, as well as a US\$7.9 million impairment loss on property, plant and equipment recorded in FY2020 and absent in FY2021.

This was partially offset by higher employee benefit expenses, which increased by 40% yoy to US\$9.5 million in FY2021 due to accrual of variable component associated with performance of the Group. Vessel operating expenses also increased by 7% to US\$18.6 million in FY2021 mainly due to increase in pandemic-related expenses, including additional costs incurred for crew change and crew-related costs. Costs of properties under development sold was US\$8.0 million for FY2021.

Net Profit

The Group recorded an operating margin of 32.0% and operating profit of US\$22.2 million in FY2021 as compared to an operating loss of US\$7.4 million in FY2020. Consequently, the Group recorded a net profit after tax of US\$18.0 million for FY2021, reversing from a loss of US\$7.5 million in FY2020. This is also the highest net profit achieved by the Group since its listing.

BUSINESS OUTLOOK

Dry Bulk¹

Dry bulk rates continue to soar in the second half of 2021 and recording highest charter rates since 2010, before retracting from record-high levels. 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 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.

According to Clarksons, 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. This demand-supply dynamics could mean that the handysize dry bulk market continue to remain robust in the short term.

¹ Clarksons Research "Dry Bulk Trade Outlook" January 2022 issue

Hong Kong Property

Following an Omicron-fuelled surge in COVID-19 cases, Hong Kong has imposed its strictest social distancing measures yet, leading to greater uncertainties and holding off sellers and buyers looking to enter into transactions. However, as Hong Kong increases its vaccination rates and relaxes its border restrictions, it should lead to a recovery for its commercial/industrial property market which has remained sluggish for most parts since the start of the COVID-19 pandemic. According to Colliers International², Hong Kong's commercial property market is expected to gradually recover in 2022 with the rebound of the local economy, particularly in the industrial sector. The Group will continue to observe ongoing trends and respond appropriately.

Japan Property

The Group's small residential property projects – "ALERO" series business segment as well as the Group's other property businesses in Japan continue to be on the lookout for new business opportunities. Over the years, the Group's subsidiary Uni-Asia Capital (Japan) Ltd ("UACJ") has also consistently increased its assets under management to around JPY32.7 billion as at end of 2021, compared to JPY5.8 billion as at end of 2015, developing new products to offer new opportunities for investors.

Summary

Being an investment and asset management company of diversified assets has enabled the Group to perform resiliently even as the property sector remains challenging and continues to be affected by COVID-19 related disruptions. The Group will continue to seek operational improvements across all its business segments and remains committed to delivering sustainable returns to its shareholders.

--- 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

Issued for and on behalf of Uni-Asia Group Limited

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² <https://www.chinadailyhk.com/article/256470#HK-commercial-property-market-to-recover-in-2022-says-Colliers>