INITIATE COVERAGE

# Uni-Asia Group (UAG SP)

## Under-The-Radar Drybulk Operator Set To Benefit From High Freight Rates

**Uni-Asia is a prime beneficiary and laggard of the more than 210% ytd spike in dry bulk freight rates. We believe freight rates will stay elevated at least until end-22 given the: a) supply squeeze as vessels are stuck longer in ports, b) strong demand for various commodities, and c) dearth of drybulk newbuilds as buyers stay on the sidelines in anticipation of new ESG standards on vessel emissions. We initiate coverage on Uni-Asia with a BUY. Target price: S$2.34.**

- **Drybulk operator with solid dividend track record.** Listed on the Singapore Exchange since Aug 07, Uni-Asia Group (Uni-Asia) operates two key segments: shipping and property. Under shipping, Uni-Asia has a combined fleet of 18 handy-sized drybulkers, with 10 wholly-owned and eight jointly-owned. The fleet is typically hired out on a time charter basis, with Uni-Asia undertaking most of the voyage expenses, including bunker, port, fuel and crew costs. Uni-Asia has a solid dividend track record since 2017 and continued paying dividends despite a loss-making 2020.
- **Freight rates to remain elevated till at least end-22.** The recent spike in drybulk freight rates was primarily caused by a supply squeeze (as vessels are stuck longer in ports) and strong demand for various commodities. Furthermore, a meaningful increase on the supply end is absent, based on the global outstanding orderbook for smaller-sized vessels (up to 40,000 dwt). This is because buyers are staying on the sidelines of new orders in anticipation of new ESG standards on vessel emissions. Also, any new vessel orders placed now will still require at least 24 months of construction. We believe the perfect storm has begun for a demand surge in the dry bulk industry, where shipowners will likely benefit with the anticipation that freight rates will stay elevated into end-22.
- **Renewal of vessels' rate to boost earnings.** Of the 10 wholly-owned dry bulk carriers, six are up for renewal in 2H21 and three in 1H22. Based on current freight rates, we estimate that 2H21 and 2021 revenue would rise 38% and 42% respectively on a yoy basis, translating to a significant EPS turnaround in 2H21 at 4.57 US cents (2H20: -4.97 US cents) and 2021 at 21.7 US cents (2020: -9.8 US cents). As charter rates remain elevated in 2022 given the industry supply shortage, our estimates suggest a revenue growth of 15% in 2022, which implies a two-year CAGR of 27.1% over 2020-22.
- **Initiate coverage with BUY and a target price of S$2.34,** pegged to 8x 2021F PE (-1 SD to the mean). This compares to regional peers which trade at an average 8.6x 2021F PE. Current valuations for Uni-Asia are attractive at 4.8x/4.2x 2021/22F PE and 2022 dividend yield of 4.3%. Historically, the low valuation peg appended to Uni-Asia was due to a lack of liquidity, which we believe will improve given the strong earnings profile.

### KEY FINANCIALS

| Year to 31 Dec (US$) | 2019 | 2020 | 2021F | 2022F | 2023F |
|---|---|---|---|---|---|
| Net turnover | 54.5 | 45.9 | 65.4 | 74.3 | 68.6 |
| EBITDA | 29.1 | 4.5 | 32.1 | 35.5 | 31.6 |
| Operating profit | 17.5 | (7.4) | 21.5 | 24.9 | 21.0 |
| Net profit (rep./act.) | 5.8 | (7.7) | 17.1 | 19.6 | 15.9 |
| Net profit (adj.) | 8.1 | (14.0) | 17.1 | 19.6 | 15.9 |
| EPS (S$ cents) | 10.3 | (17.9) | 21.7 | 25.0 | 20.2 |
| PE (x) | 10.0 | n.m. | 4.8 | 4.2 | 5.1 |
| P/B (x) | 0.6 | 0.7 | 0.6 | 0.6 | 0.5 |
| EV/EBITDA (x) | 4.9 | 31.7 | 4.4 | 4.0 | 4.5 |
| Dividend yield (%) | 3.0 | 0.7 | 3.6 | 4.3 | 4.3 |
| Net margin (%) | 10.7 | (16.8) | 26.1 | 26.4 | 23.1 |
| Net debt/(cash) to equity (%) | 68.9 | 66.3 | 45.3 | 25.9 | 12.4 |
| Interest cover (x) | 4.9 | 1.0 | 9.3 | 10.4 | 9.2 |
| ROE (%) | 4.6 | n.a. | 13.6 | 14.1 | 10.4 |
| Consensus net profit | - | - | 12.4 | 13.2 | 14.1 |
| UOBKH/Consensus (x) | - | - | 1.38 | 1.49 | 1.13 |

*Source: Uni-Asia, Bloomberg, UOB Kay Hian*

## BUY

| | |
|---|---|
| Share Price | S$1.40 |
| Target Price | S$2.34 |
| Upside | +67.4% |

### COMPANY DESCRIPTION

Uni-Asia Group operates as an alternative investment company. It offers structured finance, ship charter arrangement, shipping and maritime asset management, real estate investment, and other related services. Uni-Asia Group serves customers in Asia.

### STOCK DATA

| | |
|---|---|
| GICS sector | Real Estate |
| Bloomberg ticker: | UAG SP |
| Shares issued (m): | 78.6 |
| Market cap (S$m): | 110.0 |
| Market cap (US$m): | 81.5 |
| 3-mth avg daily t'over (US$m): | 0.2 |

**Price Performance (%)**

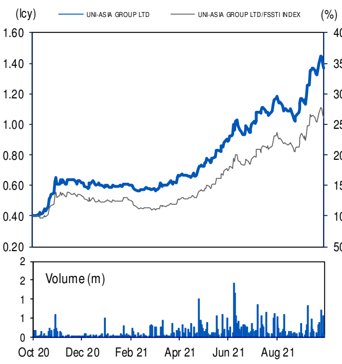
52-week high/low S$1.45/S$0.400

| 1mth | 3mth | 6mth | 1yr | YTD |
|---|---|---|---|---|
| 29.6 | 47.4 | 117.1 | 241.5 | 135.3 |

| Major Shareholders | % |
|---|---|
| Yamasa Company Ltd | 30.0 |
| Ham Yong Kwan | 10.0 |
| Evergreen International S.A. | 8.9 |

| | |
|---|---|
| FY21 NAV/Share (US$) | 1.67 |
| FY21 Net Cash/Share (US$) | 0.76 |

### PRICE CHART




*Source: Bloomberg*

### ANALYST(S)

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# Contents



*This report uses the closing prices of 27 October 2021*

## Investment Highlights

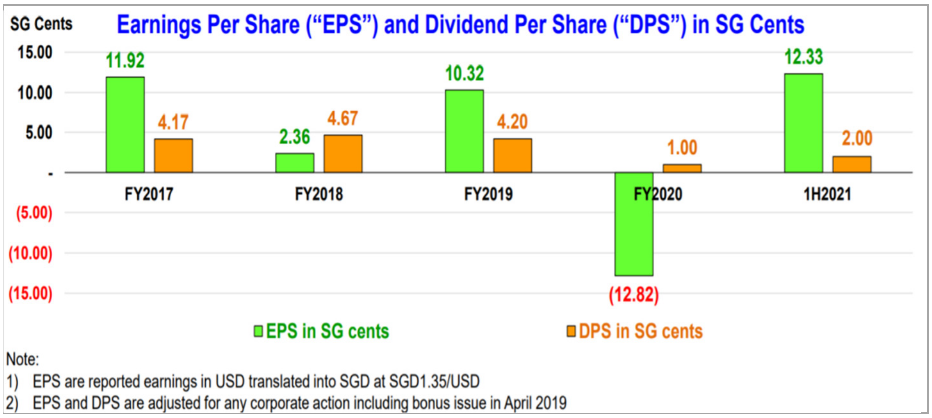
**Drybulk operator with solid track record.** Listed on the Singapore Exchange since Aug 07, Uni-Asia operates two key segments: shipping (around 90% of 1H21 earnings) and property (around 10% of 1H21 earnings). Under the shipping segment, Uni-Asia has a combined fleet of 18 handy-sized drybulkers, with 10 wholly-owned and eight jointly-owned. The fleet is typically hired out on a time charter basis, with Uni-Asia undertaking most of the voyage expenses, including bunker, port, fuel and crew costs. Additionally, Uni-Asia has a property segment operating in Japan and Hong Kong. The segment has an impeccable track record of profitability.

*The shipping segment has 18 handy-sized drybulkers, with 10 wholly-owned and eight jointly-owned.*

Uni-Asia has a solid dividend track record since 2017 and continued paying dividends despite a loss-making 2020. This indicates that Uni-Asia emphasises the well-being of its minority shareholders.

*Uni-Asia has a solid dividend track record and continued paying dividends despite a loss-making 2020.*

**FIGURE 1: SOLID DIVIDEND TRACK RECORD DESPITE A LOSS-MAKING 2020**




Source: Uni-Asia

**Freight rates to remain elevated till at least end-22.** The recent spike in drybulk freight rates of more than 210% ytd was primarily caused by a supply squeeze (as vessels are stuck longer in ports) and strong demand for various commodities. Furthermore, a meaningful increase on the supply end is absent, based on the global outstanding orderbook for smaller-sized vessels (up to 40,000 dwt). This is because buyers are staying on the sidelines of new orders in anticipation of new ESG standards on vessel emissions. Also, any new vessel orders placed now will still require at least 24 months of construction. We believe the perfect storm has begun for a demand surge in the dry bulk industry, where shipowners will be the likely beneficiaries with the anticipation that freight rates will stay elevated into end-22.

*The recent spike in drybulk freight rates was due to a supply squeeze and strong demand for commodities. Shipowners will likely benefit from a demand surge in the dry bulk industry.*

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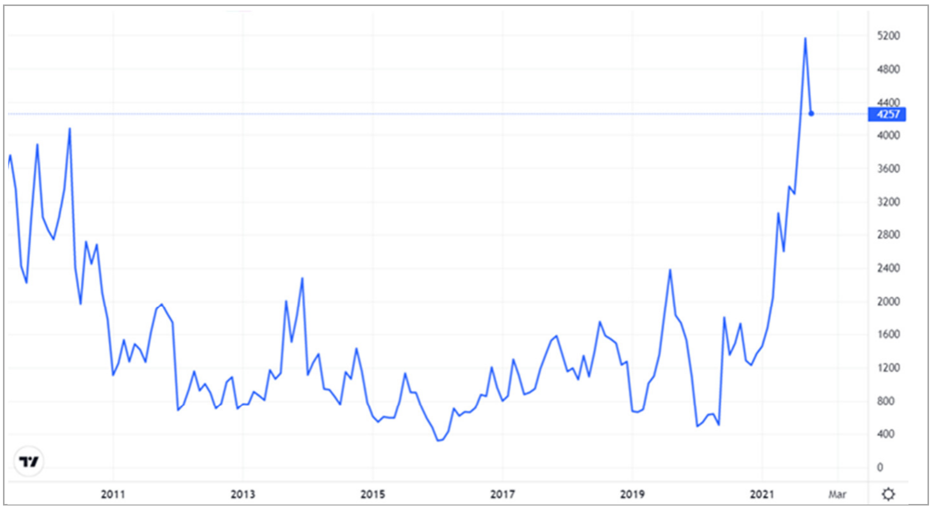
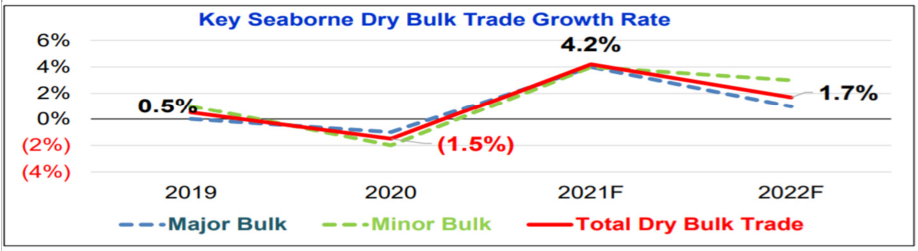
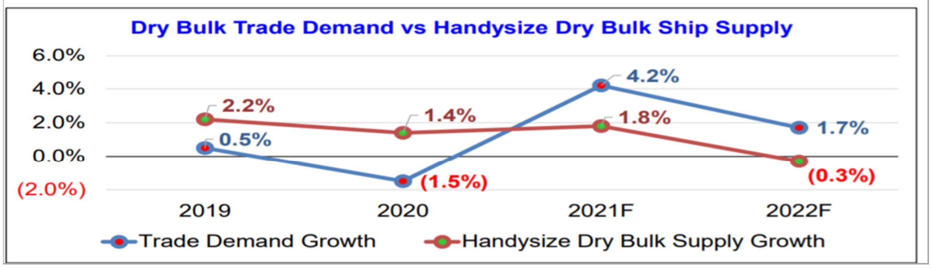
**FIGURE 2: BALTIC EXCHANGE DRY INDEX (BDI)**




Source: TradingView

**FIGURE 3: DRY BULK TRADE DEMAND GROWTH EXPECTED TO OUTPACE SHIP SUPPLY**




*Source: Clarksons Research*

*The total dry bulk trade is projected to grow 4.2% in 2021, driven in part by the demand from China.*

*While demand is anticipated to ease to 1.7% in 2022, this would still exceed vessel supply growth of -0.3% for the handy-sized segment.*

**Renewal of vessels' rate to boost forward earnings.** Of the 10 wholly-owned dry bulk carriers, six are up for renewal in 2H21 and three in 1H22. Based on current freight rates, we estimate that 2H21 and 2021 revenue would rise 38% and 42% respectively on a yoy basis, translating to a significant EPS turnaround in 2H21 at 4.57 US cents (2H20: -4.97 US cents) and 2021 at 21.7 US cents (2020: -9.8 US cents). As charter rates remain elevated in 2022 given the industry supply shortage, our estimates suggest a revenue growth of 15% in 2022, which implies a 2-year CAGR of 27.1% over 2020-22. In addition, Uni-Asia could also benefit from the fair value gain or disposal of its eight jointly-owned vessels.

**FIGURE 4: CHARTERS OF THE DRY BULK CARRIERS DUE FOR RENEWAL**

| No | Name of ship | Capacity (dwt) | Type | Year built | Shipyard | Charter renewal |
|---|---|---|---|---|---|---|
| 1 | M/V Uni Challenge | 29078 | Bulker | 2012 | Y-Nakanishi | 2H21 |
| 2 | M/V Uni Wealth | 29256 | Bulker | 2009 | Y-Nakanishi | 2H21 |
| 3 | M/V Uni Auc One | 28709 | Bulker | 2007 | Shin-Kurushima | 2H21 |
| 4 | M/V Victoria Harbour | 29100 | Bulker | 2011 | Y-Nakanishi | 2H21 |
| 5 | M/V Clearwater Bay | 29118 | Bulker | 2012 | Y-Nakanishi | 2H21 |
| 6 | M/V ANSAC Pride | 37094 | Bulker | 2013 | Onomichi | 2H21 |
| 7 | M/V Island Bay | 37649 | Bulker | 2014 | Imabari | 2H22 |
| 8 | M/V Inspiration Lake | 37706 | Bulker | 2015 | Imabari | 1H22 |
| 9 | M/V Glengyle | 37679 | Bulker | 2015 | Imabari | 1H22 |
| 10 | M/V Uni Bulker | 37700 | Bulker | 2016 | Imabari | 1H22 |

*Source: Uni-Asia*

**FIGURE 5: JOINTLY-OWNED VESSELS**

| No | Name of JV company | Ownership (%) | Type | Capacity | Year built | Shipyard |
|---|---|---|---|---|---|---|
| 1 | Matin Shipping Ltd. | 49 | Bulker | 38278 | 2011 | Imabari |
| 2 | Olive Bulkship S.A | 18 | Bulker | 57836 | 2015 | Tsuneishi |
| 3 | Polaris Bulkship S.A | 18 | Bulker | 57836 | 2015 | Tsuneishi |
| 4 | Quest Bulkship S.A. | 18 | Bulker | 37700 | 2016 | Imabari |
| 5 | Stella Bulkship S.A. | 18 | Bulker | 37700 | 2018 | Imabari |
| 6 | Tiara Bulkship S.A. | 18 | Bulker | 37700 | 2020 | Imabari |
| 7 | Unicorn Bulkship S.A. | 18 | Bulker | 36300 | 2018 | Oshima |
| 8 | Victoria Bulkship S.A. | 18 | Bulker | 36300 | 2018 | Oshima |

*Source: Uni-Asia*

## Valuation

**Initiate coverage with BUY and target price of S$2.34,** pegged to 8x 2021F PE. This compares to regional peers which trade at an average 8.6x 2021F PE. Current valuations for Uni-Asia are attractive at 4.8x/4.2x 2021/22F PE, 2022 dividend yield of 4.3% and 0.6x 2022F P/B. Historically, the low valuation peg appended to Uni-Asia was due to a lack of liquidity, which we believe will improve given its strong earnings profile, recovery in the shipping market and better price discovery from more analyst coverage.

**FIGURE 6: HISTORICAL PE BAND**


*Source: Bloomberg, UOB Kay Hian*

**FIGURE 7: SENSITIVITY ANALYSIS**

| | | 2021F Net Profit (US$m) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | **14.6** | **15.4** | **16.2** | **17.1** | **17.9** | **18.8** | **19.7** |
| **PE (x)** | **6.5** | 1.63 | 1.72 | 1.81 | 1.90 | 2.00 | 2.10 | 2.20 |
| | **7.0** | 1.76 | 1.85 | 1.95 | 2.05 | 2.15 | 2.26 | 2.37 |
| | **7.5** | 1.88 | 1.98 | 2.09 | 2.20 | 2.31 | 2.42 | 2.54 |
| | **8.0** | 2.01 | 2.11 | 2.23 | 2.34 | 2.46 | 2.58 | 2.71 |
| | **8.5** | 2.13 | 2.25 | 2.37 | 2.49 | 2.61 | 2.74 | 2.88 |
| | **9.0** | 2.26 | 2.38 | 2.50 | 2.64 | 2.77 | 2.91 | 3.05 |
| | **9.5** | 2.39 | 2.51 | 2.64 | 2.78 | 2.92 | 3.07 | 3.22 |

*Source: Bloomberg, UOB Kay Hian*

**FIGURE 8: PEER COMPARISON**

| Company | Bloomberg Ticker | Trading Curr (TC) | Price @ 27 Oct 21 (TC) | Market Cap (USD) | PE 2020 | PE 2021F (x) | PE 2022F (x) | PB 2021F (x) | PB 2022F (x) | EV/EBITDA 2021F (x) | EV/EBITDA 2022F (x) | Yield 2021F (%) | Net Gearing (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Uni-Asia Group** | **UAG SP** | **S$** | **1.40** | **82** | **n.a.** | **4.8** | **4.2** | **0.6** | **0.6** | **5.3** | **4.2** | **3.6** | **45.3** |
| Pan Ocean Co Ltd | 028670 KS | ₩ | 6,240 | 2,844 | 36.1 | 9.0 | 9.3 | 1.0 | 0.9 | 7.7 | 7.2 | 1.3 | 53.9 |
| Sitc | 1308 HK | HK$ | 26.00 | 8,966 | 25.3 | 9.3 | 8.5 | 5.1 | 4.3 | 7.9 | 7.1 | 8.4 | 3.6 |
| U-Ming Marine | 2606 TT | NT$ | 51.70 | 1,572 | 49.7 | 11.2 | 10.2 | 1.7 | 1.7 | 9.7 | 9.2 | 6.9 | 56.3 |
| Cosco Shipping P | 1199 HK | HK$ | 6.65 | 2,834 | 7.9 | 7.8 | 7.2 | 0.5 | 0.5 | 14.5 | 13.4 | 5.3 | 41.0 |
| Shun Tak Holding | 242 HK | HK$ | 2.14 | 831 | 24.6 | 5.9 | 4.8 | n.a. | n.a. | 12.1 | 9.9 | 0.9 | 30.2 |
| Soonest Express | 2643 TT | NT$ | 65.50 | 71 | 9.2 | 8.3 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | (62.5) |
| Samudera Ship | SAMU SP | S$ | 0.55 | 220 | 30.4 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | (2.0) |
| Singap Shipping | SSCL SP | S$ | 0.28 | 82 | 8.0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 6.2 |
| **Average** | | | | | **23.9** | **8.6** | **8.0** | **2.1** | **1.9** | **10.4** | **9.3** | **4.5** | **15.8** |

*Source: Bloomberg, UOB Kay Hian*

## Industry Outlook

**Higher freight rates could be more structural and longer term.** The Baltic Dry Index recently reached an 11-year high at 4,257 (+210% ytd) as a result of higher demand for cargoes of raw materials as economies recover from the pandemic, outpacing expansion of the fleet. Furthermore, the tight vessel supply is further exacerbated by longer waiting times at ports due to pandemic-related restrictions and shortage of dock workers. Seaborne major bulk trade (including iron ore, coal and grains) and seaborne minor bulk trade is projected to grow by 4.2% in 2021. In 2022, seaborne minor bulk trade is expected to grow 3% while seaborne major bulk trade is projected to increase at a more moderate rate of 1%, bringing total dry bulk trade growth to 1.7%.

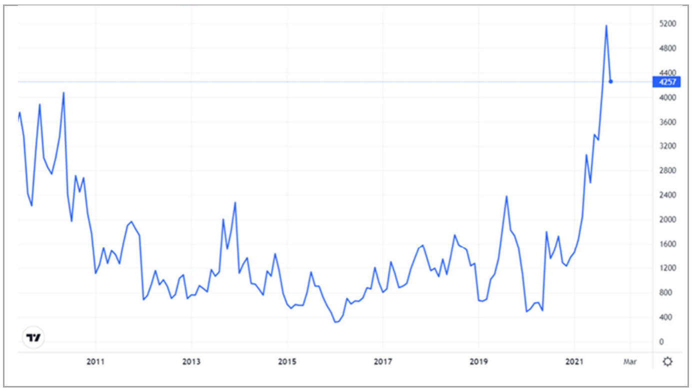
*Dry bulk trade is expected to rise 4.2%/1.7% yoy in 2021/22, while fleet capacity growth is expected to lag behind at 3.3%/1.4%.*

Handy-sized dry bulk capacity is expected to grow at an even more gradual rate of 1.8% and -0.3% in 2021 and 2022 respectively. With capacity expanding by 3.3% this year and 1.4% in 2022 (according to data from Clarkson Research Services, a unit of the world's largest shipbroker), fleet growth is expected to lag behind demand. Therefore, freight rates are most likely to stay firm at this elevated rate till at least end-22.

**Demand for dry bulk carriers expected to outstrip growth of supply until 2022.** Some 120 ships totalling 11m dwt were ordered in 1H21, 11% higher than the low in 2020. That said, the figure is still a far cry from the 20-year historical average of 50m dwt. Although dry bulk industry earnings and sentiments have improved, buyers are staying on the sidelines before commiting to new orders in anticipation of new ESG standards on vessel emissions. Also, any new vessel orders placed now will require at least 24 months of construction. As such, a meaningful increase on the supply end is absent and shipowners are the ultimate beneficiaries as freight rates are anticipated to remain elevated going into 2022.

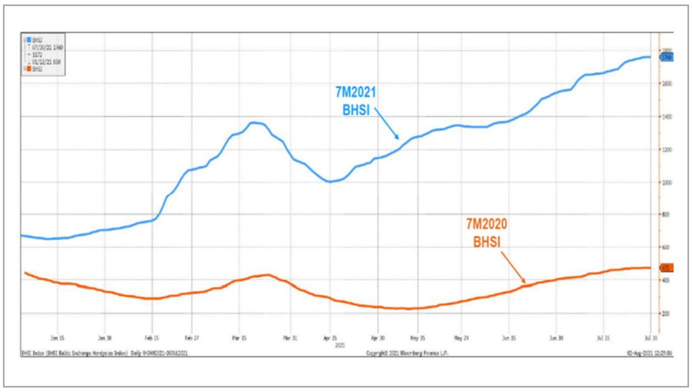
*120 ships totalling 11m dwt were ordered in 1H21 vs 20-year average of 50m dwt as buyers stay on the sidelines.*

**FIGURE 9: BALTIC EXCHANGE DRY INDEX (BDI)**



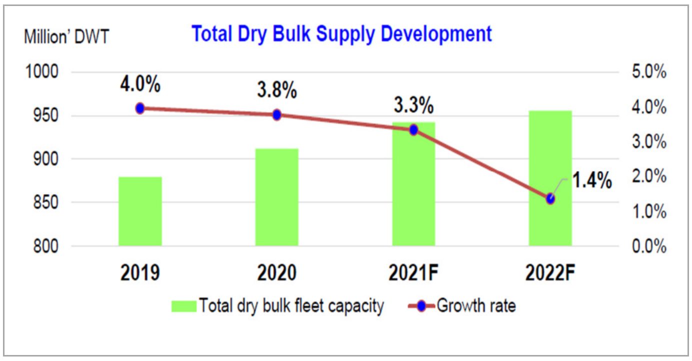

*Source: TradingView*

**FIGURE 10: BALTIC HANDYSIZE INDEX (BHSI)**



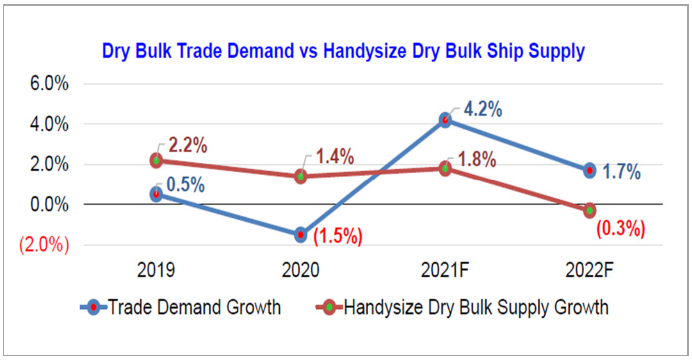

*Source: Bloomberg*

**FIGURE 11: TOTAL DRY BULK SUPPLY DEVELOPMENT**




*Source: Clarksons Research, Uni-Asia*

**FIGURE 12: DRY BULD TRADE DEMAND VS HANDYSIYE DRY BULK SUPPLY**




*Source: Clarksons Research, Uni-Asia*

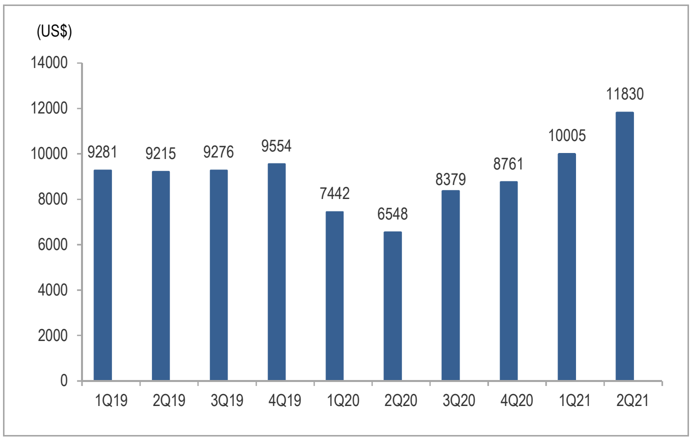
## Financials

**Higher average charter rates to drive top-line.** Uni-Asia reported a strong set of 1H21 financials as the dry bulk market bounced back. Revenue in 1H21 rose to a 5-year record of US$31.7m (+47% yoy), led mainly by higher charter income (+46% yoy). The strong performance in the shipping segment was due to the rise in average daily charter of US$11,830 in 2Q21, up from US$6,548 in 2Q20. BHSI averaged US$1,084/day in 1H21, a strong recovery from 1H20 when the BHSI averaged US$327/day. We anticipate that freight rates will stay elevated into end-22 as the the perfect storm has begun for a demand surge in the dry bulk industry, where shipowners will be the likely beneficiaries.

*Uni-Asia's 2Q21 average daily charter rose to US$11,830, up from US$6,548 in 2Q20.*

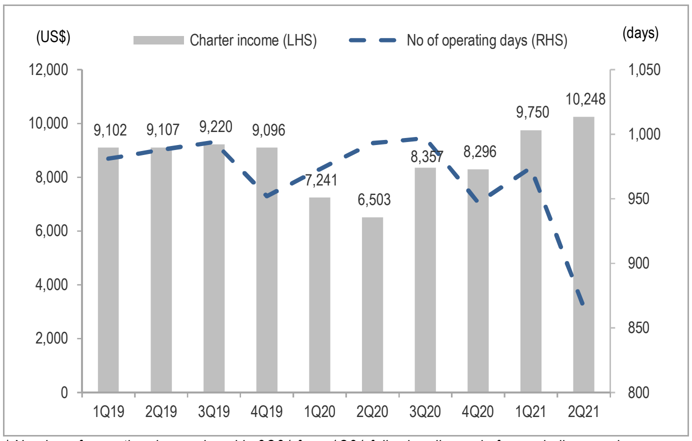
*We expect freight rates to stay elevated going into 2022 as demand for dry bulk carriers is expected to outstrip growth of supply.*

**FIGURE 13: AVERAGE CHARTER HIRE RATE PER DAY**




*Source: Uni-Asia, UOB Kay Hian*

**FIGURE 14: CHARTER INCOME AND NUMBER OF OPERATING DAYS***

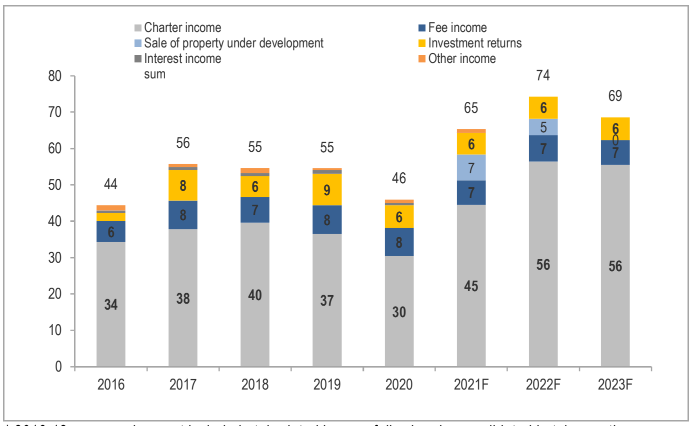



** Number of operating days reduced in 2Q21 from 1Q21 following disposal of one wholly-owned containership in 1Q21.*
*Source: Uni-Asia, UOB Kay Hian*

**Renewal of vessels' rate to boost earnings.** Of the 10 dry bulk carriers that are wholly-owned by Uni-Asia, six are up for renewal in 2H21 and three in 1H22, allowing Uni-Asia to capitalise on the ongoing high freight rate environment. Our forecast incorporates average annualised charter rates of US$12,549 in 2021 and US$16,050 in 2022. As charter rates remain elevated in 2022 given the industry supply shortage, our estimates suggest revenue growth of 42% and 4% in 2021 and 2022 respectively, which implies a 2-year CAGR of 21% over 2020-22. Earnings are anticipated to see a significant turnaround from a net loss of US$7.7m in 2020 to US$17.1m and US$19.6m in 2021 and 2022 respectively, before moderating in 2023 to US$15.9m, in line with chartering income performance.

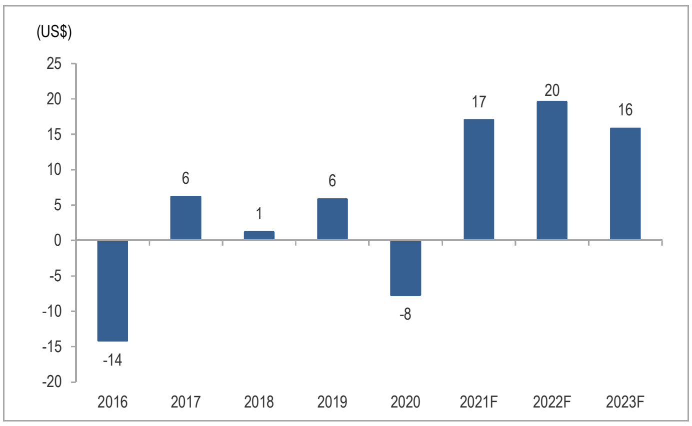
*Uni-Asia is able to capitalise on the ongoing high freight rate environment due to upcoming contract renewals.*

**FIGURE 15: REVENUE BREAKDOWN***




** 2016-18 revenue does not include hotel-related income following deconsolidated hotel operating business in 2020*
*Source: Uni-Asia, UOB Kay Hian*

**FIGURE 16: NET PROFIT**

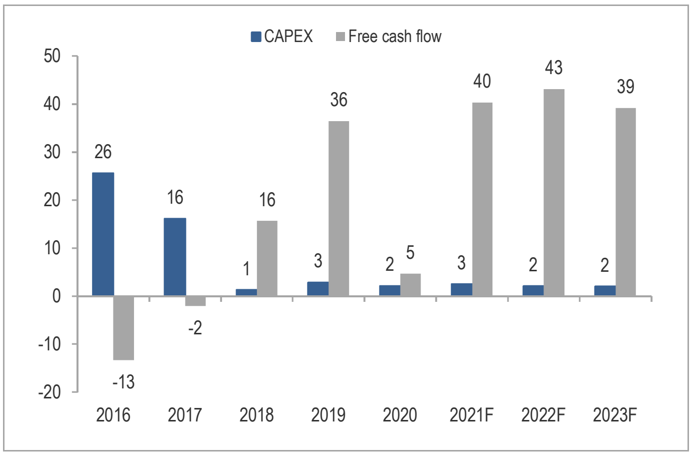



*Source: Uni-Asia, UOB Kay Hian*

**Property segment with track record of profitability.** Uni-Asia's property segment operates in Japan and Hong Kong. In Hong Kong, the group has invested in eight Hong Kong property projects to date. The first three projects have been completed and contributed good returns to the group in the past and Uni-Asia looks to progressively complete the rest over the next three years. As for Japan, the group's ALERO series in the property segment and other property businesses in Japan (including property asset management) remain stable. Asset under management by its subsidiary, Uni-Asia Capital (Japan), has increased from around ¥30b as at end-20 to around ¥32b as at end-Jun 21.

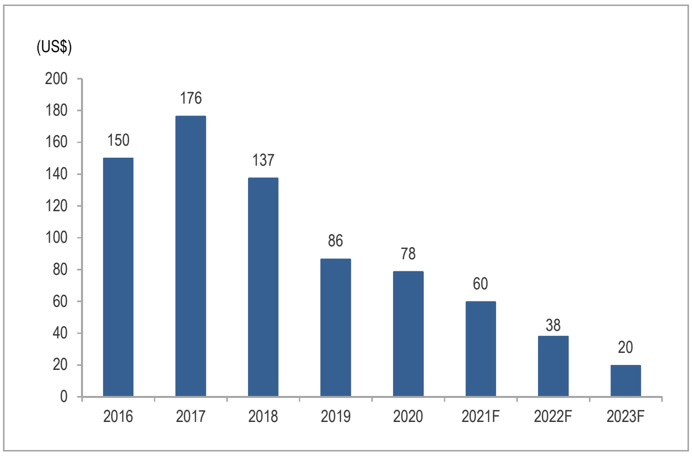
**Improving cash flow levels and paring down debt.** As at end-1H21, Uni-Asia had a net debt of US$63m, compared to US$86m in 2019 and US$78m in 2020 as the group pared down borrowings from proceeds of sales of container ships and timely repayments of borrowings, as part of the group's deleveraging strategy. We also expect its free cash flow to remain positive in 2021-23, in line with the improving profitability.

**FIGURE 17: FREE CASH FLOW AND CAPEX SPENDING**




*Source: Uni-Asia, UOB Kay Hian*

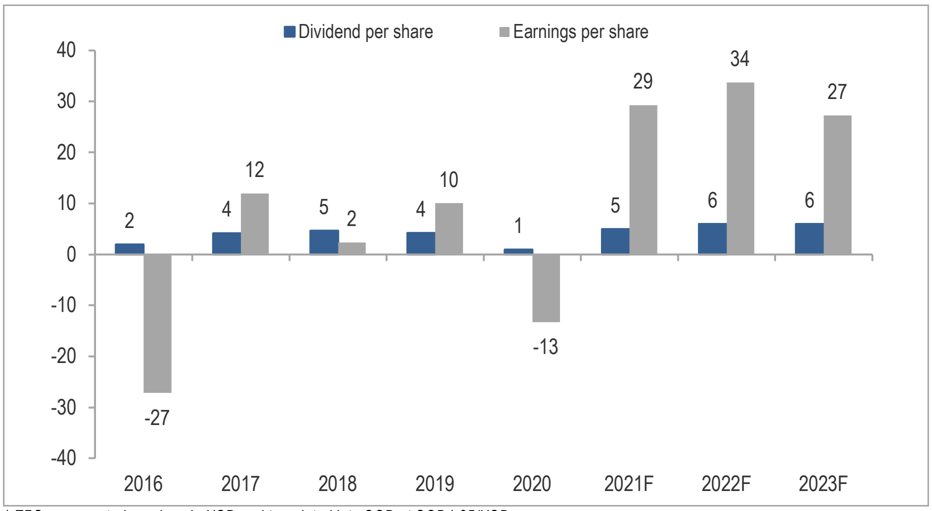
**FIGURE 18: NET DEBT**




*Source: Uni-Asia, UOB Kay Hian*

**Good track record of paying dividends.** Uni-Asia has continued to pay dividends despite a loss-making 2020. This indicates that Uni-Asia emphasises the well-being of its minority shareholders. Following the strong set of results in 1H21, the group announced an interim dividend of 2 S cents per share. Going forward, we forecast dividend yield of 5-6 S cents per share in 2021 and 2022 which translates into a decent dividend yield of 3.6% and 4.3% respectively.

**FIGURE 19: DPS AND EPS**




** EPS are reported earnings in USD and translated into SGD at SGD1.35/USD*
*Source: Uni-Asia, UOB Kay Hian*

## Risk Factors

We see the following as the key risks, among others.

**Cyclical upturns and downturns in the shipping industry.** The shipping industry could undergo a cyclical downturn due to factors that have an adverse effect on the shipping industry's business cycle. This includes a tough global economic environment, reduction in the volume of international trade and supply-demand inbalance for maritime vessels. Given that the group's financial performance is dependent on the shipping industry, a cyclical downturn could have a material impact on its earnings.

**Impairment of vessels.** In 2020, the group recorded US$7.9m in impairment for ship investments under property, plants and equipment, which led to a loss of US$11.2m for the ship owning and chartering sub-category. This came as a result of severe deterioration in the ship's value-in-use caused by the COVID-19 pandemic. The Baltic Handysize Index has since improved significantly but there is a risk of further impairments in the case of prolonged oversupply or a decline in global trade.

**Forex exposure.** The group's income is denominated mainly in US$ while its operating expenses are mainly denominated in HK$, US$, S$ and yen. As a result of the currency mismatch between income and expenses, Uni-Asia is susceptible to foreign exchange exposure.

## Financial Statements

### FIGURE 20: PROFIT & LOSS

| Year to 31 Dec (US$m) | 2019 | 2020 | 2021F | 2022F | 2023F |
|---|---|---|---|---|---|
| Revenue, net | 54.5 | 45.9 | 65.4 | 74.3 | 68.6 |
| Operating expenses | (37.1) | (53.4) | (43.9) | (49.4) | (47.6) |
| **EBIT** | **17.5** | **(7.4)** | **21.5** | **24.9** | **21.0** |
| Associate contributions | (1.8) | (0.4) | (0.1) | 0.0 | 0.0 |
| Net interest income/(expense) | (6.0) | (4.5) | (3.5) | (3.4) | (3.4) |
| **Pre-tax profit** | **9.7** | **(12.3)** | **17.9** | **21.5** | **17.5** |
| Tax | (0.8) | (1.3) | (1.0) | (1.8) | (1.7) |
| Minorities | (0.8) | (0.3) | 0.1 | 0.0 | 0.0 |
| Extraordinary items | (2.3) | 6.1 | 0.0 | 0.0 | 0.0 |
| **Net profit(rep./act.)** | **5.8** | **(7.7)** | **17.1** | **19.6** | **15.9** |
| Net profit(adj.) | 8.1 | (14.0) | 17.1 | 19.6 | 15.9 |
| | | | | | |
| Deprec. & amort. | 11.7 | 11.9 | 10.6 | 10.6 | 10.6 |
| EBITDA | 29.1 | 4.5 | 32.1 | 35.5 | 31.6 |
| | | | | | |
| **Per share data (US$ cent)** | | | | | |
| EPS - diluted | 10.3 | (17.9) | 21.7 | 25.0 | 20.2 |
| Reported EPS - diluted | 7.4 | (9.8) | 21.7 | 25.0 | 20.2 |
| Book value per shares (BVPS) | 159.8 | 150.7 | 167.4 | 186.4 | 200.6 |
| Dividend per share (DPS) | 3.1 | 0.7 | 3.7 | 4.4 | 4.4 |

*Source: UOB Kay Hian*

### FIGURE 21: BALANCE SHEET

| Year to 31 Dec (US$m) | 2019 | 2020 | 2021F | 2022F | 2023F |
|---|---|---|---|---|---|
| Cash/Near cash equiv. | 56.1 | 35.5 | 54.4 | 76.0 | 94.4 |
| Accounts receivable/debtors | 7.4 | 1.3 | 2.0 | 2.2 | 2.1 |
| Other current assets | 22.8 | 25.0 | 25.0 | 25.0 | 25.0 |
| **Current assets** | **86.2** | **61.8** | **81.4** | **103.3** | **121.5** |
| Fixed assets | 480.6 | 156.4 | 149.8 | 142.9 | 135.9 |
| Investments | 20.1 | 30.6 | 30.6 | 30.6 | 30.6 |
| Intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non-current tangible assets | 7.2 | 0.8 | 0.8 | 0.8 | 0.8 |
| **Total non-current assets** | **507.8** | **187.7** | **181.2** | **174.2** | **167.2** |
| **Total assets** | **594.1** | **249.5** | **262.5** | **277.5** | **288.7** |
| Accounts payable/creditors | 4.0 | 0.2 | 0.3 | 0.4 | 0.4 |
| Short-term debt/borrowings | 71.3 | 44.4 | 44.4 | 44.4 | 44.4 |
| Other current liabilities | 34.1 | 11.8 | 11.8 | 11.8 | 11.8 |
| **Current liabilities** | **109.3** | **56.5** | **56.6** | **56.6** | **56.6** |
| Long-term debt | 71.3 | 69.5 | 69.5 | 69.5 | 69.5 |
| Deferred tax liability | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Other non-current liabilities | 286.9 | 3.6 | 3.6 | 3.6 | 3.6 |
| **Total non-current liabilities** | **358.7** | **73.7** | **73.7** | **73.7** | **73.7** |
| **Total liabilities** | **468.0** | **130.1** | **130.2** | **130.3** | **130.3** |
| Minority interest - accumulated | 0.5 | 0.9 | 0.7 | 0.7 | 0.7 |
| **Shareholders' equity** | **125.6** | **118.5** | **131.6** | **146.5** | **157.7** |
| **Liabilities and shareholders' funds** | **594.1** | **249.5** | **262.5** | **277.5** | **288.7** |

*Source: UOB Kay Hian*

### FIGURE 22: CASH FLOW

| Year to 31 Dec (US$m) | 2019 | 2020 | 2021F | 2022F | 2023F |
|---|---|---|---|---|---|
| **Operating cashflows** | **39.3** | **6.8** | **42.8** | **45.2** | **41.2** |
| Pre-tax profit | 7.5 | (6.2) | 17.9 | 21.5 | 17.5 |
| Tax | (0.8) | (1.3) | (1.0) | (1.8) | (1.7) |
| Deprec. & amort. | 1.7 | 4.4 | 9.0 | 9.0 | 9.0 |
| Associates | (1.8) | (0.4) | (0.1) | 0.0 | 0.0 |
| Working capital changes | 2.1 | (1.8) | (0.6) | (0.2) | 0.2 |
| Non-cash items | (4.3) | (24.4) | 0.0 | 0.0 | 0.0 |
| Others | 34.9 | 36.5 | 17.6 | 16.7 | 16.1 |
| **Cash from investing activities** | **43.9** | **(3.3)** | **(2.5)** | **(2.1)** | **(2.0)** |
| Capex (growth) | (2.8) | (2.1) | (2.5) | (2.1) | (2.0) |
| Investments | 7.9 | (1.4) | 0.0 | 0.0 | 0.0 |
| Proceeds from sale of assets | 27.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | 11.0 | 0.3 | 0.0 | 0.0 | 0.0 |
| **Cash from financing activities** | **(71.0)** | **(25.2)** | **(21.4)** | **(21.5)** | **(20.8)** |
| Dividend payments | (3.8) | (1.2) | (3.9) | (4.7) | (4.7) |
| Issue of shares | 4.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Proceeds from borrowings | 13.6 | 47.0 | 0.0 | 0.0 | 0.0 |
| Loan repayment | (50.6) | (49.1) | 0.0 | 0.0 | 0.0 |
| Others/interest paid | (34.2) | (21.9) | (17.5) | (16.7) | (16.1) |
| Net increase/(decrease) in cash | 12.2 | (21.7) | 18.9 | 21.7 | 18.3 |
| Beginning cash | 43.5 | 56.1 | 35.5 | 54.4 | 76.0 |
| Changes due to forex impact | 0.4 | 1.1 | 0.0 | 0.0 | 0.0 |
| **End cash** | **56.1** | **35.5** | **54.4** | **76.0** | **94.4** |

*Source: UOB Kay Hian*

### FIGURE 23: KEY METRICS

| Year to 31 Dec (%) | 2019 | 2020 | 2021F | 2022F | 2023F |
|---|---|---|---|---|---|
| **Growth** | | | | | |
| Turnover | (55.8) | (15.8) | 42.4 | 13.5 | (7.7) |
| EBITDA | 30.8 | (84.7) | 618.3 | 10.6 | (10.9) |
| Pre-tax profit | 122.5 | (227.4) | n.a. | 19.7 | (18.2) |
| Net profit | 374.0 | (232.2) | n.a. | 15.2 | (19.2) |
| Net profit (adj.) | n.a. | (272.9) | n.a. | 15.2 | (19.2) |
| EPS | 490.5 | (272.9) | n.a. | 15.2 | (19.2) |
| | | | | | |
| **Profitability** | | | | | |
| EBITDA margin | 53.4 | 9.7 | 49.1 | 47.8 | 46.1 |
| EBIT margin | 32.0 | (16.2) | 32.8 | 33.5 | 30.6 |
| Pre-tax margin | 17.8 | (26.9) | 27.4 | 28.9 | 25.6 |
| Net margin | 10.7 | (16.8) | 26.1 | 26.4 | 23.1 |
| ROE | 4.6 | n.a. | 13.6 | 14.1 | 10.4 |
| ROA | 1.3 | n.a. | 6.7 | 7.3 | 5.6 |
| ROIC | 4.7 | (1.1) | 8.6 | 9.1 | 7.5 |
| RONTA | 5.5 | 2.2 | 12.2 | 12.5 | 10.9 |
| | | | | | |
| **Leverage** | | | | | |
| Interest cover (x) | 4.9 | 1.0 | 9.3 | 10.4 | 9.2 |
| Debt to total capital | 53.1 | 48.8 | 46.3 | 43.6 | 41.8 |
| Debt to equity | 113.5 | 96.2 | 86.6 | 77.8 | 72.3 |
| Net debt/(cash) to equity | 68.9 | 66.3 | 45.3 | 25.9 | 12.4 |
| Current ratio (x) | 0.8 | 1.1 | 1.4 | 1.8 | 2.1 |

*Source: UOB Kay Hian*

## Appendix I – Management

**SELECTED DIRECTORS/PERSONNEL**

| Name | Position | Experience |
|---|---|---|
| Mr Michio Tanamoto | Executive Chairman | Mr Michio Tanamoto was appointed Executive Chairman of Uni-Asia Group on 30 Apr 20. He was appointed Chairman and CEO in Apr 14, before he relinquished his position as CEO in 2020 as part of the group's succession planning. He is one of the founders who established the company in 1997 and has been a Director since then. He has over 38 years of experience in the financial sector, having been based in Japan, Hong Kong and Singapore. In 1980, Mr Tanamoto joined The Hokkaido Takushoku Bank. Between 1988 and 1993, he was a senior manager of Takugin International (Asia) in Hong Kong, the offshore merchant banking arm of The Hokkaido Takushoku Bank. Following which, Mr. Tanamoto was a Deputy General Manager of the Singapore branch of The Hokkaido Takushoku Bank from 1995 to 1997. He is also currently Managing Director of Uni-Asia Capital (Singapore) and a Director of the company's subsidiaries including Uni-Asia Holdings, Uni-Asia Capital Company, Uni-Asia Capital (Japan), and Uni-Asia Investment. He obtained a bachelor's degree in law from Hitotsubashi University of Japan in 1980. |
| Mr Kenji Fukuyado | Chief Executive Officer | Mr Kenji Fukuyado was appointed CEO of Uni-Asia Group on 30 Apr 20, and concurrently Chairman of the group's Management Committee and Review Committee. He was appointed as an Executive Director in Mar 18. Mr Fukuyado joined the group in 2001 and was the Managing Director of Uni-Asia Finance Corporation (Japan) from May 03 to Dec 05. He was transferred to the group's head office in Hong Kong in Jan 06 and was Head of Structure Finance Department from Jan 06 to Dec 09. Between Jan 10 and Jan 13, he was Head of Maritime Investment Department. In Feb 13, he was appointed Managing Director of the group, responsible for Maritime Asset Management. Mr Fukuyado has over 30 years of experience in the finance industry, with expertise in structured finance including taxlease, asset finance, loan syndication, corporate finance and asset management. Between 1987 and 1998, he worked for The Hokkaido Takushoku Bank in Japan and Hong Kong. He is currently Chairman of Uni-Asia Shipping and Uni-Asia Capital (Japan), and also a Director of the company's subsidiaries including Uni-Asia Holdings, Uni-Ships and Management, Uni-Asia Capital Company, and Uni-Asia Investment. He graduated with a bachelor's degree in law from Waseda University in 1987. |
| Mr Masahiro Iwabuchi | Executive Director | Mr Masahiro Iwabuchi was appointed an Executive Director of Uni-Asia Group on 1 Mar 18. He joined the group when it was established in 1997 and was appointed Senior Managing Director in Apr 14. Mr Iwabuchi heads the Property Investment Department, overseeing all property investments of the group. Prior to joining the group, Mr Iwabuchi spent more than 13 years with The Hokkaido Takushoku Bank, and accumulated extensive experience in the banking industry across Asia, including Japan, Indonesia, Singapore, Hong Kong and China. In addition, he had experience in property investment in China, Japan and Hong Kong during his tenure at The Hokkaido Takushoku Bank. Mr Iwabuchi is currently the President of Uni-Asia Investment, and holds directorship in the group's subsidiaries including Uni-Asia Holdings, Uni-Asia Capital Company, Uni-Asia Guangzhou Property Management Co, Uni-Asia Capital (Japan), as well as the group's investee companies. He completed Licensing Examination for HKSI Specialist Certificate (Asset Management, Corporate Finance, Derivatives and Securities). Mr Iwabuchi graduated with a bachelor's degree in economics from Hirosaki University of Japan in 1985. In addition to being fluent in Japanese and English, Mr Iwabuchi speaks fluent Mandarin. |
| Mr Yukihiro Toda | Executive Director | Mr Yukihiro Toda was appointed an Executive Director of Uni-Asia Group on 1 Mar 18. He is currently the President of Uni-Asia Capital (Japan), a position he has held since Dec 11. Mr. Toda joined the group in 1998, and was appointed Chief Investment Officer of Uni-Asia Capital (Japan) in Feb 2000. While in this role, he was responsible for overall real estate fund management and property investment in Japan. Between 1985 and 1998, Mr Toda was with The Hokkaido Takushoku Bank and HSBC Securities Tokyo Branch. While with The Hokkaido Takushoku Bank, he worked in various Asian cities including Tokyo, South Korea and Hong Kong. At HSBC Securities, Mr Toda was with its Tokyo branch, where he was involved in international finance, structured finance and origination of syndicated loans. He is a director of the company's subsidiary, Uni-Asia Holdings. Mr Toda graduated with a bachelor's degree in economics from Yokohama National University in 1985. |
| Mr Zac K. Hoshino | Senior Managing Director | Mr Zac K Hoshino was appointed as Senior Managing Director of the company in Mar 19 and currently is responsible for the Maritime Business Department. He joined the company in Sep 07 and was appointed as Co-Head of the Maritime Investment Department. He was appointed as Managing Director of the company in Feb 13. He has extensive experience with chartering, operating, and contracting in a Japanese shipping company for more than 20 years, and worked in various Asian cities including Singapore and Hong Kong between 2002 and 2007. He is currently the CEO of Uni Asia Shipping, Wealth Ocean Ship Management Shanghai and Uni Ships and Management. Mr Hoshino graduated with a bachelor's degree in mercantile marine science from Tokyo University of Mercantile Marine in 1984. |
| Mr Lim Kai Ching | Group Chief Financial Officer | Mr Lim Kai Ching joined Uni-Asia Group in Jun 11 and was appointed as Chief Financial Officer of the group in Aug 11 and subsequently as Group Chief Financial Officer on 5 Jan 15. Mr Lim has over 20 years of experience in areas including finance, accounting, risk management, investment, audit and investor relations. Prior to joining Uni-Asia Group, he worked for State Street Fund Services (Singapore). Between Apr 08 and Jan 09, he was the Financial Controller of a China-based seafood processing company. From Jun 07 to Apr 08, Mr Lim was Vice President with the group, responsible for the company's ongoing listing matters and financial reporting of a private shipping fund for which the group acts as fund manager. Between Jun 99 and Jun 07, Mr Lim was with Government of Singapore Investment Corporation. He graduated with a Bachelor of Accountancy (Honours) from Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants. |
| Mr Matthew Yuen Wai Keung | Managing Director, Head of Maritime Asset Management Department | Mr Matthew Yuen was appointed as Managing Director in Mar 18 and is currently the Head of Maritime Asset Management Department. He joined Uni-Asia Group in Oct 97. Prior to this, Mr Yuen worked in several international banks, specialising in corporate banking and loan syndications. He graduated from The Chinese University of Hong Kong with a second class (upper) honours degree in business administration and received his MBA from The Australian Graduate School of Management, University of New South Wales. |

| Name | Position | Experience |
|---|---|---|
| Mr Makoto Tokozume | Managing Director Co-Head of Maritime Asset Management Department | Mr Makoto Tokozume joined Uni-Asia Group in Jan 08 and was appointed as Managing Director on 1 Mar 21. He is currently the Co-Head of Maritime Asset Management Department, being responsible for maritime asset management, equity sourcing and lease / debt arrangement for a third party as well as the group. He had stationed in Singapore as a member of Uni-Asia Capital (Singapore) until 2012, being responsible for investor relations and corporate matters. He was transferred to the head office in Hong Kong in 2013 and was Chief Financial Officer of Uni-Asia Shipping and Head of Financial Management Department. He has over 30 years of working experience in the financial industry in Japan, Singapore and Hong Kong, having spent 11 years with Hokkaido Takushoku Bank and 9 years with The Bank of Tokyo-Mitsubishi (currently MUFG Bank). He graduated from Keio University with a bachelor's degree in economics in 1986. He also received his MBA from The University of Hull, UK. He is registered as a Certified Public Accountant of USA. |
| Mr Shinichiro Ishizaki | General Manager | Mr Shinichiro Ishizaki joined Uni-Asia Group in Jan 16 and was appointed as General Manager - Project, Maritime Business Department of the company in Oct 17. Based in Hong Kong, Mr Ishizaki is responsible for various shipping businesses of the group, including projects, sales & purchase, period chartering, and ship management. Prior to joining Uni-Asia Group, he was in charge of ship finance and S&P at a Singapore-based ship owning company followed by two years' secondment to Ministry of Finance, Japan. Mr Ishizaki graduated from Hokkaido University, Japan with a master's degree in Field Engineering for the Environment in 2010. |
| Mr Kenneth Wong | General Manager | Mr Kenneth Wong joined Uni-Asia Group in Mar 04 and was appointed as General Manager of Property Investment Department in Jan 19. He is a member of the team responsible for the property investment business of the group. Prior to joining Uni-Asia Group, Mr Wong worked with Sumitomo Banking Corporation during 1995-2000 in the marketing and risk management divisions of the bank's Hong Kong office. Mr Wong graduated with a bachelor's degree in Economics and Japanese Studies from Sheffield University England in 1995. |
| Ms Chiaki Yamamoto | Chief Internal Auditor | Ms Chiaki Yamamoto joined Uni-Asia Group in Apr 13 and was appointed the Chief Internal Auditor in Aug 18. Based in Singapore, she is currently in charge of the internal audit function of all operations in the group. She has more than 20 years of experience in various corporate functions, including corporate management, human resource and internal audit for various major Japanese trading companies. She is an accredited Certified Fraud Examiner (CFE) in the US, and a qualified internal auditor by the Institution of Internal Auditors (IIA) Japan. She is member of Association of Certified Fraud Examiner (ACFE) and IIA in Singapore and Japan. |
| Ms Candy Wong Wang Ying | General Manager | Ms Candy Wong Wang Ying joined Uni-Asia Group in Nov 97 and was appointed as General Manager in Apr 19. She is currently responsible for the Financial Management Department and is in charge of corporate and shipping accounting, as well as cash flow management. Prior to joining Uni-Asia Group, she was with The Hokkaido Takushoku Bank, Hong Kong Branch. She graduated with a bachelor's degree in Accounting from Curtin University of Technology and is a fellow member of The Hong Kong Institute of Certified Public Accountants and CPA Australia. |

*Source: Uni-Asia, UOB Kay Hian*

## Appendix II – Company Background

Established in 1997, Uni-Asia is an alternative investment company specialising in creating investment opportunities and providing integrated services to such investments, mainly targeted at cargo ships and properties. Uni-Asia started out creating structured financed solutions aimed at clients in the shipping industry. The group has since expanded its business in the shipping industry and included hotel operations.

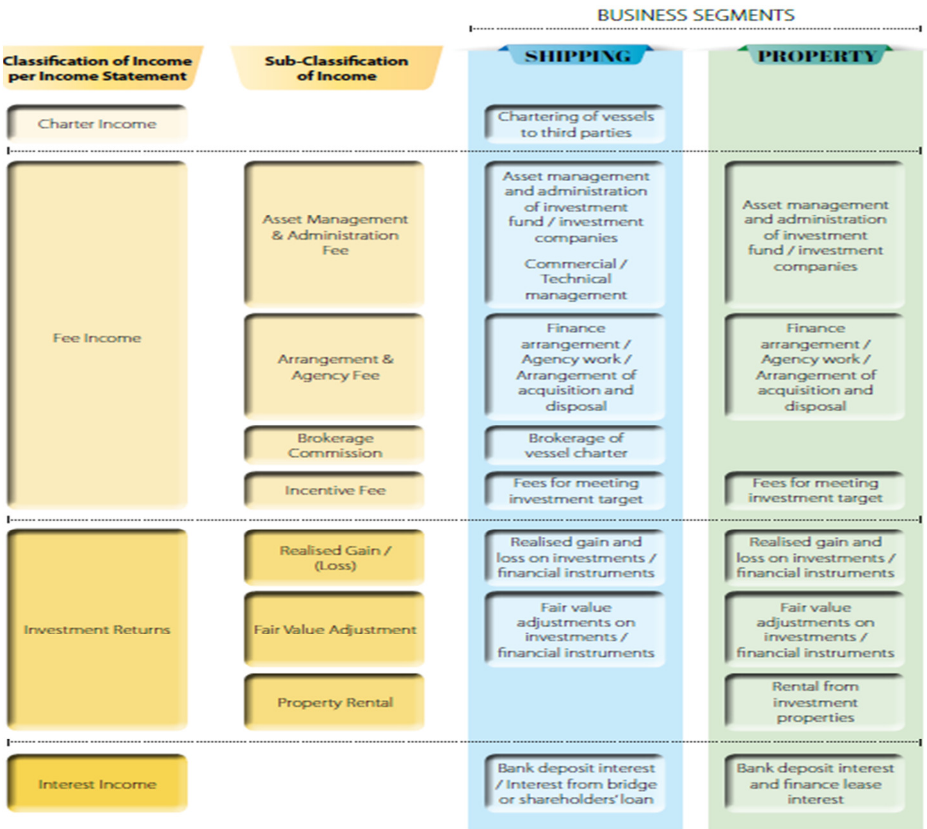
Uni-Asia's business model includes: a) acquiring assets at competitive prices and providing clients with solutions relating to alternative assets, including shipping and property finance arrangement, sale and purchase agreement; b) managing and/or operating assets to enhance asset value and recurrent income; and c) generating earnings through capital returns, recurring income (eg charter income and administrative fee income) and ad hoc fees (eg finance arrangement fee).

### BUSINESS SEGMENTS

| SHIPPING | | | PROPERTY | | Business Segments |
|---|---|---|---|---|---|
| **Maritime Asset Management** | **Ship Owning and Chartering** | **Maritime Services** | **Property Investment (ex-Japan)** | **Property Investment (in-Japan)** | Sub-Business Segments |
| Investment / Asset Management of Ships<br>Finance Arrangement | Ship Owning and Chartering | Commercial / Technical Management of Ships<br>Ship Related Brokerage | Investment / Asset Management of Properties ex-Japan | Investment / Asset Management of Properties in-Japan | Business Nature |

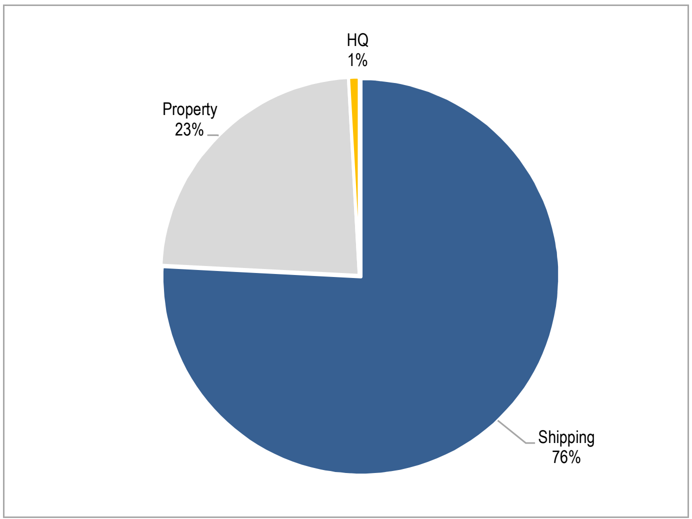
*Source: Uni-Asia*

### INCOME STRUCTURE



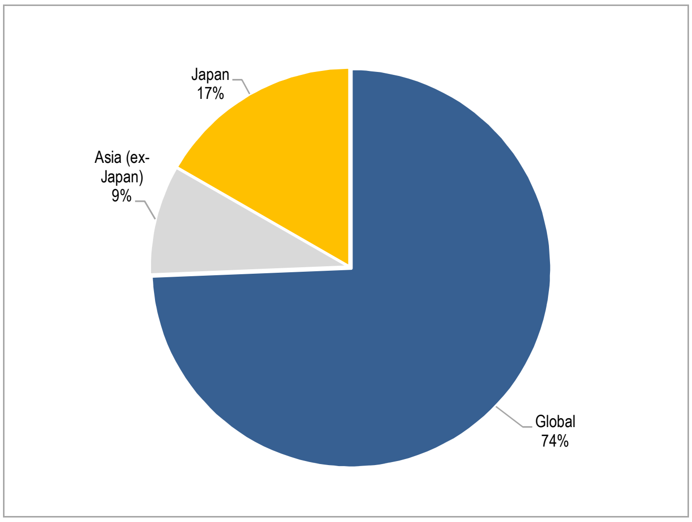

*Source: Uni-Asia*

**REVENUE BY SEGMENT (2020)**



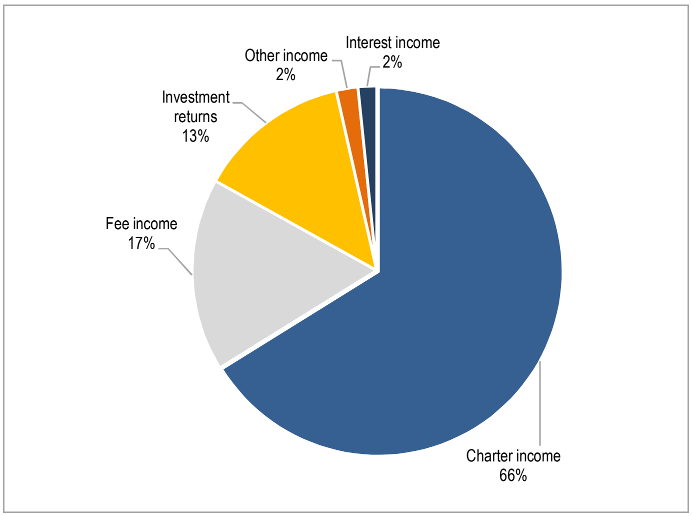

*Source: Uni-Asia, UOB Kay Hian*

**REVENUE BY GEOGRAPHY (2020)**



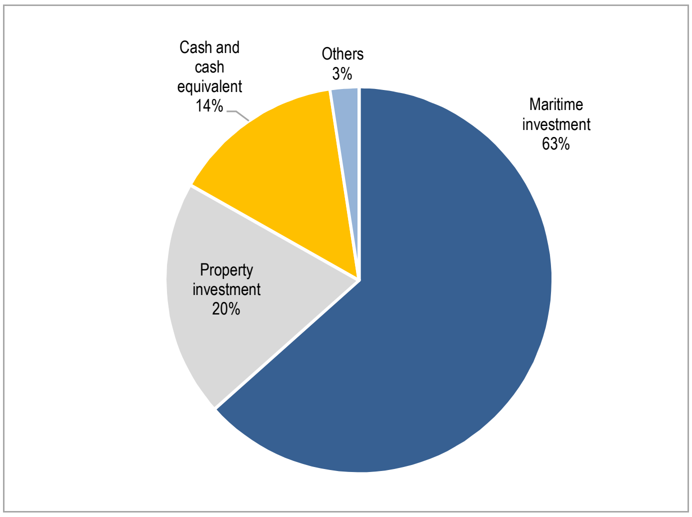

*Source: Uni-Asia, UOB Kay Hian*

**REVENUE BY FEES (2020)**




*Source: Uni-Asia, UOB Kay Hian*

**ASSET ALLOCATION (2020)**

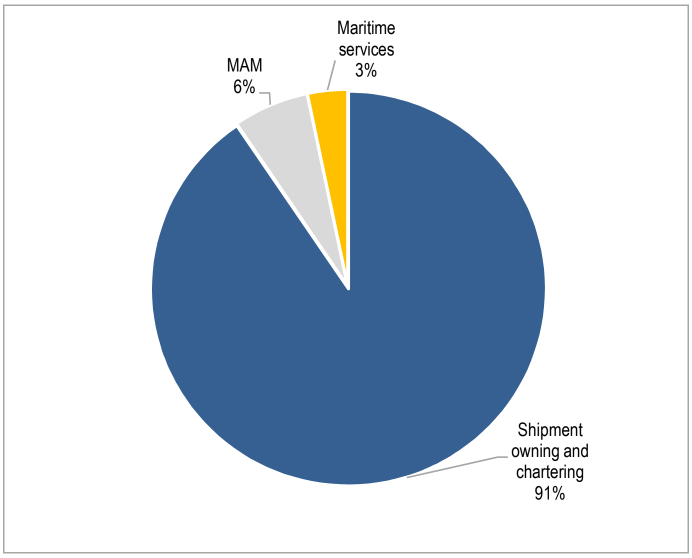



*Source: Uni-Asia, UOB Kay Hian*

## SHIPPING (76% OF 2020 REVENUE)

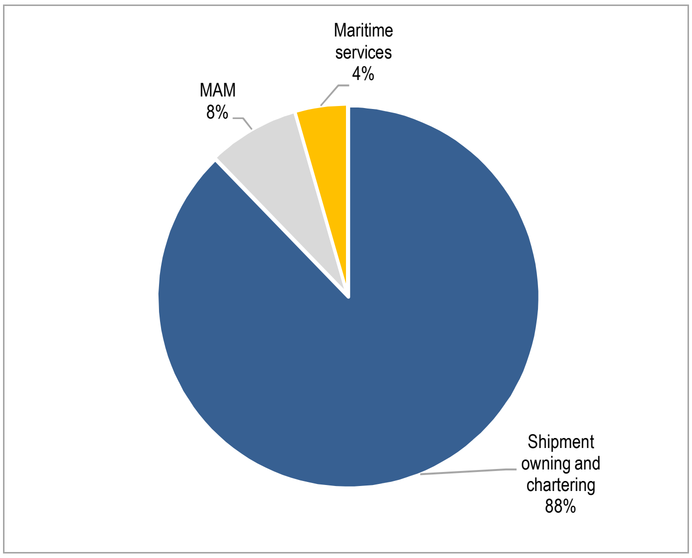
Uni-Asia offers a one-stop integrated ship-related investment and service solution. This includes ship investments for ship investors, ship chatering management for ship operators and ship finance arrangement solutions for shipowners. The segment provides the group with a recurring income base from chartering fees and management fees in addition to ad hoc fees as a revenue booster. The sub-categories under the shipping segment include ship owning and chartering, maritime services and maritime asset management.

**SHIPPING SEGMENT REVENUE BREADOWN (2020)**




*Source: Uni-Asia ia, UOB Kay Hian*

**SHIPPING SEGMENT REVENUE BREADOWN (1H21)**




*Source: Uni-Asia, UOB Kay Hian*

**The ship owning and chartering sub-category (largest sub-category at 91% of 2020 shipping revenue)** is focused on a portfolio of small- and medium-sized dry bulk carriers which provide a stable recurring charter income base to the group. The group's strategy is focused on handy-sized bulk carriers that are versatile in the types of cargo loads they can carry, such as grains, cement, clinker, mineral sands, coal, logs and steel products. The sub-segment captures the results of all 10 ships under Uni-Asia's wholly-owned ship portfolio, six of which are up for renewal in 2H21 and three in 1H22.

**WHOLLY-OWNED DRY BULK PORTFOLIO (DUE FOR RENEWAL IN 2021 OR 2022)**

| | Name of ship | Capacity (dwt) | Type | Year built | Shipyard built | Charter renewal |
|---|---|---|---|---|---|---|
| 1 | M/V Uni Challenge | 29,078 | Bulker | 2012 | Y-Nakanishi | 2H21 |
| 2 | M/V Uni Wealth | 29,256 | Bulker | 2009 | Y-Nakanishi | 2H21 |
| 3 | M/V Uni Auc One | 28,709 | Bulker | 2007 | Shin-Kurushima | 2H21 |
| 4 | M/V Victoria Harbour | 29,100 | Bulker | 2011 | Y-Nakanishi | 2H21 |
| 5 | M/V Clearwater Bay | 29,118 | Bulker | 2012 | Y-Nakanishi | 2H21 |
| 6 | M/V ANSAC Pride | 37,094 | Bulker | 2013 | Onomichi | 2H21 |
| 7 | M/V Island Bay | 37,649 | Bulker | 2014 | Imabari | 2H22 |
| 8 | M/V Inspiration Lake | 37,706 | Bulker | 2015 | Imabari | 1H22 |
| 9 | M/V Glengyle | 37,679 | Bulker | 2015 | Imabari | 1H22 |
| 10 | M/V Uni Bulker | 37,700 | Bulker | 2016 | Imabari | 1H22 |

*Source: Uni-Asia*

**The martime services sub-category oversees the group's subsidiaries** which include Uni Ship and Management, a shipment management company based in Shanghai, and Wealth Ocean Ship Management (Shanghai), which provides ship management services to some of the group's ships and external clients. The rationale of the segment is to allow the group to better control the management of its ships, thereby delivering better value to ship charterers. At the same time, it ensures better upkeep of its ships, preserving the value of the ships.

**For the maritime asset management sub-category,** the group utilises its know-how and network of shipping contracts to provide structured finance solutions to its clients, including arrangement of tax-oriented lease solutions. With that, the services provided by the segment include structuring of ship investment vehicles and investment management of ships under special purpose vechicles, management and administration of investment vehicles and finance arrangement solutions, including arrangement of tax-oriented lease. As the group typically co-invests with investment partners, the group gains investment returns in addition to fees from administering and managing these investments. While the charter income received by ship joint-investment companies does not flow directly into the group's income statement, a cyclical upturn in the shipping industry provides returns through valuation gains and/or dividend income.

**JOINT-INVESTMENT DRY BULK PORTFOLIO**

| | JV company name | Ownership (%) | Type | Capacity (dwt) | Year built | Shipyard |
|---|---|---|---|---|---|---|
| 1 | Matin Shipping Ltd. | 49 | Bulker | 38,278 | 2011 | Imabari |
| 2 | Olive Bulkship S.A. | 18 | Bulker | 57,836 | 2015 | Tsuneishi |
| 3 | Polaris Bulkship S.A. | 18 | Bulker | 57,836 | 2015 | Tsuneishi |
| 4 | Quest Bulkship S.A. | 18 | Bulker | 37,700 | 2016 | Imabari |
| 5 | Stella Bulkship S.A. | 18 | Bulker | 37,700 | 2018 | Imabari |
| 6 | Tiara Bulkship S.A. | 18 | Bulker | 37,700 | 2020 | Imabari |
| 7 | Unicorn Bulkship S.A. | 18 | Bulker | 36,300 | 2018 | Oshima |
| 8 | Victoria Bulkship S.A. | 18 | Bulker | 36,300 | 2018 | Oshima |

*Source: Uni-Asia*

## PROPERTY (23% OF 2020 REVENUE)

The property segment which includes Uni-Asia's investment in Hong Kong commercial properties and Japan residential properties. In Hong Kong, the group has invested in eight property projects, three of which have been completed and contributed returns to the group.

**HONG KONG PROPERTY PROJECTS**


*Source: Uni-Asia*

In Japan, Uni-Asia invests in and develops small residential property projects in Tokyo, namely the ALERO series. The group purchases land and develops 4- to 5-storey buildings with 10-30 units of studio or maisonette-type flats. The completed projects are typically sold en bloc. As at 1H21, there were 13 ongoing projects, including two under lease.

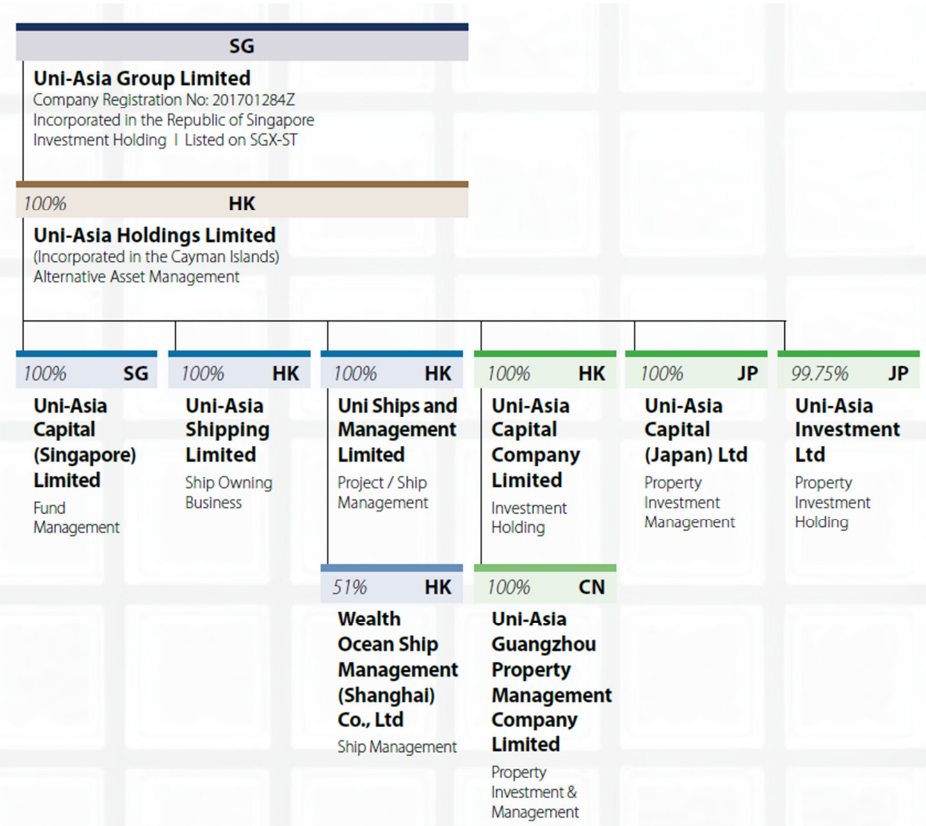
### ALERO PROJECT IN JAPAN


Source: Uni-Asia

### NO OF ALERO PROJECTS


Source: Uni-Asia

### UNI-ASIA CORPORATE ORGANISATION




Source: Uni-Asia

**KEY MILESTONES**

| | Milestones |
|---|---|
| 2020 | • Mr Kenji Fukuyado was appointed as CEO from April while Mr Michio Tanamoto remains as Executive Chairman. Chairman and CEO are separate persons in accordance with Code of Corporate Governance 2018.<br>• Invested in the 7th and 8th Hong Kong property redevelopment projects.<br>• With Japan's hospitality industry severely affected by the COVID-19 pandemic, the group disposed of 49.5% of its stake in Uni-Asia Hotels, with a non-controlling stake of 49.5% remaining. The hotel operating business was deconsolidated from the group's financials from end-June.<br>• Ital Massima, a 4,300 TEU containership held through the group's 50%-owned joint investment company, Rich Containership S.A., was disposed of as part of the group's efforts in restructuring the ship investment portfolio so as to better allocate the group's resources to investments with better projected performance and achieve the group's investment objectives. |
| 2019 | • In March, the group placed out 5,420,720 new shares, increasing the issued shares to 52,400,000.<br>• The group announced in April its group dividend policy to pay out at least 35% and 40% of profit for 2019 and 2020 respectively. Dividend to be paid semi-annually. The group paid its first interim dividend on 27 Sep 19.<br>• The group completed a 1-for-2 bonus share issue on 7 Jun 19 aimed at rewarding shareholders and enhancing trading liquidity. Total number of shares increased from 52,400,000 to 78,599,987.<br>• Received more proceeds from second Hong Kong property redevelopment project as well as capital gains from thirrd Hong Kong property redevelopment project.<br>• Increased shareholding in Hope Bulkship S.A. from 83% to 100%. Increased shareholding in Regina Bulkship S.A. from 51% to 100%.<br>• Liquidated Uni Ships and Management (Taiwan) and Uni Ships and Management Korea to centralise the function of promoting ship-related services in Hong Kong.<br>• Arranged first JOL transaction for container boxes. |
| 2018 | • Disposed of M/V Orient Sunrise, the oldest dry bulk carrier in Uni-Asia Shipping's portfolio.<br>• Received US$10m capital invested in the group's second Hong Kong property redevelopment project at 650 Cheung Sha Wan Road, as well as received a US$10m gain from this investment.<br>• Invested in the fourth Hong Kong property redevelopment project at 18-20 Tai Chung Road, Tsuen Wan, Hong Kong, targeted to be completed by 2020.<br>• Invested in the fifth Hong Kong property redevelopment project at 71-75 Chai Wan Kok Street, Tsuen Wan, Hong Kong, targeted to be completed by 2021.<br>• Invested in the sixth Hong Kong property redevelopment project at 1016-1018 Tai Nam West Street, Kowloon, Hong Kong, targeted to be completed by 2021.<br>• Uni-Asia Career Support. was established to provide human resource placement services to the hospitality industry in Japan. |
| 2017 | • The group celebrated its 20th year of founding.<br>• The group completed a scheme of arrangement in June where a new Singapore-incorporated company, Uni-Asia Group, completed a share-swap with the shareholders of Uni-Asia Holdings, following which Uni- Asia Group was listed and quoted on the Main Board of the Singapore Exchange Securities Trading ("SGX-ST") on 2 Jun 17 and Uni-Asia Holdings was delisted from the Main Board of the SGX-ST with effect from 2 Jun 17. The result of this scheme of arrangement is that the listed entity of the group is now a Singapore-incorporated company rather than a Cayman Islands-incorporated company.<br>• In November, the group acquired a 29,256 DWT second-hand dry bulk carrier from its joint-investment company, Glory Bulkship S.A.<br>• The group launched its aesthetically re-designed corporate website which aims to improve user friendliness and appeal. |
| 2016 | • Took delivery of the ninth vessel owned by Uni-Asia Shipping in January.<br>• In March, the group acquired the remaining 50% of Joule Asset Management from the group's co-investor, increasing the group's shareholding in Joule to 100%. Joule owns a 29,000 DWT dry bulk carrier built in 2012.<br>• In July, the group invested in its third Hong Kong property redevelopment project at Kwai Chung Town Lot No. 517 at Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong. The land was developed into a commercial office building and was completed in mid-19.<br>• In September, the group jointly invested in an ALERO project with Singapore-based CPG Investments, an attestation to the quality of ALERO investments.<br>• In December, the group made an investment of ¥65m (around US$0.6m) in a hostel business project, where a building was rented in Nihonbashi-Yokoyamacho, converted into a hostel and sub-leased to a hostel operator. This is a new business area which will widen the group's property expertise. |
| 2015 | • Took delivery of the seventh vessel owned by Uni-Asia Shipping in February and the eighth vessel owned in March.<br>• Acquisition of two 3,500 TEU containerships from Akebono Fund, one of which is 100%-owned while another 50%-owned<br>• Completed 10-to-1 share consolidation. Number of shares is now 46,979,280 shares although paid-up capital remains as US$75,166,848<br>• Established new wholly-owned subsidiary, Uni Ships and Management Korea, in South Korea to promote the company's ship-related services<br>• 99.5%-owned subsidiary Uni-Asia Capital (Japan).was designated as the group's investment holding arm in Japan and changed its company name to Uni-Asia Investment..<br>• Wholly-owned subsidiary Uni-Asia Finance Corporation (Japan) was designated as the group's investment advisory and asset management arm in Japan and changed its company name to Uni-Asia Capital (Japan). |
| 2014 | • Mr Kazuhiko Yoshida retired as Chairman and CEO and was appointed Counsellor to the Chairman and CEO.<br>• Mr Michio Tanamoto was appointed Chairman and CEO, and Mr Masaki Fukumori was appointed COO of the Group.<br>• Placed order for a 51%-owned handysize bulker. Ships owned by Uni-Asia Shipping increased to nine and ship portfolio under Uni-Asia Shipping including ships under commercial management increased to 12.<br>• Took delivery of the sixth vessel owned by Uni-Asia Shipping in July.<br>• The group invested in its second Hong Kong property redevelopment project at 650 Cheung Sha Wan Road. The land was developed into a commercial office building and completed in mid-Jul 19.<br>• Completed sale of three small residential projects.<br>• Sold 5 of the 14 office units in China Shine Plaza in Guangzhou, China.<br>• Business office in Hong Kong moved to 30/F., Prosperity Millennia Plaza, No. 663 King's Road, North Point, Hong Kong. |

| | Milestones |
|---|---|
| 2013 | • Company name was changed from Uni-Asia Finance Corporation to Uni-Asia Holdings to better reflect the business of the company.<br>• Established a new subsidiary in Taiwan.<br>• Uni-Asia Shipping placed orders for three newbuilding ships to be delivered between 2014 and 2016.<br>• The fifth ship under Uni-Asia Shipping was delivered. Number of seaborne ships under Uni-Asia Shipping amounts to five.<br>• Acquired Wealth Ocean Ship Management Shanghai Co, a ship management company, to boost the group's ship management capability. |
| 2012 | • Capital Advisers changed its name to Uni-Asia Capital (Japan) , reflecting the close alignment with the company and to create a distinctive identity as a member of Uni-Asia Group.<br>• Completed and sold its first small residential project − ALERO ShimoMeguro. |
| 2011 | • Issued 156,597,600 new shares by way of renounceable non-underwritten Rights Issue. The paid-up capital was increased from US$50,111,232 comprising 313,195,200 shares to US$75,166,848 comprising 469,792,800 shares.<br>• Increased equity interest in Capital Advisers to 99.5% by subscribing for new shares issued by Capital Advisers. |
| 2010 | • Increased equity interest in Capital Advisers to 96.9%.<br>• Uni-Asia Shipping was established as a wholly-owned subsidiary of the company to function as ship owning for vessel investment projects with majority interest. |
| 2009 | • Issued 52,199,200 new shares and placed to Yamasa Co. The paid-up capital was increased from US$41,759.360 comprising 260,996,000 shares to US$50,111,232 comprising 313,195,200 shares. |
| 2008 | • Increased equity interest in Capital Advisers to 92.7%.<br>• Increased equity interest in Uni Ships and Management to 100%. |
| 2007 | • Made a direct investment in office units in Guangzhou.<br>• Launched its first Singapore ship investment fund under MFI scheme-Akebono Fund.<br>• The company was listed on the Main Board of the Singapore Exchange Securities Trading. |
| 2006 | • Wholly-owned subsidiary, Uni-Asia Capital (Singapore), was granted Approved Ship Investment Manager status by the Maritime and Port Authority of Singapore under Maritime Finance incentive (MFI) Scheme |
| 2005 | • Launched container vessel fund specialising in investment in container vessels. |
| 2004 | • Launched private ship investment fund Searex 1 & II<br>• Established GCAP Fund, which is managed by Grosvenor Capital Advisers Fund Management Co, a 50% JV between Grosvenor Asia and Capital Advisers. |
| 2003 | • Capital Advisers issued new shares to third parties. Uni-Asia Group's equity interest in Capital Advisers was diluted to 44.8%.<br>• Launched AAA Series II. |
| 2001 | • Launched Asian distressed assets investment fund AAA Series I.<br>• Arranged first UK lease transaction for ships. |
| 2000 | • Capital Advisers Co ("Capital Advisers") was established as a 100% subsidiary of the company.<br>• Established an investment partnership with Grosvenor Asia to invest in residential properties in Tokyo, through Capital Advisers.<br>• Arranged first JOL transaction for ships. |
| 1998 | • Expanded into investment in alternative assets, such as distressed assets<br>• Reported as the top arranger of structured finance for the transport sector in Taiwan, and ranked fourth in the category of Taiwan foreign currency loan and bond arrangement by *Basis Points* (a financial magazine). |
| 1997 | • The company was incorporated in the Cayman Islands with a business presence in Hong Kong. Uni-Asia Group's focus is on finance arrangement for companies in the transportation sector. |

*Source: Uni-Asia, UOB Kay Hian*

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