



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

PRESS RELEASE -- FOR IMMEDIATE RELEASE

Uni-Asia extends strong performance and reports 50% increase in net profit to US\$3.3 million in 1Q2018

- Total income increased by 11% to US\$25.6 million in 1Q2018, charter income and hotel income registered 14% and 25% growth respectively compared to 1Q2017
- Charter income was supported by the recovery in the shipping market and improved charter rates
- Property and hotel businesses continue to be strong

Singapore, 15 May 2018 – Uni-Asia Group Limited (“**Uni-Asia**” or the “**Group**”), an alternative investment company and integrated service provider of vessels and properties, announced its financial results for the three months ended 31 March 2018 (“**1Q2018**”).

Financial Highlights	1Q2018	1Q2017	Chg
	US\$'000	US\$'000	%
Total Income	25,550	22,954	11
Total Operating Expenses	(20,397)	(19,470)	5
Operating Profit	5,153	3,484	48
Operating Profit Margin	20.2%	15.2%	5 ppts*
Net Profit After Tax	3,316	2,109	57
Profit Attributable to Owners of Parent	3,182	2,125	50
Basic Earnings Per Share** (US cents)	6.77	4.52	50

*ppts: percentage points

**Based on the weighted average of 46,979,280 ordinary shares in issue for each period respectively

1Q2018 FINANCIAL REVIEW

Total income for the Group increased by 11% from 1Q2017 to US\$25.6 million in 1Q2018.

Revenue	1Q2018 US\$'000	1Q2017 US\$'000	Chg %
Charter Income	10,184	8,936	14
Fee Income	2,409	1,149	110
Hotel Income	12,826	10,297	25
Investment Returns	(897)	2,222	(140)
Interest Income	201	169	19
Other Income	827	181	N/M
Total Income	25,550	22,954	11

(i) Charter Income

Charter income increased by 14% from US\$8.9 million in 1Q2017 to US\$10.2 million in 1Q2018 due to higher spot charter rates and additional ship in the ship portfolio in 1Q2018 compared to 1Q2017.

(ii) Fee Income

Total fee income increased by 110% from US\$1.1 million in 1Q2017 to US\$2.4 million in 1Q2018. Arrangement deals completed in 1Q2018 increased arrangement and agency fee income to US\$1.7 million for 1Q2018, a 207% increase compared to US\$0.6 million in 1Q2017.

(iii) Hotel Income

Hotel income increased by 25% from \$10.3 million in 1Q2017 to \$12.8 million in 1Q2018 due to more rooms under operations in 1Q2018 and better performance of the hotel portfolio.

(iv) Investment Returns

Investment returns for 1Q2018 was a loss of US\$0.9 million compared to a gain of US\$2.2 million for 1Q2017 mainly due to net fair valuation loss of US\$1.4 million booked in 1Q2018 for tanker and containership investments.

Total Operating Expenses

While the Group's total income increased by 11%, the Group's total operating expenses increased by 5% from US\$19.5 million in 1Q2017 to US\$20.4 million in 1Q2018. Employee benefits expenses, hotel lease expenses and hotel operating expenses increased in line with the increase in the number of hotels under operations. In particular, hotel operating expenses increased by 39% due partly to pre-opening expenses incurred in 1Q2018 for new hotels to be opened after 1Q2018.

The Group made a reversal of impairment of property, plant and equipment totaling \$3.1 million following the disposal of a hotel as well as a contracted sale of a ship, both of which were impaired in previous years.

Net Profit after Tax

The Group posted a net profit after tax of US\$3.3 million for 1Q2018, a 57% increase from US\$2.1 million in 1Q2017.

Net Asset Value

As of 31 March 2018, the Group had a Net Asset Value (“NAV”) per share of US\$3.00, compared to US\$2.89 as of 31 December 2017.

OUTLOOK

Trade tensions between the US and China have escalated in recent weeks, with China introducing new tariffs on US imports, such as US soybeans. On the other hand, expected positive demand trends in iron ore, coal and minor bulk trade could outweigh the negative impact such tariffs have on global seaborne dry bulk trade, resulting instead in a positive growth of global seaborne dry bulk trade in 2018. On the supply side, according to Clarksons Research “Dry Bulk Trade Outlook” April 2018 issue, bulkcarrier fleet growth is expected to remain relatively limited at around 2% in 2018, on the back of a slower pace of deliveries. So long as the fleet growth is slow, and the demand trends remain positive, the bulkcarrier sector could improve in 2018.

Hong Kong’s overall economy and labour market remained strong in 1Q2018 supporting the leasing demand for office. As the demand for commercial office space in Hong Kong continues to grow, the Group has move on to our fourth Hong Kong property project and is exploring the fifth project so as to capitalise on this growth.

According to Japan Real Estate Economic Institute, the supply of new condominium units for sale in greater Tokyo in 2018 is expected to increase as compared to 2017. Notwithstanding the increase in supply, sales prices have continued to rise. The Japan Real Estate Economic Institute noted that major re-development projects in the Tokyo 23 Wards have helped to drive demand for new condominiums. The Group monitors the Tokyo residential market carefully and selects investment sites for our ALERO projects prudently so as to maximise returns while minimising risks to the Group.

Japan’s hospitality industry has been boosted in recent years by growing inbound tourism and rising average daily room rates. With the Group’s existing portfolio of hotels and new hotels to be added to the Group’s portfolio, the Group is in a good position to benefit from the growing hospitality market in Japan.

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

Uni-Asia Group Ltd is an alternative investment company performing a variety of roles including asset owner and manager, operator, co-investor, ship finance arranger, broker and fund manager. Uni-Asia’s investments are focused on cargo vessels and properties in Hong Kong and Japan. To improve investment returns, Uni-Asia also provides integrated services for the invested assets, including acting as operator for commercial maritime vessels and invested properties which encompasses commercial, residential and hotel properties.

Listed on the Main Board of the Singapore Exchange in August 2007, their offices are located in Hong Kong, Singapore, Tokyo, China, Taiwan, and South Korea.

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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