UNI-ASIA HOLDINGS LIMITED

PRESS RELEASE -- FOR IMMEDIATE RELEASE

Uni-Asia reports loss of US$12.2m for FY2016 due mainly to impairment and fair value losses of ships

- Total revenue increased by 12% to US$86.3 million for FY2016
- Charter income increased by 12% to US$34.3 million for FY2016 as fleet size increased
- Hotel income increased by 26% to US$42.0 million for FY2016 due to healthy occupancy and daily room rates
- The Group cash flow from operating activities remain healthy at US$12.3 million
- The Group has declared dividend of S$0.03 per share for FY2016

Singapore, 28 February 2017– Uni-Asia Holdings Limited ("**Uni-Asia**" or the "**Group**"), an alternative investment company and integrated service provider of vessels and properties, announced its financial results for the twelve months ended 31 December 2016 ("**FY2016**").

Financial Highlights	4Q2016 US$'000	4Q2015 US$'000	Chg %	FY2016 US$'000	FY2015 US$'000	Chg %
Total income	21,817	21,048	4	86,298	77,052	12
Total operating expenses	(33,126)	(19,079)	74	(92,588)	(68,145)	36
Operating (loss)/ profit	(11,309)	1,969	N/M	(6,290)	8,907	N/M
Net (loss)/ profit after tax	(12,721)	479	N/M	(12,228)	3,520	N/M
(Loss)/ profit attributable to owners of the parent	(13,624)	5	N/M	(14,166)	2,696	N/M
Basic (loss)/ earnings per share (US cents) [1]	(29.00)	0.01	N/M	(30.15)	5.74	N/M
Cash flow from operating activities				12,331	10,302	20
Proposed dividend per share				S$0.03	S$0.0625	

[1] *Based on the weighted average of 46,979,280 ordinary shares in issue*

FY2016 FINANCIAL REVIEW

Total income for the Group increased 12% to US$86.3 million for FY2016 compared to US$77.1 million for FY2015.

Charter income increased by 12% to US$34.3 million in FY2016 from US$30.5 million in FY2015. There were 9 vessels in Uni-Asia Shipping's portfolio in FY2016 compared to 8 for FY2015. Further, a dry bulk carrier acquired by the Group in end March 2016 also contributed to the increase in charter income for FY2016. The increase is in line with the Group's strategy to build up recurring charter income.

Total fee income decreased by 25% from US$7.8 million in FY2015 to US$5.8 million in FY2016. Fewer ad hoc arrangement and brokerage transactions in FY2016 resulted in lower arrangement and agency fees as well as brokerage commission fees. During the year, the Group earned incentive fees from exceeding investment targets for property investment projects under management. Incentive fee income was US$0.8 million for FY2016.

Hotel income increased by 26% to US$42.0 million in FY2016 from US$33.3 million in FY2015 due mainly to an improvement in average daily rates with occupancy rates remaining strong. There was also a new hotel under operations from 2Q2016.

Investment returns for FY2016 was US$2.1 million compared to US$4.0 million for FY2015. In FY2016, 5 units of the office investment properties in Guangzhou, China were disposed, which gain was included in the realised gain on investment properties of US$1.5 million and a corresponding reversal of fair value gain on investment properties previously recognised which was included in the fair value adjustment on investment properties of US$1.7 million. For small residential property development projects, US$4.5 million realised gain was recognised in FY2016. The continued depressed shipping market resulted in the Group taking in further fair valuation losses of US$2.4 million for the ship investment in 4Q2016 resulting in a fair value loss of US$7.1 million for ship investment in FY2016. Meanwhile, US$5.6 million fair valuation gain was booked for the Group's second Hong Kong property project.

Total operating expenses for the Group increased 36% from US$68.1 million in FY2015 to US$92.6 million in FY2016. Amortisation and Depreciation, and Vessel Operating Expenses increased due to new vessels delivered/acquired. Hotel Lease Expenses and Hotel Operating Expenses increased due to increase in expenses corresponding with an increase in hotel income as well as increase in hotels under operations. In 4Q2016, one of Japan's major shipping company announced their half year results in late October with a substantial loss from impairments and provision for contracts due to the continued dismal shipping market. This prompted professional shipping valuation firms, including the Group's external professional valuation firm, to revalue downwards the assumptions used for valuations. As a result, other than the fair valuation losses for ship investments booked by the Group under investment returns, the Group also provided US$8.6 million impairment losses for ships held under property, plant and equipment. In addition, the Group provided US$3.5 million for onerous contract of a ship sale and leaseback contract.

The Group posted a net loss of US$12.2 million for FY2016 compared to a net profit of US$3.5 million for FY2015.

Notwithstanding the loss, the Group generated US$12.3 million cash flow from operating activities in FY2016. The Group's cash balance as at 31 December 2016 remained healthy at US$35.6 million.

The Group has proposed a final dividend of S$0.03 per share for FY2016.

OUTLOOK

The global shipping industry remains weak and the dry bulk shipping market continued to be difficult. Despite ongoing scrapping of aging vessels, excess tonnage still poses a problem. Spot charter rates remain very low. Against this backdrop, ship valuation professionals had revised downwards their assumptions used for ship valuations. As a result, the Group had made further fair valuation loss adjustments and impairment provisions for FY2016 after consulting ship valuation professionals. While the shipping market conditions are expected to remain weak, we are cautiously optimistic that the worst is behind us. In addition, impairment losses made in FY2016 would reduce depreciation expenses for FY2017 for the affected assets.

Meanwhile property investment and hotel operations remains positive. The Group will continue its focus on pursuing its long term strategy of utilising its expertise of a diversified business model which includes property investment and hotel operations, as well as cautious capital management, to ensure a steady and sustainable development of its businesses.

--- The End ---

About Uni-Asia Holdings Limited. (Bloomberg Code: UNIAF SP)

Uni-Asia Holdings Ltd is an alternative investment company performing a variety of roles such as 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, Japan and China. 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, Uni-Asia strives to achieve a sustainable growth through a prudent approach. 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

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