



3 September 2021

## Uni-Asia Seeks Resilient Returns in Alternative Investments



Growing up in Kagoshima city on Japan's Kyushu island, finance veteran Kenji Fukuyado was encouraged to cultivate the principles of integrity, responsibility and altruism.

"I was taught by my parents, teachers, relatives and neighbours that you have to be honest, you must be a responsible person, and you should always think of how others would feel if you were to do something," recalled the Chief Executive Officer of SGX-listed alternative investments company Uni-Asia Group Ltd.

"After entering the business world, I realised that such values are critical in successfully leading your team, dealing with clients, and making day-to-day decisions for the organisation."

Fukuyado, who has more than three decades of experience in the finance industry, including structured finance, asset finance, loan syndication, corporate finance and asset management, graduated with a Bachelor's degree in Law from Waseda University in 1987.

He joined the Uni-Asia Group in 2001, holding various senior finance and investment roles before being appointed Executive Director in 2018, and taking on the Group CEO position in April 2020.

Fukuyado is also Chairman of Uni-Asia Shipping and Uni-Asia Capital (Japan), as well as a director of the company's subsidiaries, including Uni-Asia Holdings, Uni-Ships and Management, Uni-Asia Capital, and Uni-Asia Investment.

Over the years, pursuing stakeholder satisfaction has become his passion. "I make it a point to communicate honestly with employees, investors and shareholders, and in decision-making, I take into account not only the company's profitability, but also ESG and compliance regulations," he pointed out.

"As CEO, the most important issue is to ensure the business is able to survive in difficult times, and remains sustainable over the longer term. I will make every effort to achieve this goal, no matter how big a challenge we face, and will not hesitate to make tough decisions, such as divestments, if circumstances so warrant. My commitment is to all stakeholders, including shareholders, employees and our management team."

Listed on SGX Mainboard in 2007, Uni-Asia Group is an alternative investment company that performs 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 real estate, which comprises commercial and residential properties.

By having a diversified portfolio of alternative investments, and capabilities to provide services pertaining to different alternative investment assets, the Group is less susceptible to downside risks of a particular asset class and more resilient over the long run.

### Balance Sheet Strength

"With over 24 years of operations, Uni-Asia's mission is to be a producer of alternative investment opportunities, and an integrated service provider relating to alternative investments, both in the shipping and property businesses," Fukuyado noted.

And with this aim in mind, the 57-year-old has been focused on strengthening the Group's balance sheet since 2018. "I firmly believe this will be instrumental to our long-term sustainable growth," he added.

His efforts include deleveraging and boosting the Group's liquidity position by gradually paring all short-term debt to zero, as well as channelling cash and human resources into more profitable projects in the Group's shipping and property businesses.

Overall, Fukuyado remains sanguine about Uni-Asia's prospects, based on the fact that the Group's shipping and property businesses offer diversification as well as complement each other.

"Shipping is an international operation, while property is a domestic business, so the business cycles are different," he added.

"These two divisions are also complementary - for example, following the 2008-2009 financial crisis, Uni-Asia's property business did not perform well, but the shipping operations contributed to our bottom line. After 2013, the shipping business's performance was volatile, but property made steady contributions."

Following the COVID-19 pandemic, Fukuyado expects more cross-border opportunities to emerge in the property sector. "We're seeing keen interest from Asian investors in Japan property assets," he added.

However, the Hong Kong office real estate market has been impacted by COVID-19 travel restrictions between China and the territory, as more than half the buyers of those assets come from the Mainland.

"The Hong Kong office market will be inactive or slow until these travel restrictions are eased. We plan to delay the pre-sale of projects until the situation improves."

In terms of the Group's shipping operations, the market has since rebounded from the slump in the first half of 2020, when the pandemic severely disrupted supply chains and trade volumes plummeted.

"The recovery in China's industrial output this year has also helped to boost the dry bulk market. I believe it's better to take advantage of the strong market by utilising our bulk fleet and enjoying the higher charter rates," he said.

"For now, we're not planning new investments in ships, except perhaps, through a joint venture with other investors, which would provide Uni-Asia with attractive returns and fee incomes."

#### Boosting Income Streams

Uni-Asia will leverage its expertise across the shipping and property sectors to explore new business opportunities and products so as to increase the Group's income streams.

"We want to encourage the younger employees to identify and/or develop a new business to drive the Group's long-term sustainable growth," he said. "At the same time, we are drawing up a plan for the next-generation of leaders."

Apart from its day-to-day operations, the Group is also focused on managing its Environmental, Social and Governance (ESG) policies, one of the key elements of which is reducing greenhouse gas (GHG) emissions from ships, he noted.

"Uni-Asia has 10 wholly owned or chartered vessels as well as eight jointly owned vessels, so GHG emission regulations have impacted our shipping business. We have complied with the regulations imposed by the International Maritime Organisation, and remain committed to doing so."

Outside of the office, however, there is much to keep Fukuyado awake till the wee hours. "I hope COVID-19 will be under control in the next six to 12 months following the vaccine rollouts, if not, it may negatively affect some of our operations," he said.

"In addition, I am concerned about the timing of tapering by the US Federal Reserve and other developed countries, which would impact the interest rate environment, the commodities market, and investor sentiment in general."

Nonetheless, this father of a 28-year-old son and 29-year-old daughter makes it a priority to spend time with family. "I enjoy shopping with my wife, and having meals at home," he said with a grin.

As for his children, he wants them to adopt the attitude of continuous learning and relentless pursuit of excellence. "I always tell them, 'Why not try?' and 'Please do not make the same mistake so that you will improve, continuously and without fail!'"



## Uni-Asia Group Ltd

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The company website is: [www.uni-asia.com](http://www.uni-asia.com)

Click [here](#) for the company's StockFacts page.

For the half year ended 30 June 2021 financial results, click [here](#).



## About kopi-C: the Company brew

**Text:** Jennifer Tan-Stanisic

**Photo:** Company file

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