



## UNI-ASIA FINANCE CORPORATION

Registration No: CR - 72229

(Incorporated in the Cayman Islands with limited liability on 17 March 1997)

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

#### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	4 <sup>th</sup> Quarter			Full year		
		2011 US\$'000	2010 US\$'000	% Change	2011 US\$'000	2010 US\$'000	% Change
Fee income	[1]	7,064	2,326	204%	15,226	9,777	56%
Hotel income		10,359	9,951	4%	36,824	35,736	3%
Investment returns	[2]	1,841	(1,979)	193%	4,334	232	1768%
Interest income		222	178	25%	817	522	57%
Other income		311	689	(55%)	694	1,957	(65%)
<b>Total income</b>		<b>19,797</b>	<b>11,165</b>	<b>77%</b>	<b>57,895</b>	<b>48,224</b>	<b>20%</b>
Employee benefits expenses		(4,087)	(3,733)	9%	(15,461)	(14,014)	10%
Amortization and depreciation		(986)	(352)	180%	(2,532)	(924)	174%
Vessel operating expenses		(1,148)	-	N/M	(2,297)	-	N/M
Other expenses		(9,159)	(9,152)	0%	(33,762)	(33,563)	1%
Write-back on impairment of property, plant and equipment		-	1,962	N/M	-	1,962	N/M
Loss on disposal of property, plant and equipment		-	(1)	N/M	-	(1)	N/M
Write-back on provision of onerous contracts		17	575	(97%)	2,004	1,554	29%
Provision of onerous contracts		(423)	(734)	(42%)	(1,471)	(734)	100%
Net foreign exchange gain/ (loss)		163	619	(74%)	(1,009)	2,498	(140%)
		<b>(15,623)</b>	<b>(10,816)</b>	<b>44%</b>	<b>(54,528)</b>	<b>(43,222)</b>	<b>26%</b>
<b>Operating profit</b>		<b>4,174</b>	<b>349</b>	<b>1096%</b>	<b>3,367</b>	<b>5,002</b>	<b>(33%)</b>
Finance costs – interest expense		(495)	(310)	60%	(1,655)	(1,198)	38%
Finance costs – others		(55)	(16)	244%	(144)	(81)	78%
Share of results of associates		-	(7)	N/M	-	(21)	N/M
Allocation to Tokumei Kumiai* investors		(53)	(988)	(95%)	49	(996)	(105%)
<b>Profit/ (loss) before tax</b>		<b>3,571</b>	<b>(972)</b>	<b>467%</b>	<b>1,617</b>	<b>2,706</b>	<b>(40%)</b>
Income tax expense		(78)	(182)	(57%)	(238)	(361)	(34%)
<b>Profit/ (loss) for the period/ year</b>		<b>3,493</b>	<b>(1,154)</b>	<b>403%</b>	<b>1,379</b>	<b>2,345</b>	<b>(41%)</b>
Attributable to:							
Owners of the parent		3,448	(1,147)	401%	1,310	2,412	(46%)
Non-controlling interests		45	(7)	743%	69	(67)	203%
		<b>3,493</b>	<b>(1,154)</b>	<b>403%</b>	<b>1,379</b>	<b>2,345</b>	<b>(41%)</b>

\* Tokumei Kumiai ("TK") refers to a form of silent partnership structure used in Japan. Allocation to TK investors refers to share of profit and loss attributable to other TK investors of the TK structure.

N/M: Not meaningful

	4 <sup>th</sup> Quarter			Full year		
	2011 US\$'000	2010 US\$'000	% Change	2011 US\$'000	2010 US\$'000	% Change
Profit/ (loss) for the period/ year	3,493	(1,154)	403%	1,379	2,345	(41%)
Other comprehensive income/ (expense) for the period/ year, net of tax:						
Exchange differences on translation of foreign operations	141	74	91%	517	107	383%
Fair value gain/ (loss) of cash flow hedges	179	-	N/M	(1,123)	-	N/M
Fair value gain of available-for-sale financial assets	-	-	N/M	-	68	N/M
Other comprehensive income/ (expense) for the period/ year, net of tax	320	74	332%	(606)	175	(446%)
Total comprehensive income/ (expense) for the period/ year	<u>3,813</u>	<u>(1,080)</u>	453%	<u>773</u>	<u>2,520</u>	(69%)
Attributable to:						
Owners of the parent	3,769	(1,073)	451%	701	2,612	(73%)
Non-controlling interests	44	(7)	729%	72	(92)	178%
	<u>3,813</u>	<u>(1,080)</u>	453%	<u>773</u>	<u>2,520</u>	(69%)

NOTES:

[1] Breakdown of fee income

	4 <sup>th</sup> Quarter			Full year		
	2011 US\$'000	2010 US\$'000	% Change	2011 US\$'000	2010 US\$'000	% Change
Arrangement and agency fee	232	968	(76%)	656	3,147	(79%)
Brokerage commission	2,733	228	1099%	3,663	1,488	146%
Incentive fee	-	-	N/M	-	21	N/M
Asset management & administration fee *	1,016	1,130	(10%)	4,366	5,121	(15%)
Charter income	3,083	-	N/M	6,541	-	N/M
	<u>7,064</u>	<u>2,326</u>	204%	<u>15,226</u>	<u>9,777</u>	56%

\* Includes income earned by Capital Advisers Co., Ltd. ("Capital Advisers") as the asset manager of hotels and residential projects of \$3.0 million (FY2010: \$3.8 million).

[2] Breakdown of investment returns

	4 <sup>th</sup> Quarter			Full year		
	2011 US\$'000	2010 US\$'000	% Change	2011 US\$'000	2010 US\$'000	% Change
Interest on performance notes – shipping	255	262	(3%)	551	262	110%
Realized gain on investment – shipping	104	89	17%	167	167	0%
Realized gain on investment – hotel and residential	51	4	1175%	139	171	(19%)
Realized gain on investment – distressed debt	-	-	N/M	-	339	N/M
Realized gain on listed shares – others	-	-	N/M	48	39	23%
Property rental income	149	160	(7%)	608	608	0%
Fair value adjustment on investment properties	1,316	367	259%	1,241	391	217%
Fair value adjustment on investment – hotel and residential	541	(259)	309%	1,024	(841)	222%
Fair value adjustment on investment – shipping	(754)	(359)	(110%)	(370)	1,785	(121%)
Fair value adjustment on investment – industrial/ office property	70	33	112%	1,450	-	N/M
Fair value adjustment on performance notes – shipping	75	(2,280)	103%	(525)	(2,879)	82%
Fair value adjustment on performance notes – distressed debt	-	(1)	N/M	1	16	(94%)
Fair value adjustment on listed shares – others	34	(49)	169%	(47)	67	(170%)
Net gain on forward currency contracts	-	54	N/M	47	107	(56%)
	<u>1,841</u>	<u>(1,979)</u>	193%	<u>4,334</u>	<u>232</u>	1768%

**1 (b) (i) A statement of financial position for the group and the issuer, together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	31 December 2011 US\$'000	31 December 2010 US\$'000	31 December 2011 US\$'000	31 December 2010 US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties	7,507	4,874	-	-
Intangible assets	53	83	-	-
Property, plant and equipment	84,967	27,495	18	16
Loans receivable	8,504	7,389	8,254	7,139
Loans to subsidiaries	-	-	5,157	14,423
Investments	45,992	46,675	30,410	33,512
Investments in subsidiaries	-	-	38,362	6,536
Investments in associates	-	66	-	-
Rental deposit	2,471	2,798	-	-
Derivative financial instruments	51	-	51	-
Deferred tax assets	9	105	-	-
Deposit for purchase of vessel	19,079	17,985	-	-
<b>Total non-current assets</b>	<b>168,633</b>	<b>107,470</b>	<b>82,252</b>	<b>61,626</b>
<b>Current assets</b>				
Investments	1,373	1,358	-	-
Loans receivable	1,232	3,283	-	-
Loans to subsidiaries	-	-	20,310	17,049
Derivative financial instruments	-	906	-	906
Accounts receivable	5,692	4,197	113	221
Amount due from subsidiaries	-	-	2,201	9,198
Prepayments, deposits and other receivables	2,371	1,506	276	327
Tax recoverable	612	64	-	-
Deposits pledged as collateral	18,728	22,741	17,776	21,869
Cash and bank balances	51,164	26,528	33,145	18,797
<b>Total current assets</b>	<b>81,172</b>	<b>60,583</b>	<b>73,821</b>	<b>68,367</b>
<b>Total assets</b>	<b>249,805</b>	<b>168,053</b>	<b>156,073</b>	<b>129,993</b>

	Group		Company	
	31 December 2011 US\$'000	31 December 2010 US\$'000	31 December 2011 US\$'000	31 December 2010 US\$'000
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	75,167	50,111	75,167	50,111
Share premium	31,319	30,732	31,319	30,732
Retained earnings	23,534	22,224	22,527	25,048
Fair value reserve	9	9	-	-
Hedging reserve	(1,123)	-	-	-
Exchange reserve	4,489	3,975	-	-
Capital reserve	(126)	-	-	-
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<b>Total equity attributable to owners of the parent</b>	<b>133,269</b>	<b>107,051</b>	<b>129,013</b>	<b>105,891</b>
Non-controlling interests	124	(74)	-	-
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<b>Total equity</b>	<b>133,393</b>	<b>106,977</b>	<b>129,013</b>	<b>105,891</b>
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<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	62,111	1,745	-	-
Finance lease obligations	28	36	-	-
Due to Tokumei Kumiai investors	1,816	1,785	-	-
Retirement benefit allowance	-	273	-	-
Derivative financial instruments	1,173	-	51	-
Other payables	155	117	-	-
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<b>Total non-current liabilities</b>	<b>65,283</b>	<b>3,956</b>	<b>51</b>	<b>-</b>
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<b>Current liabilities</b>				
Borrowings	37,573	47,138	25,829	22,146
Finance lease obligations	9	8	-	-
Accounts payable	4,888	3,269	-	-
Amount due to subsidiaries	-	-	-	201
Other payables and accruals	8,462	5,531	1,180	959
Derivative financial instruments	-	796	-	796
Income tax payable	197	378	-	-
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<b>Total current liabilities</b>	<b>51,129</b>	<b>57,120</b>	<b>27,009</b>	<b>24,102</b>
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<b>Total equity and liabilities</b>	<b>249,805</b>	<b>168,053</b>	<b>156,073</b>	<b>129,993</b>
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## NOTES:-

Non-current assets increased by \$61.2 million from \$107.4 million on 31 December 2010 to \$168.6 million on 31 December 2011 due mainly to the following:

1. an increase in investment properties of \$2.6 million due to acquisition of a \$1.1 million investment property in Japan and \$1.5 million fair value and translation gain from the Groups' office investment in Guangzhou; and
2. an increase of \$57.4 million in property, plant and equipment (net of depreciation) ("PPE") resulting primarily from the delivery of three handysize bulk carriers held by shipping subsidiaries.

Current assets increased by \$20.6 million from \$60.6 million on 31 December 2010 to \$81.2 million on 31 December 2011 due primarily to the following:

1. Short-term loan receivables reduced by \$2.0 million due mainly to net repayment of short-term loans by ship investments;
2. a decrease in deposit pledged as collateral of \$4.0 million due to partial repayment of borrowings pledged by the deposits; and
3. an increase in cash and bank balances of \$24.6 million (refer to 1(c) NOTES for elaboration of cash flow movement).

Non-current liabilities increased by \$61.3 million from \$4.0 million on 31 December 2010 to \$65.3 million on 31 December 2011 due primarily to the following:

1. an increase in borrowings of \$60.4 million mainly from additional loans to finance the acquisition of vessels held by shipping subsidiaries and businesses in Japan (non-current portion of the borrowings) coupled with translation losses from converting JPY loan to USD reporting currency; and
2. an increase in non-current derivative financial instruments of \$1.2 million mainly from foreign exchange hedging contracts entered into by a shipping subsidiary.

Current liabilities decreased by \$6.0 million from \$57.1 million on 31 December 2010 to \$51.1 million on 31 December 2011 due primarily to the following:

1. a decrease in current portion of borrowings of \$9.6 million due to repayment of short term loan during the year; and
2. an increase of \$4.5 million in accounts payable, other payables and accruals due mainly to acquired accounts payable, other payables and accruals from acquisition of subsidiary Sun Vista Naha Co., Ltd in 4Q2011.

During the year, Capital Advisers completed a share reduction exercise, reducing their accumulated losses by JPY428.3 million (\$4.6 million). Such impact was eliminated on the consolidated level.

**1 (b) (ii) Aggregate amount of group's borrowings and debt securities.**

	As at 31 December 2011		As at 31 December 2010	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	27,221	10,352	38,745	8,393
Amount repayable after one year	61,232	879	1,500	245
Total	<u>88,453</u>	<u>11,231</u>	<u>40,245</u>	<u>8,638</u>

**Details of any collateral**

The Group's borrowings are secured by means of:

- > a legal mortgage over certain cash deposits of the holding company
- > a legal mortgage over certain cash deposits of a subsidiary
- > a legal mortgage over an investment property of a subsidiary
- > legal mortgages over vessels of the subsidiaries
- > legal mortgages over freehold properties under the category of "Property, plant and equipment" of subsidiaries

1 (c) A statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Full year	
		2011 US\$'000	2010 US\$'000
<b>Cash flow from operating activities</b>			
Profit before tax		1,617	2,706
Adjustments for:			
Investment returns		(4,334)	(232)
Amortization and depreciation		2,532	924
Realization of negative goodwill arising on acquisition of a subsidiary		(212)	-
Write-back on impairment of property, plant and equipment		-	(1,962)
Loss on disposal of property, plant and equipment		-	1
Write-back on provision of onerous contracts		(2,004)	(1,554)
Provision of onerous contracts		1,471	734
Net foreign exchange loss/ (gain)		1,009	(2,498)
Gain on liquidation of subsidiaries		-	(5)
Interest income		(817)	(522)
Finance costs – interest expense		1,655	1,198
Finance costs – others		144	81
Share of results of associates		-	21
Allocation to Tokumei Kumiai investors		(49)	996
		<u>1,012</u>	<u>(112)</u>
Changes in working capital:			
Net change in accounts receivable		(110)	186
Net change in prepayments, deposits and other receivables		316	(177)
Net change in retirement benefit allowance		(277)	(2)
Net change in accounts payable		619	281
Net change in other payables and accruals		665	342
		<u>2,225</u>	<u>518</u>
Cash generated from operations		2,225	518
Interest received on bank balances		67	58
Tax paid		(415)	(285)
		<u>1,877</u>	<u>291</u>
Net cash generated from operating activities	[1]	1,877	291



	Note	Full year	
		2011 US\$'000	2010 US\$'000
<b>Cash flow from investing activities</b>			
Acquisition of a subsidiary		2,373	-
Deconsolidation of a subsidiary		-	(160)
Purchase of investment property		(1,139)	-
Purchase of investments		(1,503)	(6,751)
Proceeds from redemption/ sale of investments		4,334	1,417
Deposits paid for purchase of vessels		(10,666)	(17,968)
Purchase of property, plant and equipment		(49,165)	(49)
Loan advanced		(2,551)	(6,981)
Loan repaid		3,740	306
Interest received from loans		666	423
Net decrease/ (increase) in deposits pledged as collateral		3,995	(8,737)
Proceeds from investments		867	1,268
Settlement of forward currency contracts		164	-
Proceeds from property rental		615	641
Net cash used in investing activities	[2]	<u>(48,270)</u>	<u>(36,591)</u>
<b>Cash flow from financing activities</b>			
Proceeds from issuing shares		25,961	-
Rights issue expenses		(318)	-
New borrowings		96,474	29,634
Repayment of borrowings		(48,169)	(22,171)
Interest paid on borrowings		(2,383)	(692)
Other finance cost paid		(600)	-
Payment of lease obligation		(8)	(9)
Capital contributed by non-controlling interests of a subsidiary		-	1
Net cash generated from financing activities	[3]	<u>70,957</u>	<u>6,763</u>
Net increase/ (decrease) in cash and cash equivalents		<u>24,564</u>	<u>(29,537)</u>
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the year		26,528	53,318
Net increase/ (decrease) in cash and cash equivalents		24,564	(29,537)
Effects of foreign exchange rate changes, net		72	2,747
Cash and cash equivalents at end of the year		<u>51,164</u>	<u>26,528</u>

NOTES:

- [1] Cash flows generated from operating activities amounted to \$1.9 million for FY2011 compared to \$0.3 million in FY2010. The net cash inflows comprised of:
- (i) net profit before tax of \$1.0 million after adjusting for non-cash items in the income statement;
  - (ii) net cash inflow of working capital of \$1.2 million during the year due mainly to an increase in payables; and
  - (iii) \$0.4 million in tax paid.
- [2] Cash flows used in investing activities were \$48.3 million for FY2011 compared to \$36.6 million for FY2010. The net cash outflows resulted primarily from:
- (i) \$2.6 million net cash paid for acquisition of investment property and investments;
  - (ii) \$10.7 million net deposits paid for purchase of vessels;
  - (iii) \$49.2 million mainly paid for the delivery of three vessels;
- offset by net cash inflows from:
- (iv) net cash inflow of \$2.4 million from acquired cash from acquisition of subsidiary Sun Vista Naha Co., Ltd in 4Q2011;
  - (v) net proceeds from disposal of \$4.3 million mainly from the disposal proceeds from shipping investment of \$4.0 million and \$0.3 million of disposal proceeds Japanese property investments;
  - (vi) \$1.2 million net loan repaid by shipping-related loan investment;
  - (vii) \$0.7 million interest received from loans to investment companies;
  - (viii) a decrease in deposit pledged as collateral of \$4.0 million due to partial repayment of borrowings pledged by the deposits;
  - (ix) proceeds from investments of \$0.9 million;
  - (x) proceeds from settlement of forward contracts of \$0.2 million; and
  - (xi) proceeds from property rental of \$0.6 million.
- [3] Cash flows generated from financing activities were \$71.0 million for FY2011 compared to \$6.8 million for FY2010. The net cash inflows were due mainly to:
- (i) net proceeds from rights issue of \$25.6 million;
  - (ii) net drawdown of \$48.3 million in borrowings during the period mainly to finance the purchase of vessels; offset by
  - (iii) interest paid on borrowings and other finance related cost of \$3.0 million.

**1 (d) (i) A statement for the group and the issuer showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<u>Group</u>	Share capital US\$'000	Share premium US\$'000	Retained earnings US\$'000	Fair value reserve US\$'000	Hedging reserve US\$'000	Exchange reserve US\$'000	Capital reserve US\$'000	Total equity attributable to owners of the parent US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2011	50,111	30,732	22,224	9	-	3,975	-	107,051	(74)	106,977
Rights issue**	25,056	587	-	-	-	-	-	25,643	-	25,643
Profit for the year	-	-	1,310	-	-	-	-	1,310	69	1,379
Other comprehensive income/ (expense)	-	-	-	-	(1,123)	514	-	(609)	3	(606)
Total comprehensive income/ (expense)	-	-	1,310	-	(1,123)	514	-	701	72	773
Capital reserve	-	-	-	-	-	-	(126)	(126)	126	-
At 31 December 2011	<u>75,167</u>	<u>31,319</u>	<u>23,534</u>	<u>9</u>	<u>(1,123)</u>	<u>4,489</u>	<u>(126)</u>	<u>133,269</u>	<u>124</u>	<u>133,393</u>
At 1 January 2010	50,111	30,732	19,812	(57)	-	3,841	-	104,439	-	104,439
Profit/(loss) for the year	-	-	2,412	-	-	-	-	2,412	(67)	2,345
Other comprehensive income/ (expense)	-	-	-	66	-	134	-	200	(25)	175
Total comprehensive income/ (expense)	-	-	2,412	66	-	134	-	2,612	(92)	2,520
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	-	17	17
Capital contributed by non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	1	1
At 31 December 2010	<u>50,111</u>	<u>30,732</u>	<u>22,224</u>	<u>9</u>	<u>-</u>	<u>3,975</u>	<u>-</u>	<u>107,051</u>	<u>(74)</u>	<u>106,977</u>
<u>Company</u>	Share capital US\$'000	Share premium US\$'000	Retained earnings US\$'000	Fair value reserve US\$'000	Hedging reserve US\$'000	Exchange reserve US\$'000	Capital reserve US\$'000	Total equity attributable to owners of the parent US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2011	50,111	30,732	25,048	-	-	-	-	105,891	-	105,891
Rights issue**	25,056	587	-	-	-	-	-	25,643	-	25,643
Loss for the year	-	-	(2,521)	-	-	-	-	(2,521)	-	(2,521)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive expense	-	-	(2,521)	-	-	-	-	(2,521)	-	(2,521)
At 31 December 2011	<u>75,167</u>	<u>31,319</u>	<u>22,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,013</u>	<u>-</u>	<u>129,013</u>
At 1 January 2010	50,111	30,732	22,021	-	-	-	-	102,864	-	102,864
Profit for the year	-	-	3,027	-	-	-	-	3,027	-	3,027
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	3,027	-	-	-	-	3,027	-	3,027
At 31 December 2010	<u>50,111</u>	<u>30,732</u>	<u>25,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,891</u>	<u>-</u>	<u>105,891</u>

\*\* Net of expenses incurred for the rights issue

- 1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	Amount US\$'000
Total number of issued ordinary shares as at 1 January 2011	313,195,200	50,111
Share premium as at 1 January 2011	-	30,732
Issue of new shares pursuant to rights issue <sup>(1)</sup>	156,597,600	25,056
Share premium from new shares issued	-	905
Rights issue expenses	-	(318)
	<hr/>	<hr/>
The total number of issued ordinary shares as at 31 December 2011	<u>469,792,800</u>	<u>106,486</u>

The Company did not have any convertibles or treasury shares as at 31 December 2011 and 31 December 2010.

Note:

- (1) On 15 August 2011, the Company issued and allotted 156,597,600 new ordinary shares ("Rights Shares") in capital of the Company at an issue price of S\$0.20 for each Rights Share on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company.
- (2) The estimated net proceeds from Rights Issue, after deducting estimated expenses associated with the Rights Issue, was stated in the Offer Information Statement dated 18 July 2011 as \$25.1 million on the basis of an exchange rate of US\$1.00=S\$1.23. The actual net proceeds from the Rights Issue was \$25.6 million as the actual exchange rate was US\$1.00=S\$1.2064.

- 1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 December 2011	As at 31 December 2010
Total number of issued shares	<u>469,792,800</u>	<u>313,195,200</u>

- 1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard of practice.

The figures have not been audited or reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and method of computation in the financial statements for the current financial year as compared with the audited financial statements for the financial year ended 31 December 2010.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the same accounting policies and method of computation in the financial statements for the current financial year as compared with the audited financial statements for the financial year ended 31 December 2010. The adoptions of the other new or revised IFRSs do not have a significant impact on the Group's results of operations and financial position.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	4 <sup>th</sup> Quarter		Full year	
	2011	2010	2011	2010
Profit/ (loss) attributable to owners of the parent (US\$'000)	3,448	(1,147)	1,310	2,412
Weighted average number of ordinary shares in issue ('000)	469,793	313,195	372,831	313,195
Earnings/ (loss) per share (US cent per share) - basic and diluted	0.73	(0.37)	0.35	0.77

Basic earnings/ (loss) per share is calculated by dividing the profit/ (loss) attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period/ year.

Diluted earnings/ (loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume the conversion of all dilutive ordinary shares during the period/ year.

**7 Net asset value for the group per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	31 December 2011	31 December 2010
Net asset value per ordinary share based on issued share capital at the end of (in US\$)	0.28	0.34

**8 A review of the group performance, to the extent necessary for a reasonable understanding of the group's business. It must include discussion of any significant factors that affected the turnover, costs, and earnings for the current financial period report on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the group during current financial period reported on:**

**Major highlights of the year**

- During the year, the Group acquired three handysize bulk carriers.
- On 15 August 2011, the Company issued and allotted 156,597,600 new ordinary shares ("Rights Shares") in capital of the Company at an issue price of S\$0.20 for each Rights Share on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company.

- The Group completed a corporate restructuring exercise of the Japan operations with the transfer of hotel operating business from Capital Advisers to Uni-Asia Hotels group.
- A hotel operating subsidiary entered into a hotel leasing contract to operate Hotel JAL City Naha in Naha City, Okinawa Prefecture, Japan. With this new leasing contract, the Group operates a total of 14 hotels in Japan.

### Review of Income Statement

For FY2011, the Group recorded net profit of \$1.4 million compared to net profit of \$2.3 million in FY2010. Total income increased by 20% to \$57.9 million for FY2011 from \$48.2 million in FY2010.

The Group's income is classified as fee income, hotel income, investment returns, interest income and other income.

Fee income amounted to \$15.2 million for FY2011. (*Refer to 1(a) NOTES [1] for breakdown of fee income*). Charter income from vessel owning subsidiaries totaled \$6.5 million following delivery of vessels. Asset management and administration fee was \$4.4 million for FY2011 compared to \$5.1 million for FY2010 due mainly to the disposals of some assets managed by Capital Advisers. Arrangement and agency fee income was \$0.7 million for FY2011 as compared to \$3.1 million for FY2010 due mainly to one-off structured finance arrangement fee earned in 2010. Brokerage commission fee income increased to \$3.7 million in FY2011 from \$1.5 million in FY2010 as a result of a one-off \$2.2 million brokerage commission earned by Capital Advisers in 4Q2011.

Hotel income refers to all income related to the Group's hotel business in Japan. As at 31 December 2011, there were fourteen hotels operated by the Group's hotel management subsidiaries in Japan. Hotel income, including hotel operator fee (as operator of the hotel) and all income received from hotels owned and leased by the Group, totaled \$36.8 million for FY2011 compared to \$35.7 million for FY2010.

Investment returns was \$4.3 million for FY2011 compared to \$0.2 million for FY2010 (*Refer to 1a NOTES [2] for breakdown of investment returns*). Investment returns of \$4.3 million for FY2011 comprised mainly of fair value gain of \$1.5 million from the investment in the industrial/ office property; fair value gain of \$1.2 million from the investments in investment properties in Guangzhou, PRC; fair value gain of \$1.0 million from the investments in hotel and residential in Japan; and property rental income of \$0.6 million.

Total operating expenses was \$54.5 million for FY2011 (FY2010: \$43.2 million). Employee benefits expenses (EBE/ staff cost) increased by \$1.5 million. Amortization and depreciation increased by \$1.6 million to \$2.5 million in FY2011 from \$0.9 million in FY2010 due primarily to depreciation of vessels delivered in FY2011. Vessel operating expenses arising from the new vessels amounted to \$2.3 million for FY2011. The Group's other operating expenses was \$33.8 million for FY2011 compared to \$33.6 million for FY2010. Strengthening JPY resulted in a net foreign exchange loss of \$1.0 million in FY2011 for the Group due mainly to the Group's JPY loan exposure.

Net operating profit for FY2011 was to \$3.4 million.

Finance cost for FY2011 was \$1.7 million as compared to \$1.2 million for FY2010 due mainly to an increase in borrowing to finance the new vessels. The Group's net profit after tax was \$1.4 million for FY2011.

Refer to 1(b)(i) NOTES for details of balance sheet and 1(c) NOTES for details of cash flow statement.

### 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, and variance between it and the actual results.

Not applicable. The Group has not provided a forecast.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operated and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Weak US economy, unresolved European sovereign credit issues and fear of slowdown of China economy continue to put pressure on global economy. Shipping market continues to be challenging across bulkers, containers and crude/product tankers sectors. Such environment may present investment opportunities for the Group although it may impact the Group's existing shipping portfolio valuation and structured finance business.

The Group's investments in 14 office units in Tianhe Bei District, Guangzhou continue to be fully leased. In Hong Kong, the property market is still generally strong.

The Group's property and hotel investment/ management activities in Japan continue to be under pressure from tight credit and sluggish economic conditions. However, average hotel occupancy rate for the hotels operated by the Group was 80.3% for 4Q2011 as compared to 78.9% for 4Q2010 as the tourism industry in Japan began to pick up. Full year average hotel occupancy was 74.8% for FY2011 as compared to 76.5% for FY2010 due to the Japan earthquake in earlier part of 2011. The current economic climate in Japan may present investment opportunities for the Group.

**11 Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?**

No.

**(b) Corresponding period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12 If no dividend has been declared/ recommended, a statement to that effect.**

No dividend has been declared/ recommended by the Directors for the year ended 31 December 2011.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate for IPTs from the Group's shareholders.

**14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Business segments**

During the year, the ship owning subsidiaries of the Group took delivery of three vessels and the operations in Japan underwent restructuring. Following these changes, the operating segments of

the Group were re-grouped for better management of the Group's next phase of growth. The operating segments comprise of the following:

1. Investment and Asset Management of Vessels and Properties, Structured Ship Finance business by Uni-Asia Finance group of companies excluding Uni-Asia Shipping group, Capital Advisers group and Uni-Asia Hotels group;
2. Ship Owning and Chartering made by Uni-Asia Shipping group;
3. Investment and Asset Management of Properties in Japan made by Capital Advisers group;
4. Hotel Operations in Japan made by Uni-Asia Hotels group.

Following the re-grouping, the corresponding segment information of 2010 was restated.

The segment results for the year ended 31 December 2011 are as follows:

	Investment & Asset Management of Vessels and Properties, Structured Ship Finance US\$'000	Ship Owning & Chartering US\$'000	Investment & Management of Properties in Japan US\$'000	Hotel Operations in Japan US\$'000	Eliminations US\$'000	Group US\$'000
<b>Total income</b>						
External customers	6,758	6,633	8,970	34,717	-	57,078
Interest income	813	4	-	-	-	817
Inter-segment	823	-	15	1	(839)	-
	<u>8,394</u>	<u>6,637</u>	<u>8,985</u>	<u>34,718</u>	<u>(839)</u>	<u>57,895</u>
<b>Results</b>						
Depreciation and amortization	(16)	(1,575)	(872)	(71)	2	(2,532)
Write-back on impairment of property, plant and equipment	-	-	-	-	-	-
Finance costs - interest expense	(317)	(547)	(1,317)	(25)	551	(1,655)
Finance costs – others	-	(26)	(116)	(2)	-	(144)
Share of results of associates	-	-	-	-	-	-
Allocation to Tokumei Kumiai Investors	-	-	49	-	-	49
Profit/ (loss) before tax	<u>508</u>	<u>1,124</u>	<u>921</u>	<u>(917)</u>	<u>(20)</u>	<u>1,617</u>
Other segment items are as follows:						
Capital expenditure	<u>24</u>	<u>58,710</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>58,738</u>



The segment results for the year ended 31 December 2010 are as follows:

	Investment & Asset Management of Vessels and Properties, Structured Ship Finance US\$'000	Ship Owning & Chartering US\$'000	Investment & Management of Properties in Japan US\$'000	Hotel Operations in Japan US\$'000	Eliminations US\$'000	Group US\$'000
Total income						
External customers	7,323	300	6,692	33,387	-	47,702
Interest income	518	1	2	1	-	522
Inter-segment	718	-	-	-	(718)	-
	<u>8,559</u>	<u>301</u>	<u>6,694</u>	<u>33,388</u>	<u>(718)</u>	<u>48,224</u>
Results						
Depreciation and amortization	(47)	-	(803)	(74)	-	(924)
Write-back on impairment of property, plant and equipment	-	-	1,962	-	-	1,962
Finance costs - interest expense	(196)	-	(1,604)	(9)	611	(1,198)
Finance costs - others	-	-	(81)	-	-	(81)
Share of results of associates	-	-	(21)	-	-	(21)
Allocation to Tokumei Kumiai investors	-	-	(996)	-	-	(996)
Profit/ (loss) before tax	<u>4,277</u>	<u>212</u>	<u>(239)</u>	<u>(1,475)</u>	<u>(69)</u>	<u>2,706</u>
Other segment items are as follows:						
Capital expenditure	<u>12</u>	<u>-</u>	<u>77</u>	<u>7</u>	<u>-</u>	<u>96</u>

The segment assets and liabilities as at 31 December 2011 are as follows:

	Investment & Asset Management of Vessels and Properties, Structured Ship Finance US\$'000	Ship Owning & Chartering US\$'000	Investment & Management of Properties in Japan US\$'000	Hotel Operations in Japan US\$'000	Eliminations US\$'000	Group US\$'000
Segment assets						
Total assets	<u>163,310</u>	<u>79,469</u>	<u>46,309</u>	<u>17,805</u>	<u>(57,088)</u>	<u>249,805</u>
Segment liabilities						
Total liabilities	<u>27,959</u>	<u>53,823</u>	<u>41,643</u>	<u>13,370</u>	<u>(20,383)</u>	<u>116,412</u>

The segment assets and liabilities as at 31 December 2010 are as follows:

	Investment & Asset Management of Vessels and Properties, Structured Ship Finance US\$'000	Ship Owning & Chartering US\$'000	Investment & Management of Properties in Japan US\$'000	Hotel Operations in Japan US\$'000	Eliminations US\$'000	Group US\$'000
Segment assets						
Total assets	<u>133,394</u>	<u>12,492</u>	<u>45,466</u>	<u>8,060</u>	<u>(31,359)</u>	<u>168,053</u>
Segment liabilities						
Total liabilities	<u>24,476</u>	<u>7,339</u>	<u>47,117</u>	<u>13,432</u>	<u>(31,288)</u>	<u>61,076</u>

**15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

For review of performance, please refer to item 8.

**16 A breakdown of sales as follows:-**

	2011 US\$'000	2010 US\$'000	% Change
Total income reported for first half year	23,540	23,154	2%
(Loss)/ Profit after tax for first half year	(682)	1,055	(165%)
Total income reported for second half year	34,355	25,070	37%
Profit after tax for second half year	2,061	1,290	60%

**17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

	31 December 2011 US\$'000	31 December 2010 US\$'000
Ordinary	-	-
Preference	-	-
Total	-	-

**18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13).

**BY THE ORDER OF THE BOARD**

Kazuhiko Yoshida  
Chairman, CEO  
28 February 2012