



UNI-ASIA FINANCE CORPORATION

Registration No: CR - 72229

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

FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2012

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FIRST QUARTER 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	3 months ended 31 March		
		2012 US\$'000	2011 US\$'000	% Change
Fee income	[1]	4,350	1,649	164%
Hotel income		14,360	8,522	69%
Investment returns	[2]	(720)	950	(176%)
Interest income		217	186	17%
Other income		389	152	156%
Total income		18,596	11,459	62%
Employee benefits expense		(4,715)	(3,713)	27%
Amortisation and depreciation		(971)	(250)	288%
Vessel operating expenses		(1,007)	-	N/M
Other operating expenses		(11,958)	(8,015)	49%
Write-back on provision of onerous contracts		177	378	(53%)
Provision of onerous contracts		-	(1,035)	(100%)
Net foreign exchange gain		994	4	N/M
		(17,480)	(12,631)	38%
Operating profit/ (loss)		1,116	(1,172)	195%
Finance costs – interest expense		(469)	(320)	47%
Finance costs – others		(60)	(16)	275%
Share of results of associates		-	(1)	(100%)
Allocation to Tokumei Kumiai* investors		(50)	33	(252%)
Profit/ (loss) before tax		537	(1,476)	136%
Income tax expense		(14)	(22)	(36%)
Profit/ (loss) for the period		523	(1,498)	135%
Attributable to:				
Owners of the parent		465	(1,431)	132%
Non-controlling interests		58	(67)	187%
		523	(1,498)	135%

* 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.

	3 months ended 31 March		
	2012	2011	%
	US\$'000	US\$'000	Change
Profit/ (loss) for the period	523	(1,498)	135%
Other comprehensive income for the period, net of tax:			
Exchange differences on translation of foreign operations	(441)	115	(483%)
Fair value gain of cash flow hedges	1,218	250	387%
	<u>777</u>	<u>365</u>	113%
Other comprehensive income for the period, net of tax			
Total comprehensive income/ (expense) for the period	<u>1,300</u>	<u>(1,133)</u>	215%
Attributable to:			
Owners of the parent	1,243	(1,069)	216%
Non-controlling interests	57	(64)	189%
	<u>1,300</u>	<u>(1,133)</u>	215%

N/M: Not meaningful

NOTES:

[1] Breakdown of fee income

	3 months ended 31 March		
	2012 US\$'000	2011 US\$'000	% Change
Arrangement and agency fee	25	298	(92%)
Brokerage commission	217	216	0%
Incentive Fee	33	-	N/M
Asset management & administration fee *	1,013	1,135	(11%)
Charter income	3,062	-	N/M
	4,350	1,649	164%

* Includes income earned by Capital Advisers Co., Ltd. ("Capital Advisers") as the asset manager of hotels and residential projects of \$0.7 million (1Q2011: \$0.8 million).

[2] Breakdown of investment returns

	3 months ended 31 March		
	2012 US\$'000	2011 US\$'000	% Change
Interest on performance notes – distressed debt	33	-	N/M
Realised gain on investment – shipping	45	-	N/M
Realised gain on investment – hotel and residential	53	82	(35%)
Property rental income	81	141	(43%)
Fair value adjustment on investment properties	(29)	(15)	(93%)
Fair value adjustment on investment – hotel and residential	(325)	(77)	(322%)
Fair value adjustment on investment – shipping	(1,027)	557	(284%)
Fair value adjustment on investment – industrial/ office property	2	239	(99%)
Fair value adjustment on performance notes – shipping	180	38	374%
Fair value adjustment on performance notes – distressed debt	(37)	(2)	N/M
Fair value adjustment on listed shares – others	256	(13)	N/M
Net gain on derivative financial instruments	48	-	N/M
	(720)	950	(176%)

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 March 2012 US\$'000	31 December 2011 US\$'000	31 March 2012 US\$'000	31 December 2011 US\$'000
ASSETS				
Non-current assets				
Investment properties	7,841	7,507	-	-
Intangible assets	43	53	-	-
Property, plant and equipment	82,464	84,967	15	18
Loans receivable	8,176	8,504	7,926	8,254
Loans to subsidiaries	-	-	4,869	5,157
Investments	44,123	45,992	29,253	30,410
Investments in subsidiaries	-	-	38,362	38,362
Rental deposit	2,276	2,471	-	-
Derivative financial instruments	148	51	15	51
Deferred tax assets	37	9	-	-
Deposit for purchase of vessels	19,238	19,079	-	-
Total non-current assets	164,346	168,633	80,440	82,252
Current assets				
Investments	1,629	1,373	-	-
Loans receivable	2,160	1,232	8,577	-
Loans to subsidiaries	-	-	12,198	20,310
Derivative financial instruments	10	-	-	-
Accounts receivable	5,461	5,692	101	113
Amount due from subsidiaries	-	-	2,858	2,201
Prepayments, deposits and other receivables	2,686	2,371	312	276
Tax recoverable	428	612	-	-
Deposits pledged as collateral	18,022	18,728	17,099	17,776
Cash and bank balances	46,299	51,164	30,685	33,145
Total current assets	76,695	81,172	71,830	73,821
Total assets	241,041	249,805	152,270	156,073

	Group		Company	
	31 March 2012 US\$'000	31 December 2011 US\$'000	31 March 2012 US\$'000	31 December 2011 US\$'000
EQUITY				
Equity attributable to owners of the parent				
Share capital	75,167	75,167	75,167	75,167
Share premium	31,319	31,319	31,319	31,319
Retained earnings	23,999	23,534	20,506	22,527
Fair value reserve	9	9	-	-
Hedging reserve	95	(1,123)	-	-
Exchange reserve	4,049	4,489	-	-
Capital reserve	(126)	(126)	-	-
Total equity attributable to owners of the parent	134,512	133,269	126,992	129,013
Non-controlling interests	181	124	-	-
Total equity	134,693	133,393	126,992	129,013
LIABILITIES				
Non-current liabilities				
Borrowings	59,669	62,111	-	-
Finance lease obligations	24	28	-	-
Due to Tokumei Kumiai investors	1,762	1,816	-	-
Derivative financial instruments	15	1,173	15	51
Other payables	209	155	-	-
Total non-current liabilities	61,679	65,283	15	51
Current liabilities				
Borrowings	35,588	37,573	24,445	25,829
Finance lease obligations	9	9	-	-
Accounts payable	3,860	4,888	8	-
Other payables and accruals	4,843	8,462	810	1,180
Income tax payable	369	197	-	-
Total current liabilities	44,669	51,129	25,263	27,009
Total equity and liabilities	241,041	249,805	152,270	156,073

NOTES:-

Non-current assets decreased by \$4.3 million from \$168.6 million on 31 December 2011 to \$164.3 million on 31 March 2012 due mainly to the following:

1. a decrease of \$2.5 million in property, plant and equipment due to depreciation and translation differences from translating property, plant and equipment of Japan subsidiaries into USD reporting currency at weaker JPY exchange rate; and
2. a decrease of \$1.9 million in investments due to fair value and exchange movements.

Current assets decreased by \$4.5 million from \$81.2 million on 31 December 2011 to \$76.7 million on 31 March 2012 due mainly to a decrease in cash and bank balances of \$4.9 million (refer to 1(c) NOTES for elaboration of cash flow movement).

Non-current liabilities decreased by \$3.6 million from \$65.3 million on 31 December 2011 to \$61.7 million on 31 March 2012 due primarily to the following:

1. a decrease in borrowings of \$2.4 million mainly from reclassification of certain portion of the borrowings due within the year to current liabilities coupled with translation gain from converting JPY loan to USD reporting currency at a weaker JPY exchange rate; and
2. a decrease in derivative financial instruments of \$1.2 million due mainly to gain in valuation in foreign exchange hedging contracts entered into by a shipping subsidiary.

Current liabilities decreased by \$6.4 million from \$51.1 million on 31 December 2011 to \$44.7 million on 31 March 2012 due primarily to the following:

1. a decrease in current portion of borrowings of \$2.0 million due to repayment of borrowings coupled with translation gain from converting JPY loan to USD reporting currency at a weaker JPY exchange rate; and
2. a decrease of \$3.6 million in other payables and accruals due mainly to payment of acquired other payables of subsidiary Sun Vista Naha Co., Ltd.

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

	As at 31 March 2012		As at 31 December 2011	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	25,863	9,725	27,221	10,352
Amount repayable after one year	58,893	776	61,232	879
Total	<u>84,756</u>	<u>10,501</u>	<u>88,453</u>	<u>11,231</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	3 months ended 31 March	
		2012 US\$'000	2011 US\$'000
Cash flows from operating activities			
Profit/ (loss) before tax		537	(1,476)
Adjustments for:			
Investment returns		720	(950)
Amortisation and depreciation		971	250
Write-back on provision of onerous contracts		(177)	(378)
Provision of onerous contracts		-	1,035
Net foreign exchange gain		(994)	(4)
Interest income		(217)	(186)
Finance costs – interest expense		469	320
Finance costs – others		60	16
Share of results of associates		-	1
Allocation to Tokumei Kumiai investors		50	(33)
		<u>1,419</u>	<u>(1,405)</u>
Changes in working capital:			
Net change in accounts receivable		(12)	(84)
Net change in prepayments, deposits and other receivables		(354)	54
Net change in retirement benefit allowance		-	(184)
Net change in accounts payable		(856)	(752)
Net change in other payables and accruals		(3,165)	(379)
		<u>(2,968)</u>	<u>(2,750)</u>
Cash used in operations		(2,968)	(2,750)
Interest received on bank balances		45	8
Tax reimbursed/ (paid)		308	(266)
		<u>308</u>	<u>(266)</u>
Net cash used in operating activities	[1]	<u>(2,615)</u>	<u>(3,008)</u>

	Note	3 months ended 31 March	
		2012 US\$'000	2011 US\$'000
Cash flows from investing activities			
Purchase of investments		(370)	(275)
Proceeds from sale of investments		2	91
Deposit paid for purchase of vessels		(160)	(10,416)
Purchase of property, plant and equipment		(4)	(4)
Loans advanced		(928)	(1,069)
Loan repaid		125	-
Interest received from loans		164	152
Net decrease in deposits pledged as collateral		651	1,013
Proceeds from investments		130	82
Proceeds from property rental		81	140
Net cash used in investing activities	[2]	<u>(309)</u>	<u>(10,286)</u>
Cash flows from financing activities			
New borrowings		414	10,193
Repayment of borrowings		(1,393)	(1,884)
Interest paid on borrowings		(455)	(203)
Other finance cost paid		(15)	-
Payment of lease obligation		(2)	(2)
Net cash (used in)/ generated from financing activities	[3]	<u>(1,451)</u>	<u>8,104</u>
Net decrease in cash and cash equivalents		<u>(4,375)</u>	<u>(5,190)</u>
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the period		51,164	26,528
Net decrease in cash and cash equivalents		(4,375)	(5,190)
Effects of foreign exchange rate changes, net		(490)	(83)
Cash and cash equivalents at end of the period		<u>46,299</u>	<u>21,255</u>

NOTES:

- [1] Cash flows used in operating activities amounted to \$2.6 million for 1Q2012 compared to \$3.0 million in 1Q2011. The net cash outflows comprised mainly of net profit before tax of \$1.4 million after adjusting for non-cash items in the income statement offset by net cash outflow of working capital of \$4.4 million during the quarter due mainly to net payment of other payables.
- [2] Cash flows used in investing activities were \$0.3 million for 1Q2012 compared to \$10.3 million for 1Q2011 as there were no major investment activities during 1Q2012.
- [3] Cash flows used in financing activities were \$1.5 million in 1Q2012 compared to net cash generated from financing activities of \$8.1 million in 1Q2011 due mainly to reduced new borrowings in 1Q2012 in the absence of major investment activities.

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.

	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
Group										
At 1 January 2012	75,167	31,319	23,534	9	(1,123)	4,489	(126)	133,269	124	133,393
Profit for the period	-	-	465	-	-	-	-	465	58	523
Other comprehensive income/ (expense)	-	-	-	-	1,218	(440)	-	778	(1)	777
Total comprehensive income/ (expense)	-	-	465	-	1,218	(440)	-	1,243	57	1,300
At 31 March 2012	75,167	31,319	23,999	9	95	4,049	(126)	134,512	181	134,693
At 1 January 2011	50,111	30,732	22,224	9	-	3,975	-	107,051	(74)	106,977
Loss for the period	-	-	(1,431)	-	-	-	-	(1,431)	(67)	(1,498)
Other comprehensive income	-	-	-	-	250	112	-	362	3	365
Total comprehensive (expense)/ income	-	-	(1,431)	-	250	112	-	(1,069)	(64)	(1,133)
At 31 March 2011	50,111	30,732	20,793	9	250	4,087	-	105,982	(138)	105,844
Company										
At 1 January 2012	75,167	31,319	22,527	-	-	-	-	129,013	-	129,013
Loss for the period	-	-	(2,021)	-	-	-	-	(2,021)	-	(2,021)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive expense	-	-	(2,021)	-	-	-	-	(2,021)	-	(2,021)
At 31 March 2012	75,167	31,319	20,506	-	-	-	-	126,992	-	126,992
At 1 January 2011	50,111	30,732	25,048	-	-	-	-	105,891	-	105,891
Profit for the period	-	-	186	-	-	-	-	186	-	186
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	186	-	-	-	-	186	-	186
At 31 March 2011	50,111	30,732	25,234	-	-	-	-	106,077	-	106,077

- 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.**

During the period ended 31 March 2012, there was no change in share capital.

The Company did not have any convertibles or treasury shares as at 31 March 2012, 31 December 2011 and 31 March 2011.

- 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 March 2012	As at 31 December 2011
Total number of issued shares	<u>469,792,800</u>	<u>469,792,800</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 or 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 method 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 2011.

- 5 **If there are any changes in the accounting policies and method 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 2011. 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.

	3 months ended 31 March	
	2012	2011
Profit/ (loss) attributable to owners of the parent (US\$'000)	465	(1,431)
Weighted average number of ordinary shares in issue ('000)	469,793	313,195
Earnings/ (loss) per share (US cents per share) - basic and diluted	0.10	(0.46)

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.

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.

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 March 2012	31 December 2011
Net asset value per ordinary share based on issued share capital at the end of (in US\$)	0.29	0.28

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:

Review of Income Statement

The Group's vessel-owning subsidiaries contributed \$3.1 million in charter income for 1Q2012 while the hotel operating business registered a hotel income of \$14.4 million. Total income for 1Q2012 was \$18.6 million compared to \$11.5 million during the same period last year.

Employee benefits expense was \$4.7 million in 1Q2012 as compared to \$3.7 million in 1Q2011 due mainly to the addition of employee benefits expense of hotel operating subsidiary Sun Vista Naha Co., Ltd acquired in 4Q2011. Vessel operating expenses was \$1.0 million in 1Q2012. Other operating expenses were \$11.9 million in 1Q2012 compared to \$8.0 million in 1Q2011 due mainly to the increase in hotel operating expenses in generating the increased hotel income.

With the Japan asset management and hotel operating businesses improving in 1Q2012, the Group's net operating profit was \$1.1 million in 1Q2012 compared to a net operating loss of \$1.2 million in 1Q2011.

Net profit after tax and finance cost for 1Q2012 was \$0.5 million compared to a loss of \$1.5 million in 1Q2011.

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.

Shipping market continues to be challenging across bulkers, containers and crude/product tankers sectors. The Group continues to look for suitable investment and business opportunities in such environment.

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 average hotel occupancy rate for the 14 hotels operated by the Group was 77.4% for 1Q2012 as compared to 70.8% for the 13 hotels operated by the Group in 1Q2011. The recovery of Japan economy and tourism industry may benefit the Group's businesses in Japan.

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 first quarter ended 31 March 2012.

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.


BY THE ORDER OF THE BOARD

Kazuhiko Yoshida
Chairman, CEO
26 April 2012

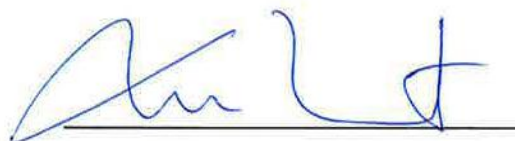
CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 31 March 2012 to be false or misleading in any material aspect.

On behalf of the Board of Directors

A handwritten signature in blue ink, consisting of a large, stylized loop followed by a horizontal line and a small mark.

Kazuhiko Yoshida
Chairman, CEO

A handwritten signature in blue ink, featuring a series of connected loops and a final vertical stroke.

Michio Tanamoto
COO

Date: 26 April 2012