



## 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 2012

#### 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		
		2012 US\$'000	2011 US\$'000	% Change	2012 US\$'000	2011 US\$'000	% Change
Fee income	[1]	7,251	7,064	3%	23,651	15,226	55%
Hotel income		13,349	10,359	29%	53,626	36,824	46%
Investment returns	[2]	(2,370)	1,841	(229%)	(1,068)	4,334	(125%)
Interest income		296	222	33%	1,151	817	41%
Other income		110	311	(65%)	924	694	33%
<b>Total income</b>		<b>18,636</b>	<b>19,797</b>	<b>(6%)</b>	<b>78,284</b>	<b>57,895</b>	<b>35%</b>
Employee benefits expenses		(4,652)	(4,087)	14%	(17,946)	(15,461)	16%
Amortization and depreciation		(1,227)	(986)	24%	(4,424)	(2,532)	75%
Vessel operating expenses		(1,532)	(1,148)	33%	(5,235)	(2,297)	128%
Hotel lease expenses		(4,344)	(3,012)	44%	(16,826)	(12,546)	34%
Hotel operating expenses		(5,731)	(3,566)	61%	(23,819)	(13,130)	81%
Other expenses		(1,868)	(2,581)	(28%)	(5,634)	(8,086)	(30%)
Loss on disposal of property, plant and equipment		(95)	-	N/M	(95)	-	N/M
Write-back of provision of onerous contracts		92	17	441%	573	2,004	(71%)
Provision for onerous contracts		(103)	(423)	(76%)	(103)	(1,471)	(93%)
Net foreign exchange gain/ (loss)		1,343	163	724%	1,541	(1,009)	253%
		<b>(18,117)</b>	<b>(15,623)</b>	<b>16%</b>	<b>(71,968)</b>	<b>(54,528)</b>	<b>32%</b>
<b>Operating profit</b>		<b>519</b>	<b>4,174</b>	<b>(88%)</b>	<b>6,316</b>	<b>3,367</b>	<b>88%</b>
Finance costs – interest expense		(561)	(495)	13%	(2,047)	(1,655)	24%
Finance costs – others		(60)	(55)	9%	(270)	(144)	88%
Allocation to Tokumei Kumiai* investors		(97)	(53)	83%	(259)	49	(629%)
<b>(Loss)/ profit before tax</b>		<b>(199)</b>	<b>3,571</b>	<b>(106%)</b>	<b>3,740</b>	<b>1,617</b>	<b>131%</b>
Income tax expense		(41)	(78)	(47%)	(143)	(238)	(40%)
<b>(Loss)/ profit for the period/ year</b>		<b>(240)</b>	<b>3,493</b>	<b>(107%)</b>	<b>3,597</b>	<b>1,379</b>	<b>161%</b>
Attributable to:							
Owners of the parent		(294)	3,448	(109%)	3,431	1,310	162%
Non-controlling interests		54	45	20%	166	69	141%
		<b>(240)</b>	<b>3,493</b>	<b>(107%)</b>	<b>3,597</b>	<b>1,379</b>	<b>161%</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		
	2012 US\$'000	2011 US\$'000	% Change	2012 US\$'000	2011 US\$'000	% Change
(Loss)/ Profit for the period/ year	(240)	3,493	(107%)	3,597	1,379	161%
Other comprehensive (expense)/ income for the period/ year, net of tax:						
Exchange differences on translation of foreign operations	(563)	141	(499%)	(555)	517	(207%)
Fair value gain/ (loss) of cash flow hedges	1,966	179	998%	2,173	(1,123)	293%
Other comprehensive income/ (expense) for the period/ year, net of tax	1,403	320	338%	1,618	(606)	367%
Total comprehensive income for the period/ year	1,163	3,813	(69%)	5,215	773	575%
Attributable to:						
Owners of the parent	1,111	3,769	(71%)	5,051	701	621%
Non-controlling interests	52	44	18%	164	72	128%
	1,163	3,813	(69%)	5,215	773	575%

NOTES:

[1] Breakdown of fee income

	4 <sup>th</sup> Quarter			Full year		
	2012 US\$'000	2011 US\$'000	% Change	2012 US\$'000	2011 US\$'000	% Change
Arrangement and agency fee	2,410	232	939%	5,913	656	801%
Brokerage commission	164	2,733	(94%)	784	3,663	(79%)
Incentive fee	20	-	N/M	53	-	N/M
Asset management & administration fee *	1,085	1,016	7%	4,178	4,366	(4%)
Charter income	3,572	3,083	16%	12,723	6,541	95%
	<u>7,251</u>	<u>7,064</u>	3%	<u>23,651</u>	<u>15,226</u>	55%

\* Includes income earned by Uni-Asia Capital (Japan) Ltd. ("UACJ"), formerly known as Capital Advisers Co., Ltd., as the asset manager of hotels and residential projects of \$2.7 million (FY2011: \$3.0 million).

[2] Breakdown of investment returns

	4 <sup>th</sup> Quarter			Full year		
	2012 US\$'000	2011 US\$'000	% Change	2012 US\$'000	2011 US\$'000	% Change
Interest on performance notes						
- Shipping	323	255	27%	323	551	(41%)
- Distressed debt	71	-	N/M	104	-	N/M
Realised gain on investment property	863	-	N/M	863	-	N/M
Realised gain on investments						
- Shipping	45	104	(57%)	178	167	7%
- Hotel and residential	1	51	(98%)	54	139	(61%)
Realised gain on listed shares – others	-	-	N/M	53	48	10%
Property rental income	89	149	(40%)	339	608	(44%)
Fair value adjustment on investment properties	(248)	1,316	(119%)	219	1,241	(82%)
Fair value adjustment on investments						
- Shipping	(1,157)	(754)	(53%)	575	(370)	255%
- Hotel and residential	(682)	541	(226%)	(572)	1,024	(156%)
- Office property/ small residential property developments <sup>(A)</sup>	(219)	70	(413%)	1,712	1,450	18%
Fair value adjustment on performance notes						
- Shipping	(1,163)	75	N/M	(4,596)	(525)	(775%)
- Distressed debt	(82)	-	N/M	(114)	1	N/M
Fair value adjustment on listed shares – others	101	34	197%	351	(47)	847%
Net (loss)/ gain on derivative financial instruments	(312)	-	N/M	(557)	47	N/M
	<u>(2,370)</u>	<u>1,841</u>	(229%)	<u>(1,068)</u>	<u>4,334</u>	(125%)

Note A: The investments in office property and small residential property developments are made through an investee company and the fair value adjustment comprises of the following:

	4 <sup>th</sup> Quarter			Full year		
	2012 US\$'000	2011 US\$'000	% Change	2012 US\$'000	2011 US\$'000	% Change
Fair value adjustment on property investment and development project in Hong Kong property	2	82	(98%)	1,963	1,514	30%
Fair value adjustment on investments in small residential property developments	(230)	-	N/M	(220)	-	N/M
Fair value adjustment on other net assets of the investee company	9	(12)	175%	(31)	(64)	52%
Total	<u>(219)</u>	<u>70</u>	(413%)	<u>1,712</u>	<u>1,450</u>	18%

**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 2012 US\$'000	31 December 2011 US\$'000	31 December 2012 US\$'000	31 December 2011 US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties	6,658	7,507	-	-
Intangible assets	20	53	-	-
Property, plant and equipment	101,897	84,967	35	18
Loans receivable	7,973	8,504	4,973	8,254
Loans to subsidiaries	-	-	6,145	5,157
Investments	40,938	45,992	26,350	30,410
Investments in subsidiaries	-	-	37,862	38,362
Rental deposit	1,398	2,471	-	-
Derivative financial instruments	-	51	-	51
Deferred tax assets	42	9	-	-
Deposit for purchase of vessel	6,277	19,079	-	-
<b>Total non-current assets</b>	<b>165,203</b>	<b>168,633</b>	<b>75,365</b>	<b>82,252</b>
<b>Current assets</b>				
Investments	5,285	1,373	-	-
Loans receivable	6,500	1,232	5,500	-
Loans to subsidiaries	-	-	16,885	20,310
Derivative financial instruments	1,050	-	-	-
Accounts receivable	7,289	5,692	2,295	113
Amount due from subsidiaries	-	-	2,118	2,201
Prepayments, deposits and other receivables	2,376	2,371	377	276
Tax recoverable	-	612	-	-
Deposits pledged as collateral	16,068	18,728	15,087	17,776
Cash and bank balances	43,266	51,164	28,685	33,145
<b>Total current assets</b>	<b>81,834</b>	<b>81,172</b>	<b>70,947</b>	<b>73,821</b>
<b>Total assets</b>	<b>247,037</b>	<b>249,805</b>	<b>146,312</b>	<b>156,073</b>

	Group		Company	
	31 December 2012 US\$'000	31 December 2011 US\$'000	31 December 2012 US\$'000	31 December 2011 US\$'000
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	75,167	75,167	75,167	75,167
Share premium	31,319	31,319	31,319	31,319
Retained earnings	26,965	23,534	16,133	22,527
Fair value reserve	9	9	-	-
Hedging reserve	1,050	(1,123)	-	-
Exchange reserve	3,936	4,489	-	-
Capital reserve	(126)	(126)	-	-
<b>Total equity attributable to owners of the parent</b>	<b>138,320</b>	<b>133,269</b>	<b>122,619</b>	<b>129,013</b>
Non-controlling interests	234	124	-	-
<b>Total equity</b>	<b>138,554</b>	<b>133,393</b>	<b>122,619</b>	<b>129,013</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	68,023	62,111	-	-
Finance lease obligations	17	28	-	-
Due to Tokumei Kumiai investors	1,874	1,816	-	-
Derivative financial instruments	115	1,173	-	51
Other payables	116	155	-	-
<b>Total non-current liabilities</b>	<b>70,145</b>	<b>65,283</b>	<b>-</b>	<b>51</b>
<b>Current liabilities</b>				
Borrowings	29,141	37,573	22,336	25,829
Finance lease obligations	9	9	-	-
Accounts payable	4,016	4,888	-	-
Other payables and accruals	4,567	8,462	1,357	1,180
Derivative financial instruments	442	-	-	-
Income tax payable	163	197	-	-
<b>Total current liabilities</b>	<b>38,338</b>	<b>51,129</b>	<b>23,693</b>	<b>27,009</b>
<b>Total equity and liabilities</b>	<b>247,037</b>	<b>249,805</b>	<b>146,312</b>	<b>156,073</b>

NOTES:-

Total assets (current and non-current) decreased by \$2.8 million from \$249.8 million on 31 December 2011 to \$247.0 million on 31 December 2012. Notable changes in total assets include the following:

1. an increase of \$16.9 million in property, plant and equipment (net of depreciation) resulting mainly from the delivery of a handysize bulk carrier held by a shipping subsidiary;
2. a net decrease of \$12.8 million in the deposit for purchase of vessels due to the reclassification of deposits to property, plant and equipment upon the delivery of the aforementioned vessel;
3. a net increase of \$4.7 million in loans receivable (current and non-current) due mainly to new loans given to shipping investments; and
4. a net decrease of \$7.9 million in cash and bank balances.

Total liabilities (current and non-current) decreased by \$7.9 million from \$116.4 million on 31 December 2011 to \$108.5 million on 31 December 2012. Notable changes in total liabilities include the following:

1. a net decrease in total borrowings (current and non-current) of \$2.5 million due mainly to translation of JPY borrowings of subsidiaries in Japan to USD reporting currency at a weaker JPY/USD exchange rate as at 31 December 2012; and
2. a net decrease in other payables and accruals of \$3.9 million mainly from 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 December 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	19,772	9,369	27,221	10,352
Amount repayable after one year	66,688	1,335	61,232	879
Total	<u>86,460</u>	<u>10,704</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
- > 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	
		2012 US\$'000	2011 US\$'000
<b>Cash flow from operating activities</b>			
Profit before tax		3,740	1,617
Adjustments for:			
Investment returns		1,068	(4,334)
Amortization and depreciation		4,424	2,532
Realization of negative goodwill arising on acquisition of a subsidiary		-	(212)
Loss on disposal of property, plant and equipment		95	-
Write-back of provision of onerous contracts		(573)	(2,004)
Provision for onerous contracts		103	1,471
Net foreign exchange (gain)/ loss		(1,541)	1,009
Interest income		(1,151)	(817)
Finance costs – interest expense		2,047	1,655
Finance costs – others		270	144
Allocation to Tokumei Kumiai investors		259	(49)
		8,741	1,012
Changes in working capital:			
Net change in accounts receivable		(1,912)	(110)
Net change in prepayments, deposits and other receivables		752	316
Net change in retirement benefit allowance		-	(277)
Net change in accounts payable		(781)	619
Net change in other payables and accruals		(3,042)	665
		3,758	2,225
Cash generated from operations		3,758	2,225
Interest received on bank balances		215	67
Tax reimbursed/ (paid)		418	(415)
		4,391	1,877
Net cash generated from operating activities	[1]	4,391	1,877



	Note	Full year	
		2012 US\$'000	2011 US\$'000
<b>Cash flow from investing activities</b>			
Acquisition of a subsidiary		-	2,373
Purchase of investment property		(1,475)	(1,139)
Purchase of investments		(4,781)	(1,503)
Proceeds from sale of investment property		3,478	-
Proceeds from redemption/ sale of investments		2,134	4,334
Net deposits paid for purchase of vessels		(35)	(10,666)
Purchase of property, plant and equipment		(11,281)	(49,165)
Loan advanced		(6,953)	(2,551)
Loan repaid		1,868	3,740
Interest received from loans		826	666
Net decrease in deposits pledged as collateral		2,554	3,995
Proceeds from investments		713	867
Settlement of forward currency contracts		-	164
Proceeds from property rental		328	615
Net cash used in investing activities	[2]	<u>(12,624)</u>	<u>(48,270)</u>
<b>Cash flow from financing activities</b>			
Proceeds from issuing shares		-	25,961
Rights issue expenses		-	(318)
New borrowings		16,790	96,474
Repayment of borrowings		(13,425)	(48,169)
Interest paid on borrowings		(2,031)	(2,383)
Other finance cost paid		(119)	(600)
Payment of lease obligation		(9)	(8)
Payment to non-controlling interest		(54)	-
Net cash generated from financing activities	[3]	<u>1,152</u>	<u>70,957</u>
Net (decrease)/ increase in cash and cash equivalents		<u>(7,081)</u>	<u>24,564</u>
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the year		51,164	26,528
Net (decrease)/ increase in cash and cash equivalents		(7,081)	24,564
Effects of foreign exchange rate changes, net		(817)	72
Cash and cash equivalents at end of the year		<u>43,266</u>	<u>51,164</u>

NOTES:

- [1] Cash flows generated from operating activities amounted to \$4.4 million for FY2012 compared to \$1.9 million for FY2011. Cash flows for FY2012 were boosted by ship finance arrangement and charter income received during the year.
- [2] Cash flows used in investing activities were \$12.6 million for FY2012 compared to \$48.3 million for FY2011. The main cash usages were (i) purchase of a shipping investment, (ii) purchase of property, plant and equipment (mainly from scheduled payment for vessel delivered in FY2012), (iii) new loans given to shipping investments, and (iv) investments in small residential property developments.
- [3] Cash flows generated from financing activities were \$1.2 million for FY2012 compared to \$71.0 million for FY2011.

**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 (expense)/ income	-	-	-	-	(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 2012	75,167	31,319	23,534	9	(1,123)	4,489	(126)	133,269	124	133,393
Profit for the year	-	-	3,431	-	-	-	-	3,431	166	3,597
Other comprehensive income/ (expense)	-	-	-	-	2,173	(553)	-	1,620	(2)	1,618
Total comprehensive income/ (expense)	-	-	3,431	-	2,173	(553)	-	5,051	164	5,215
Payment to non-controlling interest	-	-	-	-	-	-	-	-	(54)	(54)
At 31 December 2012	<u>75,167</u>	<u>31,319</u>	<u>26,965</u>	<u>9</u>	<u>1,050</u>	<u>3,936</u>	<u>(126)</u>	<u>138,320</u>	<u>234</u>	<u>138,554</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 2012	75,167	31,319	22,527	-	-	-	-	129,013	-	129,013
Loss for the year	-	-	(6,394)	-	-	-	-	(6,394)	-	(6,394)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive expense	-	-	(6,394)	-	-	-	-	(6,394)	-	(6,394)
At 31 December 2012	<u>75,167</u>	<u>31,319</u>	<u>16,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,619</u>	<u>-</u>	<u>122,619</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.**

For the financial year ended 31 December 2012, there was no change in share capital.

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

	<b>As at 31 December 2012</b>	<b>As at 31 December 2011</b>
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 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 2011.

- 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 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.**

	4 <sup>th</sup> Quarter		Full year	
	2012	2011	2012	2011
(Loss)/ profit attributable to owners of the parent (US\$'000)	<u>(294)</u>	<u>3,448</u>	<u>3,431</u>	<u>1,310</u>
Weighted average number of ordinary shares in issue ('000)	<u>469,793</u>	<u>469,793</u>	<u>469,793</u>	<u>372,831</u>
(Loss)/ earnings per share (US cent per share) - basic and diluted	<u>(0.06)</u>	<u>0.73</u>	<u>0.73</u>	<u>0.35</u>

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 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**

In FY2012, the Group recorded net profit of \$3.6 million compared to net profit of \$1.4 million in FY2011, an increase of 161%. Total income increased by 35% to \$78.3 million in FY2012 from \$57.9 million in FY2011.

Fee income was \$23.7 million in FY2012 compared to \$15.2 million in FY2011 due mainly to contribution by charter income from the Group's vessel-owning subsidiaries as well as ship finance arrangement fees earned in FY2012.

Hotel income was \$53.6 million in FY2012 compared to \$36.8 million in FY2011 due to better occupancy rate (79.0% for FY2012 vs. 74.8% for FY2011) and higher average daily room rates (JPY7,523 for FY2012 vs. JPY6,866 for FY2011) as well as contribution to the top line by Hotel JAL City Naha which the Group began operating in late 2011.

While total income increased by 35%, total operating expenses increased by a smaller margin of 32% from \$54.5 million in FY2011 to \$72.0 million in FY2012. Employee benefits expenses were \$17.9 million in FY2012 as compared to \$15.5 million in FY2011 due mainly to the addition of employee benefits expenses of hotel operating subsidiary Sun Vista Naha Co., Ltd acquired in 4Q2011. Vessel operating expenses was \$5.2 million in FY2012 compared to \$2.3 million in FY2011 as the vessels started operations only in late 2Q2011. Hotel operating expenses

increased from \$13.1 million in FY2011 to \$23.8 million in FY2012 to generate the increased hotel income.

The Group's net operating profit improved to \$6.3 million in FY2012 compared to \$3.4 million in FY2011.

**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.**

The Group is actively looking to take advantage of the weak shipping market for suitable business opportunities to generate future returns. In particular, the Group aims to acquire more suitable bulk carriers to boost the Group's fleet of vessels in generating charter income for the Group. The Group is also seeking more ship finance arrangement deals to boost fee income.

In Japan, the Group continues to develop opportunities in small residential property development business. Hotel business-wise, the Group continues to source for suitable hotels to increase the hotels under management so as to boost the profitability of the hotel operating business.

**11 Dividend**

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

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

Yes.

The Directors are pleased to announce a proposed final dividend of S\$0.005 per share for the financial year ended 31 December 2012. Payment of the said dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

Name of dividend	Proposed Final (ordinary)
Dividend type	Cash
Dividend amount per share	S\$0.005
No. of ordinary shares in issue	469,792,800
Total dividend amount	S\$2,348,964
Tax rate	Tax-exempt dividend

These financial statements do not reflect this proposed final dividend, which will be accounted for in shareholder's equity as an appropriation of retained earnings in the financial year ending 31 December 2013.

**(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**

To be announced at a later date.

**(d) Books closure date**

To be announced at a later date.

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

Not applicable.

**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**

The segment results for the year ended 31 December 2012 are as follows:

	Investment & Asset Management of Vessels and Properties, Ship Finance Arrangement 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	8,349	12,286	6,554	49,943	-	77,132
Interest income	1,145	5	1	1	-	1,152
Inter-segment	911	8	527	976	(2,422)	-
	<u>10,405</u>	<u>12,299</u>	<u>7,082</u>	<u>50,920</u>	<u>(2,422)</u>	<u>78,284</u>
Results						
Depreciation and amortization	(25)	(3,494)	(853)	(58)	6	(4,424)
Finance costs - interest expense	(363)	(1,147)	(508)	(29)	-	(2,047)
Finance costs – others	-	(247)	(158)	(3)	138	(270)
Allocation to Tokumei Kumiai Investors	-	-	(259)	-	-	(259)
Profit/ (loss) before tax	<u>1,806</u>	<u>3,257</u>	<u>(499)</u>	<u>(841)</u>	<u>17</u>	<u>3,740</u>
Other segment items are as follows:						
Capital expenditure	<u>1,525</u>	<u>10,606</u>	<u>325</u>	<u>394</u>	<u>-</u>	<u>12,850</u>

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

	Investment & Asset Management of Vessels and Properties, Ship Finance Arrangement 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	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>
Results						
Depreciation and amortization	(16)	(1,575)	(872)	(71)	2	(2,532)
Finance costs - interest expense	(317)	(547)	(1,317)	(25)	551	(1,655)
Finance costs – others	-	(26)	(116)	(2)	-	(144)
Allocation to Tokumei Kumiai Investors	-	-	49	-	-	49
Profit/ (loss) before tax	<u>508</u>	<u>1,125</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 assets and liabilities are as follows:

	Investment & Asset Management of Vessels and Properties, Ship Finance Arrangement 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><u>As at 31 December 2012:</u></b>						
Segment assets						
Total assets	<u>161,491</u>	<u>87,563</u>	<u>40,558</u>	<u>11,977</u>	<u>(54,552)</u>	<u>247,037</u>
Segment liabilities						
Total liabilities	<u>24,434</u>	<u>56,544</u>	<u>36,827</u>	<u>8,552</u>	<u>(17,874)</u>	<u>108,483</u>
<b><u>As at 31 December 2011:</u></b>						
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>

**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:-**

	2012 US\$'000	2011 US\$'000	% Change
Total income reported for first half year	38,094	23,540	62%
Profit/ (loss) after tax for first half year	1,721	(682)	352%
Total income reported for second half year	40,190	34,355	17%
Profit after tax for second half year	1,876	2,061	(9%)

**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 2012 US\$'000	31 December 2011 US\$'000
Ordinary		
• Proposed Final Dividend	1,922	-
Preference	-	-
Total	1,922	-

**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  
27 February 2013