



UNI-ASIA HOLDINGS LIMITED

Registration No: CR - 72229

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

FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2013

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF SECOND QUARTERLY 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	2 nd Quarter			Half year ended 30 June		
		2013 US\$'000	2012 US\$'000	% Change	2013 US\$'000	2012 US\$'000	% Change
Fee income	[1]	5,493	3,987	38%	12,567	8,337	51%
Hotel income		9,833	12,514	(21%)	21,420	26,874	(20%)
Investment returns	[2]	183	2,393	(92%)	1,366	1,673	(18%)
Interest income		259	326	(21%)	535	543	(1%)
Other income		534	278	92%	665	667	(0%)
Total income		16,302	19,498	(16%)	36,553	38,094	(4%)
Employee benefits expenses		(3,764)	(4,418)	(15%)	(7,734)	(9,133)	(15%)
Amortisation and depreciation		(1,438)	(986)	46%	(2,413)	(1,957)	23%
Vessel operating expenses		(1,885)	(1,119)	68%	(3,266)	(2,126)	54%
Hotel lease expenses		(2,842)	(3,748)	(24%)	(6,583)	(8,137)	(19%)
Hotel operating expenses		(4,237)	(5,634)	(25%)	(9,361)	(12,114)	(23%)
Other expenses		(1,204)	(1,417)	(15%)	(2,295)	(2,506)	(8%)
Loss on disposal of property, plant and equipment		-	(20)	(100%)	-	(20)	(100%)
Impairment of property, plant and equipment		-	-	N/M	(500)	-	N/M
Write-back of provision of onerous contracts		106	179	(41%)	184	356	(48%)
Net foreign exchange (loss)/ gain		(33)	(470)	93%	(120)	524	(123%)
		(15,297)	(17,633)	(13%)	(32,088)	(35,113)	(9%)
Operating profit		1,005	1,865	(46%)	4,465	2,981	50%
Finance costs – interest expense		(528)	(474)	11%	(1,037)	(943)	10%
Finance costs – others		(53)	(90)	(41%)	(142)	(150)	(5%)
Allocation to Tokumei Kumiai* investors		(42)	(51)	(18%)	(126)	(101)	25%
Profit before tax		382	1,250	(69%)	3,160	1,787	77%
Income tax expense		(44)	(52)	(15%)	(86)	(66)	30%
Profit for the period		338	1,198	(72%)	3,074	1,721	79%
Attributable to:							
Owners of the parent		288	1,169	(75%)	2,972	1,634	82%
Non-controlling interests		50	29	72%	102	87	17%
		338	1,198	(72%)	3,074	1,721	79%

* 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.

	2 nd Quarter			Half year ended 30 June		
	2013 US\$'000	2012 US\$'000	% Change	2013 US\$'000	2012 US\$'000	% Change
Profit for the period	338	1,198	(72%)	3,074	1,721	79%
Other comprehensive (expense)/ income for the period, net of tax:						
Exchange differences on translation of foreign operations	(234)	197	(219%)	(685)	(244)	(181%)
Fair value gain/ (loss) of cash flow hedges	83	(566)	115%	(1,049)	652	(261%)
Other comprehensive (expense)/ income for the period, net of tax	(151)	(369)	59%	(1,734)	408	(525%)
Total comprehensive income for the period	187	829	(77%)	1,340	2,129	(37%)
Attributable to:						
Owners of the parent	138	799	(83%)	1,241	2,042	(39%)
Non-controlling interests	49	30	63%	99	87	14%
	187	829	(77%)	1,340	2,129	(37%)

N/M: Not meaningful

NOTES:

[1] Breakdown of fee income

	2 nd Quarter			Half year ended 30 June		
	2013 US\$'000	2012 US\$'000	% Change	2013 US\$'000	2012 US\$'000	% Change
Arrangement and agency fee	997	191	422%	3,599	216	N/M
Brokerage commission	122	196	(38%)	243	413	(41%)
Incentive fee	-	-	N/M	-	33	(100%)
Asset management & administration fee *	755	1,037	(27%)	1,644	2,050	(20%)
Charter income	3,619	2,563	41%	7,081	5,625	26%
	<u>5,493</u>	<u>3,987</u>	38%	<u>12,567</u>	<u>8,337</u>	51%

* Includes income earned by Uni-Asia Capital (Japan) Ltd. ("UACJ") as the asset manager of hotels and residential projects of \$1.0 million (1H2012: \$1.3 million).

[2] Breakdown of investment returns

	2 nd Quarter			Half year ended 30 June		
	2013 US\$'000	2012 US\$'000	% Change	2013 US\$'000	2012 US\$'000	% Change
Interest on performance notes						
- distressed debt	-	-	N/M	-	33	(100%)
Interest on bond	3	-	N/M	3	-	N/M
Realised gain on investments						
- shipping	44	43	2%	88	88	0%
- hotel and residential	1	-	N/M	110	53	108%
Property rental income	87	84	4%	174	165	5%
Fair value adjustment on investment properties	(65)	52	(225%)	(65)	23	(383%)
Fair value adjustment on investments						
- shipping	345	2,413	(86%)	(345)	1,386	(125%)
- hotel and residential	303	245	24%	364	(80)	555%
- office property/ small residential property developments ^(Note A)	(240)	1,613	(115%)	(389)	1,615	(124%)
Fair value adjustment on performance notes						
- shipping	(474)	(1,812)	74%	(409)	(1,632)	75%
- distressed debt	-	8	(100%)	(2)	(29)	93%
Fair value adjustment on listed shares – others	(78)	(134)	42%	(171)	122	(240%)
Net gain/ (loss) on derivative financial instruments	257	(119)	316%	2,008	(71)	N/M
	<u>183</u>	<u>2,393</u>	(92%)	<u>1,366</u>	<u>1,673</u>	(18%)

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:

	2 nd Quarter			Half year ended 30 June		
	2013 US\$'000	2012 US\$'000	% Change	2013 US\$'000	2012 US\$'000	% Change
Fair value adjustment on property investment and development project in Hong Kong property	4	1,626	(100%)	(4)	1,629	(100%)
Fair value adjustment on investments in small residential property developments	(150)	-	N/M	(371)	-	N/M
Fair value adjustment on other net assets of the investee company	(94)	(13)	(623%)	(14)	(14)	0%
	<u>(240)</u>	<u>1,613</u>	(115%)	<u>(389)</u>	<u>1,615</u>	(124%)

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	
	30 June 2013 US\$'000	31 December 2012 US\$'000	30 June 2013 US\$'000	31 December 2012 US\$'000
ASSETS				
Non-current assets				
Investment properties	8,131	6,658	-	-
Intangible assets	11	20	-	-
Property, plant and equipment	127,569	101,897	28	35
Loans receivable	7,444	7,973	4,444	4,973
Loans to subsidiaries	-	-	5,547	6,145
Investments	40,697	40,938	26,051	26,350
Investments in subsidiaries	-	-	48,379	37,862
Rental deposit	1,218	1,398	-	-
Derivative financial instruments	104	-	31	-
Deferred tax assets	27	42	-	-
Deposits for purchase of vessels	6,850	6,277	-	-
Total non-current assets	192,051	165,203	84,480	75,365
Current assets				
Investments	4,741	5,285	-	-
Loans receivable	7,224	6,500	5,500	5,500
Loans to subsidiaries	-	-	16,459	16,885
Derivative financial instruments	38	1,050	38	-
Accounts receivable	5,618	7,289	1,218	2,295
Amounts due from subsidiaries	-	-	2,971	2,118
Prepayments, deposits and other receivables	2,643	2,376	412	377
Deposits pledged as collateral	15,694	16,068	14,724	15,087
Cash and bank balances	30,423	43,266	16,383	28,685
Total current assets	66,381	81,834	57,705	70,947
Total assets	258,432	247,037	142,185	146,312

	Group		Company	
	30 June 2013 US\$'000	31 December 2012 US\$'000	30 June 2013 US\$'000	31 December 2012 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	28,045	26,965	14,500	16,133
Fair value reserve	-	9	-	-
Hedging reserve	1	1,050	(30)	-
Exchange reserve	3,254	3,936	-	-
Capital reserve	(117)	(126)	-	-
Total equity attributable to owners of the parent	137,669	138,320	120,956	122,619
Non-controlling interests	279	234	-	-
Total equity	137,948	138,554	120,956	122,619
LIABILITIES				
Non-current liabilities				
Borrowings	80,123	68,023	-	-
Finance lease obligations	10	17	-	-
Due to Tokumei Kumiai investors	1,726	1,874	-	-
Derivative financial instruments	30	115	61	-
Other payables	102	116	-	-
Total non-current liabilities	81,991	70,145	61	-
Current liabilities				
Borrowings	31,546	29,141	20,490	22,336
Finance lease obligations	8	9	-	-
Accounts payable	2,431	4,016	-	-
Other payables and accruals	3,991	4,567	511	1,357
Amounts due to subsidiaries	-	-	81	-
Derivative financial instruments	446	442	86	-
Income tax payable	71	163	-	-
Total current liabilities	38,493	38,338	21,168	23,693
Total equity and liabilities	258,432	247,037	142,185	146,312

NOTES:-

The Group's non-current assets increased by 16% from \$165.2 million on 31 December 2012 to \$192.1 million on 30 June 2013 due mainly to the delivery of a vessel to the Group's ship-owning subsidiary. Meanwhile current assets reduced from \$81.8 million to \$66.4 million following the use of cash for the vessel delivery and investment of new building vessels.

On the other hand, total liabilities increased to \$120.5 million from \$108.5 million due to additional borrowings taken to fund the above-mentioned acquisitions.

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

	As at 30 June 2013		As at 31 December 2012	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	21,339	10,207	19,772	9,369
Amount repayable after one year	79,122	1,001	66,688	1,335
Total	<u>100,461</u>	<u>11,208</u>	<u>86,460</u>	<u>10,704</u>

Details of any collaterals

The Group's borrowings are secured by means of:

- > legal mortgages 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	Half year ended 30 June	
		2013 US\$'000	2012 US\$'000
Cash flows from operating activities			
Profit before tax		3,160	1,787
Adjustments for:			
Investment returns		(1,366)	(1,673)
Realisation of negative goodwill arising on acquisition of a subsidiary		(9)	-
Amortisation and depreciation		2,413	1,957
Loss on disposal of property, plant and equipment		-	20
Impairment of property, plant and equipment		500	-
Write-back of provision of onerous contracts		(184)	(356)
Net foreign exchange loss/ (gain)		120	(524)
Interest income		(535)	(543)
Finance costs – interest expense		1,037	943
Finance costs – others		142	150
Allocation to Tokumei Kumiai investors		126	101
		<hr/>	<hr/>
Operating cash flows before changes in working capital		5,404	1,862
Changes in working capital:			
Net change in accounts receivable		1,077	90
Net change in prepayments, deposits and other receivables		(504)	195
Net change in accounts payable		(1,062)	(1,401)
Net change in other payables and accruals		(486)	(3,925)
		<hr/>	<hr/>
Cash flows generated from/ (used in) operations		4,429	(3,179)
Interest received on bank balances		113	95
Tax (paid)/ reimbursed		(157)	425
		<hr/>	<hr/>
Net cash flows generated from/ (used in) operating activities	[1]	4,385	(2,659)
		<hr/>	<hr/>

	Note	Half year ended 30 June	
		2013 US\$'000	2012 US\$'000
Cash flows from investing activities			
Purchase of an investment property		(1,444)	-
Purchase of investments		(2,208)	(2,962)
Proceeds from redemption/ sale of investments		692	841
Net cash inflow on acquisition of an investment		17	-
Deposit (paid)/ refunded for purchase of vessels		(6,850)	9
Purchase of property, plant and equipment		(25,218)	(5,246)
Redemption of Tokumei Kumiai investors		(28)	-
Loans advanced		(1,013)	(6,328)
Loans repaid		430	911
Interest received from loans		438	382
Net decrease in deposits pledged as collateral		242	112
Proceeds from investments		194	174
Settlement of derivative financial instruments		2,109	-
Proceeds from property rental		174	165
Net cash flows used in investing activities	[2]	<u>(32,465)</u>	<u>(11,942)</u>
Cash flows from financing activities			
New borrowings		23,325	5,194
Repayment of borrowings		(3,850)	(2,770)
Interests paid on borrowings		(1,010)	(969)
Other finance costs paid		(98)	(79)
Payment of lease obligation		(4)	(4)
Dividend paid		(1,904)	-
Payment to non-controlling interest		(54)	(54)
Net cash flows generated from financing activities	[3]	<u>16,405</u>	<u>1,318</u>
Net decrease in cash and cash equivalents		<u>(11,675)</u>	<u>(13,283)</u>
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the period		43,266	51,164
Net decrease in cash and cash equivalents		(11,675)	(13,283)
Effects of foreign exchange rate changes, net		(1,168)	(213)
Cash and cash equivalents at end of the period		<u>30,423</u>	<u>37,668</u>

NOTES:

- [1] The Group generated a positive operating cash flow of \$4.4 million for 1H2013 aided by structured finance arrangement fees and charter income.
- [2] Meanwhile, the Group continues to seed future growth by acquiring new vessels and investing in new joint-investment companies. Further, the Group took delivery of 1 vessel under the Group's ship-owning subsidiary. These activities saw the Group's cash outflow from investing activities increased to \$32.5 million for 1H2013.
- [3] New borrowings to finance the above-mentioned investing activities was the main factor contributing to a net cash inflow from financing activities of \$16.4 million for 1H2013.

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	-	-	1,634	-	-	-	-	1,634	87	1,721
Other comprehensive income/ (expense)	-	-	-	-	652	(244)	-	408	-	408
Total comprehensive income/ (expense)	-	-	1,634	-	652	(244)	-	2,042	87	2,129
Payment to non-controlling interests	-	-	-	-	-	-	-	-	(54)	(54)
At 30 June 2012	75,167	31,319	25,168	9	(471)	4,245	(126)	135,311	157	135,468
At 1 January 2013	75,167	31,319	26,965	9	1,050	3,936	(126)	138,320	234	138,554
Profit for the period	-	-	2,972	-	-	-	-	2,972	102	3,074
Other comprehensive expense	-	-	-	-	(1,049)	(682)	-	(1,731)	(3)	(1,734)
Total comprehensive income/ (expense)	-	-	2,972	-	(1,049)	(682)	-	1,241	99	1,340
Capital reserve	-	-	-	(9)	-	-	9	-	-	-
Dividend in respect of 2012	-	-	(1,892)	-	-	-	-	(1,892)	-	(1,892)
Payment to non-controlling interests	-	-	-	-	-	-	-	-	(54)	(54)
At 30 June 2013	75,167	31,319	28,045	-	1	3,254	(117)	137,669	279	137,948
Company										
At 1 January 2012	75,167	31,319	22,527	-	-	-	-	129,013	-	129,013
Loss for the period	-	-	(1,555)	-	-	-	-	(1,555)	-	(1,555)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive expense	-	-	(1,555)	-	-	-	-	(1,555)	-	(1,555)
At 30 June 2012	75,167	31,319	20,972	-	-	-	-	127,458	-	127,458
At 1 January 2013	75,167	31,319	16,133	-	-	-	-	122,619	-	122,619
Profit for the period	-	-	259	-	-	-	-	259	-	259
Other comprehensive expense	-	-	-	-	(30)	-	-	(30)	-	(30)
Total comprehensive income/ (expense)	-	-	259	-	(30)	-	-	229	-	229
Dividend in respect of 2012	-	-	(1,892)	-	-	-	-	(1,892)	-	(1,892)
At 30 June 2013	75,167	31,319	14,500	-	(30)	-	-	120,956	-	120,956

- 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 six months ended 30 June 2013, there was no change in share capital.

The Company did not have any convertibles or treasury shares as at 30 June 2013, 31 December 2012 and 30 June 2012.

- 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 30 June 2013	As at 31 December 2012
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 period as compared with the audited financial statements for the financial year ended 31 December 2012.

- 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 period as compared with the audited financial statements for the financial year ended 31 December 2012. 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.

	2 nd Quarter		Half year ended 30 June	
	2013	2012	2013	2012
Profit/ (loss) attributable to owners of the parent (US\$'000)	288	1,169	2,972	1,634
Weighted average number of ordinary shares in issue ('000)	469,793	469,793	469,793	469,793
Earnings/ (loss) per share (US cents per share) - basic and diluted	0.06	0.25	0.63	0.35

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.

	30 June 2013	31 December 2012
Net asset value per ordinary share based on issued share capital at the end of (in US\$)	0.29	0.29

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

Lifted by the good performance of shipping subsidiaries, the Group achieved better results for 1H2013 compared to 1H2012, with net profit of \$3.1 million for 1H2013 as compared to \$1.7 million for the same period last year.

The first half of 2013 saw the Group taking delivery of the fifth vessel under Uni-Asia Shipping group. Charter income increased to \$7.1 million for 1H2013 from 1H2012's \$5.6 million despite the gloomy shipping market and a tepid global economy. Meanwhile, reduced number of hotels under operation and weak Japanese Yen against US Dollars caused translated hotel income to fall by 20% from \$26.9 million for 1H2012 to \$21.4 million for 1H2013. Total income for 1H2013 was \$36.6 million, down by 4% compared to 1H2012.

On the other hand, the weak Japanese Yen which reduced translated hotel income also reduced hotel expenses upon translation, resulting in the Group's total expenses falling 9% compared to the same period last year. Operating profit for the Group came in at \$4.5 million, representing a 50% year-on-year increase. Earnings per share were 0.63 US cents, up from 0.35 US cents a year earlier.

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 operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

While oversupply situation in the shipping market continues to depress vessel prices, the Group has seized opportunities in such climate by acquiring more new building vessels under its ship portfolio. The Group continues to search for suitable business opportunities to generate future returns.

In Japan, the Group is expanding its small residential property development projects as well as seeking opportunities in increasing the Group's hotels under operation.

- 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 second quarter ended 30 June 2013.

- 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
14 August 2013

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 second quarter ended 30 June 2013 to be false or misleading in any material aspect.

On behalf of the Board of Directors



Kazuhiko Yoshida
Chairman, CEO



Michio Tanamoto
COO

Date: 14 August 2013