

UNI-ASIA FINANCE CORPORATION

Company Registration No. CR-72229

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

ESTABLISHMENT OF NEW SUBSIDIARY TO HOLD VESSEL OWNING COMPANIES AND ACQUISITION OF NEW SUBSIDIARY AND NEW VESSEL

The Board of Directors (the "**Board**") of Uni-Asia Finance Corporation (the "**Company**") is pleased to announce that the Company has established a new wholly owned Hong Kong-incorporated subsidiary known as Uni Ships Line Inc. Limited ("**Uni Ships Line**") as a shipping operation arm within Uni-Asia group. In connection with this, the Board also wishes to announce that Uni Ships Line has also acquired a Panama-incorporated company known as Hope Bulkship S.A. ("**Hope Bulkship**") as a subsidiary for the purposes of acquiring a 29,000 dwt newbuilding handy bulk carrier ("**New Vessel**") to be delivered in the second quarter of 2011 ("**Proposed Acquisition**").

1. **Uni Ships Line.** Uni Ships Line was incorporated on 12 April 2010 in Hong Kong with an authorised share capital of US\$100 million and has an issued and paid-up share capital of US\$5 million comprising 500 ordinary shares of US\$10,000. The establishment of Uni Ships Line was internally funded and the subscription price for the shares in Uni Ships Line has been paid in cash in full on 3 May 2010. The directors of Uni Ships Line include Mr Michio Tanamoto, a Director of the Company. Uni Ships Line was set up for the purposes of streamlining the Company's ship investment business and with the intention for it to be used for the Company's majority-owned shipping projects as well as shipping operation in general.

2. **Hope Bulkship.** Uni Ships Line, together with a group company of Bank SinoPac Holding of Taiwan ("**SinoPac**"), has acquired Hope Bulkship for the purposes of the Proposed Acquisition. Hope Bulkship was incorporated on 9 March 2010 in Panama with an authorised share capital of US\$10,000 and has an issued and paid-up share capital of US\$4,000 comprising 100 ordinary shares of US\$40 each, of which 83 shares are registered in the name of Uni Ships Line (83%) and 17 shares are registered in the name of SinoPac (17%). The consideration of US\$3,320 for the 83 shares in Hope Bulkship was internally funded by Uni Ships Line and has been paid in cash in full by Uni Ships Line on 5 May 2010.

3. **Material Terms of the Proposed Acquisition.** The New Vessel is currently being built by Yangzhou Nakanishi Shipbuilding Co. Ltd. (the "**Builder**") under a shipbuilding contract

(“**Shipbuilding Contract**”). Under the Shipbuilding Contract, the New Vessel would be sold by the Builder and Jiangsu New Yangzi Shipbuilding Co., Ltd. (collectively with the Builder, the “**Seller**”) to a shipping company (not being an associate of a Director or controlling shareholder of the Company) (the “**Original Buyer**”). Hope Bulkship had acquired the New Vessel by entering into a novation agreement with the Seller and the Original Buyer on 13 March 2010 whereupon the Original Buyer’s rights and obligations under the Shipbuilding Contract were novated in favour of Hope Bulkship. The consideration for the Proposed Acquisition is approximately US\$21 million and was derived at after taking into account, *inter alia*, the contract price for the New Vessel under the Shipbuilding Contract which was in turn determined on the basis of the prevailing market price for similar vessels. The Proposed Acquisition will be satisfied through debt financing.

4. **Time Charter Agreement for New Vessel.** In connection with the Proposed Acquisition, Hope Bulkship has on 5 May 2010 entered into a time charter agreement with Pacific Basin Chartering Ltd for a tenor of five years, commencing on delivery of the New Vessel.

5. **Chapter 10 of the SGX-ST Listing Manual.** The Proposed Acquisition is in the ordinary course of the Company’s business. In view of the foregoing, the Proposed Acquisition would not constitute a “transaction” for the purposes of Chapter 10 of the SGX-ST Listing Manual.

6. **Rationale for the Proposed Acquisition.** The Proposed Acquisition is intended to benefit the Company through a receipt of charter income.

7. **Financial effects.** The establishment of Uni Ships Line, the acquisition of Hope Bulkship by Uni Ships Line and the Proposed Acquisition are not expected to have any material impact on the net tangible assets per share, earnings per share and operating results of the Company for the current financial year.

8. **Interests of Directors and Controlling Shareholders.** Save as disclosed herein, none of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the establishment of Uni Ships Line, the acquisition of Hope Bulkship or the Proposed Acquisition.

For and on behalf of
Uni-Asia Finance Corporation

25 May 2010