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 30 SEPTEMBER 2011

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF THIRD 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.

		3rd Quarter			9 Months ended 30 September		
		2011	2010	%	2011	2010	%
	Note	US$'000	US$'000	Change	US$'000	US$'000	Change
Fee income	[1]	4,074	3,385	20%	8,162	7,451	10%
Hotel income		10,108	9,566	6%	26,465	25,785	3%
Investment returns	[2]	70	110	(36%)	2,493	2,211	13%
Interest income		202	134	51%	595	344	73%
Other income		104	710	(85%)	383	1,268	(70%)
Total income		14,558	13,905	5%	38,098	37,059	3%
Employee benefits expense		(3,972)	(3,482)	14%	(11,374)	(10,281)	11%
Amortization and depreciation		(792)	(194)	308%	(1,546)	(572)	170%
Vessel operating expenses		(826)	-	N/M	(1,149)	-	N/M
Other operating expenses		(8,871)	(8,992)	(1%)	(24,603)	(24,411)	1%
Write-back on provision of onerous contracts		511	250	104%	1,987	979	103%
Provision of onerous contracts		(15)	-	N/M	(1,048)	-	N/M
Net foreign exchange (loss)/ gain		(1,447)	1,404	(203%)	(1,172)	1,879	(162%)
		(15,412)	(11,014)	40%	(38,905)	(32,406)	20%
Operating (loss)/ profit		(854)	2,891	(130%)	(807)	4,653	(117%)
Finance costs – interest expense		(441)	(320)	38%	(1,160)	(888)	31%
Finance costs – others		(48)	(20)	140%	(89)	(65)	37%
Share of results of associates		2	(8)	N/M	-	(14)	N/M
Loss/ (profit) allocation to Tokumei Kumiai* investors		10	(9)	N/M	102	(8)	N/M
(Loss)/ profit before tax		(1,331)	2,534	(153%)	(1,954)	3,678	(153%)
Tax expense		(101)	(90)	12%	(160)	(179)	(11%)
(Loss)/ profit for the period		(1,432)	2,444	(159%)	(2,114)	3,499	(160%)
(Loss)/ profit attributable to:							
Owners of the parent		(1,500)	2,479	(161%)	(2,138)	3,559	(160%)
Non-controlling interests		68	(35)	N/M	24	(60)	N/M
		(1,432)	2,444	(159%)	(2,114)	3,499	(160%)

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

N/M: Not meaningful

	3rd Quarter			9 Months ended 30 September		
	2011 US$'000	2010 US$'000	% Change	2011 US$'000	2010 US$'000	% Change
(Loss)/ profit for the period	(1,432)	2,444	(159%)	(2,114)	3,499	(160%)
Other comprehensive income/ (expense) for the period, after tax:						
Exchange differences on translation of foreign operations	158	(15)	N/M	376	33	N/M
Fair value loss of cash flow hedges	(979)	-	N/M	(1,302)	-	N/M
Fair value loss of available-for-sale financial assets	-	(8)	N/M	-	68	N/M
Other comprehensive (expense)/ income for the period, net of tax	(821)	(23)	N/M	(926)	101	N/M
Total comprehensive (expense)/ income for the period	(2,253)	2,421	(193%)	(3,040)	3,600	(184%)
Total comprehensive (expense)/ income attributable to:						
Owners of the parent	(2,323)	2,460	(194%)	(3,068)	3,685	(183%)
Non-controlling interests	70	(39)	N/M	28	(85)	N/M
	(2,253)	2,421	(193%)	(3,040)	3,600	(184%)

N/M: Not meaningful

NOTES:

[1] Breakdown of fee income

	3rd Quarter			9 Months ended 30 September		
	2011 US$'000	2010 US$'000	% Change	2011 US$'000	2010 US$'000	% Change
Arrangement and agency fee	94	1,820	(95%)	424	2,179	(81%)
Brokerage commission	498	229	117%	930	1,260	(26%)
Incentive fee	-	21	N/M	-	21	N/M
Asset management & administration fee *	1,136	1,315	(14%)	3,350	3,991	(16%)
Charter income	2,346	-	N/M	3,458	-	N/M
	4,074	3,385	20%	8,162	7,451	10%

* *Includes income earned by Capital Advisers Co., Ltd. ("Capital Advisers") as the asset manager of hotels and residential projects of $2.3 million (9 months ended 30 Sep 2010: $3.0 million).*

[2] Breakdown of investment returns

	3rd Quarter			9 Months ended 30 September		
	2011 US$'000	2010 US$'000	% Change	2011 US$'000	2010 US$'000	% Change
Interest on performance notes – shipping	-	-	N/M	296	-	N/M
Realized (loss)/ gain on investment – shipping	(26)	-	N/M	63	78	(19%)
Realized gain on investment – hotel and residential	2	161	(99%)	88	167	(47%)
Realized gain on investment – distressed debt	-	339	N/M	-	339	N/M
Realized gain on listed shares – others	48	39	23%	48	39	23%
Property rental income	168	153	10%	459	448	2%
Fair value adjustment on investment properties	(52)	3	N/M	(75)	24	(413%)
Fair value adjustment on investment – hotel and residential	574	(607)	195%	483	(582)	183%
Fair value adjustment on investment – shipping	98	34	188%	384	2,144	(82%)
Fair value adjustment on investment – industrial/ office property	-	(33)	N/M	1,380	(33)	N/M
Fair value adjustment on investment – distressed debt	-	(339)	N/M	-	-	N/M
Fair value adjustment on performance notes – shipping	(619)	233	(366%)	(600)	(599)	0%
Fair value adjustment on performance notes – distressed debt	(2)	22	(109%)	1	17	(94%)
Fair value adjustment on listed shares – others	(168)	52	(423%)	(81)	116	(170%)
Net gain on forward currency contracts	47	53	(11%)	47	53	(11%)
	70	110	(36%)	2,493	2,211	13%

N/M: Not meaningful

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 September 2011	31 December 2010	30 September 2011	31 December 2010
	US$'000	US$'000	US$'000	US$'000
ASSETS				
Non-current assets				
Investment properties	4,969	4,874	-	-
Intangible assets	62	83	-	-
Property, plant and equipment	86,128	27,495	16	16
Loans receivable	7,320	7,389	7,320	7,139
Loans to subsidiaries	-	-	5,216	14,423
Investments	46,165	46,675	30,988	33,512
Investments in subsidiaries	-	-	29,901	6,536
Investments in associates	70	66	-	-
Rental deposit	3,003	2,798	-	-
Derivative financial instruments	55	-	55	-
Deferred tax assets	74	105	-	-
Deposit for purchase of vessels	18,999	17,985	-	-
Total non-current assets	166,845	107,470	73,496	61,626
Current assets				
Investments	1,277	1,358	-	-
Loans receivable	3,322	3,283	400	-
Loans to subsidiaries	-	-	23,922	17,049
Derivative financial instruments	2,273	906	2,273	906
Accounts receivable	5,252	4,197	126	221
Amount due from subsidiaries	-	-	11,738	9,198
Prepayments, deposits and other receivables	1,860	1,506	316	327
Tax recoverable	79	64	-	-
Deposits pledged as collateral	22,766	22,741	21,894	21,869
Cash and bank balances	39,239	26,528	28,600	18,797
Total current assets	76,068	60,583	89,269	68,367
Total assets	242,913	168,053	162,765	129,993

	Group		Company	
	30 September 2011 US$'000	31 December 2010 US$'000	30 September 2011 US$'000	31 December 2010 US$'000
EQUITY				
Equity attributable to owners of the parent				
Share capital	75,167	50,111	75,167	50,111
Share premium	31,319	30,732	31,319	30,732
Retained earnings	20,086	22,224	23,553	25,048
Fair value reserve	9	9	-	-
Hedging reserve	(1,302)	-	-	-
Exchange reserve	4,347	3,975	-	-
Capital reserve	(126)	-	-	-
Total equity attributable to owners of the parent	129,500	107,051	130,039	105,891
Non-controlling interests	80	(74)	-	-
Total equity	129,580	106,977	130,039	105,891
LIABILITIES				
Non-current liabilities				
Borrowings	57,193	1,745	-	-
Finance lease obligations	31	36	-	-
Due to Tokumei Kumiai investors	1,781	1,785	-	-
Retirement benefit allowance	-	273	-	-
Derivative financial instruments	1,356	-	55	-
Other payables	-	117	-	-
Total non-current liabilities	60,361	3,956	55	-
Current liabilities				
Borrowings	43,415	47,138	29,749	22,146
Finance lease obligations	9	8	-	-
Accounts payable	3,153	3,269	-	-
Amount due to subsidiaries	-	-	-	201
Other payables and accruals	4,155	5,531	813	959
Derivative financial instruments	2,109	796	2,109	796
Income tax payable	131	378	-	-
Total current liabilities	52,972	57,120	32,671	24,102
Total equity and liabilities	242,913	168,053	162,765	129,993

NOTES:-

Non-current assets increased by $59.3 million from $107.5 million on 31 December 2010 to $166.8 million on 30 September 2011 due mainly to the following:

1. an increase of $58.6 million in property, plant and equipment (net of depreciation) ("PPE") resulting primarily from the delivery of three handysize bulk carriers held by shipping subsidiaries;
2. a net increase of $1.0 million in the deposits for purchase of vessels due to $10.6 million deposits payments for additional vessels offset by the reclassification of $9.6 million deposits to property, plant and equipment upon the delivery of two handysize bulk carriers;
3. a net decrease in investments by $0.5 million arising from disposal of a ship investment company with fair value of $4.0 million offset by increase in ship investments of $1.4 million and net investment valuation gain of $2.1 million from fair value and translation; and
4. an increase of $0.2 million in rental deposit mainly from translation gain due to strengthening JPY.

Current assets increased by $15.5 million from $60.6 million on 31 December 2010 to $76.1 million on 30 September 2011 due primarily to the following:

1. an increase in derivative financial instruments of $1.3 million arising from a new short-term derivative financial instrument added and increase in fair value of the derivative financial instruments;
2. an increase in prepayments, deposits and other receivables of $0.4 million;
3. an increase in accounts receivable of $1.1 million due mainly from increased in seasonal sales receivable from the Group's hotel business in Japan coupled with translation gain from strengthening JPY rate; and
4. an increase in cash and bank balances of $12.7 million (refer to 1(c) NOTES for elaboration of cash flow movement).

Non-current liabilities increased by $56.4 million from $3.9 million on 31 December 2010 to $60.3 million on 30 September 2011 due primarily to the following:

1. an increase in borrowings of $55.5 million mainly to finance the acquisition of vessels held by shipping subsidiaries and business in Japan (non-current portion of the borrowings);
2. an increase in fair value of non-current derivative financial instruments of $1.3 million;
3. a decrease in retirement benefit allowance of $0.3 million arising from Japan subsidiaries; and
4. a decrease in other payables by $0.1 million.

Current liabilities decreased by $4.1 million from $57.1 million on 31 December 2010 to $53.0 million on 30 September 2011 due primarily to the following:

1. a decrease in current portion of borrowings of $3.7 million due to repayment of short term loan during the period;
2. an increase in derivative financial instruments of $1.3 million arising from a new short-term derivative financial instrument added and increase in fair value of the derivative financial instruments; and
3. a decrease in other payables and accruals of $1.4 million arising mainly from the write-back of the provision of onerous contract on Capital Adviser's hotel operation with the realization of the losses.

The derivative financial instruments in the current assets and current liabilities pertain to short-term forward contracts entered back-to-back with an investment company and a bank.

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

	As at 30 September 2011		As at 31 December 2010	
	Secured	Unsecured	Secured	Unsecured
	US$'000	US$'000	US$'000	US$'000
Amount repayable in one year or less, or on demand	31,383	12,032	38,745	8,393
Amount repayable after one year	57,193	-	1,500	245
Total	88,576	12,032	40,245	8,638

Details of any collateral

The Group's borrowings are secured by means of:

> a legal mortgage over a cash deposit of the holding company

> a legal mortgage over a cash deposit 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	9 Months ended 30 September 2011 US$'000	9 Months ended 30 September 2010 US$'000
Cash flow from operating activities			
(Loss)/ profit before tax		(1,954)	3,678
Adjustments for:			
Investment returns		(2,493)	(2,211)
Amortization and depreciation		1,546	572
Gain on liquidation of subsidiaries		-	(5)
Provision for onerous contracts		1,048	-
Write-back of provision for onerous contracts		(1,987)	(979)
Interest income		(595)	(344)
Finance costs – interest expense		1,160	888
Finance costs – others		89	65
Share of results of associates		-	14
(Loss)/ profit allocation to Tokumei Kumiai investors		(102)	8
Net foreign exchange loss/ (gain)		1,172	(1,879)
		(2,116)	(193)
Change in working capital:			
Net change in accounts receivable		(866)	(1,798)
Net change in prepayments, deposits and other receivables		(227)	(83)
Net change in retirement benefit allowance		(289)	11
Net change in accounts payable		(26)	866
Net change in other payables and accruals		1	(296)
Cash used in operations		(3,523)	(1,493)
Interest received on bank balances		26	36
Tax paid		(402)	(247)
Net cash used in operating activities	[1]	(3,899)	(1,704)

	Note	9 Months ended 30 September 2011 US$'000	2010 US$'000
Cash flow from investing activities			
Acquisition of a subsidiary		-	1
Deconsolidation of a subsidiary		-	(160)
Purchase of investments		(435)	(6,713)
Proceeds from redemption/ sale of investments		4,222	1,381
Deposits paid for purchase of vessels		(10,587)	(13,539)
Purchase of property, plant and equipment		(49,029)	(41)
Loan advanced		(1,951)	(5,498)
Loan repaid		1,277	283
Interest received from loans		484	282
Net increase in deposits pledged as collateral		(64)	(8,962)
Proceeds from investments		507	909
Proceeds from property rental		452	474
Net cash used in investing activities	[2]	(55,124)	(31,583)
Cash flow from financing activities			
Proceeds from issuing shares		25,961	-
Rights issue expenses		(318)	-
New borrowings		87,507	26,434
Repayment of borrowings		(37,673)	(20,756)
Interest paid on borrowings		(2,843)	(517)
Payment of lease obligation		(6)	(7)
Net cash generated from financing activities	[3]	72,628	5,154
Net increase/ (decrease) in cash and cash equivalents		13,605	(28,133)
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the period		26,528	53,319
Net increase/ (decrease) in cash and cash equivalents		13,605	(28,133)
Effects of exchange rate changes		(894)	2,220
Cash and cash equivalents at end of the period		39,239	27,406

NOTES:

[1] Cash flows used in operating activities of $3.9 million for the nine months ended 30 September 2011 (hereafter referred to as "**3Q2011**") [for the nine months ended 30 September 2010 (hereafter referred to as "**3Q2010**"), the amount was $1.7 million] comprised of:

(i) net loss before tax of $2.1 million after adjusting for non-cash items in the income statement;
(ii) net cash outflow of working capital of $1.4 million during the period due mainly to an increase in receivables and a decrease in payables; and
(iii) $0.4 million in tax paid.

[2] Cash flows used in investing activities were $55.1 million for 3Q2011 compared to $31.5 million for 3Q2010. The net cash outflows resulted primarily from:

(i) $49.0 million paid for the delivery of three vessels;
(ii) $10.6 million net deposits paid for purchase of vessels;
(iii) net loan advance of $0.7 million for shipping-related loan investment;
(iv) $0.4 million for purchase of investment;

offset by net cash inflows from:

(v) proceeds from disposal of $4.2 million comprised mainly of the disposal proceeds from shipping investment of $4.0 million;
(vi) $0.5 million interest received from loans to investment companies;
(vii) proceeds from investment of $0.5 million; and
(viii) proceeds from property rental of $0.4 million.

[3] Cash flows generated from financing activities were $72.6 million for 3Q2011 (3Q2010: $5.1 million) due mainly to:

(i) net proceeds from rights issue of $25.6 million;
(ii) net drawdown of $49.8 million in borrowings during the period mainly to finance the purchase of vessels; offset by
(iii) interest paid on borrowings of $2.8 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.

Group	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
(Loss)/ profit for the period	-	-	(2,138)	-	-	-	-	(2,138)	24	(2,114)
Other comprehensive (expense)/ income	-	-	-	-	(1,302)	372	-	(930)	4	(926)
Total comprehensive (expense)/ income	-	-	(2,138)	-	(1,302)	372	-	(3,068)	28	(3,040)
Capital reserve	-	-	-	-	-	-	(126)	(126)	126	-
Balance at 30 September 2011	75,167	31,319	20,086	9	(1,302)	4,347	(126)	129,500	80	129,580
Balance at 1 January 2010	50,111	30,732	19,812	(57)	-	3,841	-	104,439	-	104,439
Profit/(loss) for the period	-	-	3,559	-	-	-	-	3,559	(60)	3,499
Other comprehensive income/ (expense)	-	-	-	66	-	60	-	126	(25)	101
Total comprehensive income/ (expense)	-	-	3,559	66	-	60	-	3,685	(85)	3,600
Acquisition of a subsidiary	-	-	-	-	-	-		-	1	1
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	-	18	18
Balance at 30 September 2010	50,111	30,732	23,371	9	-	3,901	-	108,124	(66)	108,058

Company	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
Balance 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 period	-	-	(1,495)	-	-	-	-	(1,495)	-	(1,495)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	(1,495)	-	-	-	-	(1,495)	-	(1,495)
Balance at 30 September 2011	75,167	31,319	23,553	-	-	-	-	130,039	-	130,039
Balance at 1 January 2010	50,111	30,732	22,021	-	-	-	-	102,864	-	102,864
Profit for the period	-	-	4,213	-	-	-	-	4,213	-	4,213
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	4,213	-	-	-	-	4,213	-	4,213
Balance at 30 September 2010	50,111	30,732	26,234	-	-	-	-	107,077	-	107,077

*** 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 [(1)]	156,597,600	25,056
Share premium from new shares issued	-	905
Rights issue expenses	-	(318)
The total number of issued ordinary shares as at 30 September 2011	469,792,800	106,486

The Company did not have any convertibles or treasury shares as at 30 September 2011, 31 December 2010 and 30 September 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 30 September 2011	As at 31 December 2010
Total number of issued shares	469,792,800	313,195,200

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 period 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 period 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.

	3rd Quarter		9 Months ended 30 September	
	2011	2010	2011	2010
(Loss)/ profit attributable to owners of the parent (US$'000)	(1,500)	2,479	(2,138)	3,559
Weighted average number of ordinary shares in issue ('000)	393,196	313,195	340,155	313,195
(Loss)/ earnings per share (US cent per share) - basic and diluted	(0.38)	0.79	(0.63)	1.14

Basic earnings/ (loss) per share is calculated by dividing the profit/ (loss) attributable to owner 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 September 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 period

- 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.
- During the quarter, the Group, through its wholly owned subsidiary, Luna Bulkship S.A., acquired a 28,300 dwt second hand handy bulk carrier from Sunrise Shipping S.A., a ship owning joint investment company in which the Group had a shareholding interest of 46%. Following the acquisition, Sunrise Shipping S.A. was dissolved and proceeds distributed to the Group. The acquired vessel was delivered on 12 September 2011 and time chartered out.
- On 23 September 2011, the Group's wholly owned subsidiary Imperial Bulkship S.A. entered into a three-year time charter for the vessel which was expected to be delivered in the second quarter of 2012.
- On 1 September 2011, as part of the Group's restructuring exercise, the Group transferred all the shares of the three core hotel operating companies of the Group, namely Vista Hotel Management Co., Ltd., Sun Vista East Co., Ltd., and Sun Vista Co., Ltd from Capital Advisers Co., Ltd. to Uni-Asia Hotels Limited, a new wholly owned Hong Kong-incorporated subsidiary of the Group. Following the transfer, Uni-Asia Hotels Limited will function as the holding company for the Group's hotel operating business in Japan.
- On 30 September 2011, the Group, through its wholly owned subsidiary, Sun Vista East Co., Ltd., entered into a share transfer agreement to acquire all the shares of RISA Partners NAHA, INC., a hotel owning and operating company in Japan. The acquisition was completed in 4Q2011 and RISA Partners NAHA, INC., was renamed Sun Vista Naha Co., Ltd.. Sun Vista Naha Co., Ltd. had entered into a hotel leasing contract to operate Hotel JAL City Naha in Naha City, Okinawa Prefecture from 4Q2011. With this new leasing contract, the Group will operate a total of 14 hotels in Japan.

Review of Income Statement

For 3Q2011, the Group recorded net loss of $2.1 million compared to net profit of $3.5 million in 3Q2010. Total income increased marginally by 3% to $38.1 million from $37.1 million.

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

Fee income amounted to $8.2 million for 3Q2011. (*Refer to 1(a) NOTES [1] for breakdown of fee income).* Charter income from the vessel owning subsidiaries totaled $3.5 million following delivery of the vessels. Asset management and administration fee was $3.4 million for 3Q2011 compared to $4.0 million for 3Q2010 due mainly to the disposals of some assets managed by Capital Advisers. Arrangement and agency fee income was $0.4 million for 3Q2011 as compared to $2.2 million for 3Q2010 due to a one-off structured finance arrangement fee earned in 2010. Brokerage commission fee income decreased to $0.9 million for 3Q2011 from $1.3 million for 3Q2010 to as a result of a one-off brokerage commission earned by Capital Advisers in 2010.

Hotel income refers to all income related to the Group's hotel business in Japan. As at 30 September 2011, there were thirteen limited service 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 $26.5 million for 3Q2011 and $25.8 million for 3Q2010.

Investment returns improved by 13% from $2.2 million for 3Q2010 to $2.5 million for 3Q2011 (*Refer to 1a NOTES [2] for breakdown of investment returns*). The increase was due mainly to the increase in fair value gain of $1.4 million from the investment in the industrial/ office property; increase in fair value gain of $1.0 million from the investments in hotel and residential in Japan; offset by reduction in fair value gain of shipping investments of $1.7 million.

Total operating expenses was $38.9 million for 3Q2011 (3Q2010: $32.4 million). Employee benefits expenses (EBE/ staff cost) increased by $1.1 million. Amortization and depreciation increased by $0.9 million from $0.6 million in 3Q2011 to $1.5 million in 3Q2010 due primarily to depreciation of vessels delivered in 2Q2011. Vessel operating expenses arising from the new vessels amounted to $1.1 million in 3Q2011. The Group's other operating expenses increased slightly from $24.4 million in 3Q2010 to $24.6 million in 3Q2011. The increase is due to, inter alia, the Group's Japan hotel leases, hotel sub-operator fee and hotel operating expenses, which represented 79% of the Group's other operating expenses, being translated at a higher exchange rate due to the strengthening JPY. The Group's hotel leases, hotel sub-operator fee and hotel operating expenses thus increased from $19.1 million in 3Q2010 to $19.5 million in 3Q2011 in USD terms although in JPY terms the expenses had decreased. Strengthening JPY had also resulted in a net foreign exchange loss of $1.2 million in 3Q2011 for the Group due mainly to the Group's JPY loan exposure.

Net operating loss for 3Q2011 amounted to $0.8 million.

Finance cost for 3Q2011 was $1.2 million as compared to $0.9 million for 3Q2010 due mainly to an increase in borrowing to finance the new vessels. The Group's net loss after tax was $2.1 million for 3Q2011.

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 inflation in China continue to put pressure on global economy. Shipping market continues to be challenging across bulkers, containers and crude/product tankers sectors. Such environment may have impact on the Group's shipping portfolio valuation and structured finance business.

The Group's investments in Tianhe Bei District, Guangzhou continue to be fully leased. In Hong Kong, the property market is still generally strong although there are signs of Top Tier Grade A office leasing market easing in the third quarter of 2011. The Group's investments in Guangzhou and Hong Kong are dependent on the office property outlook of these markets.

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 13 hotels operated by the Group was 79.5% for the third quarter of 2011 as compared to 79.0% for the third quarter of 2010 as the tourism industry in Japan began to pick up.

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 third quarter ended 30 September 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.

BY THE ORDER OF THE BOARD
Kazuhiko Yoshida
Chairman, CEO
11 November 2011

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 third quarter ended 30 September 2011 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Kazuhiko Yoshida
Chairman, CEO

Michio Tanamoto
COO

Date: 11 November 2011