**UNI-ASIA FINANCE CORPORATION**
(Company Registration No. CR-72229)

**UNAUDITED HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS**

1 (a) **An income statement for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

(i) **Group Income Statement for half year ended 30 June 2007. These figures have not been audited.**

| | Half year ended 30 June | | % |
|---|---|---|---|
| | 2007 US$'000 | 2006 US$'000 | Change |
| Fee income | 6,482 | 3,658 | 77 |
| Investment returns | 6,344 | 3,531 | 80 |
| Interest income | 995 | 731 | 36 |
| Other income | 13 | 12 | 8 |
| Total income | 13,834 | 7,932 | 74 |
| Employee benefits expense | (3,472) | (2,917) | 19 |
| Depreciation expense | (172) | (106) | 62 |
| Other expenses | (1,559) | (1,633) | (5) |
| (Loss)/ gain on disposal of fixed assets | 12 | (4) | 400 |
| | (5,191) | (4,660) | 11 |
| Operating profit | 8,643 | 3,272 | 164 |
| Finance costs - interest expense | (19) | (40) | (53) |
| Share of profit of associates after tax | 642 | 2,142 | (70) |
| Profit before income tax | 9,266 | 5,374 | 72 |
| Income tax expense | (230) | (631) | (64) |
| Profit for the year | 9,036 | 4,743 | 91 |
| Earnings per share ($US per share) for profit attributable to the equity holders of the company during the year - basic and diluted | US$0.052 | US$0.169 | |
| * Adjusted earnings per share (US$ per share) to account for effect of consolidation and sub-division of ordinary shares as mentioned in 1(d)(ii) | US$0.052 | US$0.027 | |

*Note: Based on the number of shares outstanding as at June 30th 2007 of 175 million shares*

### (ii) Breakdown and explanatory notes to income statement

| | Half year ended 30 June 2007 US$'000 | 2006 US$'000 | % Change |
|---|---|---|---|
| Profit before tax is arrived at after (charging)/ crediting: | | | |
| Investment income | 7,256 | 888 | 717 |
| Other income including interest income | 1,008 | 743 | 36 |
| Depreciation and amortisation | (172) | (106) | 62 |
| Net fair value gain/ (loss) on performance notes and investment in shipping business | (968) | 2,643 | (137) |
| Foreign exchange gain/ (loss) | (121) | 8 | (1,613) |

NOTES:

[1] The increase in fee income stems primarily from an increase in finance arrangement fee and investment returns. The Group was able to close and complete more finance arrangement transactions compared to last year. During the period, two vessels held under our principal investments were disposed of. In addition, Searex Series II fund also disposed of the last remaining vessel under administration. The disposal of three vessels brought about an increase in investment returns to the Group.

[2] The increase in operating expenses is due primarily to an increase in headcount from 29 at the end of June 2006 to 32 at the end of June 2007.

1 (b) (i) **A balance sheet for the group, together with a comparative statement as at the end of the immediately preceding financial year.**

| | 30 June 2007 US$'000 | 31 December 2006 US$'000 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Investment Property | 2,861 | - |
| Property, plant and equipment | 572 | 652 |
| Loans receivable | 2,500 | 2,500 |
| Investments | 16,583 | 19,249 |
| Investments in associates | 8,782 | 8,472 |
| Deposit for purchase of vessel | - | 3,944 |
| | 31,298 | 34,817 |
| **Current assets** | | |
| Loans receivable | 4,004 | 3,050 |
| Rental and utility deposits paid | 388 | 375 |
| Deposits pledged as collateral | 5,208 | 5,053 |
| Accounts receivable | 4,589 | 1,491 |
| Derivative financial instruments | - | 163 |
| Prepaid expenses | 262 | 235 |
| Interest receivable | 109 | 74 |
| Amount due from associates | 14 | 4 |
| Cash and bank balances | 28,959 | 22,205 |
| Tax receivable | - | 105 |
| | 43,533 | 32,755 |
| **Total assets** | 74,831 | 67,572 |
| **EQUITY** | | |
| **Capital and reserves attributable to equity holders of the company** | | |
| Share capital | 28,000 | 28,000 |
| Other reserves | (373) | (223) |
| Retained earnings | 39,345 | 31,989 |
| **Total equity** | 66,972 | 59,766 |
| **LIABILITIES** | | |
| **Non-current Liabilities** | | |
| Deferred tax liabilities | 739 | 636 |
| | 739 | 636 |

| | 30 June 2007 US$'000 | 31 December 2006 US$'000 |
|---|---|---|
| **Current Liabilities** | | |
| Amount due to associate | 9 | 1 |
| Borrowings | 4,065 | 4,222 |
| Accounts payable | 210 | 278 |
| Derivative financial instruments | - | 144 |
| Accrued expenses | 2,678 | 2,462 |
| Tax payable | 158 | 63 |
| **Total current liabilities** | 7,120 | 7,170 |
| **Total equity and liabilities** | 74,831 | 67,572 |

NOTES:

[1] The decrease in non current assets is primarily due to the disposal of two vessels held directly by the Group, the transfer of a vessel/ Panmax directly held by the Group to the Akebono Fund, offset by the acquisition of an investment property project in China.

[2] The increase in current assets is due primarily to the transfer of Panmax to the Akebono fund where the loan to Panmax for the deposit had been reclassified under loans receivable, increase in accounts receivables from dividend income to be received from the disposal of a vessel, accrued interest fee and charter brokerage income and the increase in cash and bank balances.

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

**Amount repayable in one year or less, or on demand**

| As at 30 June 2007 | | As at 31 December 2006 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| US$'000 | US$'000 | US$'000 | US$'000 |
| 4,065 | - | 4,222 | - |

**Details of any collateral**

Included in borrowings is a secured loan of JPY502m (approximately US$4,065k) collateralized by a cash deposit of US$5,208k with the same financial institution (Dec 2006: a loan totaling JPY502m (approximately US$4,222) collateralized by a cash deposit of approximately US$5,053k with the same financial institution).

1 (c) **A cash flow statement for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

| | Half year ended 30 June | |
|---|---|---|
| | 2007 | 2006 |
| | US$'000 | US$'000 |
| **Cash flows from operating activities** | | |
| Profit before taxation | 9,267 | 5,374 |
| Adjustments for: | | |
| Depreciation | 172 | 106 |
| Interest income | (995) | (731) |
| Interest expenses | 19 | 40 |
| Results of associates | (642) | (2,142) |
| Interest income from loans to associate | - | (2) |
| Net foreign exchange (gain)/ loss | 121 | (8) |
| (Gain)/ Loss on disposal of fixed assets | (12) | 4 |
| Investment returns | (6,344) | (3,531) |
| (Increase)/ Decrease in rental and utility deposits paid | (14) | 77 |
| (Increase)/ Decrease in accounts receivable | (3,265) | 85 |
| (Increase)/ Decrease in prepaid expenses | (27) | 71 |
| (Increase)/ Decrease in other deposits | 3,944 | - |
| (Increase)/ Decrease in amount due from associates | (10) | (6) |
| Increase/ (Decrease) in accounts payable | (69) | 763 |
| Increase/ (Decrease) in accrued expenses | 214 | (337) |
| Increase/ (Decrease) in amount due to associates | 8 | (11) |
| Cash generated from Group's operations | 2,367 | (248) |
| Interest received on bank balances | 623 | 628 |
| Income tax (paid) / reimbursement | 73 | (298) |
| Net cash generated from operating activities | 3,063 | 82 |
| **Cash flows from investing activities** | | |
| Cash flows from investments: | | |
| Purchase of investments | (5,431) | (4) |
| Sales of investments | 7,129 | 499 |
| Cash flows from associates: | | |
| Repayment of principal and interest from loans to associate | - | 758 |

| | Half year ended 30 June | |
|---|---|---|
| | 2007 | 2006 |
| | US$'000 | US$'000 |
| Cash flows from other investing activities: | | |
| Purchase of investment property | (2,861) | - |
| Purchase of fixed assets | (93) | (735) |
| Proceeds from disposal of fixed assets | 13 | - |
| Loans advanced | (4,004) | (5,222) |
| Loan repaid | 3,050 | 50 |
| Interest received from syndicated loans | 338 | 92 |
| Decrease in deposits pledged as collateral | - | 5,122 |
| Proceeds received from interest on performance notes | 1,732 | 1,215 |
| Proceeds received from principal investment in ships | 5,691 | - |
| Purchase of foreign exchange contracts | - | - |
| Proceeds from settlement of foreign exchange contracts | 74 | - |
| Net cash generated from investing activities | 5,638 | 1,775 |
| **Cash flows from financing activities** | | |
| Interest paid on borrowings | (16) | (39) |
| New borrowings | - | 2,220 |
| Repayment of borrowings | - | (4,677) |
| Dividend paid | (1,680) | (1,400) |
| IPO expenses | (150) | - |
| Net cash used in financing activities | (1,846) | (3,896) |
| Net (decrease)/increase in cash and cash equivalents | 6,855 | (2,039) |
| Movements in cash and cash equivalents: | | |
| Cash and cash equivalents at beginning of period | 22,205 | 27,544 |
| Net (decrease) / increase in cash and cash equivalents | 6,855 | (2,039) |
| Effects of exchange rate changes | (101) | (146) |
| Cash and cash equivalents at end of period | 28,959 | 25,359 |

NOTES:

[1] Cash generated from operation improved primarily due to a stronger level of fee income from structured finance and charter brokerage arrangement which was booked during the period. The rise in fee income offset changes in working capital including the increase in accounts receivable.

[2] The improvement in cash generated from investing activities is due to an increase in proceeds from sale of investments, an increase in proceeds from interest on performance notes arising from the disposal of one vessel under Searex during the period and proceeds received from principal investment in ships due to the disposal of two vessels held directly by the Group, offset mainly by an increase in purchase of investments and purchase of property in China.

[3] The decrease in cash used in financing activities is due to the absence of new bank borrowing from the Group.

**1 (d) (i) A statement for the group 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$'000 | Retained earnings US$'000 | Other reserve US$'000 | Reserve US$'000 | Total US$'000 |
|---|---|---|---|---|---|
| Balance at 1 January 2007 | 28,000 | 31,989 | (223) | - | 59,766 |
| Net investment hedge | - | - | - | - | - |
| Currency translation difference | - | - | - | - | - |
| Profit for the year | - | 9,036 | - | - | 9,036 |
| IPO expense | - | - | (150) | - | (150) |
| Dividend paid | - | (1,680) | - | - | (1,680) |
| Balance at 30 June 2007 | 28,000 | 39,345 | (373) | - | 66,972 |
| Balance at 1st January 2006 | 28,000 | 21,956 | - | - | 49,956 |
| Net investment hedge | - | - | - | 159 | 159 |
| Currency translation difference | - | - | - | - | - |
| Profit for 6 months and total recognized income for 2006 | - | 4,743 | - | - | 4,743 |
| | 28,000 | 26,699 | - | 159 | 54,858 |
| Dividend | - | (1,400) | - | - | (1,400) |
| Balance at 30 June 2006 | 28,000 | 25,299 | - | 159 | 53,458 |

**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 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.**

On 26 June 2007, share capital of the company was enlarged to 175,000,000 ordinary shares at the par value of US$0.16 each after the company proposed to consolidate 16 ordinary shares of par value of US$1.00 into one (1) ordinary share of par value of

US$16.00 each (the "Consolidation") and then to sub-divide every one (1) ordinary share of par value of US$16.00 into 100 ordinary shares of par value of US$0.16 each (the "Sub-division") (2006 : 28,000,000 shares at US$1.0 per share).

On 17 August 2007, the Company issued 65,400,000 new shares by way of public offer and placement on the Singapore Stock Exchange which increased the number of ordinary shares issued from 175,000,000 to 240,400,000.

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 2006.

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.**

Not applicable

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.**

| | Half year ended 30 June | |
|---|---|---|
| | 2007<br>US$'000 | 2006<br>US$'000 |
| Profit attributable to equity holders of the Company | 9,036 | 4,743 |
| Weighted average number of ordinary shares in issue | 175,000 | 28,000 |
| Earnings per share (US$ per share) - basic and diluted | 0.052 | 0.169 |
| * Adjusted earnings per share (US$ per share) to account for effect of consolidation and sub-division of ordinary shares as mentioned in 1(d)(ii) | 0.052 | 0.027 |

Note: Based on 175 million shares which was outstanding as at June 30th 2007

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares during the year. The Group has one category of potential ordinary shares: share options issued in 2004 by an associate company. These share options are not considered to have a dilutive effect on earnings per share.

7 **Net asset value for the group per ordinary share based on issued share capital of the issuer at the end of the:**

(a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

| | 30 June 2007 | 31 December 2006 |
|---|---|---|
| Net asset value per ordinary share based on issued share capital at the end of (in US$) | 0.38 | 2.13 |
| * Adjusted net asset value per ordinary share to account for the effect of consolidation and subdivision of ordinary shares as mentioned in 1(d)(ii) (US$) | 0.38 | 0.34 |

*Note: * Based on number of shares outstanding as at June 30th 2007 of 175 million shares*

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

Overview

The Group's interim profit increased by 91% from $4.7 million in HY2006 to $9.0 million in HY2007 on the back of a 74% increase in total income from $7.9 million to $13.4 million due primarily to increase in contribution from our shipping activities brought about from the disposal of two vessels held by the Group and the launch of the Akebono Shipping Fund.

Fee Income

| | 2007 June USD'000 | % | 2006 June USD'000 | % |
|---|---|---|---|---|
| **Fee income** | | | | |
| Corporate finance arrangement, brokerage and agency fee | 5,003 | 77% | 2941 | 80% |
| Agency, advisory, administration and incentive fees from distressed loans | 140 | 2% | 217 | 6% |
| Administration and incentive fees from shipping investment management | 1,339 | 21% | 500 | 14% |
| | 6,482 | 100% | 3,658 | 100% |

The Group's fee income rose by 77% from $3.7 million in HY2006 to $6.5 million in HY2007 due primarily to a 70% increase in income from our structured finance arrangement activities. This was due to the launch of the Akebono Fund as well as an increase in volume of finance arrangement and charter brokerage transactions arranged by the Group during the period.

**Investment Returns**

The Group's investment returns during the period rose by 80% from $3.5million in HY2006 to $6.3 million in HY2007 due primarily to an increased investment return arising from the disposal of two vessels held directly by the Group and one vessel held under Searex (US$7.0 million in total), offset by negative fair value adjustment arising mostly from the reversal of the amount of fair value historically booked on the three vessels. We don't expect any other disposal of vessels other than three container vessels held by the Group to be sold to the Akebono Fund in the second half of 2007 of which we expect to realize investment returns of approximately US$0.5 million.

**Profitability**

The Group's operating profit grew by 164% from $3.3 million in HY2006 to $8.6 million in HY2007. Contribution from our associated company dropped 70% from $2.1 million in HY2006 to $0.6 million in HY2007 due to the disposal of three hotels during HY2006 which resulted in high investments returns/exceptional returns to Capital Advisers during the last interim period.

**Profit for the six-month period**

Our profit for the six-month period increased by 91% from $4.3 million in HY2006 to US$9.0 million in HY2007

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 container ship market continued to grow through the 2nd quarter of 2007 and the increase in newbuilding/ second hand vessel prices and charter hires was sustained as most of liner companies tried to secure necessary tonnage to meet the market demand. The bulk carrier and tanker market also remained firm because of continuous strong global trade growth.

The shipping operators/owners demand for structured finance arrangement has remained steady due to a large supply of newbuilding vessels. The appetite from fund providers including banks for debt finance and investors for tax enhanced leasing has continued to be strong and the pricing has stayed competitive in the market.

As a number of shipping operators/owners have looked to refinance vessels by sale and charter back, there has been a steady deal flow for ship investment in the market.

The property market in Japan and China remained firm in terms of the property prices as well as the rentals through the 2nd quarter of 2007 due to sustainable economic growth in these areas.

**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 interim dividend has been declared / recommended by the Directors for the half year ended 2007.

**BY THE ORDER OF THE BOARD**

Kazuhiko Yoshida
CEO, Executive Director
$17^{th}$ September 2007

**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) 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 2007 to be false or misleading.

On behalf of the Board of Directors

Kazuhiko Yoshida
CEO and Executive Director

Michio Tanamoto
COO and Executive Director

Date: 17th September 2007

*The initial public offering of shares of Uni-Asia Finance Corporation (the "Offering") commenced on 8 August 2007 and closed on 15 August 2007. In the Offering, DBS Bank Ltd was the Manager, Underwriter and Placement Agent.*