

UNI-ASIA FINANCE CORPORATION

Company Registration No. CR-72229

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

INCREASE IN THE ISSUED AND PAID-UP CAPITAL OF AN INVESTEE COMPANY AND DISBURSEMENT OF RIGHTS ISSUE PROCEEDS

1. Increase in the issued and paid-up capital of an investee company

The Board of Directors (the “**Board**”) of Uni-Asia Finance Corporation (the “**Company**”) refers to the announcement dated 13 April 2012 and wishes to announce the increase in the issued and paid-up capital of Joule Asset Management (Pte.) Limited (“**Joule**”), and the acquisition by the Company of additional newly issued shares in the capital of Joule (the “**Share Acquisition**”).

(a) **Joule.** As announced previously, Joule was incorporated on 15 March 2012 in Singapore for the purpose of acquiring a newbuilding handysize bulk carrier (“**New Vessel**”) (the “**Vessel Acquisition**”). Before the Share Acquisition, the issued and paid up capital of Joule was US\$50,000 comprising 50,000 ordinary shares, of which 25,000 shares or 50% were registered in the name of the Company and Green Ocean Shipping Ltd (“**Green Ocean**”) respectively.

(b) **Share Acquisition.** Joule has increased its issued share capital from US\$50,000 to US\$1,290,000 by issuing 1,240,000 ordinary shares, of which 620,000 shares or 50% of the newly issued shares were allotted to the Company and Green Ocean respectively. The subscription price of US\$620,000 for 620,000 shares in Joule issued to the Company at US\$1 each was determined after taking into account the capital and funding requirements of Joule and has been satisfied in full in cash on 24 April 2012. After the increase in issued and paid-up capital of Joule, the percentage of shareholding interest of the Company remains at 50%.

(c) **Vessel Acquisition.** The New Vessel is a 29,000 dwt handysize bulk carrier and is currently being built by Yangzhou Nakanishi Shipbuilding Co., Ltd. (the “**Builder**”) in China. Joule entered into a Memorandum of Agreement with the seller of the New Vessel, Xiamen C&D Shipbuilding Trading Co., Ltd., and the Builder on 23 April 2012. The contract price for the Vessel Acquisition is US\$20.5 million and was determined on the basis of the prevailing market price for similar vessels. No valuation has been conducted on the New Vessel. The New Vessel is scheduled to be delivered in May 2012 and Joule is currently considering several funding options to finance the Vessel Acquisition.

(d) **Time Charter Agreement for New Vessel.** In connection with the Vessel Acquisition, a time charter contract was committed with Lauritzen Bulkcarriers A/S for a tenor of two years,

commencing on delivery of the New Vessel ("**Time Charter Agreement**").

(e) **Chapter 10 of the SGX-ST Listing Manual.** Both the Share Acquisition and the Vessel Acquisition are in the ordinary course of the Company's business. In view of the foregoing, neither the Share Acquisition nor the Vessel Acquisition constitutes a "transaction" for the purpose of Chapter 10 of the SGX-ST Listing Manual.

(f) **Accounting Treatment** Joule is booked as an investment of the Company in accordance with IAS 39

(g) **Financial Effect.** The Share Acquisition and Vessel 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.

(h) **Interest of Directors and Controlling Shareholders.** None of the Directors and controlling shareholder of the Company has any interest, direct or indirect, in the Share Acquisition and the Vessel Acquisition.

2. Usage of Rights Issue Proceeds

The Board also wishes to provide an update on the use of net proceeds (the "**Rights Issue Proceeds**") of US\$25.6 million¹ (equivalent to S\$30.9 million) raised from its rights issue (the "**Rights Issue**") of 156,597,600 new ordinary shares in the capital of the Company in August 2011, in accordance with the uses of proceeds described in the section entitled "Part IV - Key Information - Use of Proceeds from Offer and Expenses Incurred" of the offer information statement (the "**OIS**") dated 18 July 2011.

The Board wishes to update shareholders that the Company has additionally utilised approximately US\$2.15 million of the Rights Issue Proceeds as follows:

(a) approximately US\$0.025 million has been utilised to subscribe for shares issued by Joule on 13 April 2012, as announced on 13 April 2012;

¹ The estimated net proceeds from the Rights Issue, after deducting estimated expenses associated with the Rights Issue, was stated in the offer information statement dated 18 July 2011 as US\$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 US\$25.6 million as the actual exchange rate was US\$1.00=S\$1.2064.

- (b) approximately US\$0.62 million has been utilised to subscribe for additional shares issued by Joule on 24 April 2012, as stated in paragraph 1(b) above; and
- (c) approximately US\$1.505 million has been utilised to provide a shareholder's loan to Joule in connection with the Vessel Acquisition on 24 April 2012.

The above uses of the Rights Issue Proceeds were in accordance with the uses of proceeds described in the section entitled "Part IV - Key Information - Use of Proceeds from Offer and Expenses Incurred" of the OIS.

Following the foregoing utilisation of proceeds together with the utilisation of approximately US\$6.1 million, approximately US\$14.6 million, approximately US\$1.3 million and approximately US\$1.7 million previously announced on 23 August 2011, 14 September 2011, 6 October 2011 and 11 November 2011 respectively, the Rights Issue Proceeds has been fully disbursed.

For and on behalf of
Uni-Asia Finance Corporation

24 April 2012