

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 FOR THE PROPOSED ACQUISITION OF A VESSEL

The Board of Directors (the “**Board**”) of Uni-Asia Finance Corporation (the “**Company**”) is pleased to announce that the Company has, through Uni-Asia Shipping Limited (“**Uni-Asia Shipping**”), a wholly owned subsidiary of the Company, acquired a new wholly owned Panama-incorporated subsidiary known as Karat Bulkship. S.A. (“**Karat Bulkship**”) as a ship owning company for the purpose of acquiring a 28,709 dwt second hand handy bulk carrier (the “**Vessel**”) to be delivered in the second quarter of 2011 (the “**Proposed Acquisition**”).

1. **Karat Bulkship.** Karat Bulkship was incorporated in Panama on 23 February 2011 with an authorised share capital of US\$ 10,000. As of the date hereof, the Company is in the process of payment for the subscription of an issued and paid-up share capital of US\$ 10,000 comprising 100 ordinary shares of US\$ 100 each, of which the subscription price will be paid for in full by the Company in cash. The acquisition of Karat Bulkship will be made with the Company’s internal funds. The directors of Karat Bulkship comprise staff of the Company and do not include any Directors of the Company.

2. **Material Terms of the Proposed Acquisition.** On 4 March 2011, the Vessel was put on sale at a judicial auction sale under Japanese court procedure by the Hakodate District Court (the “**Court**”). On 11 March 2011, the court officially announced that Karat Bulkship was awarded the right to purchase the vessel as the successful bidder. The consideration for the acquisition is approximately US\$ 20 million and was derived at after taking into account, *inter alia*, the price approved by the court and other acquisition costs. An initial payment of JPY 280 million was made to the Court at the time of participation in the auction on 4 March 2011 and the balance of payment is to be paid upon delivery of the vessel which is expected to occur in the month of April 2011. Payment of consideration for the Proposed Acquisition will be financed in part by a short-term bridge loan which will eventually be succeeded by a long-term loan; as of the date hereof, the Company is in discussions with several financial institutions to arrange for the loans. Such financing arrangements will be finalised after further discussions with third party financial institutions.

3. **Time Charter Agreement for New Vessel.** The Company is currently in negotiations with potential charterers in respect of charter arrangements to be entered into for the Vessel.

4. **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.

5. **Rationale for the Proposed Acquisition.** The Proposed Acquisition is intended to benefit the Company through a receipt of charter income and is an opportunity for the Company to acquire a vessel at a significant discount to market price.

6. **Financial effects.** Subject to successful negotiations for charter arrangements to be entered into for the Vessel, the acquisition of Karat Bulkship and the Proposed Acquisition will be expected to contribute to the revenue and profit of the company in the financial year ending 2011. Save as disclosed above, the acquisition of Karat Bulkship 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.

7. **Interests of Directors and Controlling Shareholders.** None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the establishment of acquisition of Karat Bulkship or the Proposed Acquisition.

8. **Effects of the Recent Earthquake and Tsunami.** The Vessel, which is stationed at Hakodate, Hokkaido prefecture, was not damaged or structurally affected by the recent earthquake and subsequent tsunami that struck Japan last Friday, 11 March 2011, and remains operational.

For and on behalf of
Uni-Asia Finance Corporation

14 March 2011