

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 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 Luna Bulkship S.A. (“**Luna Bulkship**”) as a ship owning company for the purpose of acquiring a 28,300 dwt second hand handy bulk carrier (the “**Vessel**”) to be delivered in the third quarter of 2011 (the “**Proposed Acquisition**”).

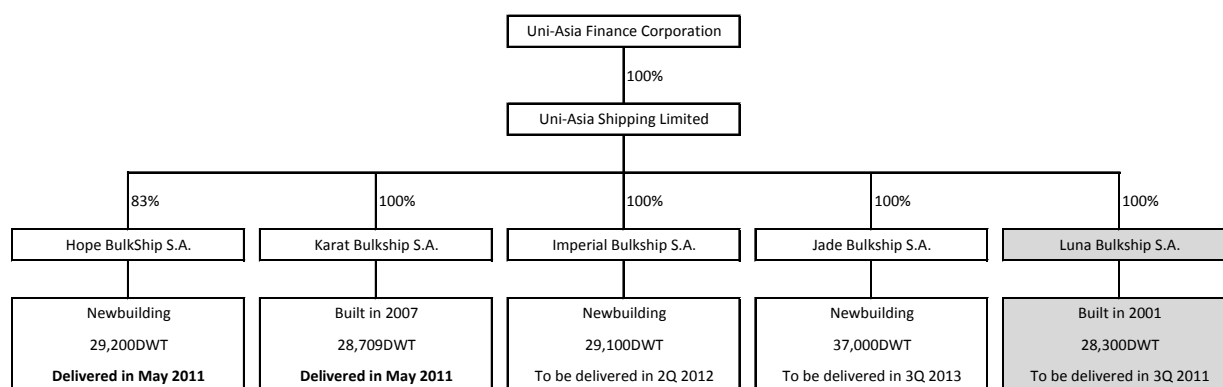
1. **Luna Bulkship.** Luna Bulkship was incorporated in Republic of Panama on 3 August 2011 with an authorised share capital of US\$10,000. As at the date hereof, the Company is in the process of payment for the subscription of the issued and paid-up share capital of Luna Bulkship of US\$10,000 comprising 100 ordinary shares of US\$100 each, of which the subscription price will be paid for by the Company in cash in full. The acquisition of Luna Bulkship will be made with the Company’s internal funds. The directors of Luna Bulkship comprise of staff of the Company and do not include any Directors of the Company.

2. **Material Terms of the Proposed Acquisition.** The Vessel was built by Kanda Shipbuilding Co., Ltd. in Japan in 2001. The Vessel had been held by Sunrise Shipping S.A., a ship owning joint investment company in which the Company has a shareholding interest of 46% (“**Sunrise Shipping**”). The Memorandum of Agreement (the “**Memorandum of Agreement**”) was entered into between the Sunrise Shipping and Luna Bulkship on 17 August 2011. The total consideration for the Proposed Acquisition including acquisition expenses is approximately US\$19.3 million and was derived at after taking into account, *inter alia*, the contract price for the Vessel under the Memorandum of Agreement which was in turn determined on the basis of the prevailing market price for similar vessels. No valuation has been conducted on the Vessel. The estimated book value of the Vessel is US\$19.3 million. The Company has been considering several funding options to finance the acquisition of the Vessel. Such financing arrangements will be finalised after further discussions with third party financial institutions which may extend debt financing to the Company.

3. **Time Charter Agreement for Vessel.** The Company is negotiating with potential charterers in respect of charter arrangements to be entered into for the Vessel at an appropriate timing before delivery of 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. The Proposed Acquisition is in line with the Company's strategy in seeking and realising new investment opportunities in maritime investments. After the Proposed Acquisition, Uni-Asia Shipping will hold, including the Vessel, 5 handy sized bulk carriers through ship owning subsidiaries as follows:



6. **Financial effects.** Subject to successful negotiation for charter arrangement to be entered into for the Vessel, 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 Proposed Acquisition is 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. **Sunrise Shipping.** Sunrise Shipping is currently not treated as a related company but is accounted for as an investment in terms of accounting in accordance with IAS 39. Sunrise Shipping will be dissolved after settlement of all liabilities.

8. **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 Luna Bulkship or the Proposed Acquisition.

For and on behalf of
Uni-Asia Finance Corporation

18 August 2011