



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 2012

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.

	Note	3 rd Quarter			9 Months ended 30 September		
		2012 US\$'000	2011 US\$'000	% Change	2012 US\$'000	2011 US\$'000	% Change
Fee income	[1]	8,063	4,074	98%	16,400	8,162	101%
Hotel income		13,403	10,108	33%	40,277	26,465	52%
Investment returns	[2]	(371)	70	(630%)	1,302	2,493	(48%)
Interest income		312	202	54%	855	595	44%
Other income		147	104	41%	814	383	113%
Total income		21,554	14,558	48%	59,648	38,098	57%
Employee benefits expense		(4,161)	(3,972)	5%	(13,294)	(11,374)	17%
Amortisation and depreciation		(1,240)	(792)	57%	(3,197)	(1,546)	107%
Vessel operating expenses		(1,577)	(826)	91%	(3,703)	(1,149)	222%
Other operating expenses		(11,559)	(8,871)	30%	(34,336)	(24,603)	40%
Write-back on provision of onerous contracts		125	511	(76%)	481	1,987	(76%)
Provision of onerous contracts		-	(15)	(100%)	-	(1,048)	(100%)
Net foreign exchange (loss)/ gain		(326)	(1,447)	77%	198	(1,172)	117%
		(18,738)	(15,412)	22%	(53,851)	(38,905)	38%
Operating profit/ (loss)		2,816	(854)	430%	5,797	(807)	818%
Finance costs – interest expense		(543)	(441)	23%	(1,486)	(1,160)	28%
Finance costs – others		(60)	(48)	25%	(210)	(89)	136%
Share of results of associates		-	2	(100%)	-	-	N/M
Allocation to Tokumei Kumiai* investors		(61)	10	(710%)	(162)	102	(259%)
Profit/ (loss) before tax		2,152	(1,331)	262%	3,939	(1,954)	302%
Income tax expense		(36)	(101)	(64%)	(102)	(160)	(36%)
Profit/ (loss) for the period		2,116	(1,432)	248%	3,837	(2,114)	282%
Attributable to:							
Owners of the parent		2,091	(1,500)	239%	3,725	(2,138)	274%
Non-controlling interests		25	68	(63%)	112	24	367%
		2,116	(1,432)	248%	3,837	(2,114)	282%

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

	3 rd Quarter			9 Months ended 30 September		
	2012 US\$'000	2011 US\$'000	% Change	2012 US\$'000	2011 US\$'000	% Change
Profit/ (loss) for the period	2,116	(1,432)	248%	3,837	(2,114)	282%
Other comprehensive income/ (expense) for the period, net of tax:						
Exchange differences on translation of foreign operations	252	158	59%	8	376	(98%)
Fair value (loss)/ gain of cash flow hedges	(445)	(979)	55%	207	(1,302)	116%
Other comprehensive (expense)/ income for the period, net of tax	(193)	(821)	76%	215	(926)	123%
Total comprehensive income/ (expense) for the period	<u>1,923</u>	<u>(2,253)</u>	185%	<u>4,052</u>	<u>(3,040)</u>	233%
Attributable to:						
Owners of the parent	1,898	(2,323)	182%	3,940	(3,068)	228%
Non-controlling interests	25	70	(64%)	112	28	300%
	<u>1,923</u>	<u>(2,253)</u>	185%	<u>4,052</u>	<u>(3,040)</u>	233%

N/M: Not meaningful

NOTES:

[1] Breakdown of fee income

	3 rd Quarter			9 Months ended 30 September		
	2012 US\$'000	2011 US\$'000	% Change	2012 US\$'000	2011 US\$'000	% Change
Arrangement and agency fee	3,287	94	N/M	3,503	424	726%
Brokerage commission	207	498	(58%)	620	930	(33%)
Incentive fee	-	-	N/M	33	-	N/M
Asset management & administration fee *	1,043	1,136	(8%)	3,093	3,350	(8%)
Charter income	3,526	2,346	50%	9,151	3,458	165%
	<u>8,063</u>	<u>4,074</u>	98%	<u>16,400</u>	<u>8,162</u>	101%

* Includes income earned by Uni-Asia Capital (Japan) Ltd. ("UACJ"), formerly known as Capital Advisers Co., Ltd., as the asset manager of hotels and residential projects of \$2.0 million (9 months ended 30 Sep 2011: \$2.3 million).

[2] Breakdown of investment returns

	3 rd Quarter			9 Months ended 30 September		
	2012 US\$'000	2011 US\$'000	% Change	2012 US\$'000	2011 US\$'000	% Change
Interest on performance notes – shipping	-	-	N/M	-	296	(100%)
Interest on performance notes – distressed debt	-	-	N/M	33	-	N/M
Realised gain/ (loss) on investment – shipping	45	(26)	273%	133	63	111%
Realised gain on investment – hotel and residential	-	2	(100%)	53	88	(40%)
Realised gain on listed shares - others	53	48	10%	53	48	10%
Property rental income	85	168	(49%)	250	459	(46%)
Fair value adjustment on investment properties	444	(52)	954%	467	(75)	723%
Fair value adjustment on investment – hotel and residential	190	574	(67%)	110	483	(77%)
Fair value adjustment on investment – shipping	346	98	253%	1,732	384	351%
Fair value adjustment on investment – office property/ small residential property development ^(A)	316	-	N/M	1,931	1,380	40%
Fair value adjustment on performance notes – shipping	(1,801)	(619)	(191%)	(3,433)	(600)	(472%)
Fair value adjustment on performance notes – distressed debt	(3)	(2)	(50%)	(32)	1	N/M
Fair value adjustment on listed shares – others	128	(168)	176%	250	(81)	409%
Net (loss)/ gain on derivative financial instruments	(174)	47	(470%)	(245)	47	(621%)
	<u>(371)</u>	<u>70</u>	(630%)	<u>1,302</u>	<u>2,493</u>	(48%)

Note A: The investment in office property and small residential property development is made through an investee company and the fair value adjustment comprises of the following:

	3 rd Quarter			9 Months ended 30 September		
	2012 US\$'000	2011 US\$'000	% Change	2012 US\$'000	2011 US\$'000	% Change
Fair value adjustment on property investment and development project in Hong Kong property	333	-	N/M	1,961	1,432	37%
Fair value adjustment on investment in small residential property development project	10	-	N/M	10	-	N/M
Fair value adjustment on other net assets of the investee company	(27)	-	N/M	(40)	(52)	23%
Total	<u>316</u>	<u>-</u>	N/M	<u>1,931</u>	<u>1,380</u>	40%

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 2012 US\$'000	31 December 2011 US\$'000	30 September 2012 US\$'000	31 December 2011 US\$'000
ASSETS				
Non-current assets				
Investment properties	9,356	7,507	-	-
Intangible assets	30	53	-	-
Property, plant and equipment	105,876	84,967	40	18
Loans receivable	14,405	8,504	10,195	8,254
Loans to subsidiaries	-	-	6,655	5,157
Investments	47,492	45,992	29,680	30,410
Investments in subsidiaries	-	-	38,362	38,362
Rental deposit	2,136	2,471	-	-
Derivative financial instruments	1	51	1	51
Deferred tax assets	67	9	-	-
Deposit for purchase of vessels	6,242	19,079	-	-
Total non-current assets	185,605	168,633	84,933	82,252
Current assets				
Investments	1,624	1,373	-	-
Loans receivable	1,000	1,232	-	-
Loans to subsidiaries	-	-	23,260	20,310
Accounts receivable	5,813	5,692	120	113
Amount due from subsidiaries	-	-	1,920	2,201
Prepayments, deposits and other receivables	2,803	2,371	318	276
Tax recoverable	-	612	-	-
Deposits pledged as collateral	19,610	18,728	18,652	17,776
Cash and bank balances	41,968	51,164	27,138	33,145
Total current assets	72,818	81,172	71,408	73,821
Total assets	258,423	249,805	156,341	156,073

	Group		Company	
	30 September 2012 US\$'000	31 December 2011 US\$'000	30 September 2012 US\$'000	31 December 2011 US\$'000
EQUITY				
Equity attributable to owners of the parent				
Share capital	75,167	75,167	75,167	75,167
Share premium	31,319	31,319	31,319	31,319
Retained earnings	27,259	23,534	22,269	22,527
Fair value reserve	9	9	-	-
Hedging reserve	(916)	(1,123)	-	-
Exchange reserve	4,497	4,489	-	-
Capital reserve	(126)	(126)	-	-
Total equity attributable to owners of the parent	137,209	133,269	128,755	129,013
Non-controlling interests	182	124	-	-
Total equity	137,391	133,393	128,755	129,013
LIABILITIES				
Non-current liabilities				
Borrowings	73,119	62,111	-	-
Finance lease obligations	22	28	-	-
Due to Tokumei Kumiai investors	1,980	1,816	-	-
Derivative financial instruments	137	1,173	1	51
Other payables	129	155	-	-
Total non-current liabilities	75,387	65,283	1	51
Current liabilities				
Borrowings	35,378	37,573	26,783	25,829
Finance lease obligations	9	9	-	-
Accounts payable	4,465	4,888	-	-
Other payables and accruals	4,607	8,462	802	1,180
Derivative financial instruments	1,026	-	-	-
Income tax payable	160	197	-	-
Total current liabilities	45,645	51,129	27,585	27,009
Total equity and liabilities	258,423	249,805	156,341	156,073

NOTES:-

Non-current assets increased by \$17.0 million from \$168.6 million on 31 December 2011 to \$185.6 million on 30 September 2012 due mainly to the following:

1. an increase of \$20.9 million in property, plant and equipment (net of depreciation) resulting mainly from the delivery of a handysize bulk carrier held by a shipping subsidiary;
2. a net decrease of \$12.8 million in the deposit for purchase of vessels due to the reclassification of deposits to property, plant and equipment upon the delivery of the aforementioned vessel; and
3. a net increase of \$5.9 million in loans receivable due mainly to new loans given to shipping investments.

Non-current liabilities increased by \$10.1 million from \$65.3 million on 31 December 2011 to \$75.4 million on 30 September 2012 due primarily to a net increase in non-current borrowings of \$11.0 million mainly because of a refinancing of a short term borrowing into a long term borrowing, as well as drawdown of borrowing to finance the aforementioned vessel payment. Current liabilities decreased by \$5.5 million from \$51.1 million on 31 December 2011 to \$45.6 million on 30 September 2012 due mainly to decrease in current portion of borrowings and a decrease in other payables and accruals mainly from payment of acquired other payables of subsidiary Sun Vista Naha Co., Ltd.

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

	As at 30 September 2012		As at 31 December 2011	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	25,100	10,278	27,221	10,352
Amount repayable after one year	71,542	1,577	61,232	879
Total	<u>96,642</u>	<u>11,855</u>	<u>88,453</u>	<u>11,231</u>

Details of any collateral

The Group's borrowings are secured by means of:

- > legal mortgages over certain cash deposits of the holding company
- > a legal mortgage over certain cash deposits of a subsidiary
- > a legal mortgage over an investment property 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	
		2012 US\$'000	2011 US\$'000
Cash flows from operating activities			
Profit/ (loss) before tax		3,939	(1,954)
Adjustments for:			
Investment returns		(1,302)	(2,493)
Amortisation and depreciation		3,197	1,546
Loss on disposal of property, plant and equipment		98	-
Write-back on provision of onerous contracts		(481)	(1,987)
Provision of onerous contracts		-	1,048
Net foreign exchange (gain)/ loss		(198)	1,172
Interest income		(855)	(595)
Finance costs – interest expense		1,486	1,160
Finance costs – others		210	89
Allocation to Tokumei Kumiai investors		162	(102)
Operating cash flows before changes in working capital		6,256	(2,116)
Changes in working capital:			
Net change in accounts receivable		77	(866)
Net change in prepayments, deposits and other receivables		(107)	(227)
Net change in retirement benefit allowance		-	(289)
Net change in accounts payable		(1,102)	(26)
Net change in other payables and accruals		(3,393)	1
Cash flows generated from/ (used in) operations		1,731	(3,523)
Interest received on bank balances		150	26
Tax reimbursed/ (paid)		401	(402)
Net cash flows generated from/ (used in) operating activities	[1]	2,282	(3,899)

	9 Months ended 30 September	
	2012	2011
Note	US\$'000	US\$'000
Cash flows from investing activities		
Purchase of investments	(3,911)	(435)
Proceeds from sale of investments	1,353	4,222
Deposit paid for purchase of vessels	-	(10,587)
Purchase of property, plant and equipment	(10,651)	(49,029)
Loans advanced	(7,239)	(1,951)
Loans repaid	1,586	1,277
Interest received from loans	636	484
Net decrease in deposits pledged as collateral	(882)	(64)
Proceeds from investments	273	507
Proceeds from property rental	199	452
Net cash flows used in investing activities	[2] (18,636)	(55,124)
Cash flows from financing activities		
Proceeds from issuing shares	-	25,961
Rights issue expenses	-	(318)
New borrowings	15,916	87,507
Repayment of borrowings	(7,138)	(37,673)
Interest paid on borrowings	(1,554)	(2,843)
Other finance costs paid	(166)	-
Payment of lease obligation	(7)	(6)
Payment to non-controlling interest	(54)	-
Net cash flows generated from financing activities	[3] 6,997	72,628
Net (decrease)/ increase in cash and cash equivalents	(9,357)	13,605
Movements in cash and cash equivalents:		
Cash and cash equivalents at beginning of the period	51,164	26,528
Net (decrease)/ increase in cash and cash equivalents	(9,357)	13,605
Effects of foreign exchange rate changes, net	161	(894)
Cash and cash equivalents at end of the period	41,968	39,239

NOTES:

- [1] Cash flows generated from operating activities amounted to \$2.3 million for nine months ended 30 September 2012 ("3Q2012") compared to cash flows used in operating activities of \$3.9 million for the nine months ended 30 September 2011 ("3Q2011"). Cash flows for 3Q2012 were boosted by structured finance arrangement fees received during the quarter.
- [2] Cash flows used in investing activities were \$18.6 million for 3Q2012. The main cash usages were purchase of a shipping investment, purchase of property, plant and equipment due to scheduled payment for a wholly owned vessel delivered in late June 2012, and new loans given to shipping investments.
- [3] Cash flows generated from financing activities were \$7.0 million in 3Q2012 mainly from net new borrowings.

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.

<u>Group</u>	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 2012	75,167	31,319	23,534	9	(1,123)	4,489	(126)	133,269	124	133,393
Profit for the period	-	-	3,725	-	-	-	-	3,725	112	3,837
Other comprehensive income/ (expense)	-	-	-	-	207	8	-	215	-	215
Total comprehensive income/ (expense)	-	-	3,725	-	207	8	-	3,940	112	4,052
Payment to non-controlling interests	-	-	-	-	-	-	-	-	(54)	(54)
Balance at 30 September 2012	<u>75,167</u>	<u>31,319</u>	<u>27,259</u>	<u>9</u>	<u>(916)</u>	<u>4,497</u>	<u>(126)</u>	<u>137,209</u>	<u>182</u>	<u>137,391</u>
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	<u>75,167</u>	<u>31,319</u>	<u>20,086</u>	<u>9</u>	<u>(1,302)</u>	<u>4,347</u>	<u>(126)</u>	<u>129,500</u>	<u>80</u>	<u>129,580</u>
	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
<u>Company</u>										
Balance at 1 January 2012	75,167	31,319	22,527	-	-	-	-	129,013	-	129,013
Loss for the period	-	-	(258)	-	-	-	-	(258)	-	(258)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive expense	-	-	(258)	-	-	-	-	(258)	-	(258)
Balance at 30 September 2012	<u>75,167</u>	<u>31,319</u>	<u>22,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,755</u>	<u>-</u>	<u>128,755</u>
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	<u>75,167</u>	<u>31,319</u>	<u>23,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,039</u>	<u>-</u>	<u>130,039</u>

** 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.**

During the nine months ended 30 September 2012, there was no change in share capital.

The Company did not have any convertibles or treasury shares as at 30 September 2012, 31 December 2011 and 30 September 2011.

- 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 2012	As at 31 December 2011
Total number of issued shares	<u>469,792,800</u>	<u>469,792,800</u>

- 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 or 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 method 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 2011.

- 5 **If there are any changes in the accounting policies and method 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 2011. 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.

	3 rd Quarter		9 Months ended 30 September	
	2012	2011	2012	2011
Profit/ (loss) attributable to owners of the parent (US\$'000)	<u>2,091</u>	<u>(1,500)</u>	<u>3,725</u>	<u>(2,138)</u>
Weighted average number of ordinary shares in issue ('000)	<u>469,793</u>	<u>393,196</u>	<u>469,793</u>	<u>340,155</u>
Earnings/ (loss) per share (US cents per share) - basic and diluted	<u>0.45</u>	<u>(0.38)</u>	<u>0.79</u>	<u>(0.63)</u>

Basic earnings/ (loss) per share is calculated by dividing the profit/ (loss) attributable to owners 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 2012	31 December 2011
Net asset value per ordinary share based on issued share capital at the end of (in US\$)	0.29	0.28

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:

Review of Income Statement

Total income for nine months ended 30 September 2012 was \$59.6 million compared to \$38.1 million for the nine months ended 30 September 2011, an increase of 56.6%. The main components of total income were fee income (27.5%) and hotel income (67.5%).

Fee income was \$16.4 million in 3Q2012 compared to \$8.2 million in 3Q2011 due mainly to contribution by charter income from the Group's vessel-owning subsidiaries as well as structured finance arrangement fees received in the third quarter of 2012.

During 3Q2012, three of the Group's hotel operating contracts ended. The Group now operates 11 hotels. Notwithstanding this, hotel income was \$40.3 million in 3Q2012 compared to \$26.5 million in 3Q2011 due to better occupancy rate (78.2% for 3Q2012 vs. 72.8% for 3Q2011) and higher average daily room rates (JPY7,390 for 3Q2012 vs. JPY6,689 for 3Q2011) as well as contribution to the top line by bigger Hotel JAL City Naha which the Group began operating late last year.

The Group's 10.2% effective interest in the property investment and development project in Kwun Tong, Kowloon East, Hong Kong had launched its pre-sale in June 2012 and all saleable floors are sold, allowing the Group to book additional fair value gain of \$0.3 million on this investment in the third quarter of 2012.

While total income increased by 56.6%, total operating expenses increased by a smaller margin of 38.4% from \$38.9 million in 3Q2011 to \$53.9 million in 3Q2012. Employee benefits expense was \$13.3 million in 3Q2012 as compared to \$11.4 million in 3Q2011 due mainly to the addition of employee

benefits expense of hotel operating subsidiary Sun Vista Naha Co., Ltd acquired in 4Q2011. Vessel operating expenses was \$3.7 million in 3Q2012 compared to \$1.1 million in 3Q2011 as the vessels started operations only in late 2Q2011. Other operating expenses were \$34.3 million in 3Q2012 compared to \$24.6 million in 3Q2011 due mainly to the increase in hotel operating expenses in generating the increased hotel income.

The Group's net operating profit improved to \$5.8 million in 3Q2012 compared to a net operating loss of \$0.8 million in the same period last year.

Net profit after tax and finance cost for 3Q2012 was \$3.8 million compared to a loss of \$2.1 million in 3Q2011.

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.

In the shipping market, supply continues to outstrip demand across bulkers, containers and crude/product tankers sectors. The Group is looking to take advantage of such climate in searching for suitable business opportunities to generate future returns. In particular, the Group aims to acquire more suitable handysize bulk carriers to boost the Group's fleet of vessels in generating charter income for the Group. The Group is also seeking more structured finance advisory deals to boost fee income.

In Japan, the Group is looking at small residential property development opportunities and there are a few deals in the Group's pipeline. Hotel business-wise, in a research by Nikkei Business Magazine published in its July 2012 issue, "Hotel Vista" was ranked 12th among 39 major business hotel players in Japan over a three year survey period. The Group intends to continue improving the brand name of Hotel Vista through its marketing effort and looks to increasing the hotels under management so as to boost the profitability of the hotel operating business.

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 2012.

- 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
8 November 2012


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 2012 to be false or misleading in any material aspect.

On behalf of the Board of Directors



Kazuhiko Yoshida
Chairman, CEO



Michio Tanamoto
COO

Date: 8 November 2012