



UNI-ASIA HOLDINGS LIMITED

Registration No: CR - 72229

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

FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2013

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		
		2013 US\$'000	2012 US\$'000	% Change	2013 US\$'000	2012 US\$'000	% Change
Fee income	[1]	5,646	8,063	(30%)	18,213	16,400	11%
Hotel income		8,913	13,403	(33%)	30,333	40,277	(25%)
Investment returns	[2]	2,870	(371)	874%	4,236	1,302	225%
Interest income		257	312	(18%)	792	855	(7%)
Other income		993	147	576%	1,658	814	104%
Total income		18,679	21,554	(13%)	55,232	59,648	(7%)
Employee benefits expenses		(3,599)	(4,161)	(14%)	(11,333)	(13,294)	(15%)
Amortisation and depreciation		(1,481)	(1,240)	19%	(3,894)	(3,197)	22%
Vessel operating expenses		(2,088)	(1,577)	32%	(5,354)	(3,703)	45%
Hotel lease expenses		(2,603)	(4,345)	(40%)	(9,186)	(12,482)	(26%)
Hotel operating expenses		(3,803)	(5,974)	(36%)	(13,164)	(18,088)	(27%)
Other expenses		(1,625)	(1,162)	40%	(3,920)	(3,668)	7%
Loss on disposal of property, plant and equipment		-	(78)	(100%)	-	(98)	(100%)
Impairment of property, plant and equipment		-	-	N/M	(500)	-	N/M
Write-back of provision of onerous contracts		28	125	(78%)	212	481	(56%)
Net foreign exchange (loss)/ gain		(177)	(326)	46%	(297)	198	(250%)
		(15,348)	(18,738)	(18%)	(47,436)	(53,851)	(12%)
Operating profit		3,331	2,816	18%	7,796	5,797	34%
Finance costs – interest expense		(632)	(543)	16%	(1,669)	(1,486)	12%
Finance costs – others		(42)	(60)	(30%)	(184)	(210)	(12%)
Allocation to Tokumei Kumiai* investors		(62)	(61)	2%	(188)	(162)	16%
Profit before tax		2,595	2,152	21%	5,755	3,939	46%
Income tax expense		(65)	(36)	81%	(151)	(102)	48%
Profit for the period		2,530	2,116	20%	5,604	3,837	46%
Attributable to:							
Owners of the parent		2,491	2,091	19%	5,463	3,725	47%
Non-controlling interests		39	25	56%	141	112	26%
		2,530	2,116	20%	5,604	3,837	46%

* 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		
	2013 US\$'000	2012 US\$'000	% Change	2013 US\$'000	2012 US\$'000	% Change
Profit for the period	2,530	2,116	20%	5,604	3,837	46%
Other comprehensive income/ (expense) for the period, net of tax:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	100	252	(60%)	(585)	8	N/M
Net movement on cash flow hedges	(49)	(445)	89%	(1,098)	207	(630%)
Other comprehensive income/ (expense) for the period, net of tax	51	(193)	126%	(1,683)	215	(883%)
Total comprehensive income for the period	2,581	1,923	34%	3,921	4,052	(3%)
Attributable to:						
Owners of the parent	2,541	1,898	34%	3,782	3,940	(4%)
Non-controlling interests	40	25	60%	139	112	24%
	2,581	1,923	34%	3,921	4,052	(3%)

N/M: Not meaningful

NOTES:

[1] Breakdown of fee income

	3 rd Quarter			9 Months ended 30 September		
	2013 US\$'000	2012 US\$'000	% Change	2013 US\$'000	2012 US\$'000	% Change
Arrangement and agency fee	165	3,287	(95%)	3,764	3,503	7%
Brokerage commission	241	207	16%	484	620	(22%)
Incentive fee	185	-	N/M	185	33	461%
Asset management & administration fee *	592	1,043	(43%)	2,236	3,093	(28%)
Charter income	4,463	3,526	27%	11,544	9,151	26%
	<u>5,646</u>	<u>8,063</u>	(30%)	<u>18,213</u>	<u>16,400</u>	11%

* Includes income earned by Uni-Asia Capital (Japan) Ltd. ("UACJ") as the asset manager of hotels and residential projects of \$1.3 million (9 months ended 30 Sep 2012: \$2.0 million).

[2] Breakdown of investment returns

	3 rd Quarter			9 Months ended 30 September		
	2013 US\$'000	2012 US\$'000	% Change	2013 US\$'000	2012 US\$'000	% Change
Interest on performance notes						
- distressed debt	-	-	N/M	-	33	(100%)
Interest on bond	2	-	N/M	5	-	N/M
Realised gain on investments						
- shipping	45	45	0%	133	133	0%
- hotel and residential	2	-	N/M	112	53	111%
- office property/ small residential property developments	319	-	N/M	319	-	N/M
Realised gain on listed shares - others	93	53	75%	93	53	75%
Property rental income	88	85	4%	262	250	5%
Fair value adjustment on investment properties	(462)	444	(204%)	(527)	467	(213%)
Fair value adjustment on investments						
- shipping	324	346	(6%)	(21)	1,732	(101%)
- hotel and residential	(4)	190	(102%)	360	110	227%
- office property/ small residential property developments ^(Note A)	2,337	316	640%	1,948	1,931	1%
Fair value adjustment on performance notes						
- shipping	25	(1,801)	101%	(384)	(3,433)	89%
- distressed debt	-	(3)	100%	(2)	(32)	94%
Fair value adjustment on listed shares – others	48	128	(63%)	(123)	250	(149%)
Net gain/ (loss) on derivative financial instruments	53	(174)	130%	2,061	(245)	941%
	<u>2,870</u>	<u>(371)</u>	874%	<u>4,236</u>	<u>1,302</u>	225%

Note A: The investments in office property and small residential property developments are made through an investee company and the fair value adjustment comprises of the following:

	3 rd Quarter			9 Months ended 30 September		
	2013 US\$'000	2012 US\$'000	% Change	2013 US\$'000	2012 US\$'000	% Change
Fair value adjustment on property investment and development project in Hong Kong property	2,100	333	531%	2,096	1,961	7%
Fair value adjustment on investments in small residential property developments	237	10	N/M	(134)	10	N/M
Fair value adjustment on other net assets of the investee company	-	(27)	100%	(14)	(40)	65%
Total	<u>2,337</u>	<u>316</u>	640%	<u>1,948</u>	<u>1,931</u>	1%

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 2013 US\$'000	31 December 2012 US\$'000	30 September 2013 US\$'000	31 December 2012 US\$'000
ASSETS				
Non-current assets				
Investment properties	8,272	6,658	-	-
Intangible assets	7	20	-	-
Property, plant and equipment	126,343	101,897	33	35
Loans receivable	5,551	7,973	2,551	4,973
Loans to subsidiaries	-	-	5,587	6,145
Investments	39,150	40,938	25,493	26,350
Investments in subsidiaries	-	-	48,379	37,862
Rental deposit	872	1,398	-	-
Derivative financial instruments	39	-	17	-
Deferred tax assets	48	42	-	-
Deposits for purchase of vessels	6,880	6,277	-	-
Total non-current assets	187,162	165,203	82,060	75,365
Current assets				
Investments	3,678	5,285	-	-
Loans receivable	6,500	6,500	5,500	5,500
Loans to subsidiaries	-	-	15,801	16,885
Derivative financial instruments	58	1,050	58	-
Accounts receivable	4,727	7,289	659	2,295
Amounts due from subsidiaries	-	-	2,377	2,118
Prepayments, deposits and other receivables	2,377	2,376	409	377
Deposits pledged as collateral	14,409	16,068	12,420	15,087
Cash and bank balances	39,979	43,266	21,655	28,685
Total current assets	71,728	81,834	58,879	70,947
Total assets	258,890	247,037	140,939	146,312

	Group		Company	
	30 September 2013 US\$'000	31 December 2012 US\$'000	30 September 2013 US\$'000	31 December 2012 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	30,536	26,965	13,962	16,133
Fair value reserve	-	9	-	-
Hedging reserve	(48)	1,050	(31)	-
Exchange reserve	3,353	3,936	-	-
Capital reserve	(117)	(126)	-	-
Total equity attributable to owners of the parent	140,210	138,320	120,417	122,619
Non-controlling interests	319	234	-	-
Total equity	140,529	138,554	120,417	122,619
LIABILITIES				
Non-current liabilities				
Borrowings	69,499	68,023	-	-
Finance lease obligations	8	17	-	-
Due to Tokumei Kumiai investors	-	1,874	-	-
Derivative financial instruments	43	115	48	-
Other payables	44	116	-	-
Total non-current liabilities	69,594	70,145	48	-
Current liabilities				
Borrowings	39,727	29,141	19,616	22,336
Finance lease obligations	8	9	-	-
Accounts payable	2,617	4,016	-	-
Other payables and accruals	4,279	4,567	617	1,357
Amounts due to subsidiaries	-	-	185	-
Due to Tokumei Kumiai investors	1,805	-	-	-
Derivative financial instruments	228	442	56	-
Income tax payable	103	163	-	-
Total current liabilities	48,767	38,338	20,474	23,693
Total equity and liabilities	258,890	247,037	140,939	146,312

NOTES:-

The Group's non-current assets increased by 13% from \$165.2 million on 31 December 2012 to \$187.2 million on 30 September 2013 due mainly to the delivery of a vessel to the Group's ship-owning subsidiary. Meanwhile current assets reduced from \$81.8 million to \$71.7 million following the use of cash for the vessel delivery and investment of new building vessels.

On the other hand, total liabilities increased to \$118.4 million from \$108.5 million due mainly to additional borrowings taken to fund the above-mentioned acquisitions.

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

	As at 30 September 2013		As at 31 December 2012	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	28,426	11,301	19,772	9,369
Amount repayable after one year	68,570	929	66,688	1,335
Total	<u>96,996</u>	<u>12,230</u>	<u>86,460</u>	<u>10,704</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	
		2013 US\$'000	2012 US\$'000
Cash flows from operating activities			
Profit before tax		5,755	3,939
Adjustments for:			
Investment returns		(4,236)	(1,302)
Realisation of negative goodwill arising on acquisition of a subsidiary		(9)	-
Amortisation and depreciation		3,894	3,197
Loss on disposal of property, plant and equipment		-	98
Impairment of property, plant and equipment		500	-
Write-back of provision of onerous contracts		(212)	(481)
Net foreign exchange loss/ (gain)		297	(198)
Interest income		(792)	(855)
Finance costs – interest expense		1,669	1,486
Finance costs – others		184	210
Allocation to Tokumei Kumiai investors		188	162
		<hr/>	<hr/>
Operating cash flows before changes in working capital		7,238	6,256
Changes in working capital:			
Net change in accounts receivable		2,095	77
Net change in prepayments, deposits and other receivables		99	(107)
Net change in accounts payable		(872)	(1,102)
Net change in other payables and accruals		132	(3,393)
		<hr/>	<hr/>
Cash flows generated from operations		8,692	1,731
Interest received on bank balances		146	150
Tax (paid)/ reimbursed		(214)	401
		<hr/>	<hr/>
Net cash flows generated from operating activities	[1]	8,624	2,282
		<hr/>	<hr/>

		9 Months ended 30 September	
		2013	2012
	Note	US\$'000	US\$'000
Cash flows from investing activities			
Purchase of an investment property		(2,024)	-
Purchase of investments		(2,771)	(3,911)
Proceeds from redemption/ sale of investments		6,824	1,353
Net cash inflow on acquisition of an investment		17	-
Deposits paid for purchase of vessels		(6,880)	-
Purchase of property, plant and equipment		(25,635)	(10,651)
Redemption of Tokumei Kumiai investors		(27)	-
Loans advanced		(1,013)	(7,239)
Loans repaid		3,073	1,586
Interest received from loans		614	636
Net decrease in deposits pledged as collateral		1,510	(882)
Proceeds from investments		634	273
Settlement of derivative financial instruments		1,953	-
Proceeds from property rental		262	199
Net cash flows used in investing activities	[2]	(23,463)	(18,636)
Cash flows from financing activities			
New borrowings		24,638	15,916
Repayment of borrowings		(7,987)	(7,138)
Interests paid on borrowings		(1,639)	(1,554)
Other finance costs paid		(97)	(166)
Payment of lease obligation		(6)	(7)
Dividend paid		(1,904)	-
Payment to non-controlling interest		(54)	(54)
Net cash flows generated from financing activities	[3]	12,951	6,997
Net decrease in cash and cash equivalents		(1,888)	(9,357)
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the period		43,266	51,164
Net decrease in cash and cash equivalents		(1,888)	(9,357)
Effects of foreign exchange rate changes, net		(1,399)	161
Cash and cash equivalents at end of the period		39,979	41,968

NOTES:

- [1] The Group generated a positive operating cash flow of \$8.6 million for 9M2013 aided by structured finance arrangement fees and charter income.
- [2] Meanwhile, the Group continues to seed future growth by acquiring new vessels, investing in new joint-investment companies and new small residential property development projects. The Group took delivery of 1 vessel under the Group's ship-owning subsidiary during 9M2013. These activities saw the Group's cash outflow from investing activities increased to \$23.5 million for 9M2013.
- [3] Cash flows generated from financing activities were \$13.0 million in 9M2013 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.

	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
Group										
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	-	-	-	-	207	8	-	215	-	215
Total comprehensive income	-	-	3,725	-	207	8	-	3,940	112	4,052
Payment to non-controlling interests	-	-	-	-	-	-	-	-	(54)	(54)
Balance at 30 September 2012	75,167	31,319	27,259	9	(916)	4,497	(126)	137,209	182	137,391
At 1 January 2013	75,167	31,319	26,965	9	1,050	3,936	(126)	138,320	234	138,554
Profit for the period	-	-	5,463	-	-	-	-	5,463	141	5,604
Other comprehensive expense	-	-	-	-	(1,098)	(583)	-	(1,681)	(2)	(1,683)
Total comprehensive income/ (expense)	-	-	5,463	-	(1,098)	(583)	-	3,782	139	3,921
Capital reserve	-	-	-	(9)	-	-	9	-	-	-
Dividend in respect of 2012	-	-	(1,892)	-	-	-	-	(1,892)	-	(1,892)
Payment to non-controlling interests	-	-	-	-	-	-	-	-	(54)	(54)
Balance at 30 September 2013	75,167	31,319	30,536	-	(48)	3,353	(117)	140,210	319	140,529
Company										
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	75,167	31,319	22,269	-	-	-	-	128,755	-	128,755
Balance at 1 January 2013	75,167	31,319	16,133	-	-	-	-	122,619	-	122,619
Loss for the period	-	-	(279)	-	-	-	-	(279)	-	(279)
Other comprehensive expense	-	-	-	-	(31)	-	-	(31)	-	(31)
Total comprehensive expense	-	-	(279)	-	(31)	-	-	(310)	-	(310)
Dividend in respect of 2012	-	-	(1,892)	-	-	-	-	(1,892)	-	(1,892)
Balance at 30 September 2013	75,167	31,319	13,962	-	(31)	-	-	120,417	-	120,417

- 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 2013, there was no change in share capital.

The Company did not have any convertibles or treasury shares as at 30 September 2013, 31 December 2012 and 30 September 2012.

- 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 2013	As at 31 December 2012
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 2012.

- 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 2012. 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	
	2013	2012	2013	2012
Profit attributable to owners of the parent (US\$'000)	<u>2,491</u>	<u>2,091</u>	<u>5,463</u>	<u>3,725</u>
Weighted average number of ordinary shares in issue ('000)	<u>469,793</u>	<u>469,793</u>	<u>469,793</u>	<u>469,793</u>
Earnings per share (US cents per share) - basic and diluted	<u>0.53</u>	<u>0.45</u>	<u>1.16</u>	<u>0.79</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 2013	31 December 2012
Net asset value per ordinary share based on issued share capital at the end of (in US\$)	0.30	0.29

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

Improvement in performances across all the Group's business segments helped the Group achieved better results for 9M2013 compared to 9M2012. The Group recorded a net profit of \$5.6 million for 9M2013 as compared to \$3.8 million for the same period last year.

Following the delivery of the fifth vessel under Uni-Asia Shipping group in June 2013, charter income increased to \$11.5 million for 9M2013 from 9M2012's \$9.2 million despite the gloomy shipping market.

The construction of the Group's 10.2% effective interest in the property investment and development project in Kwun Tong, Kowloon East, Hong Kong had completed. The Group recorded additional fair value gain of around \$2.1 million under investment returns for this investment in 3Q2013.

The Group's operating profit has improved to \$7.8 million, representing a 34% year-on-year increase, mainly due to the above mentioned factors. Earnings per share were 1.16 US cents, up from 0.79 US cents a year earlier.

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 current shipping market presents opportunities for asset acquisition which the Group has seized and the Group has acquired more new building vessels for its ship portfolio. The Group continues to search for suitable business opportunities to generate future returns.

In Japan, the Group is expanding its small residential property development projects as well as seeking opportunities in increasing the Group's hotels under operation.

- 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 2013.

- 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.

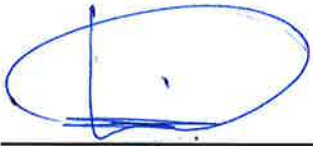
BY THE ORDER OF THE BOARD

Kazuhiko Yoshida
Chairman, CEO
13 November 2013

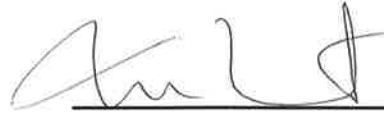
CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

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 2013 to be false or misleading in any material aspect.

On behalf of the Board of Directors



Kazuhiko Yoshida
Chairman, CEO



Michio Tanamoto
COO

Date: 13 November 2013