



**UNI-ASIA**  
**FINANCE CORPORATION**

Registration No. CR-72229

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

# 1HFY2010 Corporate Update Presentation

13 August 2010



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*This presentation may contain forward-looking statements which can be identified by the context of the statement and generally arise when the Company is discussing its beliefs, estimates or expectations. Such statements may include comments on industry, business or market trends, projections, forecasts, and plans and objectives of management for future operations and operating and financial performance, as well as any related assumptions. Readers of this presentation should understand that these statements are not historical facts or guarantees of future performance but instead represent only the Company's belief at the time the statements were made regarding future events, which are subject to significant risks, uncertainties and other factors, many of which are outside of the Company's control. Actual results and outcomes may differ materially from what is expressed or implied in such forward-looking statements. The Company cautions readers not to place undue reliance on any forward-looking statements included in this presentation, which speak only as of the date made; and should any of the events anticipated by the forward-looking statements transpire or occur, the Company makes no assurances on what benefits, if any, the Company will derive therefrom.*

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**1. Financial Performance**

**2. Recent Developments**

**3. Market Update/Strategy**

# Financial Performance

The Company recorded net profit in 1H FY10

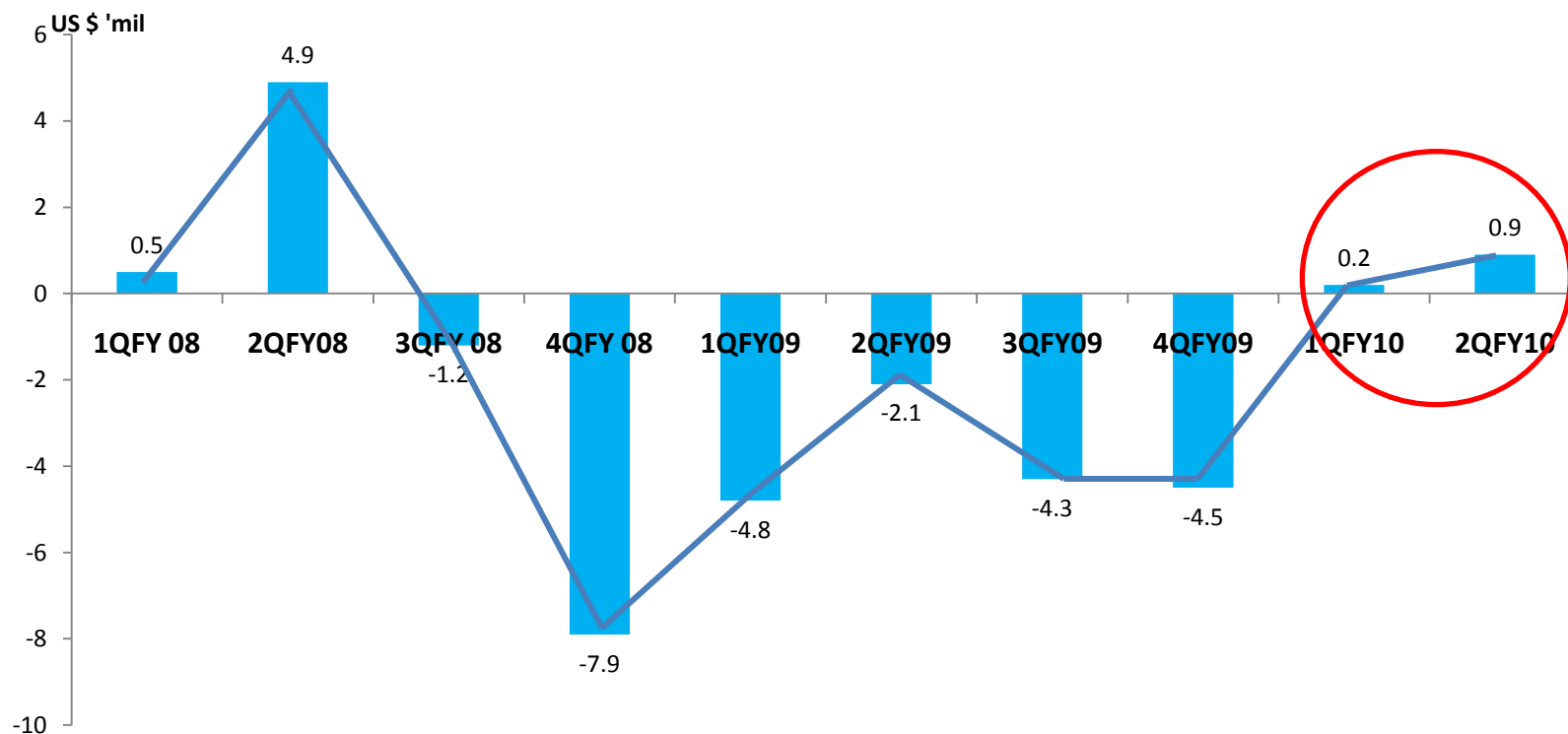
## Financial Highlights – Income Statement

US\$'mil	2 <sup>nd</sup> Quarter			1 <sup>st</sup> Half		
	FY10	FY09	% Change	FY10	FY09	% Change
Total Income	12.0	11.7	2	23.2	21.6	7
Total Expenses	10.7	12.5	(14)	21.4	25.9	(17)
Operating Profit / (Loss)	1.3	(0.8)	N.M.	1.8	(4.3)	N.M.
Profit / (Loss) for the Period	0.9	(2.1)	N.M.	1.1	(6.9)	N.M.
Earnings per Share (US Cents)	0.29	(0.74)	N.M.	0.34	(2.52)	N.M.

# Financial Performance

The company recorded net profit in 1Q FY10 and 2Q FY10

Financial Highlights – Quarterly movement of net profit/loss



# Financial Performance

## The Company maintains a net cash position

### Financial Highlights – Balance Sheet

US\$'mil	30-Jun-10	31-Mar-10	31-Dec-09
Total Assets	152.8	149.0	147.8
Total Liabilities	47.2	44.4	43.4
Total Equity	105.6	104.6	104.4
Total Debt	39.0*	36.6	34.8
Total Cash	50.2	61.4	66.4
Net Cash	11.1	24.8	31.6
Total Debt / Total Equity	0.37	0.35	0.33
NAV per share (US\$)	0.34	0.33	0.33

Total cash includes deposits pledged as collateral

\* Total Debt Includes following borrowings :

- US\$ 11.9 mil non-recourse loan by the hotel owning company
- US\$ 18.6 mil loan secured by bank deposit pledged

Total Cash decreased due to utilisation for new maritime / property projects

# Financial Performance

## Income Statement – Contribution Breakdown

US\$'mil	1HFY10
Revenue	23.2
Operating (Loss) / Profit	1.8
Net (Loss) / Profit	1.1

US\$'mil	From UAF	From CA
Revenue	4.5	18.9
Fee Income	1.3	2.8
Hotel Income	N.A.	16.2
Investment Returns	2.2	(0.1)
Interest Income	0.5	0.0
Other Income	0.5	0.0
Operating (Loss) / Profit	2.0	0.1
Net (Loss) / Profit	1.9	(0.8)

UAF = Uni-Asia Finance before consolidation with Capital Advisers Group

CA= Capital Advisers Group, which is a 96.9% subsidiary of Uni-Asia Finance

All figures in "From UAF" and "From CA" are before consolidation adjustments.

# Financial Performance

## Non-consolidated performance of UAF improved

Y-on-Y comparison (UAF)

US\$'mil	1HFY10	1HFY09	Inc/(Dec)
<b>Revenue</b>	<b>4.5</b>	<b>5.3</b>	<b>(0.8)</b>
Fee Income	1.3	5.7	(4.4)
Investment Returns	2.2	(0.8)	3.0
Interest Income	0.5	0.3	0.2
Other Income	0.5	0.1	0.4
<b>Expenses</b>	<b>2.5</b>	<b>5.8</b>	<b>(3.3)</b>
Employee Benefits Expense	1.7	2.1	(0.4)
Non-personnel Expenses	0.8	3.7	(2.9)
<b>Operating (Loss) / Profit</b>	<b>2.0</b>	<b>(0.5)</b>	<b>2.5</b>
<b>Finance Costs</b>	<b>0.1</b>	<b>1.8</b>	<b>(1.7)</b>
<b>(Loss) / Profit before taxation</b>	<b>1.9</b>	<b>(2.3)</b>	<b>4.2</b>
<b>(Loss) / Profit after taxation</b>	<b>1.9</b>	<b>(2.3)</b>	<b>4.2</b>

Those reductions are mainly due to deconsolidation of ship owning companies from Dec 2009

• No charter hire income (Fee Income)

• Less administration/human resource expenses

• Less interest expenses

All figures are before consolidation adjustments.

### Major factors of improved performance :

- Improvement of Investment Returns, mainly due to fair value adjustment gain
- Contribution of income from new projects ( Interest Income / Other Income )



# Financial Performance

## Net loss amount of CA was reduced from 1H FY09

### Y-on-Y Comparison (CA)

US\$'mil	1HFY10	1HFY09	Inc/(Dec)
<b>Revenue</b>	<b>18.9</b>	<b>16.4</b>	<b>2.5</b>
Fee Income	2.8	2.5	0.3
Investment Returns	(0.1)	(1.9)	1.8
Hotel Income	16.2	15.6	0.6
Interest Income	0.0	0.0	0.0
Other Income	0.0	0.2	(0.2)
<b>Expenses</b>	<b>18.8</b>	<b>20.1</b>	<b>(1.3)</b>
Employee Benefits Expense	5.1	7.1	(2.0)
Non-personnel Expenses	13.7	13.0	0.7
<b>Operating (Loss) / Profit</b>	<b>0.1</b>	<b>(3.7)</b>	<b>3.8</b>
<b>Finance Costs</b>	<b>0.8</b>	<b>0.6</b>	<b>0.2</b>
<b>Share of results of associates</b>	<b>0.0</b>	<b>(0.2)</b>	<b>0.2</b>
<b>(Loss) / Profit before taxation</b>	<b>(0.7)</b>	<b>(4.3)</b>	<b>3.6</b>
<b>(Loss) / Profit after taxation</b>	<b>(0.8)</b>	<b>(4.6)</b>	<b>3.8</b>

One-off brokerage fee contributed the increase of fee income

In 1HFY10  
 • Lesser amount of fair value adjustment loss  
 • No property disposal loss is recorded

Withdrawal of one large hotel operation reduced Employee Benefits Expense

All figures are before consolidation adjustment.

**Bottoming out property market situation enabled CA to improve its performance**

- New business → One-off brokerage fee income
- Lesser amount of fair value adjustment loss / No loss on disposal of property

# Financial Performance

## How are our funds employed

US\$'mil	June 10	Dec 09
<b><u>Maritime Investment</u></b>	<b>46.0</b>	<b>31.4</b>
<b>Non-current assets</b>	<b>46.0</b>	<b>31.4</b>
Investments	32.9	27.6
Deposits for purchase of vessels	9.3	0.0
Loan to vessels owning companies	3.8	3.8
<b>Current assets</b>	<b>0.0</b>	<b>0.0</b>
Loan to vessels owning companies	0.0	0.0
<b><u>Property Investment in China</u></b>	<b>4.4</b>	<b>4.3</b>
<b>Non-current assets</b>	<b>4.4</b>	<b>4.3</b>
Investment property	4.4	4.3
<b><u>Property Investment in Japan</u></b>	<b>40.3</b>	<b>36.8</b>
<b>Non-current assets</b>	<b>40.3</b>	<b>36.8</b>
Investment in SPC and associates	14.4	14.0
Loan to SPC	2.2	0.0
Property, plant and equipment	23.7	22.8
<b>Cash and Cash equivalents ( Free Cash)</b>	<b>29.0</b>	<b>53.3</b>
<b>Deposit pledged as collateral</b>	<b>21.1</b>	<b>13.1</b>
<b>Others</b>	<b>12.0</b>	<b>8.9</b>
<b>Total</b>	<b>152.8</b>	<b>147.8</b>

**1. Financial Performance**

**2. Recent Developments**

**3. Market Update/Strategy**

# Recent Developments

## *Business*

### ⌘ Acquisition of a new 29,000dwt handy bulk carrier (May 2010)

- Through Hope Bulkship S.A., a majority (83%) owned new joint investment company, the Company acquired a new handy bulk carrier which will be delivered in 2Q 2011.
- Entered into agreement with Pacific Basin Chartering Ltd for a 5-year time charter
- Debt financing is granted by a financial institution group in Taiwan

### ⌘ Establishment of a new wholly owned subsidiary (May 2010)

- Uni Ships Line Inc Limited was established as a ship investment and operation arm of the group
- It will be used for the Company's majority owned investment business to enhance our ship owning / operation business

# Recent Developments

## *Business*

### ❖ **Conducted shipping fund seminar in Tokyo (April 2010)**

- To promote ship investment fund for our business expansion, which is still new to Japanese investors
- Maritime industry players such as a shipbuilder, shipping company, ship finance provider and trading house joined as panellists

### ❖ **New asset management contract for hotel & commercial building in Sapporo (June 2010)**

- Took over as the asset manager of a new type of property with commercial space
- This is a new area for future business expansion

# Recent Developments

## *Corporate*

- ⌘ **Increase of UAF's share interest in Capital Advisers from 92.7 % to 96.9% (April 2010)**
  - UAF purchased 750 shares of Capital Advisers at the price of JPY 100/share (≐ US\$1.1 / share) from minority shareholders
  
- ⌘ **Use of net proceeds of S\$ 25.3 million raised from the share placement in 2009 (announced in June 2010)**
  - Fully utilised placement proceeds for maritime investment projects, property investment project and working capital requirement for the group

**1. Financial Performance**

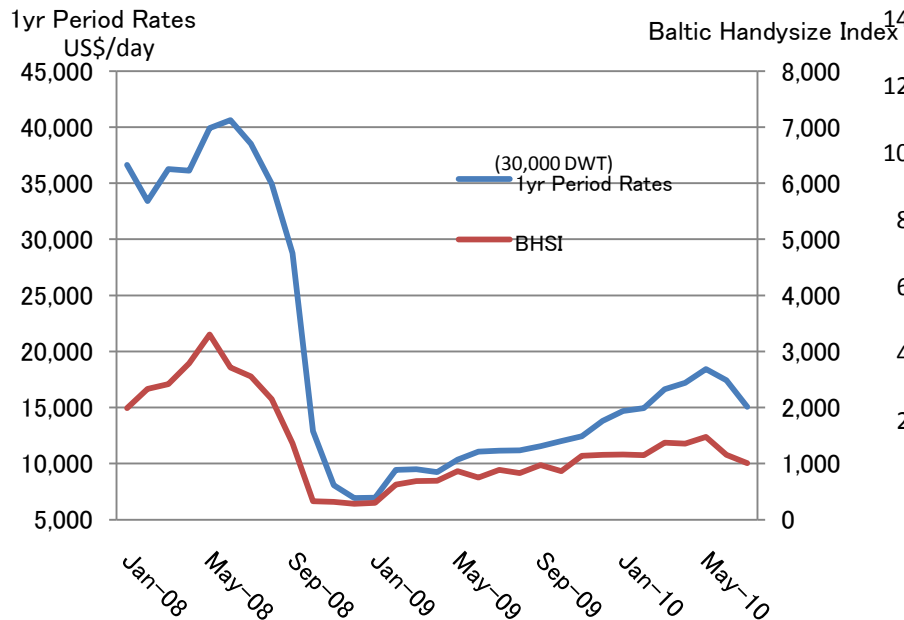
**2. Recent Developments**

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# Market Update

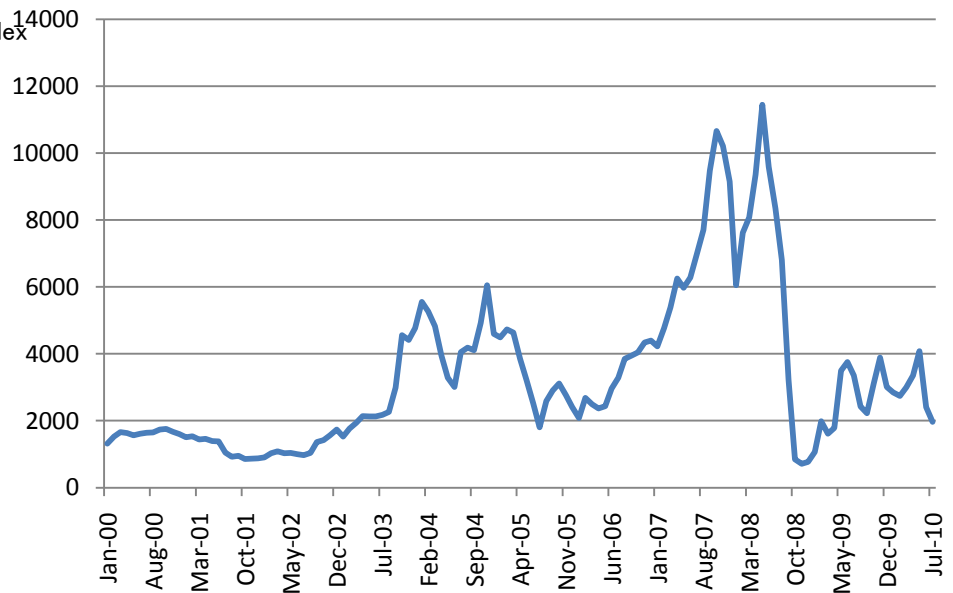
## Update of maritime industry Shipping Market – Handysize Bulk Carrier

### Baltic Handysize Index / One Year Timecharter Rate Movement for last 2 years



Source: Clarksons / Bloomberg

### Baltic Dry Index Movement from 2000



Source: Bloomberg

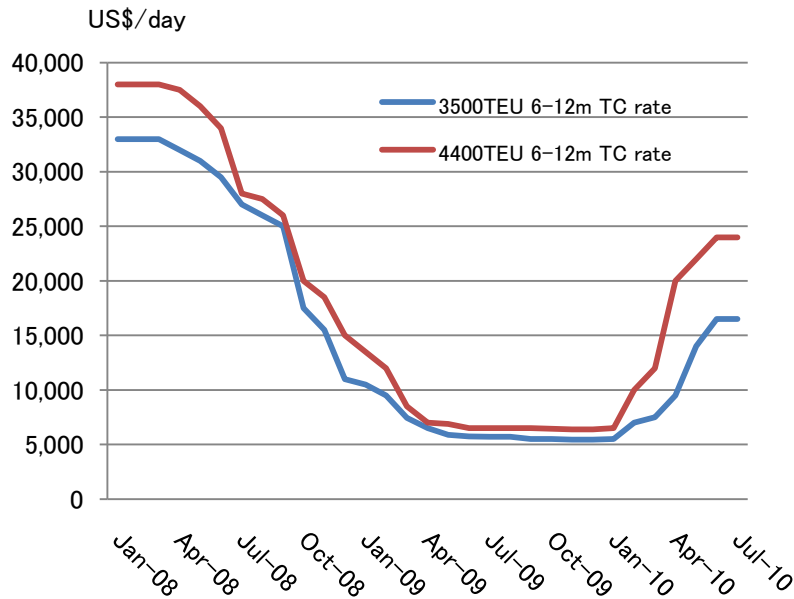
Recovery from 1Q 2009 is gradual and erratic



# Market Update

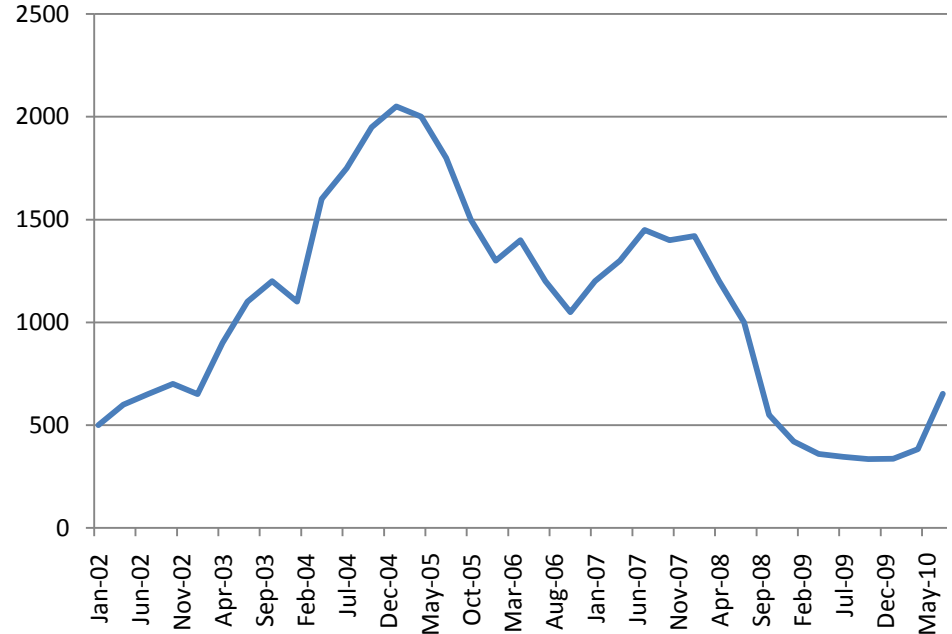
## Update of maritime industry Shipping Market – Container Vessel

### Timecharter Rates Movement for last 2 years



Source: Clarksons

### Howe Robinson Charter Index Movement from 2002



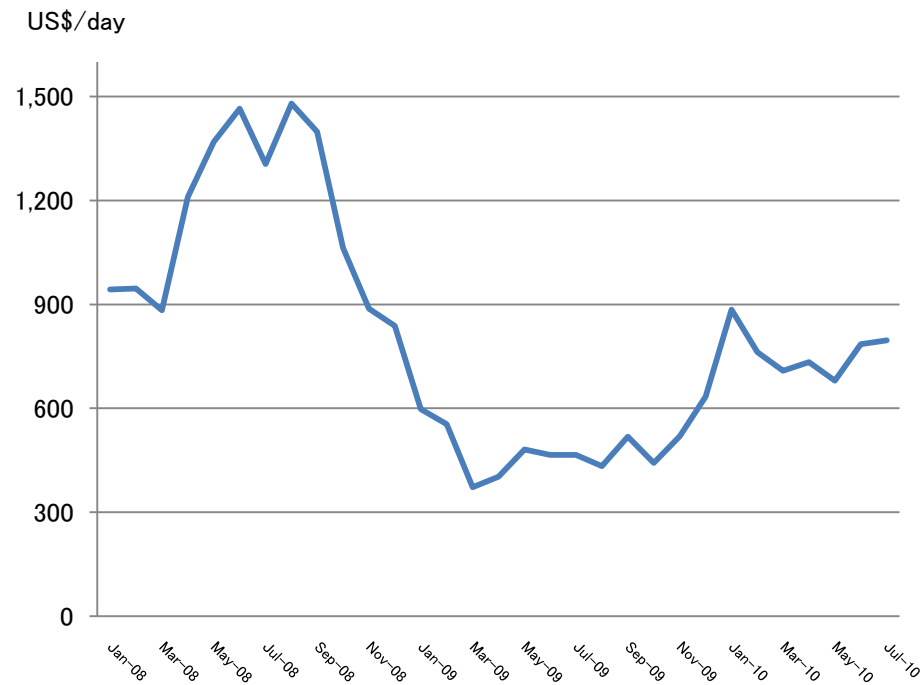
Source: Tradewinds

**Recovery of the market is confirmed**

# Market Update

## Update of maritime industry Shipping Market – Product Tanker

### Baltic Clean Tanker Index Movement for last two years



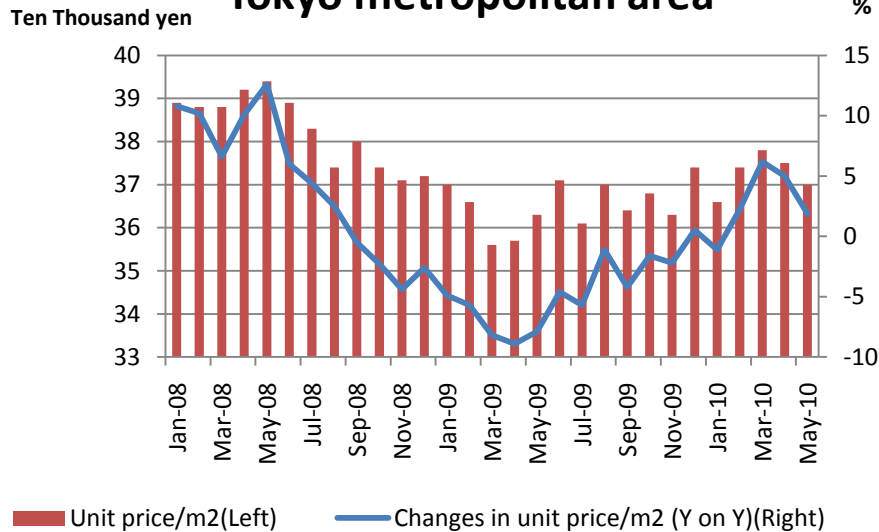
Source: Bloomberg

**The market has bottomed out, but the recovery is faltering**

# Market Update

## Update of property market in Japan Residential Market

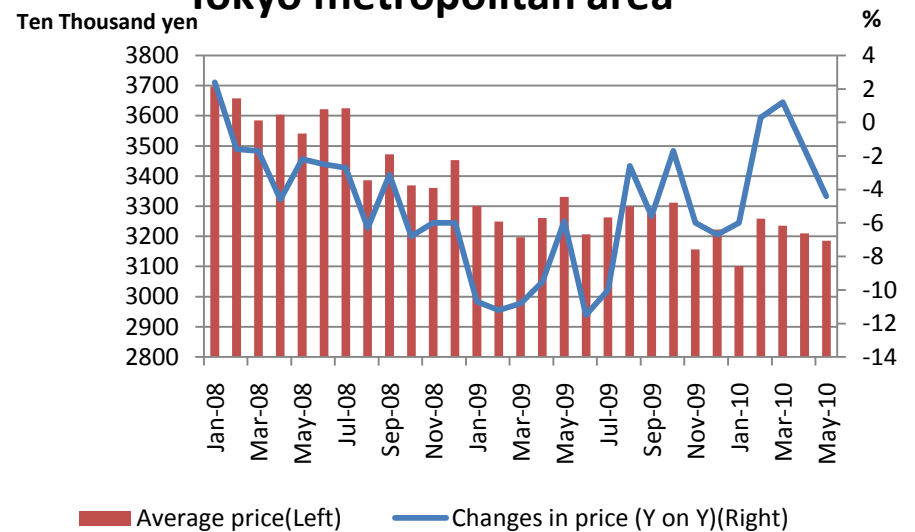
### Unit price of condominium in Tokyo metropolitan area



Condominium with space from 40 to 80m<sup>2</sup>

Source: Fudosan Ryutsu Kindaika Centre

### Average price of detached house sold in Tokyo metropolitan area



Source: Fudosan Ryutsu Kindaika Centre

**Residential market appears to be recovering, but still erratic**

# Our Strategy for 2010

## \*\* Focus on profitability for the group

- Aim to improve profitability in all business segments by enhancing existing business as well as realising new business opportunities
- Strengthen the Group's maritime investment by capturing majority ownership in new vessel investment opportunities to enhance the stable income base

## \*\* Continue to capitalise on new investment opportunities

- To explore a new opportunity-driven fund which invests in discounted vessels with a focus on small handy bulk carriers
- Seeking for new investment opportunities in both maritime investment and property investment by leveraging on existing wide business network

## \*\* Enhancement of lean cost structure to ride out the tough business conditions

- Maintain expenses at current streamlined level - ongoing cost management

## \*\* Prudent management of cash resources

- Cautious fund allocation to selective investment opportunities



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**Thank You**



**YOUR TRUSTED PARTNER  
IN ALTERNATIVE INVESTMENTS**