



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

Registration No. CR-72229

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

# 3Q FY2010 Corporate Update Presentation

12 November 2010



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**1. Financial Performance**

**2. Recent Developments**

**3. Market Update/Strategy**

# Financial Performance

The Company recorded net profit in 3Q FY10 and 9M FY10

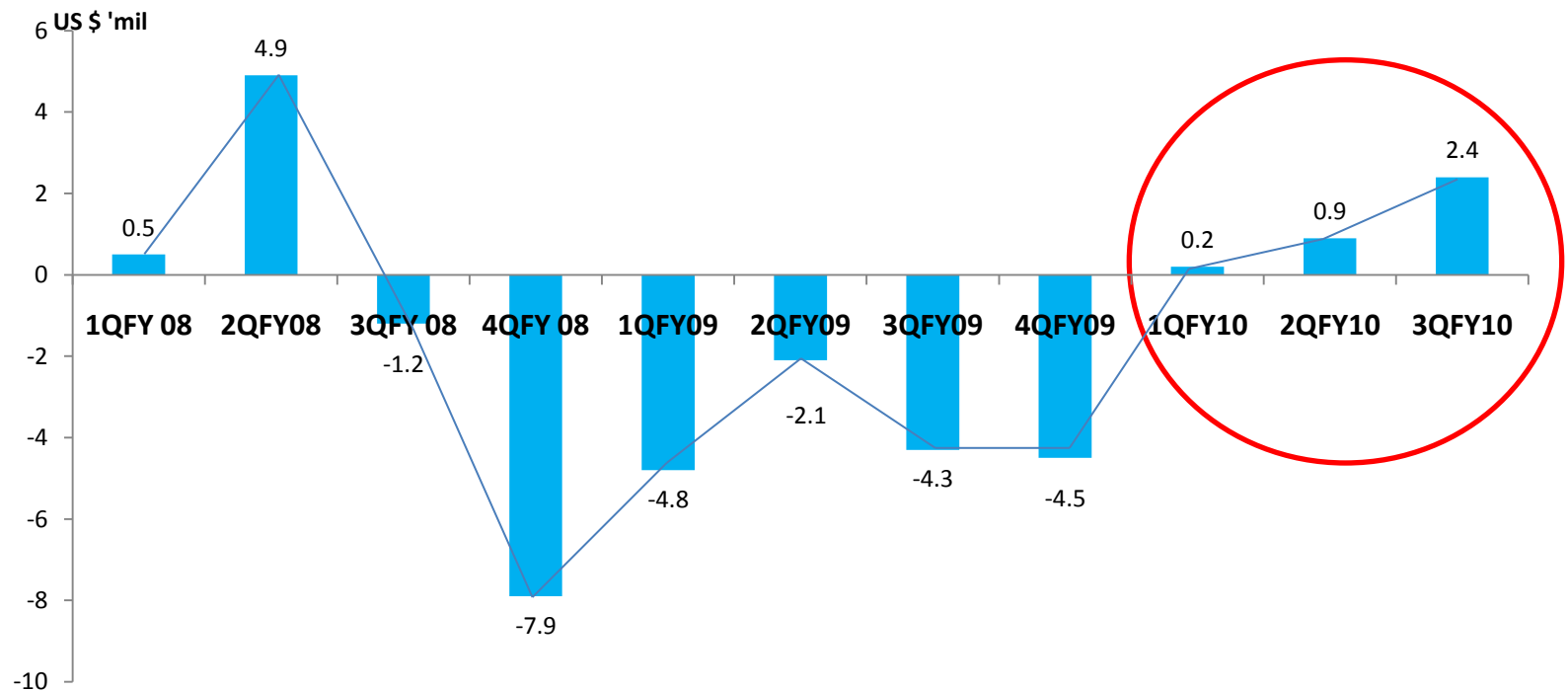
## Financial Highlights – Income Statement

US\$'mil	3 <sup>rd</sup> Quarter			9 Months		
	FY10	FY09	% Change	FY10	FY09	% Change
Total Income	13.9	12.2	14	37.1	33.8	10
Total Expenses	11.0	15.2	(28)	32.4	41.1	(21)
Operating Profit / (Loss)	2.9	(3.0)	N.M.	4.7	(7.3)	N.M.
Profit / (Loss) for the Period	2.4	(4.2)	N.M.	3.5	(11.2)	N.M.
Earnings per Share (US Cents)	0.79	(1.43)	N.M.	1.14	(3.96)	N.M.

# Financial Performance

The company recorded net profit in all three quarters in FY10

Financial Highlights – Quarterly movement of net profit/loss



# Financial Performance

**The Company's Total Assets is increasing due to new investments using external borrowings**

Financial Highlights – Balance Sheet

US\$'mil	30-Sep-10	30-Jun-10	31-Mar-10	31-Dec-09
Total Assets	163.8	152.8	149.0	147.8
Total Liabilities	55.7	47.2	44.4	43.4
Total Equity	108.1	105.6	104.6	104.4
Total Debt	45.7*	39.0	36.6	34.8
Total Cash	50.1	50.2	61.4	66.4
Net Cash	4.5	11.1	24.8	31.6
Total Debt / Total Equity	0.42	0.37	0.35	0.33
NAV per share (US\$)	0.35	0.34	0.33	0.33



Total cash includes deposits pledged as collateral

\* Total Debt Includes following borrowings :

- US\$ 12.5 mil non-recourse loan by the hotel owning company
- US\$ 19.7 mil loan secured by bank deposit pledged

Total debt increased mainly due to new borrowings by a majority holding vessel owning company for vessel acquisition.

# Financial Performance

## Income Statement – Contribution Breakdown

US\$'mil	9M FY10
Revenue	37.1
Operating Profit /(Loss)	4.7
Net Profit /(Loss)	3.5

US\$'mil	From UAF	From CA
Revenue	8.4	29.1
Fee Income	3.6	3.9
Hotel Income	0.0	25.8
Investment Returns	2.8	(0.6)
Interest Income	0.8	0.0
Other Income	1.2	0.0
Operating Profit/(Loss)	5.5	(0.5)
Net Profit/(Loss)	5.4	(1.9)

UAF = Uni-Asia Finance Group 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	9M FY10	9M FY09	Inc/(Dec)
<b>Revenue</b>	<b>8.4</b>	<b>8.8</b>	<b>(0.4)</b>
Fee Income	3.6	8.9	(5.3)
Investment Returns	2.8	(0.7)	3.5
Interest Income	0.8	0.4	0.4
Other Income	1.2	0.2	1.0
<b>Expenses</b>	<b>2.9</b>	<b>11.1</b>	<b>(8.2)</b>
Employee Benefits Expense	2.6	3.1	(0.5)
Non-personnel Expenses	0.3	8.0	(7.7)
<b>Operating Profit/ (Loss)</b>	<b>5.5</b>	<b>(2.3)</b>	<b>7.8</b>
<b>Finance Costs</b>	<b>0.1</b>	<b>2.8</b>	<b>(2.7)</b>
<b>Profit/ (Loss) before tax</b>	<b>5.4</b>	<b>(5.1)</b>	<b>10.5</b>
<b>Profit / (Loss) after tax</b>	<b>5.4</b>	<b>(5.2)</b>	<b>10.6</b>

All figures are before consolidation adjustments.

Effect of deconsolidation of two vessel owning companies from Dec 2009

No charter income in FY10

· Lesser administration expenses in FY10.  
· Lesser amortisation expenses in FY10  
· No effect of FX translation loss of borrowings in JPY for vessel acquisition in FY10

Lesser interest expenses in FY10

### Major factors of improved performance :

- Increase in arrangement fee by US\$ 1.6M
- Improvement of Investment Returns, mainly due to US\$ 2.1M of fair value adjustments gain
- Foreign exchange gain of US\$ 1.5M from S\$ deposit and others, which reduced non-personnel expenses



# Financial Performance

## Net loss amount of CA was reduced from 9M FY09

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

US\$'mil	9M FY10	9M FY09	Inc/(Dec)
<b>Revenue</b>	<b>29.1</b>	<b>25.3</b>	<b>3.8</b>
Fee Income	3.9	3.6	0.3
Investment Returns	(0.6)	(2.1)	1.5
Hotel Income	25.8	23.5	2.3
Interest Income	0.0	0.0	0.0
Other Income	0.0	0.3	(0.3)
<b>Expenses</b>	<b>29.6</b>	<b>30.1</b>	<b>(0.5)</b>
Employee Benefits Expense	7.7	9.7	(2.0)
Non-personnel Expenses	21.9	20.4	1.5
<b>Operating (Loss) / Profit</b>	<b>(0.5)</b>	<b>(4.8)</b>	<b>4.3</b>
Finance Costs	1.2	0.9	0.3
Share of results of associates	0.0	(0.2)	0.2
Profit / (Loss) allocation to TK investors	0.0	0.3	(0.3)
(Loss) / Profit before tax	(1.7)	(5.6)	3.9
(Loss) / Profit after tax	(1.9)	(6.0)	4.1

One-off brokerage fee contributed to the increase of fee income

No property disposal loss is recorded in 9M FY10

Withdrawal of one large hotel operation reduced Employee Benefits Expense

All figures are before consolidation adjustments.

**As market situation has stabilised, CA's Performance has improved compared to last year.**

- **New business→One-off brokerage fee income**
- **No loss on disposal of property in 9M FY10 (US\$ 1.8M loss in 9M FY09)**
- **Though Investment Returns is still negative in 9M FY10, it is mainly due to one-time investment loss**

# Financial Performance

## How are our funds employed

US\$'mil	Sep 10	Dec 09	
<b><u>Maritime Investment</u></b>	<b>53.7</b>	<b>31.4</b>	← Increase is mainly due to new investments in vessels
<b>Non-current assets</b>	<b>50.7</b>	<b>31.4</b>	
Investments	33.3	27.6	
Deposits for purchase of vessels	13.6	0.0	
Loan to vessels owning companies	3.8	3.8	
<b>Current assets</b>	<b>3.0</b>	<b>0.0</b>	
Loan to vessels owning companies	3.0	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>41.2</b>	<b>36.8</b>	
<b>Non-current assets</b>	<b>41.2</b>	<b>36.8</b>	
Investment in SPC and associates	13.8	14.0	
Loan to SPC	2.4	0.0	
Property, plant and equipment	25.0	22.8	← Increase is due to appreciation of JPY against US\$
<b>Cash and Cash equivalents ( Free Cash)</b>	<b>27.4</b>	<b>53.3</b>	
<b>Deposit pledged as collateral</b>	<b>22.7</b>	<b>13.1</b>	
<b>Others</b>	<b>14.4</b>	<b>8.9</b>	
<b>Total</b>	<b>163.8</b>	<b>147.8</b>	

**1. Financial Performance**

**2. Recent Developments**

**3. Market Update/Strategy**

# Recent Developments

## *Business*

- ⌘ **Acquisition of a new 29,100 dwt handy bulk carrier (announced in September 2010)**
  - Uni-Asia Shipping Limited <sup>1</sup>, a wholly owned subsidiary of the Company, acquired a new handy bulk carrier through Imperial Bulkship S.A., a new wholly owned subsidiary.
  - The vessel is expected to be delivered in 2Q 2012
  - The Company will negotiate with potential charterers in respect of the charter contract. We will try to secure favourable terms for this vessel.

<sup>1</sup> Uni Ships Line Inc. Limited, which was established in May 2010, was renamed Uni-Asia Shipping Limited in October 2010.

## Recent Developments

### *Business*

- ❖ **Participation in property development project in Hong Kong through a newly established joint investment company (August 2010)**
  - UNI SALA Capital Investment Limited, a newly established joint investment company, invested in First Realty Development Company Limited (“First Realty”) in Hong Kong with a 20% interest in order to participate in the property owning/development project.
  - First Realty has acquired an industrial property in Kwun Tong, Kowloon, Hong Kong, and it is scheduled to be redeveloped for industrial and office building use by 4Q 2012.
  - This is the first property investment in Hong Kong by the Company.
  - First Group Holdings Limited, a major shareholder of First Realty, is an experienced property investment company in Hong Kong.

**1. Financial Performance**

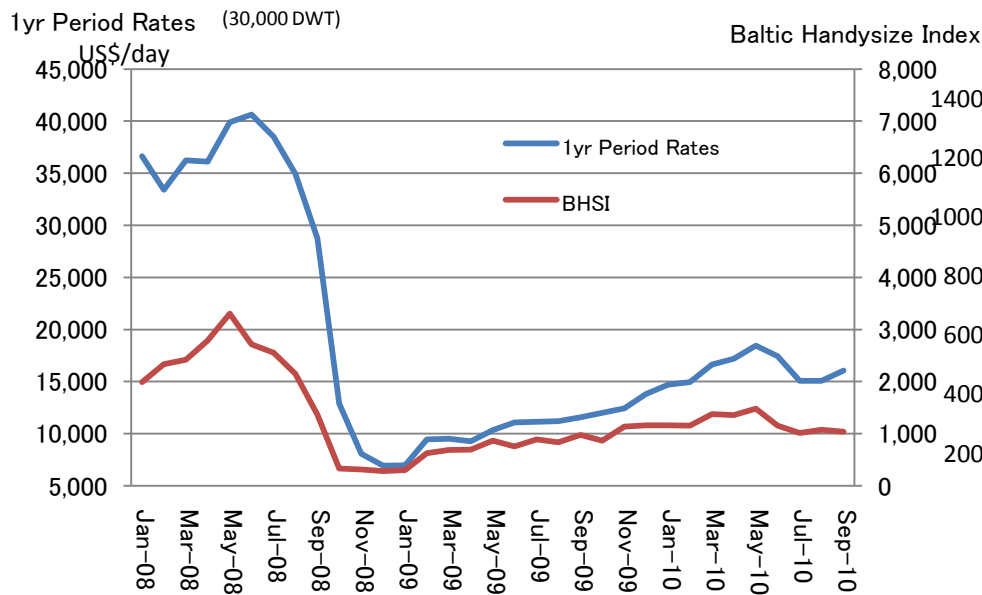
**2. Recent Developments**

**3. Market Update/Strategy**

# Market Update

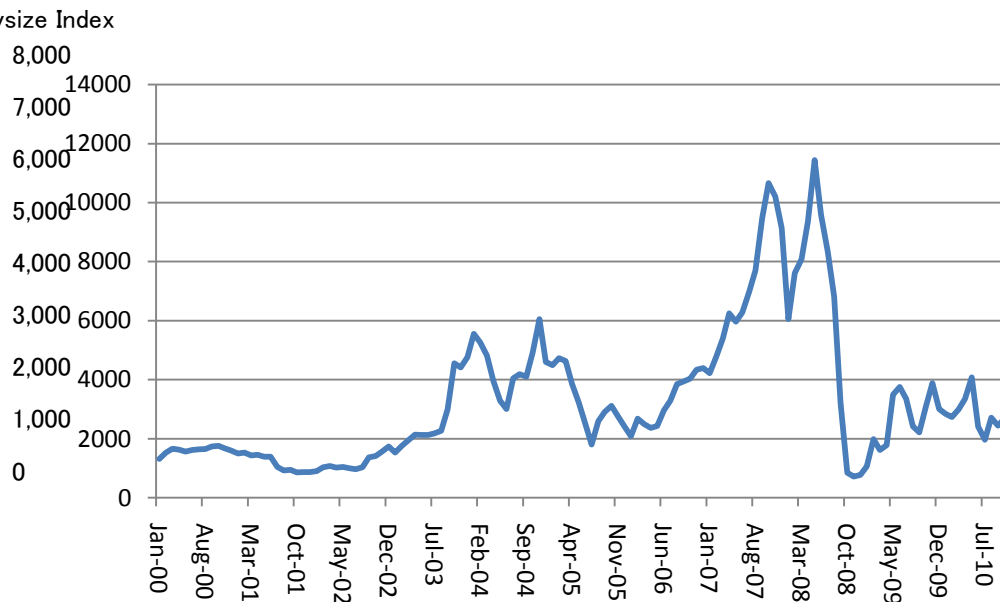
## Update of maritime industry Shipping Market – Handysize Bulk Carrier

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



Source: Clarksons / Bloomberg

### Baltic Dry Index Movement from 2000



Source: Bloomberg

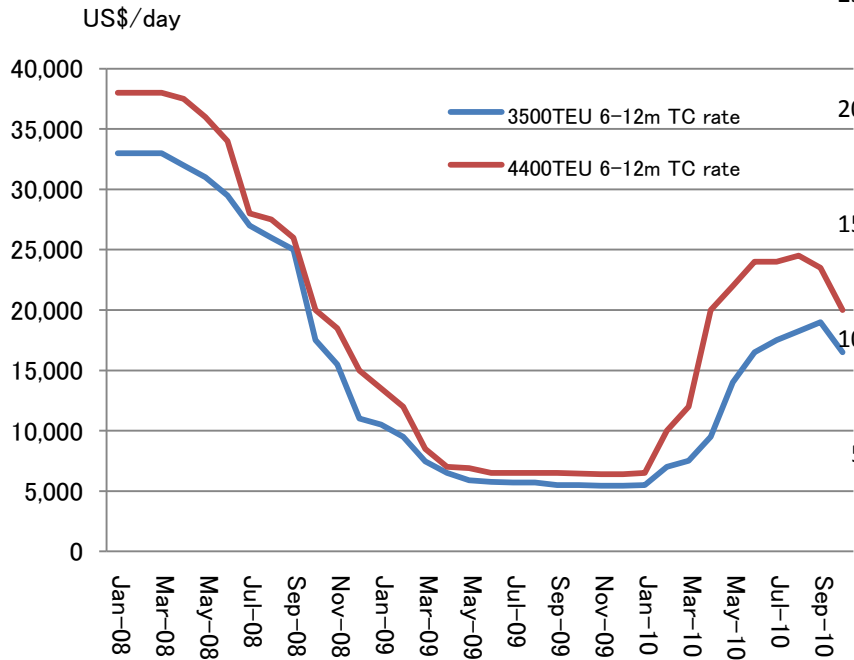
Recovery is still gradual and unstable

# Market Update

## Update of maritime industry Shipping Market – Container Vessel

### Timecharter Rates

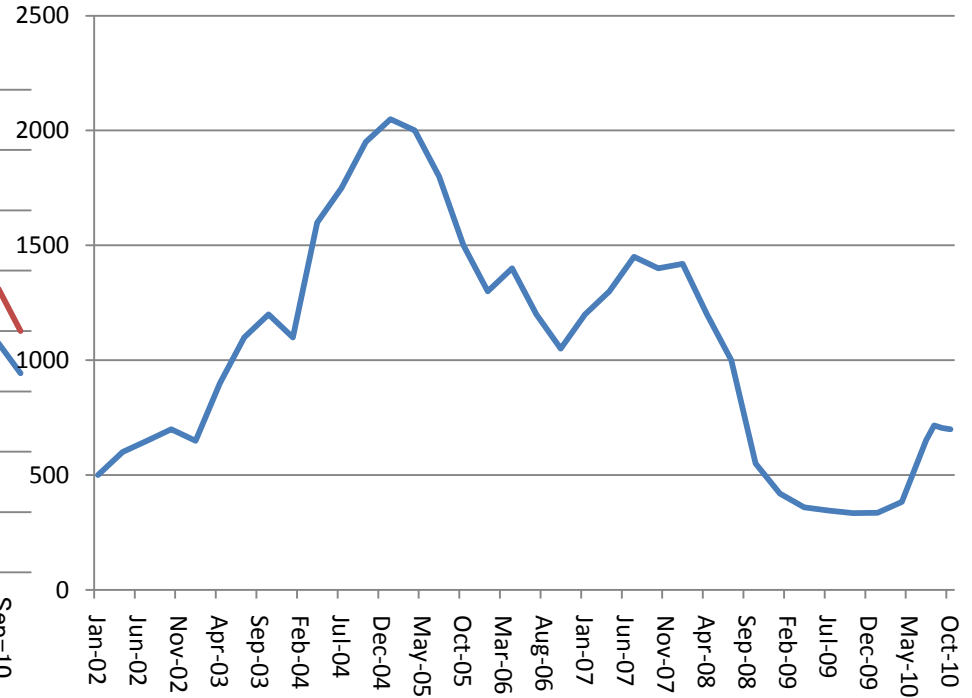
Movement for last 2 years



Source: Clarksons

### Howe Robinson Charter Index

Movement from 2002



Source: Tradewinds

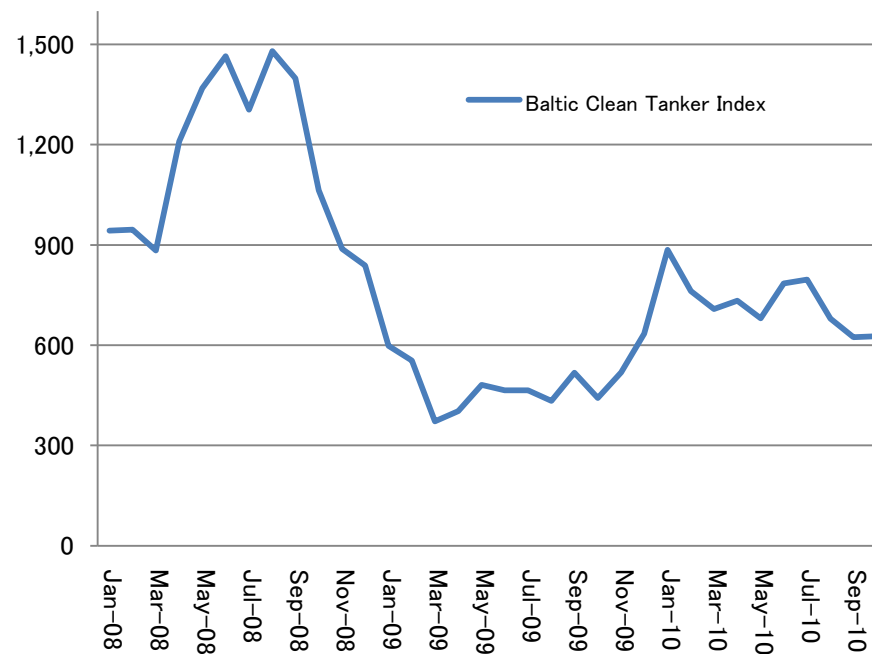
**Recovery of the market is confirmed but it is erratic**



# Market Update

## Update of maritime industry Shipping Market – Product Tanker

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



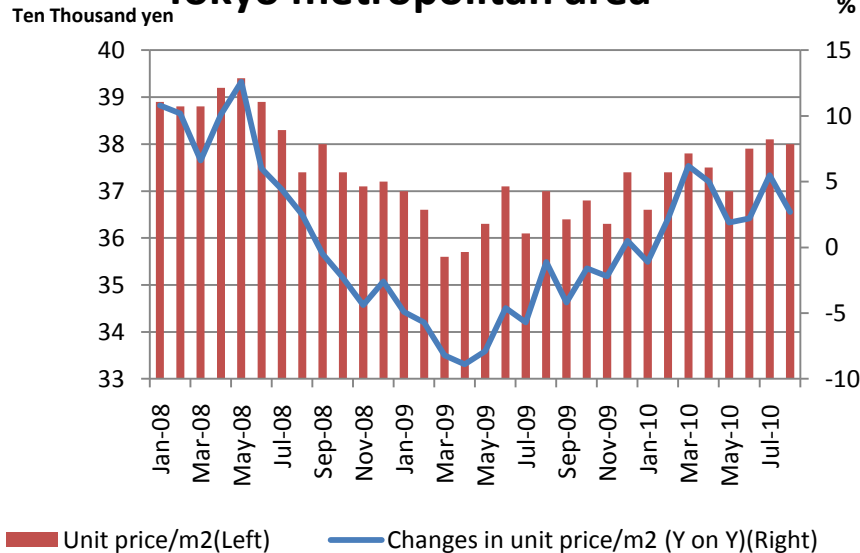
Source: Bloomberg

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

# Market Update

## Update of property market in Japan Residential Property Market

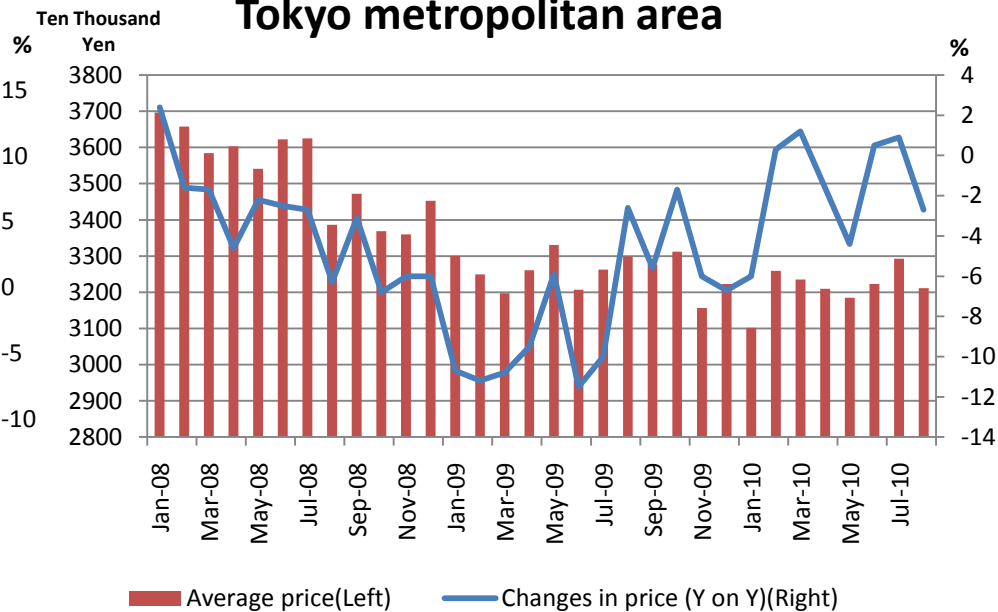
### Unit price of condominium in Tokyo metropolitan area



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

Source: Fudosan Ryutsu Kindaika Centre

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



Source: Fudosan Ryutsu Kindaika Centre

**Residential property market appears to be recovering, but still unstable**

# 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**  
→ Several new business opportunities that have materialised helped to improve the Group's performance.
- **Strengthen the Group's maritime investment by capturing majority ownership in new vessel investment opportunities to enhance the stable income base**  
→ Through Uni-Asia Shipping Limited, a newly established ship owning & operating company, we acquired two newly built handy bulk vessels this year. The Group owns majority ownership of these vessels. The function of Uni-Asia Shipping Limited will be enhanced to acquire more vessels.

## \*\* 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**  
→ Continuing to make efforts to organise the fund.

# Our Strategy for 2010

- **Seeking for new investment opportunities in both maritime investment and property investment by leveraging on existing wide business network**  
→The group invested in two handy bulk vessels and in Hong Kong property. There are several pipeline investment projects on hand.

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

- **Maintain expenses at current streamlined level - ongoing cost management**  
→The group is stringent in controlling the expenses to maintain the original budget.

## ❖ **Prudent management of cash resources**

- **Cautious fund allocation to selective investment opportunities**  
→New investment projects are strictly scrutinised for optimal use of our cash.



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**Thank You**

