UNI-ASIA FINANCE CORPORATION
(Company Registration No. CR-72229)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1 (a) An income statement for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

		4th Quarter			Full year		
	Note	2009 US$'000	2008 US$'000	% Change	2009 US$'000	2008 US$'000	% Change
Fee income	[1]	5,163	2,469	109%	17,690	11,709	51%
Hotel income		8,294	8,099	2%	31,782	26,496	20%
Investment returns	[2]	6,396	(8,837)	172%	3,602	419	760%
Interest income		1,389	206	574%	1,549	1,330	16%
Other income		53	456	(88%)	476	592	(20%)
Total income		21,295	2,393	790%	55,099	40,546	36%
Employee benefits expense		(3,846)	(4,142)	(7%)	(16,597)	(18,737)	(11%)
Amortization and depreciation		(1,197)	(633)	89%	(4,687)	(1,502)	212%
Other expenses		(12,193)	(5,429)	125%	(36,326)	(22,198)	64%
Impairment of property, plant and equipment		(2,166)	-	N/M	(2,166)	-	N/M
Gain/ (loss) on disposal of property, plant and equipment		174	(83)	310%	(192)	(116)	66%
Impairment of goodwill		(7)	-	N/M	(411)	-	N/M
		(19,235)	(10,287)	87%	(60,379)	(42,553)	42%
Operating profit/ (loss)		2,060	(7,894)	126%	(5,280)	(2,007)	163%
Finance costs – interest expense		(6,294)	(480)	1211%	(9,766)	(1,369)	613%
Finance costs – others		(46)	(24)	92%	(69)	(460)	(85%)
Share of results of associates		(13)	31	(142%)	(157)	(15)	947%
Loss/ (profit) allocation to Tokumei Kumiai investors *		1,108	(276)	501%	1,383	(276)	601%
Loss before tax		(3,185)	(8,643)	(63%)	(13,889)	(4,127)	237%
Tax (expense)/ credit		(1,335)	750	(278%)	(1,794)	463	(487%)
Loss for the period/ year		(4,520)	(7,893)	(43%)	(15,683)	(3,664)	328%
Loss attributable to:							
Owners of the parent		(3,794)	(7,484)	(49%)	(14,520)	(3,055)	375%
Non-controlling interests		(726)	(409)	78%	(1,163)	(609)	91%
		(4,520)	(7,893)	(43%)	(15,683)	(3,664)	328%

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

	4th Quarter			Full year		
	2009 US$'000	2008 US$'000	% Change	2009 US$'000	2008 US$'000	% Change
Loss for the period/ year	(4,520)	(7,893)	(43%)	(15,683)	(3,664)	328%
Other comprehensive income/ (expense) for the period/ year, after tax:						
Exchange differences on translation of foreign operations	(1,002)	2,752	(136%)	(1,129)	4,462	(125%)
Fair value gain/ (loss) of cash flow hedges	(711)	(10,760)	(93%)	4,891	(10,201)	148%
Fair value gain/ (loss) of available-for-sale financial assets	19	238	(92%)	(68)	-	N/M
Impairment of property, plant and equipment	(316)	-	N/M	(316)	-	N/M
Other comprehensive income/ (expense) for the period/ year, net of tax	(2,010)	(7,770)	(74%)	3,378	(5,739)	159%
Total comprehensive expense for the period/ year	(6,530)	(15,663)	(58%)	(12,305)	(9,403)	31%
Total comprehensive expense attributable to:						
Owners of the parent	(5,757)	(15,387)	(63%)	(11,107)	(9,017)	23%
Non-controlling interests	(773)	(276)	180%	(1,198)	(386)	210%
	(6,530)	(15,663)	(58%)	(12,305)	(9,403)	31%

NOTES:

[1] Breakdown of fee income

	4th Quarter			Full year		
	2009 US$'000	2008 US$'000	% Change	2009 US$'000	2008 US$'000	% Change
Arrangement and agency fee	823	501	64%	1,040	2,525	(59%)
Project management fee	722	-	N/M	722	-	N/M
Brokerage commission	201	379	(47%)	995	1,337	(26%)
Incentive fee	29	21	38%	211	1,858	(89%)
Asset management & administration fee *	1,437	1,568	(8%)	5,863	5,989	(2%)
Charter income	1,951	-	N/M	8,859	-	N/M
	5,163	2,469	109%	17,690	11,709	51%

* *Includes income earned by Capital Advisers Co., Ltd. ("Capital Advisers") as the asset manager of hotels and residential projects of $4.6 million for 2009 (2008: $4.6 million).*

[2] Breakdown of investment returns

	4th Quarter			Full year		
	2009 US$'000	2008 US$'000	% Change	2009 US$'000	2008 US$'000	% Change
Interest on performance notes – shipping	-	411	N/M	620	5,595	(89%)
Interest on performance notes – distressed debt	-	-	-	87	25	248%
Realized gain on investment – shipping	11,056	-	N/M	11,056	-	N/M
Realized gain on investment – hotel and residential	172	107	61%	252	352	(28%)
Realized gain on investment – others	4	-	N/M	3	-	N/M
Realized loss on disposal of properties for sale	(31)	-	N/M	(1,861)	-	N/M
Property rental income	156	135	16%	736	496	48%
Fair value adjustment on investment properties	291	(23)	1365%	252	405	(38%)
Fair value adjustment on investment – hotel and residential	(4,649)	(1,286)	262%	(5,982)	(886)	575%
Fair value adjustment on investment – shipping	590	(3,093)	119%	72	(2,794)	103%
Fair value adjustment on performance notes – hotel	(1)	(87)	(99%)	(25)	(87)	(71%)
Fair value adjustment on performance notes – shipping	(987)	(2,326)	(58%)	(171)	166	(203%)
Fair value adjustment on performance notes – distressed debt	(86)	(341)	(75%)	(262)	(444)	(41%)
Fair value adjustment on listed shares – hotel	-	(306)	N/M	-	(306)	N/M
Fair value adjustment on listed shares – others	(119)	-	N/M	(134)	(75)	79%
Net gain/ (loss) on forward currency contracts	-	734	N/M	(1,041)	734	(242%)
Write down of properties for sale to net realizable value – residential	-	(2,762)	N/M	-	(2,762)	N/M
	6,396	(8,837)	172%	3,602	419	760%

N/M: Not meaningful

1 (b) (i) **A balance sheet for the group and the issuer, together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	31 December 2009 US$'000	31 December 2008 US$'000	31 December 2009 US$'000	31 December 2008 US$'000
ASSETS				
Non-current assets				
Investment properties	4,335	4,082	-	-
Intangible assets	104	534	-	-
Property, plant and equipment	22,897	27,395	35	83
Loans receivable	3,750	-	3,500	-
Loans to subsidiaries	-	-	7,049	15,832
Investments	41,881	46,005	30,260	27,935
Investments in subsidiaries	-	-	1,537	15,721
Investments in associates	77	240	-	-
Rental deposit	2,316	3,113	-	-
Deferred tax assets	40	1,623	-	1,280
Deposits for purchase of vessels	-	37,347	-	4,042
Total non-current assets	75,400	120,339	42,381	64,893
Current assets				
Properties for sale	-	9,013	-	-
Investments	643	280	-	-
Loans to subsidiaries	-	-	11,556	12,795
Derivative financial instruments	-	773	-	773
Accounts receivable	3,965	4,905	483	39
Amount due from subsidiaries	-	-	3,104	11,729
Prepayments, deposits and other receivables	1,385	1,812	346	433
Tax recoverable	30	293	-	-
Deposits pledged as collateral	13,100	12,448	12,485	12,400
Cash and bank balances	53,318	28,797	43,814	13,689
Total current assets	72,441	58,321	71,788	51,858
Total assets	147,841	178,660	114,169	116,751

	Group		Company	
	31 December 2009 US$'000	31 December 2008 US$'000	31 December 2009 US$'000	31 December 2008 US$'000
EQUITY				
Equity attributable to owners of the parent				
Share capital	50,111	41,759	50,111	41,759
Share premium	30,732	21,402	30,732	21,402
Retained earnings	19,812	34,332	22,021	36,376
Fair value reserve	(57)	322	-	-
Hedging reserve	-	(10,201)	-	-
Exchange reserve	3,841	4,940	-	609
Total equity attributable to owners of the parent	104,439	92,554	102,864	100,146
Non-controlling interests	-	1,187	-	-
Total equity	104,439	93,741	102,864	100,146
LIABILITIES				
Non-current liabilities				
Borrowings	600	13,718	-	-
Finance lease obligations	11	228	-	-
Due to Tokumei Kumiai investors	613	2,055	-	-
Retirement benefit allowance	240	656	-	-
Derivative financial instruments	-	7,850	-	-
Other payables	821	-	-	-
Total non-current liabilities	2,285	24,507	-	-
Current liabilities				
Borrowings	34,218	45,173	10,772	16,055
Finance lease obligations	9	100	-	-
Accounts payable	2,614	3,080	-	2
Amount due to subsidiaries	-	-	1	2
Other payables and accruals	4,100	6,821	532	546
Derivative financial instruments	-	5,103	-	-
Income tax payable	176	135	-	-
Total current liabilities	41,117	60,412	11,305	16,605
Total equity and liabilities	147,841	178,660	114,169	116,751

NOTES:

On 1 December 2009, the Group disposed of a 50% interest in a wholly owned shipping subsidiary, Prosperity Containership S.A. ("Prosperity") which took delivery of a 4,300 TEU container vessel in the beginning of the year. Subsequent to the disposal, Prosperity was accounted for as an investment rather than as a subsidiary and the Group no longer consolidated the assets and liabilities of the vessel owning company under its financial statements.

[1] The major movements in non-current assets during the year included:

(1) a decrease in property, plant and equipment of $4.5 million arising primarily from the writedown in value of the hotel properties,
(2) an increase in loans receivable of $3.8 million extended primarily to two shipping entities,
(3) a decrease of investments by $4.1 million due primarily to:
(3.1) the redemption/disposal of our investment in a property in Japan,
(3.2) the revaluation losses from our investments in ships, hotel and residential properties. This was offset by the Group's investment in a bulk carrier which was reclassified from a subsidiary to an investment upon interest disposal in December 2009.
(4) a decrease in deferred tax assets by $1.6 million due to the writeoff of such deferred tax asset given management's view of the uncertainty of the recognition of Hong Kong taxable income in the near term and
(5) a decrease in deposits for the purchase of vessels by $37.4 million due to the delivery of two vessels totalling $26.0 million during the year and the refund of 11.4 million in deposit paid on three handy sized bulk carriers upon the cancellation of the shipbuilding contracts.

[2] The major movements in current assets during the year arose primarily from:

(1) a decrease in properties for sale (residential properties) by $8.8 million upon the disposal of three residential properties held by Capital Advisers during the year,
(2) an increase in investments by $0.4 million due primarily to the successful IPO of an investment which had previously been classified under prepayment,
(3) a decrease in derivative financial instruments of $0.8 million arising from the expiration of a forward currency contract,
(4) a decrease in accounts receivables of $0.9 million arising primarily from provision on bad and doubtful debt made by Capital Advisers,
(5) an increase in deposits of $0.7 million pledged as collateral due to the strengthening of the JPY against the USD and
(6) an increase in cash and bank balances of $24.5 million due to the share placement of $17.7 million.

[3] The movements in non-current liabilities of $22.2 million during the year stemmed primarily from:

(1) a decrease in long term borrowings of $13.1 million,
(2) a decrease in amount due to Tokumei Kumiai investors of $1.4 million following impairment losses recognized on a hotel investment,
(3) a decrease in retirement benefit allowance of $0.4 million arising from the loss of a hotel management contract by Capital Advisers leading to a reduction in the number of staff under its hotel operation and
(4) a drop in derivative financial instrument of $7.9 million from the deconsolidation of Prosperity's assets and liabilities at the end of the year after the Group disposed of a 50% interest in the vessel owning subsidiary.

[4] The movements in current liabilities of $19.3 million during the year consisted primarily of a decrease in the Group consolidated borrowings by $11.0 million, decrease in other payables and accruals of $2.6 million from Capital Advisers and a decrease in derivative financial instruments of $5.1 million upon the deconsolidation of Prosperity's assets and liabilities since 1 December 2009.

[5] The movement in shareholders' equity of $10.7 million was mainly due to the share placement exercise in 3Q09 raising additional proceeds of $17.7 million, a reversal of fair value losses on an interest rate hedge (charged to reserve) of $10.2 million arising from the deconsolidation of Prosperity's assets and liabilities and a decrease in retained earnings of $14.5 million arising from the Group's net losses during the year.

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

	As at 31 December 2009		As at 31 December 2008	
	Secured	Unsecured	Secured	Unsecured
	US$'000	US$'000	US$'000	US$'000
Amount repayable in one year or less, or on demand	33,186	1,032	28,302	16,871
Amount repayable after one year	-	600	2,942	10,776
Total	33,186	1,632	31,244	27,647

Details of any collateral

The Group's borrowings are secured by means of:

> a legal mortgage over a cash deposit of the holding company

> a legal mortgage over a cash deposit of a subsidiary

> legal mortgages over freehold properties under the category of "Property, plant and equipment" of subsidiaries

1 (c) A cash flow statement for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Full year 2009 US$'000	Full year 2008 US$'000
Cash flow from operating activities			
Loss before tax		(13,889)	(4,127)
Adjustments for:			
Investment returns		(3,602)	(419)
Impairment of goodwill		411	-
Amortization and depreciation		4,687	1,502
Realization of negative goodwill on acquisition of subsidiaries		-	(118)
Gain on liquidation of subsidiaries		(2)	-
Impairment of property, plant & equipment		2,166	-
Loss on disposal of property, plant and equipment		192	116
Provision for onerous contracts		1,844	-
Interest income		(1,549)	(1,330)
Finance costs – interest expense		9,766	1,369
Finance costs – others		69	460
Share of results of associates		157	15
(Loss)/ profit allocation to Tokumei Kumiai investors		(1,383)	276
Net foreign exchange loss		3,793	211
		2,660	(2,045)
Change in working capital:			
Net change in inventories		(244)	(6,077)
Net change in accounts receivable		1,213	339
Net change in prepayments, deposits and other receivables		654	492
Net change in retirement benefit allowance		(399)	188
Net change in accounts payable		(398)	(1,050)
Net change in other payables and accruals		(2,911)	(2,668)
Cash used in operating activities		575	(10,821)
Interest received on bank balances		223	1,117
Tax reimbursed/ (paid)		88	(738)
Net cash used in operating activities	[1]	886	(10,442)

	Note	Full year 2009 US$'000	Full year 2008 US$'000
Cash flow from investing activities			
Acquisition of subsidiaries		-	10,747
Deemed disposal of subsidiaries		(4,661)	-
Deconsolidation of subsidiaries		(73)	(210)
Purchase of investments		(929)	(11,050)
Purchase of investment properties		-	(8)
Proceeds from sale of investments		4,454	2,479
Redemption to Tokumei Kumiai investors		-	(868)
Deposits refunded/ (paid) for purchase of vessels		13,357	(29,531)
Purchase of property, plant and equipment		(72,094)	(334)
Proceeds from disposal of property, plant and equipment		9	1
Proceeds from sale of properties for sale		6,989	-
Loans advanced		(250)	-
Loans repaid		-	6,500
Interest received from syndicated loans		1,342	241
Net increase in deposits pledged as collateral		(2,441)	(6,987)
Proceeds from interest on investments		836	6,046
Settlement of forward currency contracts		(307)	-
Dividend received from an associate		-	19
Proceeds from property rental		684	589
Net cash used in investing activities	[2]	(53,084)	(22,366)
Cash flow from financing activities			
Proceeds from issuing shares		17,772	-
Placement expenses		(90)	-
New borrowings		89,899	48,585
Repayment of borrowings		(28,491)	(35,522)
Interest paid on borrowings		(2,561)	(1,450)
Payment of lease obligation		(72)	-
Net change in restricted bank deposit		-	-
Dividend paid		-	(5,275)
Net cash generated from financing activities	[3]	76,457	6,338
Net increase/ (decrease) in cash and cash equivalents		24,259	(26,470)
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the year		28,797	50,800
Net increase/ (decrease) in cash and cash equivalents		24,259	(26,470)
Effects of exchange rate changes		262	4,467
Cash and cash equivalents at end of the year		53,318	28,797
Analysis of cash and cash equivalents:			
Cash and bank balances		53,318	28,797

NOTES:

[1] Cash flow used in operating activities improved to $0.9 million compared to ($10.4 million) in FY08 due mainly to working capital outflow stemming from the consolidation of Capital Advisers in the beginning of 2008. During the year, the Group recognized a gain from investment returns of $3.6 million, amortization and depreciation of $4.7 million which included $3.6 million in depreciation charges from a vessel delivered on 13 January 2009, impairment of property, plant & equipment of $2.2 million arising from the impairment of a hotel, net interest expense of $8.2 million and net foreign exchange loss of $3.8 million. Provision made on onerous contracts of $1.8 million was related to the hotel operation.

[2] While the level of investing activities slowed down during the year, in view of the Group's conservative cash management philosophy, cash flow used in investing activities increased to ($53.1 million) from ($22.4 million) in FY08 due primarily to the acquisition of a vessel held by a then vessel owning subsidiary.

[3] Cash flow from financing activities increased to $76.5 million from $6.3 million in FY08 due primarily to the share placement exercise during the year and the consolidation/ acquisition of the vessel owning subsidiary where the Group recognized an increase in bank borrowing from the drawdown of the loan for the container vessel.

1 (d) (i) **A statement for the group 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.**

Group	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	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2009	41,759	21,402	34,332	322	(10,201)	4,940	92,554	1,187	93,741
Loss for the year	-	-	(14,520)	-	-	-	(14,520)	(1,163)	(15,683)
Other comprehensive income/ (expense)	-	-	-	(379)	4,891	(1,099)	3,413	(35)	3,378
Total comprehensive income/ (expense)	-	-	(14,520)	(379)	4,891	(1,099)	(11,107)	(1,198)	(12,305)
Issuance of shares	8,352	9,330	-	-	-	-	17,682	-	17,682
Deemed disposal of subsidiaries	-	-	-	-	5,310	-	5,310	11	5,321
Balance at 31 December 2009	50,111	30,732	19,812	(57)	-	3,841	104,439	-	104,439
Balance at 1 January 2008	39,709	13,353	42,455	(6)	-	701	96,212	-	96,212
(Loss)/ profit for the year	-	-	(3,055)	-	-	-	(3,055)	(609)	(3,664)
Other comprehensive income/ (expense)	-	-	-	-	(10,201)	4,239	(5,962)	223	(5,739)
Total comprehensive income/ (expense)	-	-	(3,055)	-	(10,201)	4,239	(9,017)	(386)	(9,403)
Issuance of shares	2,050	8,049	-	-	-	-	10,099	-	10,099
Acquisition of a subsidiary	-	-	-	328	-	-	328	1,557	1,885
Deconsolidation of subsidiaries	-	-	-	-	-	-	-	16	16
Dividend paid in respect of 2007	-	-	(5,068)	-	-	-	(5,068)	-	(5,068)
Balance at 31 December 2008	41,759	21,402	34,332	322	(10,201)	4,940	92,554	1, 187	93,741

Company	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	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2009	41,759	21,402	36,376	-	-	609	100,146	-	100,146
Loss for the year	-	-	(14,355)	-	-	-	(14,355)	-	(14,355)
Other comprehensive expense	-	-	-	-	-	(609)	(609)	-	(609)
Total comprehensive expense	-	-	(14,355)	-	-	(609)	(14,964)	-	(14,964)
Issuance of shares	8,352	9,330	-	-	-	-	17,682	-	17,682
Balance at 31 December 2009	50,111	30,732	22,021	-	-	-	102,864	-	102,864
Balance at 1 January 2008	39,709	13,353	37,966	-	-	-	91,028	-	91,028
Profit for the year	-	-	3,478	-	-	-	3,478	-	3,478
Other comprehensive expense	-	-	-	-	-	609	609	-	609
Total comprehensive income	-	-	3,478	-	-	609	4,087	-	4,087
Issuance of shares	2,050	8,049	-	-	-	-	10,099	-	10,099
Dividend paid in respect of 2007	-	-	(5,068)	-	-	-	(5,068)	-	(5,068)
Balance at 31 December 2008	41,759	21,402	36,376	-	-	609	100,146	-	100,146

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.

On 7 August 2009, the company issued an additional 52,199,200 ordinary shares through a private placement. Pursuant to the issue of the additional shares, the number of issued shares increased from 260,996,000 to 313,195,200.

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.

The total number of issued shares was 313,195,200 as at 31 December 2009 and 260,996,000 and 31 December 2008.

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 of practice.

The figures are being audited in accordance with International Standards on Auditing.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The figures are being audited. Up to the date of this announcement, auditors do not intend to issue any qualified opinion.

4 Whether the same accounting policies and methods 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 year as compared with the audited financial statements for the financial year ended 31 December 2008. The presentation of financial statement is in accordance with IAS 1 which is effective from 1 January 2009.

5 If there are any changes in the accounting policies and methods 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 year as compared with the audited financial statements for the financial year ended 31 December 2008. The presentation of financial statement is in accordance with IAS 1 which is effective from 1 January 2009. 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.**

	4th Quarter		Full year	
	2009	2008	2009	2008
Loss attributable to owners of the parent (US$'000)	(3,794)	(7,484)	(14,520)	(3,055)
Weighted average number of ordinary shares in issue ('000)	313,195	260,996	281,447	260,891
Loss per share (US cents per share) - basic and diluted	(1.21)	(2.87)	(5.16)	(1.17)

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period/ year.

Diluted earnings 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/ year.

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.

	31 December 2009	31 December 2008
Net asset value per ordinary share based on issued share capital at the end of (in US$)	0.33	0.36

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:**

Major highlights of the year

- On 1 December, the Group disposed of a 50% interest in a wholly-owned vessel owning subsidiary, Prosperity Containership S.A. ("Prosperity"). After the disposal, Prosperity was no longer considered a subsidiary but was accounted for as an investment in accordance with IAS39. The Group's consolidated income statement reflected the operation of and any exchange gain or loss arising from the YEN borrowings of Prosperity from 13 January 2009, the date of delivery of the 4,300 TEU container vessel, up until 1 December 2009, the date of interest disposal. From the day of the interest disposal, the Group no longer consolidated the assets and liabilities of Prosperity under its financial statements.
- On 11 December 2009, the Group disposed of interest in Glory Bulkship S.A. ("Glory"), a vessel owning subsidiary, reducing its equity interest from 80% to 45%. Glory was no longer considered a subsidiary and was accounted for as an investment in accordance with IAS39. The Group no longer consolidated the assets and liabilities of Glory under its financial statements.
- During the year, management took a prudent view to write off deferred tax assets of $1.8 million due to uncertainty in the recognition of such Hong Kong taxable income in the near term.
- Due to the sluggish property and hotel market, low occupancy of the hotels, net losses from the disposal of residential properties and fair valuation losses from its property investments during the year, Capital Advisers registered net losses for FY09. Capital Advisers' total income, operating loss and net loss totalled $29.7 million, ($15.0 million) and ($15.5 million), respectively in FY09.

- Capital Advisers disposed of three wholly-owned residential properties during the year to cash in sale proceeds of close to $7.2 million. The Group recognized losses on disposal of $1.8 million from the sales.
- A new 215 room hotel, Hotel Vista Kyoto, opened for business in June 2009 in Kyoto. Capital Advisers acted as the hotel operator of this hotel.
- During the year, Capital Advisers lost the hotel management contract of Oita Toyo Hotel in Oita Japan.
- One hotel managed and partly owned by Capital Advisers was disposed of in 4Q09. Capital Advisers made an investment of $0.4 million into the hotel project and recognized fair value losses totaling $0.2 million up to 2009 from this hotel investment.
- The average occupancy of Capital Advisers' hotels was 67% during the year as compared to 71% in 2008.

Review of Income Statement

The Group's 2009 results have included the consolidated income statement of a shipping subsidiary, Prosperity, from 13 January to 30 November 2009. Stripping off the effects of Prosperity during the year, the Group's performance was affected largely by revaluation losses from investments in Japanese hotel and residential properties, provision made on onerous contracts related to the hotel operation, operating losses from Capital Advisers, lower fee income earned from finance arrangement and the writeoff of deferred tax assets. The Group recorded net loss of ($15.7 million) in FY09, against net loss of ($3.7 million) in FY08. Total income increased from $40.5 million in FY08 to $55.1 million in FY09.

The Group's income is classified under fee income, hotel income, investment returns, interest income and other income. Fee income increased by 51% from $11.7 million in FY08 to $17.7 million in FY09 due to the consolidation of the vessel owning subsidiary's charter income (*Refer to 1(a) NOTES [1] for breakdown of fee income*). A description of the Group fee income is summarized below:

(i) **Arrangement and agency fee** refers to income for the arrangement of syndicated loans or debt financing and for the Group's agency duty in finance arrangement transactions. Finance arrangement and agency fee dropped by 59% to $1.0 million in FY09 due to the slowdown in finance arrangement activities and the completion of fewer transactions compared to FY08.

(ii) **Project management fee** refers to the income earned for the initiation/origination of an investment project and is a one-off fee charged on the successful completion of the project. Project management fee totalled $0.7 million in FY09.

(iii) **Brokerage commission** refers to commission from brokering ship charters on behalf of ship-owners and the income is recurrent for the duration of the charter period/ agreement. Brokerage commission totalled close to $1.0 million in FY09.

(iv) **Incentive fee** is received when the assets managed by the Group are divested with a gain exceeding the hurdle rate and is calculated based on a predetermined profit sharing ratio. There was no vessel disposal during the year. Incentive fee totalled $0.2 million in FY09 compared to $1.9 million in FY08.

(v) **Asset management and administration fee** is the fee for the administration and management of funds/ investments in shipping, properties and distressed assets as well as for Capital Advisers as the asset manager of hotels and residential properties in Japan. Asset management and administration fee totalled $5.9 million in FY09.

(vi) **Charter income** is the income received from chartering a vessel out to a third party. A container vessel was delivered in January 2009 and a charter income of $8.9 million was recognized during the year when the shipping SPC remained a subsidiary of the Group.

Hotel income refers to all income related to Capital Advisers' hotel business. Capital Advisers currently owns and/ or manages 14 limited service hotels in Japan with over 2,100 rooms. Hotel income totalled $31.8 million. Hotel income would include hotel operator fee (fee as operator of the hotel) and all income received from hotels owned and leased by the Group.

Investment returns increased from $0.4 million in FY08 to $3.6 million in FY09 (*Refer to 1a NOTES [2] for breakdown of investment returns*) due primarily to the 50% interest disposal of Prosperity in December 2009. Prosperity recognized net liabilities during the year due primarily to operating losses, fair value losses on an interest rate hedge (charged to reserve) and translation losses from a yen loan. The Group de-recognized Prosperity's net liabilities of $9.2 million and received sales proceeds of $1.8 million, which resulted in a gain on disposal of $11.0 million upon the completion of the disposal. During the year, the Group also recognized interest on performance notes of $0.7 million, negative fair value adjustment of $6.3 million arising primarily from revaluation of hotel and residential properties in Japan, realized losses of $1.9 million arising from our investments in properties in Japan, rental income of $0.7 million and losses on forward currency contracts of $1.0 million during the year.

Employee benefits expenses dropped by 11% following the Group's cost cutting programme. Capital Advisers' staff cost represented close to 75% of the Group's employee benefits expense. Amortization and depreciation grew by 212% to $4.7 million due to the consolidation of a then vessel owning entity when it was a subsidiary of the Group. Depreciation expenses from the two vessel owning subsidiaries represented over 77% of the Group's total depreciation charges during the year. Other expenses increased by 64% due to the consolidation of the vessel owning subsidiary, leading to an increase in vessel operation expenses and the expansion of Capital Advisers' hotel operation, leading to higher hotel operating expenses. Capital Advisers' other expenses represented over 79% of the Group's total other expenses. Hotel leases, hotel sub-operator fee and hotel operating expenses represented over 59% of the Group's other expenses. Impairment on goodwill arose from the loss the hotel management contract from Oita Toyo Hotel during the year.

Finance cost rose as a result of the consolidation of the vessel owning subsidiary during the year. Share of losses from our associated companies widened from $0.01 million to $0.2 million. Tax expenses increased from a credit of $0.5 million in FY08 to an expense of $1.8 million in FY09 due to the writeoff of deferred tax asset of $1.8 million. In summary, the Group's net loss totalled $15.7 million in FY09.

Refer to 13 (page 16) for segmented revenue by business segments.

Refer to 1(b) (i) NOTES for details of balance sheet and 1(c) NOTES for details of cash flow statement.

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.

During the year, banks remained relatively cautious in the area of ship financing and the more active banks offered stringent lending terms to ship owners and focused primarily on lending to domestic clients. According to the figures released by loan monitor Dealogic, syndicated ship lending in 2009 was below $33bn on 121 deals, representing about 40% of that compared to 2008. In terms of the value and volume of loans made, 2009 was the worst year since Dealogic began reporting in 2005. Under the environment where financing was not freely available, the volume of transactions had contracted and the terms of the loan was much less competitive, our structured finance business, fee income earned for the Group's ship finance arrangement for third parties/shipping companies, was affected.

In terms of the shipping market, the charter hire of product tankers has seen a decline at the end of 2008 to the beginning of the fourth quarter of 2009. The Baltic Clean Tankers Index (BCTI) dropped from 839 points before the end of 2008 to a low of 345 points in April, rebounding to 623 points at the end of 2009. The container shipping sector witnessed what had probably been the toughest year, according to Container Intelligence Monthly. With over 10% of the existing fleet idle at the end of 2009, the charter hire of container vessels continues to be placed under pressure. The Howe Robinson Containership Index (HRCI) dropped from 498 points at the end of 2008 to 336 points as at 6 Jan 2010. Dry bulk demand has been stronger than most expected in 2009 as China has been busy building its commodity inventory. Together with the revitalized demand for commodities in Europe and Japan, bulker rates have been kept at healthy levels. As a benchmark, the Baltic Handysize Index (BHSI) bottomed out on 12

January 2009 at 268 points and rebounded to 1,151 points as at 4 Jan 2010. As shipping transport is closely linked to global economic activities, the shipping market will be directly impacted by the global recession.

The Group took delivery of its investment in a 4,300 TEU container vessel and a 29,200 dwt handsized bulk carrier during the year. In 4Q09, the Group disposed of partial interest in both investments, reducing its equity interest to 50% and below. Following the interest disposals, the Group will no longer consolidate the assets and liabilities of the vessel owning subsidiaries under its financial statement.

As a summary, the Group's investment strategy/ leasing term of container vessels are generally long term in nature while the investment strategy of tankers and bulk carriers tend to be more short-to-medium term. The Group has direct and indirect investments in eleven vessels, two of which are under construction. With the exception of the product tanker to be delivered in 2010, the Group has secured employment for all ten vessels. The charter period for the ten vessels will expire between 3Q2011 and 1Q2019.

The Group announced on 28 April 2009 that the installment payments made by the Group to Kanasashi Heavy Industries Co., Ltd., Japan in the amount of $13.2 million (YEN 1.26 billion) was fully refunded and the Group has subsequently cancelled the three employment contracts with the charterers.

The office rental market in Guangzhou picked up in the fourth quarter of 2009. The prime office project (Tianhe district) where the Group invested is currently fully leased out and occupancy of prime offices in the Tianhe district has remained firm. The Group's fair value adjustment on office properties in China is dependent on the outlook of the office market in the Tianhe district and the direction of the RMB.

In terms of the Group's property investment/ management in Japan, the tight credit policy of financial institutions and sluggish economic conditions prevailed in Japan and continued to put pressure on the property market. Should the property market continue to deteriorate, the fair value of the Group's investment in Japan properties may be further impaired.

The tourism industry in Japan has been affected by the downturn of the global economy. Hotel occupancy rates have seen a sharp slide since 4Q08, recovering moderately in the second half of the year. The Group focuses on budget and limited service hotel for domestic business travelers. The Group's hotel operation and fair value adjustment on hotel investments is dependent on the outlook of the economy and the tourism industry in Japan.

In August 2009, the Group enlarged our share capital by the issuance of 52.2 million new shares to Yamasa Co., Ltd, raising $17.7 million. This represented 16.7% of the Group's enlarged share capital base. The proceeds from the share placement will be used to strengthen the Group's working capital and financial ability to take advantage of any potential opportunities arising from, inter alia, ship investments.

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 year ended 31 December 2009.

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segments

The segment results for the year ended 31 December 2009 are as follows:

	Structured finance US$'000	Maritime investment/ management US$'000	Distressed assets investment/ management US$'000	Hotel/ Property investment/ management US$'000	Others US$'000	Eliminations US$'000	Group US$'000
Total income							
External customers	(252)	23,669	(148)	30,017	1,813	-	55,099
Inter-segment	-	-	-	-	362	(362)	-
	(252)	23,669	(148)	30,017	2,175	(362)	55,099
Results							
Depreciation and amortization	(46)	(3,626)	-	(1,015)	-	-	(4,687)
Impairment of property, plant and equipment	-	-	-	(2,166)	-	-	(2,166)
Impairment of goodwill	-	-	-	(411)	-	-	(411)
Finance costs - interest expense	-	(8,525)	-	(1,310)	(293)	362	(9,766)
Finance costs - others	-	(43)	-	(26)	-	-	(69)
Share of results of associates	-	-	-	(157)	-	-	(157)
Loss/ (profit) allocation to Tokumei Kumiai investors	-	-	-	1,383	-	-	1,383
(Loss)/ profit before tax	(2,342)	2,864	(158)	(16,134)	1,881	-	(13,889)
Other segment items are as follows:							
Capital expenditure	3	98,653	-	367	-	-	99,023

The segment results for the year ended 31 December 2008 are as follows:

	Structured finance US$'000	Maritime investment/ management US$'000	Distressed assets investment/ management US$'000	Hotel/ Property investment/ management US$'000	Others US$'000	Eliminations US$'000	Group US$'000
Total income							
External customers	2,842	6,919	(252)	29,512	1,525	-	40,546
Inter-segment	-	-	-	-	227	(227)	-
	2,842	6,919	(252)	29,512	1,752	(227)	40,546
Results							
Depreciation and amortization	(105)	(147)	-	(1,250)	-	-	(1,502)
Finance costs - interest expense	-	-	-	(1,388)	(208)	227	(1,369)
Finance costs - others	-	(158)	-	(302)	-	-	(460)
Share of results of associates	-	(4)	-	(11)	-	-	(15)
Loss/ (profit) allocation to Tokumei Kumiai investors	-	-	-	(276)	-	-	(276)
(Loss)/ profit before tax	343	3,839	(256)	(9,597)	1,544	-	(4,127)
Other segment items are as follows:							
Capital expenditure	22	26	-	1,285	-	-	1,333

The segment assets and liabilities as at 31 December 2009 are as follows:

	Structured finance US$'000	Maritime investment/ management US$'000	Distressed assets investment/ management US$'000	Hotel/ Property investment/ management US$'000	Others US$'000	Eliminations US$'000	Group US$'000
Segment assets	1,031	32,054	283	47,862	-	-	81,230
Investment in associates				77	-	-	77
Unallocated assets							
Loans receivables	-	-	-	-	14,628	(14,628)	-
Deferred tax assets	-	-	-	-	40	-	40
Prepayment, deposits and other receivables	-	-	-	-	76	-	76
Deposits pledged as collateral	-	-	-	-	13,100	-	13,100
Cash and bank balances	-	-	-	-	53,318	-	53,318
Total assets	1,031	32,054	283	47,939	81,162	(14,628)	147,841
Segment liabilities	174	551	-	45,960	-	(14,628)	32,057
Unallocated liabilities							
Borrowings	-	-	-	-	10,772	-	10,772
Other payables and accruals	-	-	-	-	397	-	397
Income tax payable	-	-	-	-	176	-	176
Total liabilities	174	551	-	45,960	11,345	(14,628)	43,402

The segment assets and liabilities as at 31 December 2008 are as follows:

	Structured finance US$'000	Maritime investment/ management US$'000	Distressed assets investment/ management US$'000	Hotel/ Property investment/ management US$'000	Others US$'000	Eliminations US$'000	Group US$'000
Segment assets	1,474	59,817	403	73,204	-	-	134,898
Investment in associates	-	-	-	240	-	-	240
Unallocated assets							
Loans receivables	-	-	-	-	11,805	(11,805)	-
Deferred tax assets	-	-	-	-	1,623	-	1,623
Investments	-	-	-	-	280	-	280
Accounts receivables	-	-	-	-	1	-	1
Prepayment, deposits and other receivables	-	-	-	-	80	-	80
Tax recoverable	-	-	-	-	293	-	293
Deposits pledged as collateral	-	-	-	-	12,448	-	12,448
Cash and bank balances	-	-	-	-	28,797	-	28,797
Total assets	1,474	59,817	403	73,444	55,327	(11,805)	178,660
Segment liabilities	302	22, 849	-	56,681	-	(11,805)	68,027
Unallocated liabilities							
Borrowings	-	-	-	-	16,055	-	16,055
Other payables and accruals	-	-	-	-	702	-	702
Income tax payable	-	-	-	-	135	-	135
Total liabilities	302	22,849	-	56,681	16,892	(11,805)	84,919

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

For review of performance, please refer to item 8.

15 A breakdown of sales as follows:-

	2009 US$'000	2008 US$'000	% Change
Total income reported for first half year	21,558	29,321	(26%)
(Loss)/ profit after tax for first half year	(7,116)	5,389	(232%)
Total income reported for second half year	33,541	11,225	199%
(Loss)/ profit after tax for second half year	(8,567)	(9,053)	(5%)

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	31 December 2009 US$'000	31 December 2008 US$'000
Ordinary	-	5,068
Preference	-	-
Total	-	5,068

BY THE ORDER OF THE BOARD
Kazuhiko Yoshida
Chairman, CEO
26 February 2010