



# Full Year 2008 Results Presentation



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# Key Highlights



## 1. Key Highlights

## 2. Financial Performance

## 3. Market Update/Outlook



# Key Highlights



## The Group recorded net loss

### Financial Highlights – Income Statement

US\$' mil	4 <sup>th</sup> Quarter			Full Year		
	FY08	FY07	% Change	FY08	FY07	% Change
Total Income	2.4	3.5	-32%	40.5	21.2	92%
Investment Returns	(8.8)	(0.5)	1660%	0.4	6.8	-94%
Total Expenses	(10.6)	(2.7)	293%	(42.8)	(10.1)	325%
Operating Profit / Loss	(8.2)	0.8	-1112%	(2.3)	11.1	-121%
Profit / (Loss) for the Period	(7.9)	1.6	-594%	(3.7)	12.1	-130%
Earnings per Share (US cents per share)	(3.02)	0.64	-570%	(1.17)	6.02	-119%

- US\$8.8 million negative investment return in 4Q due to non-cash fair valuation losses caused 4Q net loss of US\$7.9 million
- Consequently, US\$3.7 million full year net loss was incurred down from US\$4.2 million net profit for 9 months ended 30 Sept 08

# Key Highlights

## Net loss of a subsidiary impacted on PL of the Group

### Summary of Income Statement

US\$'mil	FY08	FY07	Inc / (Dec)
Total Income	40.5	21.2	19.3
Operating Profit/(Loss)	(2.3)	11.1	(13.4)
Net Profit / (Loss)	(3.7)	12.1	(15.8)

US\$'mil	From UAF	%	From CA	%
Total Income	11.9*	29	28.7	71
Fee Income	6.2		5.5	
Hotel Income	0.0		26.5	
Investment Returns	4.0		(3.6)	
Interest Income	1.5*		0.0	
Other Income	0.2		0.3	
Operating Profit / (Loss)	4.1*		(6.2)	
Net Profit / (Loss)	4.6		(8.3)	

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

CA= Capital Advisers Group, which became 92.7% subsidiary of Uni-Asia Finance in Jan 2008

\* Interest income in UAF includes US\$227k of interest amount from inter company loan, which is adjusted in consolidated account. Other figures in "From UAF" and "From Capital Advisers" are also before consolidation adjustment.



# Key Highlights



## Gearing ratio increase due to consolidation of the Subsidiary

### Financial Highlights - Balance Sheet

Consolidation of Capital  
Advices in January 2008  
inflates liabilities



US\$'mil	31 Dec 2008	31 Dec 2007	% Change
Total Assets	178.7	107.8	66
Total Liabilities	84.9	11.6	632
Total Equity	93.7	96.2	(3)
Total Debt	58.9	4.5	1,209
Total Cash	41.2	56.1	(27)
(Net Debt)/Net Cash	(17.7)	51.6	N.A.
Gearing (Gross)	0.63 X	0.05 X	
Gearing (Net)	0.19 X	N.A.	
NAV per share (US\$)	0.36	0.39	

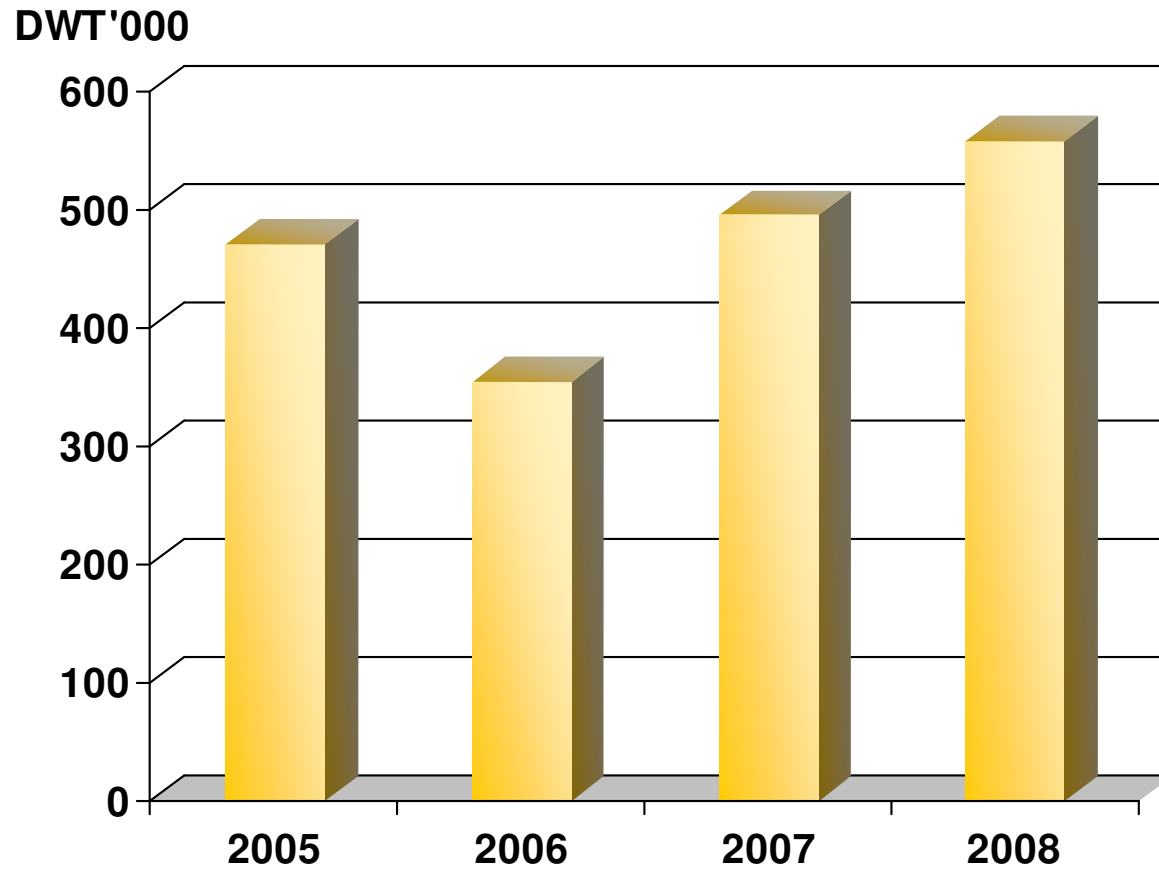
Total cash includes deposits pledged as collateral



# Key Highlights



## Vessels under Management ↑ Vessels under Management



Vessels under construction are included  
Vessels wholly owned by UAF are included



# Key Highlights



## Effect of charter hire market on the company is limited

### List of Vessels under Management

	Type	Capacity	Type of investment	Ship yard	Charter Period												
					2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
1	Bulker	32,700 DWT	Ship Investment Fund	Kanda													
2	Bulker	28,300DWT	JV	Kanda													
3	Bulker	33,400 DWT	UAF 100%	Kanasashi													
4	Bulker	33,400 DWT	UAF100%	Kanasashi													
5	Bulker	37,300 DWT	JV	Imabari													
6	Bulker	33,400 DWT	UAF100%	Kanasashi						* Delivery scheduled							
7	Bulker	29,200 DWT	JV	Y-Nakanishi													
8	Product Tanker	47,094DWT	Ship Investment Fund	Onomichi													
9	Product Tanker	50,000 DWT	Ship Investment Fund	Onomichi					* Delivery Scheduled								
10	Container	3,500 TEU	Ship Investment Fund	Hyundai Mipo													
11	Container	3,500 TEU	Ship Investment Fund	Hyundai Mipo													
12	Container	3,500 TEU	Ship Investment Fund	Hyundai Mipo													
13	Container	4,300 TEU	JV	Hyundai Mipo													
14	Container	4,300 TEU	UAF100%	Hyundai Mipo													

Before Delivery

- Among 14 vessels, charter hire contracts for 12 vessels have been secured
  - Delivery of other two vessels is expected to be in 4Q 2010 and 1Q 2012 respectively
  - Charter hire market is softening\* but only one charter hire contract will expire in 2009 which may be renewed or newly contracted
- (\* Please refer to slide 25 & 26 for charter hire market information)





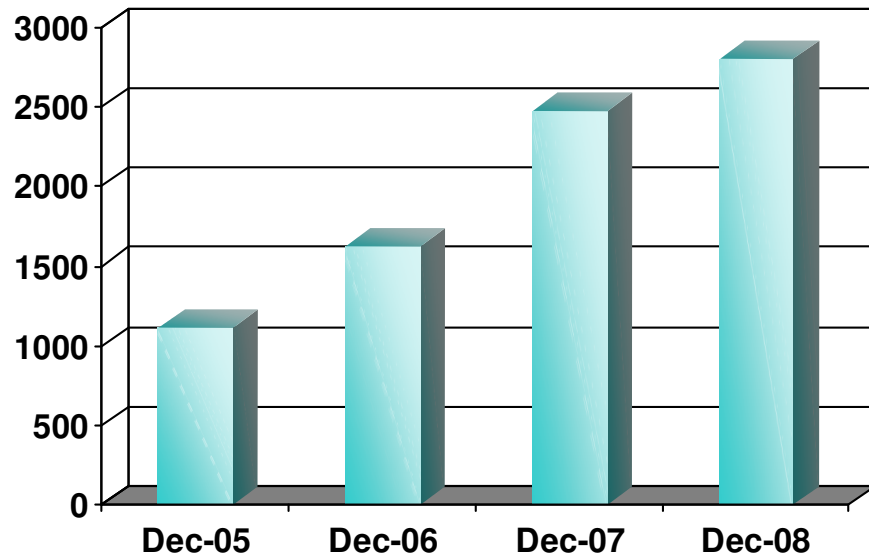
# Key Highlights



## Property Assets under Management has increased in FY 2008

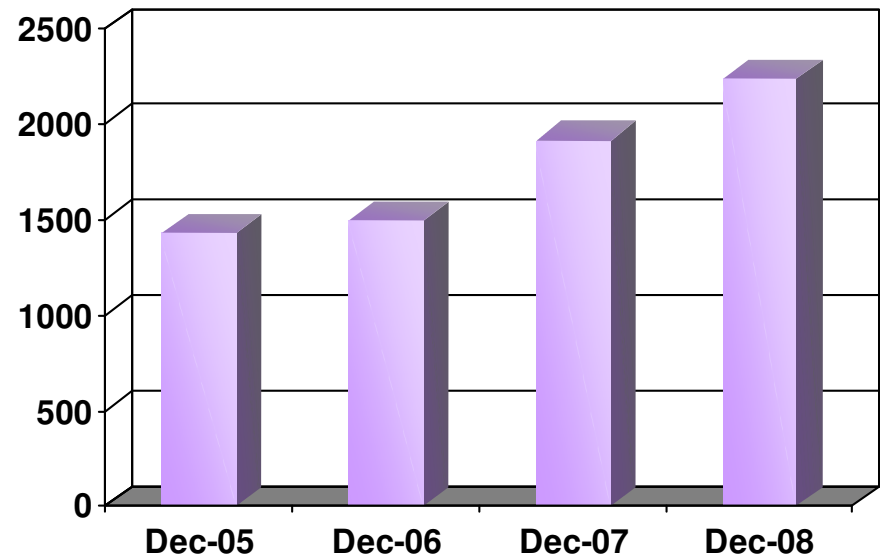
### Property under Management by CA

No. of residential units under management



Capital Advisers' own investment assets are included  
Properties under construction are included

No. of hotel room under management



Capital Advisers' own investment assets are included  
Properties under construction are included



# Key Highlights



## Diversified Portfolio of Property

### Summary of Assets under Management by CA

(As of 31 Dec 2008)

Asset Type		Number of Bldgs	Number of Units/Rooms	Amount of Asset under Management(JPY Billion)
Residential	Large and Medium Size	44	1,692	
	Small Size	63	1,111	
	<b>Residential Total</b>	<b>107</b>	<b>2,803</b>	<b>74</b>
Hotel	[ Hotel Name ]			
	Skycourt Hotel Asakusa	1	96	(Not operated by CA group)
	Skycourt Hotel Asagaya	1	112	(Not operated by CA group)
	Hotel Grace Kurashiki	1	166	(Not operated by CA group)
	Toyo-cho Vista Hotel	1	144	
	Oita Toyo Hotel	1	144	
	Hotel Vista Sapporo Nakajima Koen	1	113	
	Hotel Vista Shimizu	1	152	
	Hotel Vista Premio Dojima	1	141	
	Hotel Vista Atsugi	1	165	
	Hotel Vista Kumamoto Airport	1	139	
	Hotel Vist Ebina	1	176	
	Hotel Vista Grande Osaka	1	304	
	<i>Construction in progress</i>	1	215	
	<i>Construction in progress</i>	1	168	
<b>Hotel Total</b>	<b>14</b>	<b>2,235</b>	<b>34</b>	
<b>Grand Total</b>				<b>108</b>

Capital Advisers' own investment assets are included. Amount is based on the cost of acquisition

# Key Highlights

## CA's operation for two new hotels start in 2009

### List of Hotels under Operation by CA

	Hotel	Location	Ownership	Number of Rooms	Business Type*	Opening/Acquisition	Original Opening
1	Asakusa Vista Hotel	Asakusa, Tokyo	J-REIT	136	Lease	August-05	December-86
2	Toyo-cho Vista Hotel	Toyocho, Tokyo	Private Fund	144	Operation	August-05	July-92
3	Oita Toyo Hotel	Oita, Oita	Private Fund	144	Operation	December-05	May-89
4	Hotel Vista Kamata	Kamata, Tokyo	J-REIT	106	Lease	June-06	May-91
5	Hotel Urbain Kamata Annex	Kamata, Tokyo	J-REIT	70	Lease	June-06	May-04
6	Hotel Vista Sapporo Nakajima Koen	Sapporo, Hokkaido	Private Fund	113	Lease	December-06	-
7	Hotel Vista Shimizu	Shimizu, Shizuoka	Private Fund	152	Lease	March-07	-
8	Hotel Vista Premio Dojima	Dojima, Osaka	Private Fund	141	Operation	August-07	August-90
9	Hotel Vista Hashimoto	Hashimoto, Kanagawa	J-REIT	99	Lease	August-07	December-86
10	Hotel Vista Atsugi	Atsugi, Kanagawa	Private Fund	165	Operation	September-07	-
11	Hotel Vista Kumamoto Airport	Kumamoto, Kumamoto	Capital Advisers	139	Own/operation	January-08	-
12	Hotel Vista Ebina	Ebina, Kanagawa	Private Fund	176	Lease	October-08	-
13	Hotel Vista Grande Osaka	Soemoncho, Osaka	Private Fund	304	Lease	November-08	-
	Sub Total			1,889			
14	Kyoto	Kyoto, Kyoto	Private Fund	215	Operation	June-09 (Planned)	-
15	Fukuoka	Nakasu, Fukuoka	Private Fund	168	Operation	September-09(Planned)	-
	G.Total			2,272			

\* Business Type

Lease: Capital Advisers Group lease-in the hotel from the owner and operates.

Operation: Capital Advisers Group operates the hotel under an operating contract.

Operating
Not yet opened





# Key Highlights



## Key developments for the year

### Maritime Investment / Management

- Exercise of purchase option of two 4,300 TEU containerships
  - Delivery: 4Q2008 and 1Q2009 Charterer: Evergreen group
- Good Performance of Akebono Shipping Fund
  - Received note interest distribution of US\$687K
- New Business
  - Order of 33,400 DWT bulk carrier to Kanasashi Heavy Industries
  - Two new charter hire contracts with PCL group in Singapore (3 & 5 years)
  - New investment in 29,200 DWT bulk carrier through JV
- Completion Vessel Disposal – Searex Fund
  - Last vessel held under Searex Fund was completed – Gain on investment US\$2.7 million
    - Incentive fee US\$1.8 million



# Key Highlights



## Key developments for the year

### Property Investment / Management

- Completion of rationalisation programme to reduce operational cost
- New asset management contract for Hotel Vista Grande Osaka
- Three new hotels opened under CA group's operation

### Corporate

- Consolidation of CA into UAF group
  - Increase of UAF's equity ownership from 44.8% to 92.7%
- New Credit Facilities granted from Mizuho Bank Group (un-commitments lines)
  - US\$20 million for UAF & JPY1,000 million for CA



# Financial Performance



## 1. Key Highlights

## 2. Financial Performance

## 3. Market Update/Outlook

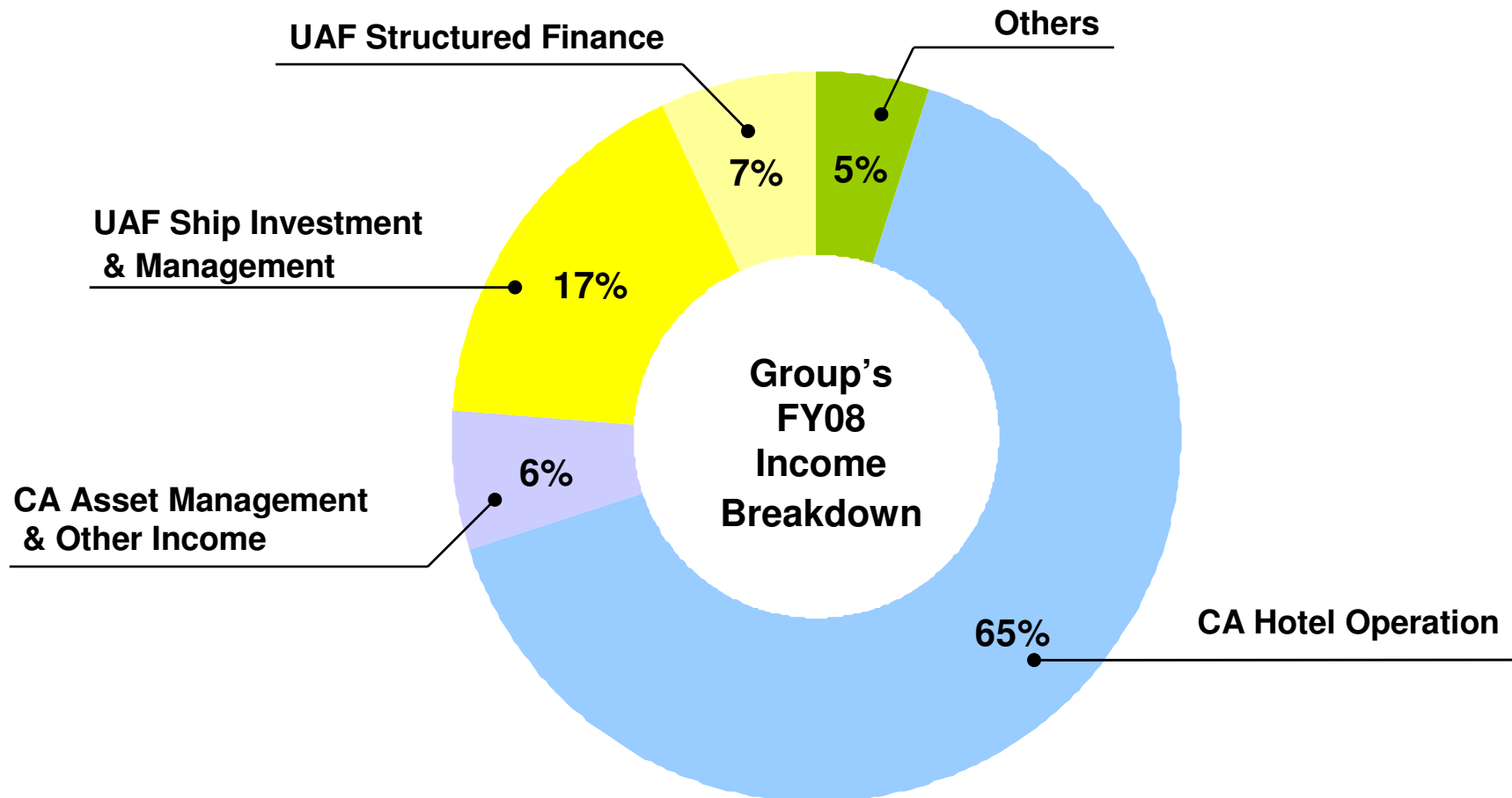


# Financial Performance



## CA Accounted for 71% of the Group's Revenue

Revenue Mix





# Financial Performance



## UAF's profit (before consolidation with CA) also decreased from FY 2007

Summary of Income Statement of UAF before consolidation with CA group

US\$'mil	FY08	FY07	Inc/(Dec)
<b>Total Income</b>	11.9	21.2	(9.3)
Fee Income	6.2	12.0	(5.8)
Hotel Income	0.0	0.0	0.0
Investment Returns	4.0	6.8	(2.8)
Interest Income	1.5*	2.4	(0.9)
Other Income	0.2	0.0	0.2
<b>Expenses</b>	7.9	10.1	(2.2)
Employee Benefits Expense	4.4	6.8	(2.4)
Non-personnel Expenses	3.5	3.3	0.2
<b>Operating Profit / (Loss)</b>	4.1*	11.1	(7.0)
<b>Net Profit for the year</b>	4.6*	12.1	(7.5)

\* Interest income in UAF includes US\$227k of interest amount from inter company loan, which is adjusted in consolidated account  
Other figures in FY2008 are also before consolidation adjustment





# Financial Performance



## UAF's Fee Income (before consolidation with CA) decreased from FY 2007

Detail of Fee Income of UAF before consolidation with CA group

US\$'mil	FY08	FY07	Inc/(Dec)
<b>Fee Income</b>	<b>6.2</b>	<b>12.0</b>	<b>(5.8)</b>
Arrangement & Agency Fee	1.7	8.0	(6.3)
Brokerage Commission	1.3	1.5	(0.2)
Incentive Fee	1.8	0.8	1.0
Asset Management & Admin fee	1.4	1.4	0.0
Charter Income	0.0	0.3	(0.3)

- Drop in fee income is mainly due to lesser number of structured finance arrangement which was affected by the financial crisis



# Financial Performance



## UAF's Investment Returns (before consolidation with CA) decreased from FY 2007

Details of Investment Returns of UAF before consolidation with CA group

US\$'mil	FY08	FY07	Inc/(Dec)
<b>Investment Returns</b>	4.0	6.8	(2.8)
Gain on Derivative Financial Instruments	0.7	(2.7)	3.4
Interest on Performance Note	5.6	1.9	3.7
Realised Gain/loss on Investment	0.0	4.9	(4.9)
Fair Value Adjustments on Investment	(2.5)	2.6	(5.1)
Property Rental	0.2	0.0	0.2

- Interest on performance notes increased due to good performance of ship investment fund
- Fair value adjustment loss in ship investment was a main contributor to drop of investment return
- Appreciation of JPY caused translation loss on the PL of a ship owning company in which UAF are investing and resulted in a fair valuation adjustment loss



# Financial Performance



## CA's loss increased from 9 months results

### Trend of CA's Profitability

US\$'mil	1Q08	1H08	9M08	FY08
<b>Revenue</b>	7.2	15.6	23.6	28.7
Fee Income	1.3	2.5	3.8	5.5
Hotel Income	5.8	12.0	18.4	26.5
Investment Returns	0.1	1.0	1.3	(3.6)
Interest Income	0.0	0.02	0.03	0.0
Other Income	0.0	0.04	0.05	0.3
<b>Expenses</b>	8.5	17.0	25.0	34.9
Employee Benefit Expense	3.8	7.5	10.1	14.4
Non-personnel Expenses	4.7	9.5	14.9	20.5
<b>Operating Profit / (Loss)</b>	(1.3)	(1.4)	(1.4)	(6.2)
Finance Cost, Tax etc*	0.1	(0.9)	(1.3)	(2.1)
<b>Net Profit / (Loss)</b>	(1.2)	(2.3)	(2.7)	(8.3)

\* Finance cost in CA includes US\$227k of interest amount from inter company loan, which is adjusted in consolidated account

- Loss in Investment Return, arising from fair value adjustment loss in 4Q had increased the loss for the year 2008



# Financial Performance



## Fair value adjustment loss- CA

- These are non-cash losses arising from mark to market revaluation
- CA's performance had improved at operational level in the 2<sup>nd</sup> half of the year
- Breakdown of fair value adjustment loss
  1. One hotel owned by CA due to low operation performance at the start up stage
    - US\$ 2.4 M
  2. Investment in residential fund due to decline of property price
    - US\$ 0.7 M
  3. Investment in hotel fund
    - US\$ 0.8 M
  4. Others
    - US\$ 0.4 M
  5. Total
    - US\$ 4.3 M



# Financial Performance



## Portion of Recurrent Income of the Group is increasing

Details of Income Statement – Fee Income (Group )

US\$'mil	FY08	FY07	Inc / (Dec)
<b>Recurrent Income</b>			
Asset Management & Administration Fee	6.0	1.4	4.6
Brokerage Commission	1.3	1.5	(0.2)
Charter Income	0.0	0.3	(0.3)
Arrangement and Agency Fee	2.5	8.0	(5.4)
Incentive Fee	1.9	0.8	1.0
<b>Total</b>	<b>11.7</b>	<b>12.0</b>	<b>(0.3)</b>



# Financial Performance



## How are our funds employed

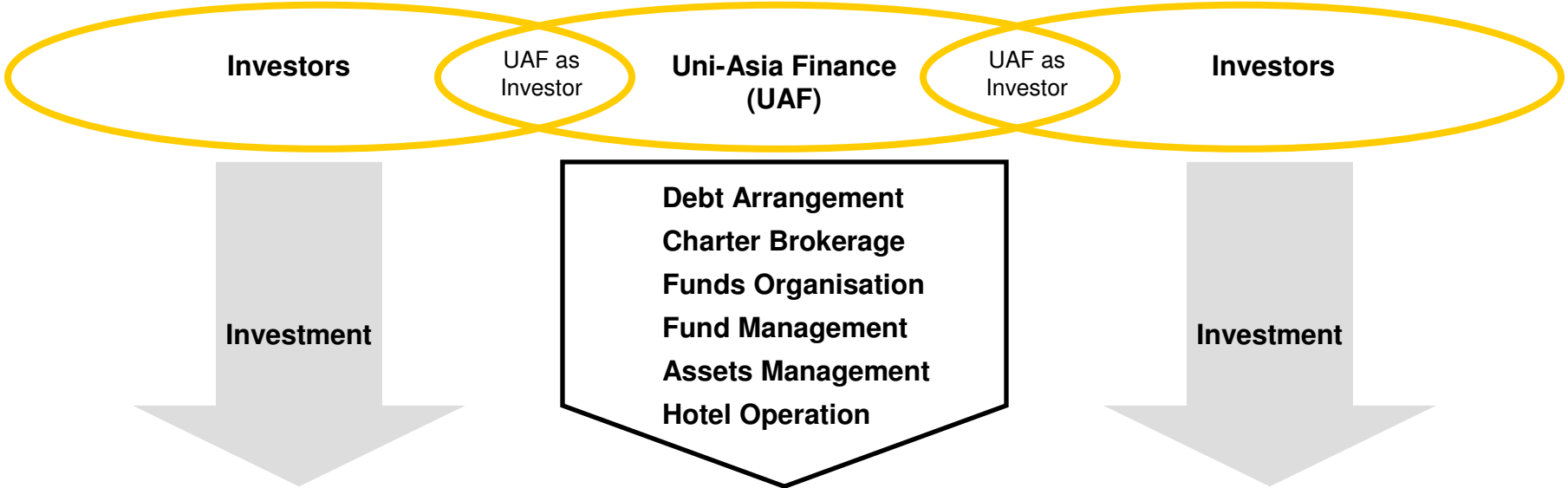
As at Dec '08	US\$'mil
<b>Maritime Investment</b>	<b>58.9</b>
<b>Non-current assets</b>	<b>58.9</b>
Investments	21.6
Deposits for purchase of vessels	37.3
Loan to vessels SPC	0.0
<b>Current assets</b>	<b>0.0</b>
Loan to vessels SPC	0.0
<b>Property Investment in China</b>	<b>4.1</b>
<b>Non-current assets</b>	<b>4.1</b>
Investment property	4.1
<b>Property Investment in Japan</b>	<b>60.3</b>
<b>Non-current assets</b>	<b>51.3</b>
Investment in SPC and associates	24.1
Property, plant and equipment	27.2
<b>Current Assets</b>	<b>9.0</b>
Property for sale	9.0
<b>Cash and Cash equivalents</b>	<b>28.8</b>
<b>Deposit pledged as collateral</b>	<b>12.4</b>
<b>Others</b>	<b>14.2</b>
<b>Total</b>	<b>178.7</b>



# Financial Performance



## We Are Offering an Alternative Asset Management Platform



Alternative Asset Funds					
Properties			Commercial Vessels		
Office ▼ China	Residential	Hotel	Container Ship	Dry Bulk	Product Tanker
	Japan				



# Market Update/Outlook



## 1. Key Highlights

## 2. Financial Performance

## 3. Market Update/Outlook





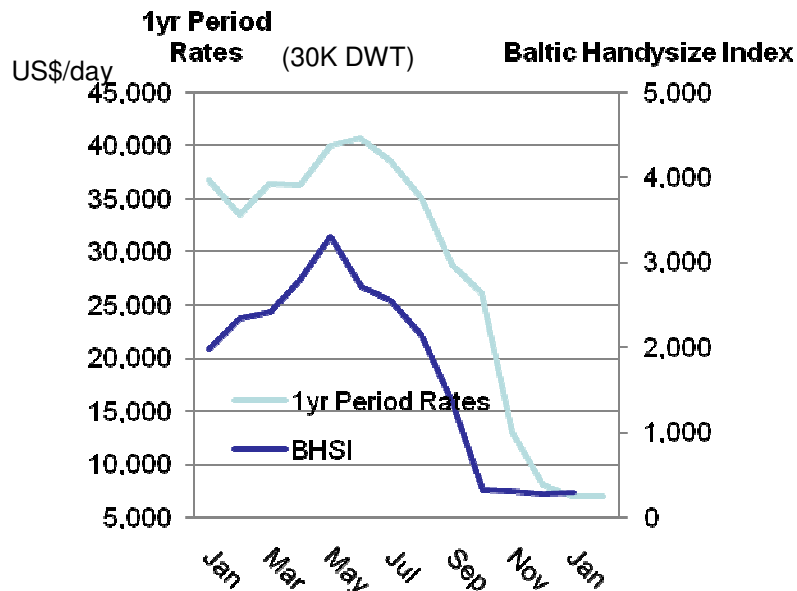
# Market Update



## Big impact of global recession on maritime industry

### Shipping Market – Handy Bulk Carrier Charter Hire

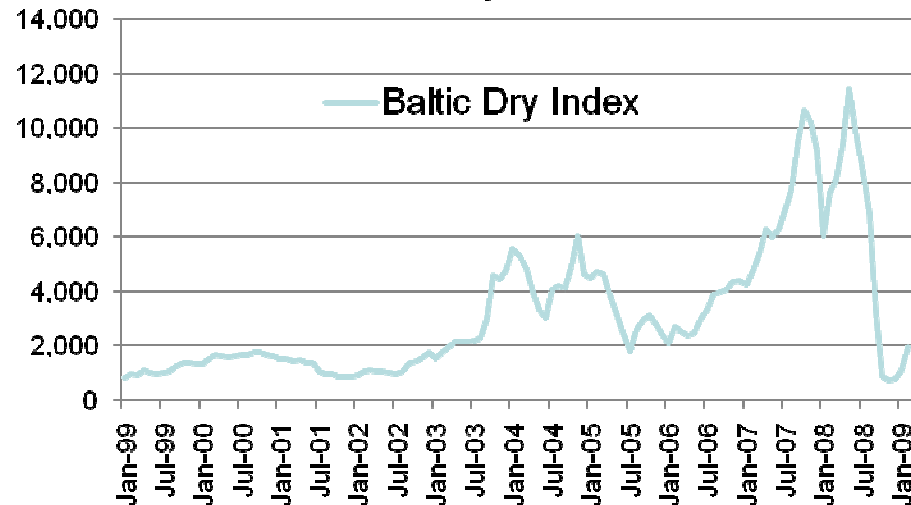
Movement in 2008



Source: Clarksons / Bloomberg

Movement from 1999 to 2008

### Baltic Dry Index



Source: The Baltic Exchange

Sharp decline in charter hire rate on monthly basis in 2008



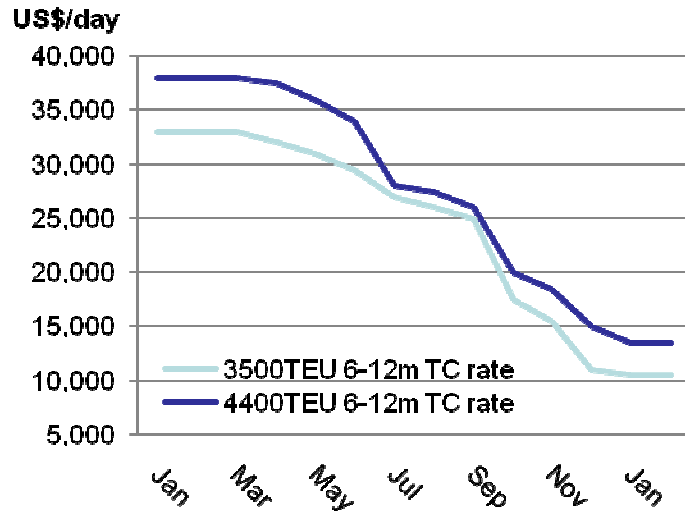
# Market Update



## Big impact of global recession on maritime industry

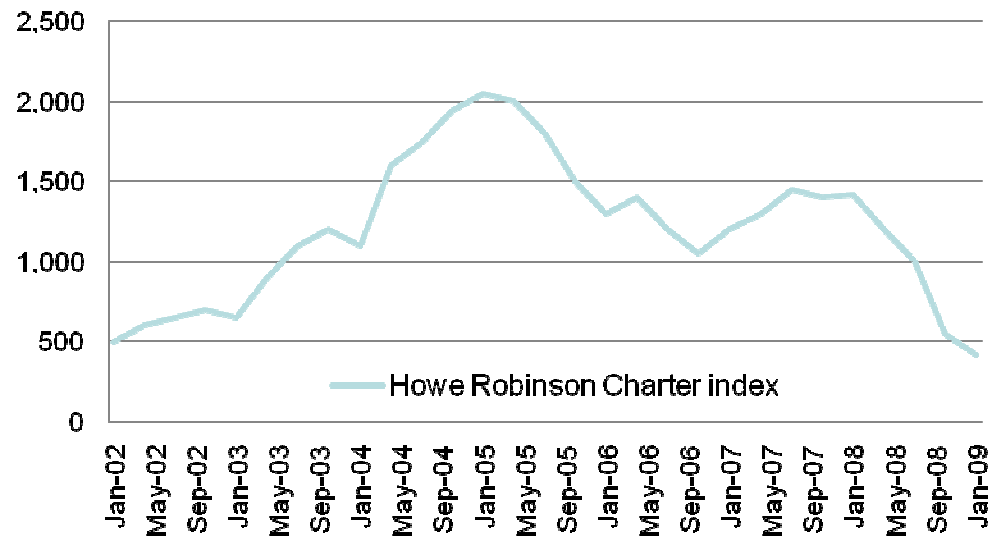
### Shipping Market – Container Vessel Time Charter

Movement in 2008



Source: Clarksons

Movement from 2002 to 2008  
Howe Robinson Charter index



Source: Howe Robinson & Co. Ltd

Charter hire rate of containership has softened in 2008



# Market Update



## Effect of sub-prime issue on our business

### Maritime Investment and Ship Financing

- Consultations from clients on ship finance arrangement increased, but did not materialise due to the tight credit policy of financial institutions
- The financial crisis led to a deterioration of the economy, which adversely affected the maritime industry - fair value of most of vessels dropped
- Rapid appreciation of JPY against USD has adversely affected the financial statement of vessel-owning companies which borrow JPY denominated loan
  - Further translation losses on such loan may be recognised should current FX level prevail



# Market Update



## Effect of sub-prime issue on our business

### Property Investment / management in Japan

- Our hotels are focused on budget and limited service hotel with lower price
  - Hotel operation is resilient to global recession economic conditions
- New opportunities of asset management business is increasing where we can take over the role of the collapsing asset managers that suffer from extraordinary tight credit crunch



## Market Update



### Effect of sub-prime issue on our business

#### Property Investment / Management in China

- The offices in Guangzhou are fully leased out to third parties
  - The company has acquired 14 office units in 2007
- Though the Chinese economy is slowing down due to global recession, China will be the one of the locomotives of the global economy in 2009



# Market Update



## Strategy

### Maritime Investment

- Realise and complete the pipeline projects with maximum effort
- Capture new opportunities where UAF acts as an arranger in the sales and purchase of vessels
- Provide investment opportunities for equity investors who do not require debt arrangement, in the light of tight credit policy of the financial institutions



# Market Update



## Strategy

### Property investment (Japan/China)

- For existing assets - continue to own and manage assets by recapitalisation and or refinancing until the recovery of the property capital market
  - The Group is open to the disposal of its assets under management, if good opportunities arise
- Seize new opportunities of asset management business which are in discussion with our clients - to replace the current asset managers that have problem continuing their services
  - Seek similar opportunities by more marketing effort
- Enhance hotel operation business and increase efficiency and profitability
  - Prudently select new hotel operation projects focusing on metropolitan area
- The Group will prudently seek business opportunities in China focusing on asset management business



 **UNI-ASIA FINANCE CORPORATION**

**Thank You**