



## UNI-ASIA GROUP LIMITED

(Company Registration: 201701284Z)  
Incorporated in the Republic of Singapore

## Appendix 1

### Annual General Meeting Questions & Answers

No.	Questions from Shareholders	Response
1	<p><b>Shareholder 1.</b> Chairman, I would like to offer you some suggestions on how to raise the valuation of the Group. The Group has done very well for the last two years, corporate governance was good and the presentation on financial results showed that you have been fair to shareholders in terms of dividends payout. For this I commend you.</p> <p>However, the market capitalisation stood at less than USD80 million (78.6 million shares trading at USD1.00). The NAV stood at USD2.58 and the dividend yield for this current dividend is 9.4% on the shares. EPS is 47 cents and the PE is less than 3.</p> <p>I have studied the Group for sometime and I have invested in your shares a long time ago. It is a very misunderstood stock. Despite your Investors Relations, most investors do not really understand the Company and what is it you are doing and how to value it. I would like to make some suggestions and hope that you would take note and look at them seriously.</p> <p>The name of the Company is misleading. You have named it Uni-Asia Group Limited. It should be either Uni-Asia Asset Management (“UAM”) or Uni-Asia Investment and Asset Management. The principal activity is managing property assets and maritime assets. The Company owns them and earns a fee income. You should re-orientate and project the Company as an asset manager and focus</p>	<p><b>Chairman:</b> Page 2 of our Annual Report states our mission statement. Our mission is a producer of alternative investment opportunities (shipping and property) and an integrated service provider relating to alternative investments.</p> <p>We are more than simply an investor. We create probable investment opportunities in ships and properties. We would then invite our co-investor to some form of joint venture to invest in that opportunity.</p> <p>I agree that we have positioned ourselves as asset manager of shipping and properties. Our Company’s business is not only as asset manager but also include others activities such as ship-owning, which you have mentioned earlier that our ships portfolio stood at USD156 million (which is quite assets heavy) but they have generated huge cash flow and profits for these 2 years. Additionally, we also provide various other services such as financial management services; brokerage services; commercial management services, technical consultancy services, brokerage services etc,. In Hong Kong and Japan, we do property investment as well as investor management services. Our business is quite diverse and complicated with multiple avenues of services.</p>

<p>on the fee income and become assets light (meaning to reduce your heavy assets).</p> <p>Looking at the segments information on Note 3, page 114 of the Annual Report, Ship-owning and chartering generated approximately USD29 million. The Maritime Asset Management and Property Investment and Management which brought in respectable earnings. I assumed the Ship-owning and chartering also have a management component. Besides chartering, the Group earns management fee.</p> <p>On page 116, total assets stood at USD156 million classified under Ship owning and chartering. The assets in the Property Investment segments are not so heavy. Whenever analysts analyse Uni-Asia, they always focus on the ships and investment properties citing bulk carrier rates, freight rates are up or down and Uni-Asia properties are up or down and so forth. The analysts do not look at the fee income, the other business and the assets. So much of the assets are in Ship-owning and they do not look at other assets of Uni-Asia. Currently the bunker rates are soft so Uni-Asia outlook is not so good etc.</p> <p>I would strongly suggest as follows:</p> <ul style="list-style-type: none"> <li>(a) Change the name of the Company;</li> <li>(b) Re-position and project the Company as an asset manager;</li> <li>(c) For the 10 ships that are wholly owned, there is no necessity to own 100%. Divest and retain the management contract, and each time a sale is made, retain 10% ownership and bring the cash in and become a scalable business. If the Company is an asset manager, it can manage 50 ships. Likewise for the property segment, it can expand that way by entering into joint ventures to develop projects and manage the project development and manage the property. With the asset management service and the property management service and managing of third parties' assets sometimes. Now the trend is asset light and high ROE, the share price would be much closer to NAV in few years' time.</li> </ul> <p>Basically, that is the model for your consideration, Chairman. We would like to hear your views and thoughts.</p>	<p>Originally, our Company name was "Uni-Asia Finance Corporation" when we started in 1997. In 2013, it was change to "Uni-Asia Holdings Limited". Subsequently in 2017, the Company was re-domiciled to Singapore via a Scheme of Arrangement and re-named "Uni-Asia Group Limited".</p> <p>This means that as a Group, we provide many kind of services. This is our basic concept / business model as well as the Company name. In this sense, our preference for the Company's name is still "Uni-Asia Group Limited". Your kind advice and suggestion noted. We will discuss this during our Board meeting.</p> <p>As for our portfolio management, I shall invite Mr Kenji Fukuyado, our CEO to respond to your question.</p> <p><b>CEO:</b> Thank you shareholder for your suggestion. There are 4 executive directors in Uni-Asia namely, Tanamoto san, Toda san, Iwabuchi san including myself. We have monthly executive directors meeting. It is a timely topic how to grow our Group in the near future. We have discussed on how to increase our asset management business as well as the disposal of assets. Our 10 vessels have aged, one of which is over 15 years old and this issue is being considered in conjunction with what is the best asset allocation for our Group.</p>
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2	<p><b>Shareholder 1.</b> The shipping business is cyclical. You may want to consider re-balancing your assets allocation. The maritime assets are so heavy. If there is too much in shipping, in boom time, everything goes well. But in bad times, everything goes down and losses might be incurred. You do not want this to happen. Therefore, diversify your asset management strategy and balance more into property and less in maritime so that they could offset each other in the cyclical sense. Your earnings would then become more predictable.</p>	<p><b>Chairman.</b> We thank you for your advice and suggestion. I have explained earlier our concept and business model as well as the Company name.</p>
3.	<p><b>Shareholder 2.</b> I understand from the Group CFO's presentation that out of the USD60 million borrowings, ¥12 million are of low interest rates. Given that there is a trend of the interest rates going up, and shipping business based on current handy size bulk market index is about 600 plus which may severely affect the properties going forward. What is the management's sense of giving dividends versus repayment of loans to avoid the drain of future profitability due to the high interest costs in the near future?</p>	<p><b>CEO.</b> As explained earlier by our Group CFO, the unsecured loans were fully repaid. The existing loans are all project related loans. Even if the handy size bulk market index did not go up very much, still the charter income could substantially cover the debt service in the high interest rate situation. There are certain free cash inflow for the projects. Even with a big challenging market, we have set aside available cash for dividends payout.</p>
4	<p><b>Shareholder 2.</b> Given that the current share price is way below NAV, should the Company require investment funds and the price of share is relatively depressed, without time pressure of such investments, the Company might want to consider the issue of rights shares which could probably help to prevent the dilution of shares of the existing shareholders.</p>	<p><b>Chairman.</b> Thank you for your kind advice. We are constantly seeking and evaluating opportunities to raise funds where necessary. We take your advice to monitor the market carefully for such fund-raising opportunity.</p>