



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Uni-Asia Group Limited

Stock code: CHJ

Meeting details:

Date: 4 June 2020

Time: 2.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. Would the board/management provide shareholders with greater clarity on the following operational/strategic matters? Specifically:

- (i) **Ship-owning:** What were the reasons to re-organise the three wholly-owned vessels i.e. Uni Florida (3,500 TEU containership), Uni Wealth (29,078 DWT bulker) and Uni Challenge (29,078 DWT bulker) to the group's "Ship Owning and Chartering" segment instead of "Maritime Asset Management"?
- (ii) **Hong Kong development projects:** The group has four existing development projects in Hong Kong with interests varying from 2.5% to 8.27%. The invested amounts ranged from USD3.2 million to USD6.85 million for each project. **What is management's value-add, if any, to the development projects? What is management's oversight of the projects?**
- (iii) **Vista Hotel Management:** Would management help shareholders understand the terms of the hotel management contracts with regard to forced closure due to the pandemic? What is the impact on the group when the 9 of the managed hotels are closed till the end of May 2020?

Q2. As noted in the chairman's message, the group carried out a private placement exercise in April 2019 which brought in institutional investors as well as family offices.

The private placement was first announced by the company on 26 March 2019. The placement agent would, on a best effort basis, place up to 5.42 million shares at a share price of \$1.08 per share. This was at a discount of 10% to the volume weighted average price of S\$1.1998 per share. All figures are not adjusted for the subsequent share split.

The placement shares represent approximately 11.54% of the issued shares then and will represent approximately 10.34% of the enlarged issued shares immediately after the placement.

More importantly, when the placement was announced, the net asset value per share was US\$2.84 as at 31 December 2018, based on the company's announcement dated 1 March 2019.

The placement was carried out at a 72% discount based on the NAV of US\$2.84 per share (USD:SGD exchange rate of 1.3553).

- (i) **Did the board consider the dilutive effect of the placement to shareholders who did not have the opportunity to take up the placement on a pro-rata basis?** In particular, the group had a cash balance of US\$43.46 million as at 31 December 2018.

- (ii) **Did the board, especially the independent directors, estimate the cost of capital to raise funds via a private placement at 72% discount to NAV?**
- (iii) **Can the board elaborate further on the rationale to carry out the private placement and demonstrate how it created value for shareholders?**
- (iv) **Would the board consider only to carry out private placement at prices above the net asset value per share to safeguard shareholders' interests?**

Q3. In Table 3 (page 72), the company provided shareholders with information on the directors, including the date of initial appointment, date of last election, their directorships and principal commitments.

- (i) **Would the company clarify if the information shown for Mr Chan Kam Loon is complete?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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[^] Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (<https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings>)



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