UNI-ASIA GROUP LIMITED

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

Appendix 1

Extraordinary General Meeting
Questions & Answers

No.	Questions from Shareholders	Response
1.	**Shareholder 1**: I refer to page 15 of the Circular – Method of Financing. In the first paragraph, it was mentioned that 60% of the Purchase Consideration will be financed through a sale and leaseback arrangement and this finance proposal arrangement will be for 10 years. Can you give us more information on what the interest rate charge is and the sale and leaseback arrangement to which party. Is this something like leasing or hire-purchase? Is this leaseback to the original owner Olive Bulkship S.A. ("**Olive**") or the financer SS Line Co., Ltd?	**Chairman:** Regarding the vessel's purchase price as explained in the Circular, 40% comes from the equity. 75% of this 40% is contributed by Uni-Asia and 25% of this 40% is contributed by our joint venture co-investor. The remaining 60% is financed through a sale and bareboat charter back arrangement. The joint venture between Uni-Asia and its co-investor acquires the vessel which is, in turn sold to a third-party shipowner acting as the financier. This third-party shipowner purchases the vessel at a price equivalent to the remaining 60% of the purchase price to be paid by the joint venture. In other words, the remaining 60% will be provided by this third-party shipowner to the joint venture between Uni-Asia and the co-investor. The joint venture between Uni-Asia and the co-investor will pay the bareboat charter hire to the third-party shipowner. This is a kind of repayment of principal and interest back to the third-party shipowner and represents the basic structure to raise funds for the vessel's purchase. As for the interest rate, the Chairman invited Mr Shinichiro Ishizaki to respond to the shareholder's question. **Shinichiro Ishizaki (Head of Maritime Business Department in Hong Kong):** Since this a sale and leaseback transaction, we have the option to repurchase the vessel from the shipowner at the purchase option price. The interest rate for this financing depends on when we exercise the purchase option. It is approximately around 200 basis points (*on top of the floating interest rate based on 3 months SOFR*). If we exercise the purchase option early, the interest rate will be higher; if we exercise it later, the interest rate will be lower.

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2.	**Shareholder 1**: It was mentioned on page 12 of the Circular that operational and maintenance services will be provided to the vessel which will result in a positive cash flow. According to the financing over a ten-year period, after generating income from the sale and leaseback transaction and providing these services, and after offsetting a payment of USD9.08 million, there remains more than USD13 million in financing plus interest. With an annual expense of approximately USD1.5 million, and after deducting this amount along with the costs of providing these services, will there still be a positive cash inflow?	**Chairman**: As explained earlier by Ishizaka san, we have a purchase option arrangement with the third-party shipowner. The purchase option price is a kind of loan repayment after the end of the purchase option period. I do not recall the exact amount of yearly positive cashflow, but it is expected to be not less than USD1.5 million. This transaction has the potential to maintain positive cash flow and profits throughout the leasing period.
3.	**Shareholder 1:** You own 18% of Olive. After Olive sells the vessel, will you still retain your 18% ownership in Olive, or will the company be wound up?	**Chairman**: Following the sale of the vessel, we plan to liquidate Olive. Currently, we hold an 18% stake in Olive, but after the proposed acquisition, our shareholding via the new joint venture will rise to 75%. As the majority shareholder, we will have increased control over the vessel and will benefit from positive cash flow and profits.
4.	**Shareholder 2:** My question pertains to capital allocation. Why are we choosing to purchase this vessel instead of buying back the Company's shares? Considering the purchase price of the vessel, it indicates that our current stock price is a steep discount to our book value. Wouldn't share buyback be a better exercise than the proposed acquisition?	**Chairman.** This transaction is part of our strategy to restructure and rebuild our shipping portfolio. Currently we own eight wholly owned vessels and have a 18% interest in each of the seven joint-venture vessels. Three of our wholly owned vessels are old (averaging over ten years) and small (29k DWT), while the remaining five are newer and larger (38k DWT). We intend to dispose of the three older, smaller vessels to acquire better ones. The seven joint-venture vessels have reached the end of its leasing period, presenting a prime opportunity for us to explore acquiring these vessels with a majority stake. We have been using these vessels since delivery, and we are well-aware of the condition of these vessels. Currently, we hold an 18% stake in each of these joint-venture vessels. We have decided to sell our older vessels and replace them with newer ones. For this proposed acquisition, our interest will increase to 75%, allowing us to enjoy a majority stake, gain more control, and achieve significantly higher profits. Through this strategy, we aim to enhance our cash flow and profitability, ultimately contributing to our share price growth in the near future.

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5.	**Shareholder 2:** There are seven vessels in this joint venture out of which, the Company is purchasing one. Would it be safe to assume that in the course of the next couple of months that we continue the same arrangement for the other 6 vessels in the joint venture?	**Chairman:** It depends on the market conditions at that time. If vessel prices increase significantly, it would not be prudent for us to purchase those vessels. However, if the acquisition price remains similar to that of this vessel, we would consider buying those ships and replacing the older ones to enhance profitability and cash flow.