

Ref: 2016-019

4 April 2016

To: The President of the Stock Exchange of Thailand

Subject: Reporting on the execution of four Settlement Agreements between the Company and Taizhou Sanfu Ship Engineering Co. Ltd. (“Sanfu”)

We, Precious Shipping Public Company Limited (“Company”), would like to notify the Stock Exchange of Thailand (“SET”) that on 31 March 2016, the Company and Sanfu (jointly referred to as the “Parties”) have executed four settlement agreements (“Settlement Agreements”) to capture the terms of the amicable settlements reached between the Parties for the eight shipbuilding contracts (“Contract” or “Contracts”) for construction of eight 63,345 DWT bulk carrier vessels bearing hull nos. SF130126 to SF130133 (“Vessel” or “Vessels”). The key terms of the Settlement Agreements are as follows:

- Contract Price for each of Hull Nos. SF130126, SF130127, SF130128 and SF130129 (“Four Remaining Vessels”) shall be reduced to USD 25 million per Vessel;
- On delivery date of each of the Four Remaining Vessels, Sanfu shall provide the Company an unsecured corporate loan of an amount of USD 6 million per Vessel. The repayment of these unsecured corporate loans shall be based on the outcome of the disputes as set out in the two settlement agreements dated 9 October 2015 for Hull Nos. SF130124 and SF130125 in a logical manner; and
- The advances paid under the four Contracts for Hull Nos. SF130130, SF130131, SF130132 and SF130133 plus interest thereon shall be refunded to the Company by way of the application to the respective final installments payable against delivery of each of the Four Remaining Vessels. After the refunds, the three Contracts for Hull Nos. SF130131, SF130132 and SF130133 will be terminated but one Contract for Hull No. SF130130 will be retained with certain amendments which will be disclosed to the SET once an amendment agreement for this Contract is entered into by the Parties.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khalid Moinuddin Hashim
Managing Director

Khushroo Kali Wadia
Executive Director