

Ref : 2015-010

16 March 2015

To : The President of the Stock Exchange of Thailand (“SET”)

Subject : The Amendment of the four Shipbuilding Contracts with Sanfu shipyard

We, Precious Shipping Public Company Limited (the "Company"), refer to the Company's disclosure letter to the SET dated 20 December 2013 about the signing of eight shipbuilding contracts with Taizhou Sanfu Ship Engineering Co., Ltd. (the "Seller") for construction of four 39,000 DWT (Handysize) Bulk Carriers and four 64,000 DWT (Ultramax) Bulk Carriers.

Due to certain technical difficulties faced by the Seller for construction of the four Handysize Bulk Carriers, the Company, as the Buyer, and the Seller had signed four Amending and Restating Agreements on 30 January 2015, which have become effective from 13 March 2015 after the completion of all conditions precedent which included the refund of all installments paid earlier by the Buyer to the Seller for the 4 Handysize Bulk Carriers ("Amending Agreements"). The Amending Agreements have been executed mainly in order to change the orders from construction of the four Handysize Bulk Carriers (Hull Nos. SF130120, SF130121, SF130122 and SF130123) to four 64,000 DWT (Ultramax) Bulk Carriers ("Vessel" or "Vessels"). However, there is no change in the delivery dates of the Vessels, despite the much larger size of the Ultramax Bulk Carriers.

As such, the main terms of the four amended Shipbuilding Contracts are as follows:

1. Details of each Vessel:

Type of Vessel	Bulk Carrier	
Hull Nos.	SF130130 (changed from SF130120) SF130131 (changed from SF130121) SF130132 (changed from SF130122) SF130133 (changed from SF130123)	
Size	About 64,000 deadweight tonnes (DWT) (changed from about 39,000 DWT)	
Flag	To be Singapore Flag	
Delivery date	on or before 31 August 2015 on or before 30 November 2015 on or before 28 February 2016 on or before 31 May 2016	for Hull No. SF130130 for Hull No. SF130131 for Hull No. SF130132 for Hull No. SF130133

2. Objectives: Ultramax Bulk Carriers have a much higher DWT than Handysize Bulk Carriers. The Seller approached the Company with a request to switch the 4 Vessels from Handysize Bulk Carriers to Ultramax Bulk Carriers, without any change to the delivery dates of the Vessels, as the Seller met with certain technical challenges in the construction of Handysize Bulk Carriers. The Company accepted this offer in light of the rapid delivery schedule promised for the Ultramax Bulk Carriers.
3. After the acquisition and delivery of these Vessels and the delivery of 20 more vessels already ordered (as per various disclosures made earlier) but not yet delivered, the Company's fleet will consist of 69 vessels with an aggregate capacity of about 3,031,203 DWT.
4. The counter party relationship: The Seller is the company incorporated in the People's Republic of China which does not have any relationship with the Company.
5. Total value of consideration and payment terms:

The price of each of the Vessels is USD 27.70 million (changed from USD 21.96 million each) (the "Contract Price"). The aggregate value of the Contract Prices of the 4 Vessels is USD 110.80 million or about THB 3,636.57 million. The Contract Price of each of the Vessels shall be paid in instalments as follows:

(a) 1st Instalment

USD 3.29 million shall be remitted to the Seller's bank within three banking days after the effective date of the Amending Agreement. The Company has already received the Refund Guarantee to guarantee the refund of the 1st Instalment.

(b) 2nd Instalment

15% of the Contract Price with deduction of 1st Instalment paid as above, shall become due and payable and be paid by the Buyer within five banking days after the Buyer's receipt of a Refund Guarantee to guarantee the refund of the 2nd Instalment, but no earlier than 30 April 2015.

(c) 3rd Instalment

10% of the Contract Price, shall become due and payable and be paid within five banking days after launching of the Vessel and the Buyer's receipt of a Refund Guarantee to guarantee the refund of the 3rd Instalment.

(d) 4th Instalment

5% of the Contract Price shall become due and payable and be paid within five banking days after the acceptance by the Buyer of the Vessel following the successful completion of the Trial Run and the Buyer's receipt of a Refund Guarantee to guarantee the refund of the 4th Instalment.

(e) 5th Instalment

70% of the Contract Price shall become due and payable concurrently with the delivery of the Vessel

6. The basis used to determine the value of consideration: The Contract Price of each of the Vessels with the required specifications and delivery dates is quite competitive under current market conditions.
7. Source of Funds: The Vessels are expected to be funded by the Company's internal cash reserves and debt financing (from financial institutions) of up to 80% of the Contract Price.
8. The total value of transaction:

Therefore, the value of the transaction computed earlier based on the acquisition of the 4 Handysize Vessels is now recomputed and accordingly, the revised total value of transaction according to the Notification of the Stock Exchange of Thailand regarding Acquisition and Disposition of the Assets is recomputed as follows:

Value of assets (4 Ultramax Vessels) acquired is
USD 110.80 million = THB 3,636.57 million
(Exchange Rate applied THB 32.821/1USD)
/ Value of the Company's Total Assets* = THB 27,908.53 million
= about 13.03%

*As per the Company's audited consolidated financial statements as of 31 December 2014.

Based on the above, the transaction is not subject to any particular disclosure requirement under the Rules, Procedures and Disclosure of Information of the Stock Exchange of Thailand regarding the Acquisition and Disposition of Assets or the Connected Transactions of Listed Companies.

Size of the transactions in the past six months: The aggregate value of all such transactions during the past six months (including the above transaction) would be about 13.03% of the value of the Company's Total Assets which is therefore not subject to any particular disclosure requirement under the Rules, Procedures and Disclosure of Information of the Stock Exchange of Thailand regarding the Acquisition and Disposition of Assets or the Connected Transactions of Listed Companies.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khalid Moinuddin Hashim
Managing Director

Khushroo Kali Wadia
Authorized Director