

Ref: 2024-11

29 May 2024

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

Subject: The signing of 4 shipbuilding contracts for 4 new Ultramax bulk carriers

We, Precious Shipping Public Company Limited (the “Company”), hereby notify the SET that the Company has entered into four Shipbuilding Contracts (“Shipbuilding Contracts” or “Contracts”) for four 63,500 DWT Bulk Carriers (“Vessel” or “Vessels”) with Taizhou Sanfu Ship Engineering Co., Ltd. (the “Seller”). As such, 4 Vessels have been ordered per details as follows:

1. Date of transaction: On 29 May 2024, the Company as Buyer has completed the signing of four Shipbuilding Contracts with the Seller. However, it may be noted that there are the following further conditions precedent for the effectiveness of the respective Shipbuilding Contracts which need to be fulfilled completely by both parties:
 - I. Hull Nos. SF240101 and SF240102:
 - (a) Receipt by the Buyer of the Refund Guarantee against the First and Second Instalments of each Vessel ordered; and
 - (b) Receipt by the Seller of the First and Second Instalments of each Vessel ordered.
 - II. Hull Nos. SF240103 and SF240104:
 - (a) The Buyer obtaining its internal approval and notifying the Seller by 3 September 2024;
 - (b) Receipt by the Buyer of the Refund Guarantee against the First and Second Instalments of each Vessel ordered; and
 - (c) Receipt by the Seller of the First and Second Instalments of each Vessel ordered.

2. Details of each Vessel:

Type of Vessel	Bulk Carrier	
Size	63,500 deadweight tonnes (DWT) for 4 Vessels	
Flag	To be Singapore Flag	
Delivery date	on or before 31 March 2026 on or before 30 June 2026 on or before 30 September 2026 on or before 11 January 2027	for Hull No. SF240101 for Hull No. SF240102 for Hull No. SF240103 for Hull No. SF240104

3. Objectives: In accordance with the Company’s strategy to rejuvenate its fleet by acquiring younger and bigger vessels. After the acquisition and delivery of these Vessels, the Company's fleet will consist of 41 vessels with an aggregate capacity of about 1,869,269 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 contract price for each Vessel is USD 33.364 million (the “Contract Price”). The aggregate Contract Price of the 4 Vessels is USD 133.456 million or about THB 4,880.49 million. The Contract Price of each Vessel shall be paid in instalments as follows:

(a) 1st Instalment

Hull Nos. SF240101 and SF240102:

USD 250,000 shall be remitted to the Seller’s bank within five banking days after the signing of the Contract with the conditional instruction that this instalment shall be released to the Seller only after the Buyer’s receipt of the Refund Guarantee to guarantee the refunds, if any, of this instalment.

Hull Nos. SF240103 and SF240104:

USD 250,000 shall be remitted to the Seller’s bank within five banking days after (i) the signing of the Contract and (ii) the Buyer’s internal approval and notification to the Seller. This instalment shall be conditionally released to the Seller only after the Buyer’s receipt of the Refund Guarantee to guarantee the refunds, if any, of this instalment.

(b) 2nd Instalment

10% of the Contract Price with deduction of 1st Instalment, shall become due and payable and be paid by the Buyer within five banking days after the Buyer's receipt of the Refund Guarantee to guarantee the refunds, if any, of this instalment.

(c) 3rd Instalment

10% of the Contract Price shall become due and payable and be paid within five banking days after the commencement of the process of cutting steel for the Vessel and the Buyer's receipt of the Refund Guarantee to guarantee the refund of this instalment.

(d) 4th Instalment

20% of the Contract Price shall become due and payable and be paid within five banking days after keel laying of the Vessel and the Buyer's receipt of the Refund Guarantee to guarantee the refund of this instalment.

(e) 5th Instalment

20% 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 the Refund Guarantee to guarantee the refund of this instalment.

(f) 6th Instalment

40% 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 the 4 Vessels with the required specifications and the delivery dates is very 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).
8. The total value of transaction:
According to the Notification of the Stock Exchange of Thailand regarding Acquisition and Disposition of the Assets, the transaction is to be computed as follows:

Value of assets acquired is USD 133.456 million = THB 4,880.49 million
(Exchange Rate applied THB 36.570/1USD)
/ Value of the Company's Total Assets* = THB 24,897.91 million
= about 19.60%

*Per Company's reviewed consolidated financial statements as of 31 March 2024.

Based on the above, the transaction is subject to certain disclosure requirements as a Class 2 Transaction under the Rules, Procedures and Disclosure of Information of the Stock Exchange of Thailand regarding the Acquisition and Disposition of Assets of Listed Companies. Consequently, SCHEDULE 1 is enclosed herewith. Thereafter, SCHEDULE 1 and SCHEDULE 2 will be circulated to the Company's shareholders in due course within the time allowed.

Size of the transactions in the past six months: The aggregate value of all such asset acquisition transactions during the past six months (including the above transaction) would be about 23.31% of the value of the Company's Total Assets which is therefore subject to certain disclosure requirements as a Class 2 Transaction.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khalid Moinuddin Hashim
Managing Director

Gautam Khurana
Executive Director

SCHEDULE 1

1. The date of transaction occurred:

The Company has completely signed the 4 Shipbuilding Contracts (the “Shipbuilding Contracts”) with the Seller on 29 May 2024 as listed in Appendix I attached hereto.

However, it may be noted that there are the following further conditions precedent for the effectiveness of the respective Shipbuilding Contracts which need to be fulfilled completely by both parties:

- I. Hull Nos. SF240101 and SF240102:
 - (a) Receipt by the Buyer of the Refund Guarantee against the First and Second Instalments of each Vessel ordered; and
 - (b) Receipt by the Seller of the First and Second Instalments of each Vessel ordered.
- II. Hull Nos. SF240103 and SF240104:
 - (a) The Buyer obtaining its internal approval and notifying the Seller by 3 September 2024.
 - (b) Receipt by the Buyer of the Refund Guarantee against the First and Second Instalments of each Vessel ordered; and
 - (c) Receipt by the Seller of the First and Second Instalments of each Vessel ordered.

2. The parties involved:

The Seller as listed in Appendix I, has entered into the 4 Shipbuilding Contracts with the Buyer and none of the Seller is related or have any relationship with the Company and/or its Subsidiaries according to the Notification of the Stock Exchange of Thailand regarding Rules and procedures relating to the Disclosures of Connected Transactions of Listed Companies.

3. The general characteristics of the transaction:

The Company has entered into the 4 Shipbuilding Contracts as listed in Appendix I with the Sellers for construction of 4 Bulk Carriers at an aggregate price of USD 133.456 million. The Board of Directors of the Company has approved this acquisition transaction.

According to the Notification of the Stock Exchange of Thailand re. Rules, Procedures and Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies, this transaction is categorized as Class 2 Transaction whereby the value of consideration paid, compared with the value of assets of the Company is as follows:

Value of assets acquired is USD 133.456 million = THB 4,880.49 million
(Exchange Rate applied THB 36.570/1USD)
/ Value of the Company's Total Assets* = THB 24,897.91 million
= about 19.60%

*Per Company's reviewed consolidated financial statements as of 31 March 2024.

The Company is therefore required to disclose certain information as required by the SET.

4. The details of assets acquired:

The Vessels ordered are four 63,500 DWT Bulk Carriers. The aggregate Dead Weight Tonnage (DWT) of the Vessels ordered is 254,000 DWT. After the delivery of these Vessels, the Company's fleet will consist of 41 vessels with a combined size of 1,869,269 DWT. List of Vessels ordered are as stipulated in Appendix I herein.

5. The total value of the consideration and payment terms:

The total value of the consideration as mentioned in Appendix I is USD 33.364 million or equivalent to THB 1,220.12 million. Under the terms of the respective Shipbuilding Contracts, The Contract Price of each Vessel shall be paid in instalments as follows:

(a) 1st Instalment

Hull Nos. SF240101 and SF240102:

USD 250,000 shall be remitted to the Seller's bank within five banking days after the signing of the Contract with the conditional instruction that this Instalment shall be released to the Seller only after the Buyer's receipt of the Refund Guarantee to guarantee the refunds, if any, of this instalment.

Hull Nos. SF240103 and SF240104:

USD 250,000 shall be remitted to the Seller's bank within five banking days after (i) the signing of the Contract and (ii) the Buyer's internal approval and notification to the Seller. This instalment shall be conditionally released to the Seller only after the Buyer's receipt of the Refund Guarantee to guarantee the refunds, if any, of this instalment.

(b) 2nd Instalment

10% of the Contract Price with deduction of 1st Instalment, shall become due and payable and be paid by the Buyer within five banking days after the Buyer's receipt of the Refund Guarantee to guarantee the refunds, if any, of this instalment.

(c) 3rd Instalment

10% of the Contract Price shall become due and payable and be paid within five banking days after the commencement of the process of cutting steel for the Vessel and the Buyer's receipt of the Refund Guarantee to guarantee the refund of this instalment.

(d) 4th Instalment

20% of the Contract Price shall become due and payable and be paid within five banking days after keel laying of the Vessel and the Buyer's receipt of the Refund Guarantee to guarantee the refund of this instalment.

(e) 5th Instalment

20% 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 the Refund Guarantee to guarantee the refund of this instalment.

(f) 6th Instalment

40% of the Contract Price shall become due and payable concurrently with the delivery of the Vessel.

6. The value of assets acquired:

The aggregate contract price of the 4 Vessels ordered is USD 133.456 million or equivalent to THB 4,880.49 million. The Individual Shipbuilding Contract for each Vessel has been entered into between the Company as Buyer and the Seller of each Vessel as listed in Appendix I.

7. The basis used to determine the value of consideration:

Under current market conditions, the acquisition price of each Vessel is approximately equal to the prevailing Market Value of each Vessel whenever acquired.

8. Benefit for the Company:

In accordance with the Company's strategy to rejuvenate its fleet by acquiring younger and bigger vessels, after the acquisition and delivery of these Vessels, the Company's fleet will consist of 41 vessels with an aggregate capacity of about 1,869,269 DWT and an average age of about 10 years.

9. Source of Funds:

The Vessels are expected to be funded by the Company's internal cash reserves and debt financing (from financial institutions).

10. Approval required:

Per current regulations, Shareholders' approval is not required for this transaction. However, the Company will circulate Schedules 1 and 2 in the format as prescribed by the SET to the Shareholders in due course.

11. Opinion of the Board of Directors:

The Board of Directors of the Company considered these asset acquisition transactions and are of the opinion that these asset acquisition transactions are for the benefit of the Company and for the achievement of the Company's rejuvenation plan. Therefore, the Board of Directors of the Company unanimously approved these asset acquisition transactions. None of the Directors had a different opinion. The Board has authorized the Executive Board to negotiate, finalize and conclude the Contracts with the Sellers.

12. Opinion of the Audit & Corporate Governance Committee:

The Audit & Corporate Governance Committee considered these asset acquisition transactions and are of the opinion that these asset acquisition transactions are for the benefit of the Company and for the achievement of the Company's rejuvenation plan. Therefore, the Audit & Corporate Governance Committee agrees with these asset acquisition transactions. None of the members of the Audit & Corporate Governance Committee had a different opinion.

APPENDIX I

No.	Date of Transaction	Buyer	Seller	Type of Vessel	Builder's Hull No.	Delivery Date (on or before)	DWT	Price (USD. M.)
1	29 May 24	Precious Shipping Public Co., Ltd.	Taizhou Sanfu Ship Engineering Co., Ltd., China	Bulk	SF240101	31 March 2026	63,500	33.364
2	29 May 24	Precious Shipping Public Co., Ltd.	Taizhou Sanfu Ship Engineering Co., Ltd., China	Bulk	SF240102	30 June 2026	63,500	33.364
3	29 May 24	Precious Shipping Public Co., Ltd.	Taizhou Sanfu Ship Engineering Co., Ltd., China	Bulk	SF240103	30 September 2026	63,500	33.364
4	29 May 24	Precious Shipping Public Co., Ltd.	Taizhou Sanfu Ship Engineering Co., Ltd., China	Bulk	SF240104	11 January 2027	63,500	33.364
Total							254,000	133.456