

Ref: 2017-022

16 October 2017

To: The President of the Stock Exchange of Thailand

Subject: Reporting on the result of the arbitration pursuant to the two settlement agreements between the Company and Taizhou Sanfu Ship Engineering Co. Ltd. (“Sanfu”)

We, Precious Shipping Public Company Limited (“Company”), refer to the two amicable settlement agreements with Sanfu dated 9 October 2015 (the “Settlement Agreements”) in relation to the two shipbuilding contracts dated 20 December 2013 (each a “Contract”) for two 63,345 DWT bulk carrier vessels bearing hull nos. SF130124 and SF130125 (each a “Vessel”), execution of which was notified to the Stock Exchange of Thailand on 13 October 2015.

We would like to notify you that the dispute under the Settlement Agreements has now been resolved by way of arbitration in London, wherein the arbitration tribunal, as per the arbitration award dated 4 October 2017 and received by the Company on 12 October 2017, has adjudicated that the Company is not entitled to damages for breach of the Contract or Specifications by reason of the Vessel’s fuel oil consumption.

In view of the above, the aggregate unsecured corporate loans of USD 32,000,000/- extended earlier by Sanfu to the Company, under the Settlement Agreements and the other four settlement agreements (as per the Company’s disclosure to the SET dated 4 April 2016), shall be due for repayment to Sanfu (if none of the parties appeal against this arbitration award), along with interest thereon plus legal costs (capped at USD 750,000/-), within one year of the date of the arbitration award, i.e. within 4 October 2018.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khushroo Kali Wadia
Executive Director