



Minutes of the Annual General Meeting of the Shareholders No. 1/2016

of

Precious Shipping Public Company Limited (the "Company")

DATE AND TIME:

The Annual General Meeting of Shareholders No.1/2016 of Precious Shipping Public Company Limited (the "Meeting") was held on Wednesday, 30th March, 2016 at 14:00 hours at the Bussarakam Ballroom, the Avani Atrium Hotel, 1880 New Petchburi Road, Bangkok Sub-district, Huay Kwang District, Bangkok 10310, Thailand.

PROCEEDINGS:

Mr. Thira Wipuchanin, Chairman of the Board of Directors, presided over the Meeting. The Chairman announced that 10 Directors were present at the Meeting and 1 Director was absent as he had to travel for urgent work. The Chairman informed the Meeting that the Board of Directors, the Company Secretary, the Auditors and the Legal advisors attending the Meeting today were as follows:

Directors Present:

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| 1. | Mr. Thira Wipuchanin | Chairman of the Board of Directors,
Independent Director |
| 2. | Associate Professor Pavida Panannond, Ph. D. | Audit & CG Committee Member,
Remuneration Committee Member,
Independent Director |
| 3. | Mr. Kamtorn Sila-On | Chairman of Remuneration Committee Member,
Audit & CG Committee Member,
Nomination Committee Member,
Independent Director |
| 4. | Mr. Chaipatr Srivisarvacha | Chairman of Nomination Committee,
Independent Director |
| 5. | Mr. Khalid Moinuddin Hashim | Managing Director, Executive Director |
| 6. | Mr. Khushroo Kali Wadia | Executive Director |
| 7. | Mr. Jaipal Mansukhani | Executive Director |
| 8. | Mr. Kirit Shah | Director, Remuneration Committee Member |
| 9. | Ms. Nishita Shah | Director |
| 10. | Mr. Ishaan Shah | Director |

Director Absent:

- | | |
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| Mr. Suphat Sivasriumphai | Chairman of Audit and CG Committee,
Nomination Committee Member,
Independent Director |
|--------------------------|---|

Company Secretary:

Ms. Somprathana Thepnaplern



Auditors from EY Office Limited, Statutory Auditors:

1. Ms. Vissuta Jariyathanakorn
2. Ms. Sujira Lertwittayakumjorn

Legal advisors from PriceWaterhouseCoopers Legal & Tax Consultants Company Limited as Independent Inspectors for the vote count:

1. Mrs. Vunnipa Ruamrangsri
2. Ms. Patcharaporn Trinvuthipong

The Chairman requested Ms. Somprathana, the Company Secretary, to inform the shareholders of the votes and voting procedures as follows:

1. One share would have one vote. A shareholder could cast a vote to approve, disapprove or abstain and the votes were not divisible as partial votes.
2. For the voting procedure, the Chairman would ask the approval of the shareholders by a show of hands after discussion of each agenda item. If there was any shareholder who wished to vote against or abstain from an agenda item, the said shareholder could express his/her intention by showing his/her hand, in which case, the Chairman would request shareholders to vote on the ballot paper provided at the time of registration and the Company's officers would collect them to summarize the results of the vote. Thereafter, the Chairman would announce the results of the vote.
3. In case of a shareholder appointing a proxy to attend and vote on his/her behalf according to his/her voting intention as earlier specified in the proxy form, such vote would be counted and recorded by the Company at the time of registration.
4. However, for Agenda Item No. 6, related to the election of the Directors in place of those who retired by rotation, the Company would follow the recommended practices of the Securities Exchange Commission, pursuant to which the shareholders would be requested to vote on the ballot papers provided at the time of registration, which would be collected, tallied and summarized, and the voting results would be announced by the Chairman.
5. For the vote counting, only votes for disapproval and abstention on each agenda item would be counted and deducted from the total number of votes of shareholders attending the Meeting, and the remaining portion would be deemed as votes approving such Agenda Item.
6. The resolution for each agenda item would require a majority vote of the shareholders who have attended the meeting and have the right to vote, except for Agenda Item No. 7, which was about the consideration of Directors' remuneration, which would require a vote of not less than two-thirds of the total number of votes of shareholders who have attended the meeting and have the right to vote, and Agenda Item No. 9, which was about the issuance and offering of debentures, which would require a vote of not less than three-fourths of the total number of votes of shareholders who have attended the meeting and have the right to vote.
7. In accordance with good corporate governance, the Company would collect all the ballots after the Meeting is finished. Shareholders who wish to leave prior to the end of the Meeting could leave their ballots with the Company's staff.

**QUORUM:**

The Chairman informed the Meeting that there were 281 shareholders attending the meeting in person and by proxy, representing a total of 979,626,043 shares, or 62.83% of the total 1,559,280,897 paid-up shares, which was not less than one-third of the total issued shares of the Company and therefore a quorum was formed pursuant to Article 39 of the Company's Articles of Association.

After the Chairman declared the Meeting open and proceeded with the meeting, during the consideration of Agenda 1 to Agenda 3, an additional 15 shareholders (in person and by proxy), representing a total of 13,924,370 shares, were additionally registered. Hence, there were 296 shareholders who were finally present at the Meeting (in person and by proxy) representing a total of 993,550,413 shares, equivalent to 63.72% of the total number of shares issued by the Company.

AGENDA 1 To adopt the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2015 held on 5th November, 2015.

The Chairman proposed that the Meeting adopt the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2015 held on 5th November, 2015, circulated to all shareholders prior to this Meeting. The Minutes were posted on the Company's website on 19th November 2015, to allow shareholders to make any objections but there were none.

The Chairman then proposed that the Meeting adopt the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2015 held on 5th November, 2015.

RESOLUTION: The Meeting adopted the Minutes of the Extraordinary General Meeting of Shareholders No. 2/2015 held on 5th November, 2015, with a majority vote of all shareholders who were present and eligible to vote (including the votes of additional shareholders who had registered at this stage). The details of the votes were announced as follows:

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	991,794,693 votes	equivalent to	100.00%
Disapproved	200 votes	equivalent to	0.00%
Abstained	0 votes	equivalent to	0.00%
Total	991,794,893 votes	equivalent to	100.00%

AGENDA 2 To acknowledge the Board of Directors' Report on the Company's Operations for the year 2015 and the 2015 Annual Report.



The Chairman informed the Meeting that Mr. Khalid Hashim, Managing Director of the Company, would present the Board of Directors' Report on the Company's operations for the year 2015 and the translator, Dr. Chanuntorn Kataseanee will summarize the same in Thai.

Mr. Khalid Hashim, Managing Director, presented the slides summarizing the Company's Operations for the year 2015, including some of the key information contained in the 2015 Annual Report on the Company's fleet as of 30th March, 2016, the Annual Average of the Baltic Dry Index ("BDI"), Expected supply in Years 2016 & 2017 and Recent Changes in Macro Economic Indicators. Thereafter, Mr. Khushroo Wadia presented the Financial Highlights for the year 2015 as compared to the year 2014.

The Chairman added that these slides will be uploaded on the Company's website for the Shareholders' further information.

During this stage, there were some enquiries raised by the attendees as follows;

Questions: Mr. Rithichai Yibcharoenporn asked:

- [1] why did the Baltic Dry Index ("BDI") reach its all-time low in Q1, 2016?
- [2] whether the Company's Time Charter Rate ("TC Rate") is presently lower than operating expenses.
- [3] what the Company's average TC rate and operating expenses were in Q1, 2016.
- [4] whether every company in the dry bulk sector is in loss, based on the average of BDI in Q1, 2016.
- [5] which category of dry bulk ships are under the most pressure in the current market.
- [6] whether the decrease of coal production in China has affected the Company.
- [7] whether the Company's operating expense is competitive.

Answers: Mr. Khalid replied as follows:

- [1] The BDI dropped to its all-time low in Q1, 2016 because shipowners created an oversupply of ships by placing large order for newbuilds, which coincided with a decrease in the demand for ships as a result of various global economic factors.
- [2] The Company's TC rate is presently lower than operating expenses. This is irrational and does not usually happen in any markets. At present, the dry bulk sector is witnessing close to 1-2 bankruptcies each week.
- [3] The average TC rate and operating expenses of Q1, 2016 cannot be disclosed at present. However, the Company will disclose the same together with the interim financial statements by the end of April 2016.
- [4] There is no dry bulk shipping company in the world, which is exposed to the spot market that is likely to have made a profit in Q1, 2016.
- [5] The biggest ships are the ones that are experiencing the most pressure, i.e., the Capesize and Panamax ships. Due to their large size, they have the highest operating expenses. The smaller ships always have lower operating expenses.



- [6] The relatively smaller ships such as Handysize, Handymax and Supramax (which sectors PSL is involved in) carry many different types of cargo, not only coal or iron ore. They also have access to many shallower ports, which the bigger ships cannot enter. As such, the earnings of smaller ships are almost 2-3 times more than Capesize ships. This is not to say that they are highly profitable in the current market scenario, just that they are suffering relatively less.
- [7] According to Moore Stephens, a firm which, among other things, analyses operating expenses of listed and private shipping companies, the Company's operating expenses are approximately USD 1,000-1,400 cheaper per day per ship compared to other ships in the same sector as evidenced by Moore Stephens' report on the subject. He further stated that the Company's targeted operating expense for this year is about USD 4,600 per day per ship.

Questions: Mr. Sathaporn Pungnirundr asked:

- [1] what the Breakeven Point and Shutdown Point are.
- [2] why the Company ordered new ships in spite of the bad condition of market.
- [3] why the share price significantly decreased.

Answers: Mr. Khalid replied as follows:

- [1] The Breakeven Point on cash basis is our daily operating expenses, which is about USD 4,600 per day per ship. The Shutdown Point, also known as the Lay-Up Point, in the shipping business is approximately USD 1,400 per day per ship, because this is the approximate cost of keeping a ship idle. Therefore, if we earn USD 1,400 per day per ship less than our operational expenses, we should consider the lay up option.
- [2] On an average, it takes at least 1.5 years to complete building and delivery of a new ship. Therefore, the market conditions at the time when the ships are delivered cannot be 100% accurately predicted. When the Company ordered the ships in 2013, the oil price was USD 800 per ton. It looked like the world economy had started to recover. At the same time, a 'Disruptive Event' took place in the dry-bulk shipping sector. When a Disruptive Event takes place in any industry, all the existing conditions cannot work in the future. The Disruptive Event that took place around 2013 was the advent of the 'Eco-Design Ships' or 'Ultramax Ships'. The shipbuilders claimed that these Eco-Design Ships consume 25% less oil and carry 15% more cargo. At that time, the Company's Board of Directors had to decide whether to order brand new Eco-Design Ships which will be delivered over the next 2-3 years or buy second-hand ships with the same old engines. At that time, a senior analyst from Goldman Sachs predicted that the oil price would go up from USD 145 per barrel to USD 200 plus per barrel. Therefore, at the time the decision was made, it looked like it was the best thing to do to invest in brand new 'eco design' Ultramax ships to protect the Company, shareholders and staff.



Further, it has always been the Company's policy to sell ships when the market conditions are good, since the values of the ships will be higher, and then buy ships in the bad markets, as their values will be significantly lower.

- [3] Compared to the share price of other shipping companies around the world, it will be noticed that the Company's share price drop is among the lowest.

Mr. Khalid then pointed out as follows:

There are four things that can be done to ensure that the business survives the next 2 years, which are expected to continue to be very challenging, as follows:

1. To raise equity. The Company raised equity in June 2015.
2. To secure alternate financing, without amortization. The Company did so by raising a bond in January 2016, with a bullet repayment after 5 years.
3. To reduce the operating expenses to the minimum. The Company already has one of the lowest operating expenses amongst its peers, at around USD 4,600 per day per ship, whereas other shipping companies are about USD 1,000-1,400 per day per ship higher.
4. To sell older, less economical ships. These older ships are presently unable to earn enough to cover their operating expenses (which are slightly higher compared to younger ships). Moreover, Charterers also prefer newer and younger ships. Therefore, selling these older ships will bring the Company some much needed liquidity. The Company has already started selling such older, less economical ships.

Questions: Mr. Tinnapob Wanprasupsook asked:

- [1] whether the operating cash flow is currently negative.
- [2] how many ships will be sold and what impairment the Company will suffer.

Answers: Mr. Khalid replied as follows:

- [1] In the first two months of this year, it is not only the Company that is suffering due to the low BDI, but also every other dry-bulk shipping company in the world. Since the Company is publicly listed, present cash flow cannot be shared at this time.
- [2] The Company has already taken some impairment in the balance sheet as of last year based on certain old ships that are expected to be sold during this year. If the Company sells more ships than planned for, then some more impairment charges will be made.



Questions: Mr. Weera Chaimanowong asked:

- [1] why the Company is selling older ships when the BDI is low.
- [2] how long the Company can survive at the present market conditions.

Answers: Mr. Khalid replied as follows:

- [1] The reason for selling ships during these poor market conditions is, as aforementioned, that the older, less economical ships are bleeding cash at a higher rate than younger ones. Therefore, selling these ships shall partially slow down the bleeding and provide the Company with some liquidity.
- [2] In light of the four steps taken as aforementioned, the Company should be able to survive the present market conditions for two years.

Questions: Mr. Rithichai Yibcharoenporn asked:

- [1] how long it will take for the current business conditions to improve.
- [2] what percentage of the new orders of ships will actually be delivered.

Answers: Mr. Khalid replied as follows:

- [1] It is expected that it will take two years for the current business conditions to improve.
- [2] It is even probable that less than half the ships on order will be delivered.

The Chairman then proposed the Meeting acknowledge the Board of Directors' Report on the Company's Operations for the year 2015 and the 2015 Annual Report.

RESOLUTION: The Meeting acknowledged the Board of Directors' Report on the Company's Operations for the year 2015 and the 2015 Annual Report. No voting was conducted for this agenda item.

AGENDA 3 To consider and approve the Audited Statement of financial position as at 31st December, 2015, and the Income statement for the year ended 31st December, 2015.

The Chairman proposed that the Meeting consider and approve the Audited Statement of financial position as at 31st December, 2015 and the Income statement for the year ended 31st December, 2015, which were approved by the Audit & Corporate Governance Committee and the Board of Directors and contained in the 2015 Annual Report.

The Chairman further informed the Meeting that the Auditors have issued an unqualified opinion in their Audit Report for the year ended 31st December, 2015.

RESOLUTION: The Meeting approved the Audited Statement of financial position as at 31st December, 2015, and the Income statement for the year ended 31st December, 2015, with a majority vote of all shareholders who were present and eligible to vote (including the votes of additional shareholders who had registered at this stage). The details of the votes were announced as follows:



Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	993,545,401 votes	equivalent to	100.00%
Disapproved	5,012 votes	equivalent to	0.00%
Abstained	0 votes	equivalent to	0.00%
Total	993,550,413 votes	equivalent to	100.00%

AGENDA 4 To consider and approve the appropriation of profit and the dividend payment for the year 2015.

The Chairman informed the Meeting that the Company's Legal Reserve has reached the minimum limit as required under Section 116 of the Public Companies Act B.E. 2535 and Article No. 55 of the Articles of Association and, therefore, no further appropriation of net profit to the Legal Reserve is required. The Board of Directors has recommended no dividend payment for the year 2015 due to the continued weakness in the dry-bulk sector, resulting in a loss in the years 2014 and 2015.

Therefore, the Chairman requested that the Meeting approve no dividend payments for 2015.

During this stage, there were some enquiries raised by the attendees as follows:

Questions : Mr. Pisit Thanatavonlarp asked:

- [1] whether the Company saw potential in the new ships ordered.
- [2] at what BDI level does the Company reach its Breakeven Point.

Answers: Mr. Khalid replied as follows:

- [1] We ordered the new ships in 2013. As explained earlier, the Ultramax ships were then a brand new disruptive concept, which was claimed to consume less oil and carry more cargo. These Ultramax ships will bring us more income than Supramax ships in the long run.
- [2] The Breakeven Point will be reached when the BDI is between 1,200 and 1,500 points.

RESOLUTION: The Meeting approved no dividend payments for 2015. The resolution was passed by the majority votes cast by all shareholders who were present and eligible to vote.

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	993,544,351 votes	equivalent to	100.00%
Disapproved	6,062 votes	equivalent to	0.00%
Abstained	0 votes	equivalent to	0.00%
Total	993,550,413 votes	equivalent to	100.00%



AGENDA 5 To consider and approve the appointment of the Auditors of the Company and to fix their remuneration for the year 2016.

The Chairman informed the Meeting that the Audit & Corporate Governance Committee and the Board of Directors have considered the Company's auditor, EY Office Limited. EY Office Limited has been the Auditor of the Company and its Thai subsidiaries since 2001. It is a reputable audit firm, is independent and has no relationship with or interest in the business of the Company, its subsidiaries, executives, major shareholders or related parties or their close relatives and has shown satisfactory performance in the past.

The Chairman then proposed that the Meeting consider and approve the appointment of the auditors of EY Office Limited as the auditors of the Company for the year 2016, with audit fees in an amount not to exceed Baht 1.95 million plus out-of pocket expenses. The list of auditors and their corresponding practice license numbers are provided below:

1. Ms. Vissuta Jariyathanakorn, Certified Public Accountant (Thailand) No. 3853.
2. Mr. Termphong Opanaphan, Certified Public Accountant (Thailand) No. 4501.
3. Mr. Khitsada Lerdwana, Certified Public Accountant (Thailand) No. 4958.

The Chairman further informed the Meeting that all of the above auditors were qualified to conduct the audit of and express an opinion on the financial statements of the Company. In the event that any of the above auditors was not available, EY Office Limited was authorised to nominate a qualified and competent auditor from EY Office Limited to conduct the audit and express an opinion on the financial statements of the Company.

During this stage, there were some enquiries raised by the attendees as follows;

Question: Mr. Sathaporn Pungnirundr asked whether we should appoint auditors from local accounting firms, with less audit fees.

Answer: The Chairman replied that the EY Office Limited's audited fees are reasonable compared to other accounting firms. Moreover, EY Office Limited has the ability and set-up to work efficiently, thereby enabling us to arrange the AGM within the end of March.

RESOLUTION: The Meeting approved the appointment of all of the above-mentioned persons (or another nominated auditor as explained above) from EY Office Limited as the Auditors of the Company for the accounting year ended 31st December, 2016, with audit fees of an amount not exceeding Baht 1.95 million plus out-of-pocket expenses.

The resolution was passed by a majority vote of all shareholders who were present and eligible to vote (including the votes of additional shareholders who had registered at this stage). The details of the votes were announced as follows:



Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders
Approved	992,875,235 Votes	equivalent to 99.93%
Disapproved	675,178 Votes	equivalent to 0.07%
Abstained	0 Votes	equivalent to 0.00%
Total	993,550,413 Votes	equivalent to 100.00%

AGENDA 6 To consider and approve the re-election of the Directors who retire by rotation.

The Chairman informed the Meeting that in accordance with Section 71 of the Public Limited Companies Act B.E. 2535 and Article No. 17 of the Articles of Association of the Company, at every Annual General Meeting, one-third of the Directors, or, if their number is not a multiple of three, then the number nearest to one-third, must retire from office.

The Directors retiring in the first and second years following the registration of the Company shall be drawn by lots. In every subsequent year, the Director who has been longest in office shall retire. A retiring Director is eligible for re-election.

The following Directors will retire by rotation and are nominated for re-election:

No.	Name	Position	Period holding Director's position
1	Mr. Kamtorn Sila-On	Chairman of Remuneration Committee / Audit & CG Committee Member / Nomination Committee Member / Independent Director.	5 years
2	Mr. Chaipatr Srivisaravacha	Chairman of Nomination Committee / Independent Director.	5 years
3	Dr. Pavida Pananond	Audit & CG Committee Member / Remuneration Committee Member / Independent Director.	5 years
4	Mr. Ishaan Shah	Director.	5 years

The Chairman further informed the Meeting that the Nomination Committee has considered the knowledge, experience (including past performance as director) and capability of the candidates for nomination. The Board of Directors, on the recommendation of the Nomination Committee, is of the opinion that the above four directors are eligible to be, and



should be, nominated for re-election. The above four directors are mature, highly qualified and widely experienced in international business. It is expected that the Company will benefit immensely from the knowledge, ideas and suggestions that they will bring to the Board of Directors.

The Chairman further informed the Meeting that Independent Directors have no relationship or conflicts of interest, whether direct or indirect, with the Company, its subsidiaries, affiliates, associated companies, or major shareholders that might obstruct their independent judgment.

The Chairman then proposed that the Meeting consider and approve the re-election of the above four directors who retired by rotation.

The Chairman requested the shareholders to vote on the ballot papers provided for the re-election of each of the directors separately.

RESOLUTION: The Meeting approved the re-election of the above four directors who retired by rotation.

The resolutions for the re-election of each director were passed by a majority vote of all shareholders who were present and eligible to vote (including the votes of additional shareholders who had registered at this stage). The details of the votes were announced as follows:

6.1 Re-election of Mr. Kamtorn Sila-On, Chairman of Remuneration Committee / Audit & CG Committee Member / Nomination Committee Member / Independent Director.

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	991,786,785 votes	equivalent to	99.83%
Disapproved	439,550 votes	equivalent to	0.04%
Abstained	1,324,078 votes	equivalent to	0.13%
Total	993,550,413 votes	equivalent to	100.00%

6.2 Re-election of Mr. Chaipatr Srivisaravacha , Chairman of Nomination Committee / Independent Director.

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	991,786,785 votes	equivalent to	99.83%
Disapproved	439,550 votes	equivalent to	0.04%
Abstained	1,324,078 votes	equivalent to	0.13%
Total	993,550,413 votes	equivalent to	100.00%



6.3 Re-election of Dr. Pavida Pananond, Audit & CG Committee Member / Remuneration Committee Member / Independent Director.

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders
Approved	992,219,823 votes	equivalent to 99.87%
Disapproved	6,512 votes	equivalent to 0.00%
Abstained	1,324,078 votes	equivalent to 0.13%
Total	993,550,413 votes	equivalent to 100.00%

6.4 Re-election of Mr. Ishaan Shah, Director.

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders
Approved	991,806,585 votes	equivalent to 99.83%
Disapproved	419,750 votes	equivalent to 0.04%
Abstained	1,324,078 votes	equivalent to 0.13%
Total	993,550,413 votes	equivalent to 100.00%

AGENDA 7 To consider and approve the Directors' remuneration for the year 2016.

The Chairman informed the Meeting that the Remuneration Committee and the Board of Directors have considered the remuneration paid by the Company in accordance with international standards and compared it with other equivalent listed companies, including companies in the transportation industry in Thailand and abroad. A comparison with other listed companies on the Stock Exchange of Thailand and in the service sector along with the details of Directors' remuneration paid by the Company in 2015 is provided in the 2015 Annual Report.

The Chairman proposed that the Meeting consider and approve not to change the Directors' remuneration as a fix retainer* without any other compensation for the year 2016 as follows:



Remuneration for	Proposed for 2015	2014
The Chairman of Board of Directors	Baht 1,200,000	Baht 1,200,000
Each Board Member	Baht 550,000	Baht 550,000
The Chairman of Audit & Corporate Governance Committee (additional remuneration)	Baht 400,000	Baht 400,000
Each Audit & Corporate Governance Committee Member (additional remuneration)	Baht 200,000	Baht 200,000
Total (assuming present Board structure)	Baht 7,500,000***	Baht 7,637,500**

* To be paid quarterly to the Chairman of the Board of Directors Baht 300,000 per quarter, each Board member Baht 137,500 per quarter, the Chairman of Audit & CG Committee an additional Baht 100,000 per quarter and each Audit & CG Committee member an additional Baht 50,000 per quarter.

** One Director, viz. Mr. Munir Moinuddin Hashim, resigned from the Board of Directors of the Company in April 2015.

*** Based on the present Board structure of 11 members.

During this stage, there were some enquiries raised by the attendees as follows;

Question: Mr. Sathaporn Pungnirundr asked whether it is possible that the Board's remuneration be decreased due to the current market conditions and the Company's operating results.

Answer: Mr. Chaipatr replied that the Board's remuneration is reasonable and it appropriately suits the responsibilities that that Board has taken. However, if any shareholders feel otherwise, they may vote against the proposal from the Board of Directors.

Question: Mr. Rithichai Yibcharoenporn asked how the price of new ships that the Company ordered is in comparison to the price being paid by the Company's competitors.

Answer: Mr. Khalid replied that the Company ordered its new ships at about the same price as its competitors, at the time when the orders were placed.

Question: Mrs. Malival Chitreeyatham asked why the Company did not choose shipyards in other countries, such as South Korea, Vietnam, or Thailand.

Answer: Mr. Khalid replied that the Company compared prices from a variety of shipyards. The price from Japanese shipyards was 20-30% more than the price from Chinese shipyards, and the delivery time was also later. The price from South Korea was also 20% more expensive than China, and in any case they do not specialize in building dry-bulk ships. Vietnamese shipyards cannot



build the Eco Design/Ultramax ships, and the quality of their ships is not good in general. Thailand does not build large ships like the Eco Design/Ultramax ships at all. Therefore, Chinese shipyards were the best in terms of price and delivery date.

RESOLUTION: The Meeting resolved to approve no change to the Directors' Remuneration for the year 2016 of Baht 1,200,000 per annum for the Chairman and Baht 550,000 per annum for each Board member. Further, for the Directors who are on the Audit & Corporate Governance Committee, the Meeting approved additional remuneration of Baht 400,000 per annum for the Chairman of Audit & Corporate Governance Committee and Baht 200,000 per annum for each Audit & Corporate Governance Committee Member.

The resolution was passed by more than two-thirds of votes cast by all shareholders who were present and eligible to vote. The details of the votes are as follows:

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	991,274,451 votes	equivalent to	99.77%
Disapproved	1,175,962 votes	equivalent to	0.12%
Abstained	1,100,000 votes	equivalent to	0.11%
Total	993,550,413 votes	equivalent to	100.00%

AGENDA 8 To consider and approve the appropriation of Baht 1.75 million as Corporate Social Responsibility Reserve ("CSR Reserve").

The Chairman informed the Meeting that in accordance with Article No.55 of the Articles of Association of the Company, the Board of Directors may propose to the Shareholders' Meeting that it resolve to appropriate a reserve fund as perceived by the Board to be beneficial to the business operations of the Company.

The Chairman further informed the Meeting that the Company treats Corporate Social Responsibility as one of its highest priorities and has built it into the Company's Mission Statement and Core Values. The Company allocates an amount of 0.50% of net profit every year to the CSR Reserve, which is subject to a minimum of THB 1.75 million and a maximum of THB 25 million per year. The actual utilisation out of the CSR Reserve is decided by the Company's senior management and/or the Board of Directors, and is periodically, or at least once a year, reviewed by the Board of Directors. Out of the revenues of 2015, the Company has reserved THB 1.75 million as CSR Reserve. As at 31st December, 2015, the balance of the CSR Reserve is THB 16.35 million.

The Chairman proposed that the Meeting consider and approve the appropriation of THB 1.75 million as CSR Reserve.



RESOLUTION: The Meeting approved the appropriation of THB 1.75 million as CSR Reserve. The resolution was passed by a majority vote of all shareholders who were present and eligible to vote. The details of the votes are as follows:

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	942,142,302 votes	equivalent to	94.83%
Disapproved	51,408,111 votes	equivalent to	5.17%
Abstained	0 votes	equivalent to	0.00%
Total	993,550,413 votes	equivalent to	100.00%

AGENDA 9 To consider and approve the issuance and offering of debentures in the total amount not exceeding Baht 10 billion (or an equivalent amount in foreign currency)

The Chairman informed the Meeting as follows:

- In accordance with Article No. 56 of the Articles of Association of the Company and Section 145 of the Public Limited Companies Act B.E 2535, the Company's issuance and offering of debentures to the public shall be made in compliance with the Securities and Exchange Law, i.e., the Securities and Exchange Act B.E. 2535. The resolution for issuance and offering of debentures shall be passed by a vote of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote.
- The Extraordinary General Meeting of Shareholders 2/2015 of the Company held on 5 November 2015 approved the issuance of debentures in the total amount not exceeding THB 4 billion (or an equivalent amount in foreign currency) whereby on 22 January 2016, the Company has issued by way of a public offering 3,590,000 Debentures of par value THB 1,000 each with the aggregate proceeds of THB 3,590 million.
- The Company intends to issue and offer debentures in an additional amount of not exceeding THB 10 billion (or an equivalent amount in foreign currency).

The Chairman further informed the Meeting that Ms. Somprathana, the Company Secretary, would present the summary details of the proposed debentures.

Ms. Somprathana presented the slides summarizing details of the proposed debentures as follows:



Type	Any and all types of debentures, with and/or without a name registered, secured and/or unsecured debentures, with and/or without debenture holders' representative, subordinated and/or unsubordinated debentures, and perpetual and/or tenured, depending on market conditions or any other factor at the time of offering.
Currency	THB and/or USD and/or other foreign currencies by using the exchange rate at each time the debentures are issued and offered.
Objectives	For refinancing the existing debt, acquisition of Ships, Capital Expenditure, Working Capital and/or general corporate purposes of the Company or of any member of the PSL Group.
Size of Debentures Issue	In an amount not exceeding THB 10 billion (or an equivalent amount in foreign currency) in aggregate by issuing either through single or multiple offerings.
Interest Rate	Depending on the appropriate prevailing market conditions at such time as the debentures are issued and offered.
Maturity	Not exceeding 20 years from the issuance date of each issuance in the case of debentures other than those that are perpetual. In the case of perpetual debentures, the maturity could be perpetual, subject to requirements as prescribed by the regulations of the Capital Market Supervisory Board and/or the Office of the Securities and Exchange Commission.
Offering	Debentures may be offered domestically and/or internationally, in a form of public offering and/or a private placement, and may be offered to high-net worth investors, and/or local institutional investors and/or foreign institutional investors in accordance with the regulations of the Capital Market Supervisory Board, the Securities and Exchange Commission, and/or other relevant regulations which are in force at the time of issuance of debentures.
Principal Repayment	Repayment in installments or in one installment upon maturity in accordance with the terms and conditions of the debentures of each issuance.
Early Redemption	The holders of the debentures may or may not be entitled to request the Company to redeem, and/or the Company may or may not be entitled to redeem the debentures prior to their respective maturity, subject to the terms and conditions of the debentures of each issuance.



Special Conditions	If the Company redeems or repays debentures, the Company will be entitled to re-issue debentures to replace those that are redeemed or repaid (on a revolving basis), provided that such reissuance, when combined with other outstanding debentures, does not cause the aggregate amount to exceed the maximum amount of debentures that has been approved by the shareholders' meeting.
Registration of Debt Instrument	The Company may register the debentures with The Thai Bond Market Association and/or other debt instrument exchange(s) in Thailand or abroad.

The Executive Board of Directors or any person(s) designated by the Executive Board of Directors are proposed to be empowered to carry out and implement the issue and offer of the debentures of the Company in accordance with the foregoing details, including, but not limited to the following:

- (1) To determine details and other conditions relating to the issuance and offering of the debentures such as its name, offering procedures, offering amount of each issuance, type of debenture, security, offering price per unit, term of maturity, period of redemption, early redemption, interest rate, method of principal and interest repayment, allocation process and other details of offering;
- (2) To appoint financial advisors and/or underwriters and/or credit rating agencies and/or debenture registrars and/or trustees and/or relevant persons with respect to the issuance and offering of the debentures;
- (3) To negotiate, enter into, execute and amend any relevant documents and agreements, including filing and any documents required to be submitted to the Securities and Exchange Commission and/or any authorities in relation to the issuing and offering of the debentures, and take any action necessary in relation to the issuance and offering of the debentures, including to list the debentures as listed securities on the Stock Exchange of Thailand or the Thai Bond Market Association or other secondary market(s), and to obtain approval from, disclose information to and do other acts and things with the relevant authorities.

At this stage, there were some enquiries raised by the attendees as follows:

Question: Mr. Surachet Winiyakul asked whether the Company considered any alternative methods of securing funding, as the interest rate on the issued debentures with Krung Thai Bank Public Co., Ltd. was 5.25% p.a., which is quite high.

Answer: Mr. Khushroo replied that:
Firstly, the lowest interest rates that are available to the Company are through secured loans. However, in light of the current weak market scenario, secured lenders may not lend to shipping companies at all.



Secondly, secured loans have financial covenants. One of the important covenants is the loan to value covenant, which states that if the ship value drops below a certain level, the Company has to repay the loan. Therefore, as a company in this kind of challenging scenario, alternate sources for funding need to be explored. One such alternate source of funding is calling fresh equity from shareholders, which the Company has already done. Any further equity raising is not advisable.

That led the Company to the next alternate source of funding, which is unsecured debt through the capital market. The benefit of unsecured debt is that there is no regular repayment. This is the ideal way to raise funds in the Company's present scenario, where it has negative cash flows. The repayment for this particular debenture is after five years, so the Company has enough time to be able to service the repayment. In light of these advantages, the Company has to pay a slightly higher interest rate compared to our normal secured debt.

To answer the question specifically, the interest rate of debentures at that time depended on the credit rating of the Company, which was BBB and the liquidity available in the market. In comparison, issuing the bond in the overseas market in this particular condition of the shipping industry would have resulted in an interest rate of at least 12% p.a. As such, the interest rate at 5.25% p.a. is more than suitable for the Company, in light of the other advantages.

Questions: Mr. Sathaporn Pungnirundr asked:

- [1] whether 'any and all types of debentures' as proposed would include convertible debentures.
- [2] how much the Debt to Equity Ratio would be if the total amount of THB 10 billion of debentures is issued.
- [3] what is the criteria for the proposal of up to 20 year term.

Answers: Mr. Khushroo replied as follows:

- [1] These debentures, if issued, will be non-convertible.
- [2] The Company is seeking for approval from the shareholders in an amount not exceeding THB 10 billion in advance, because the Company may have to promptly take advantage of a good opportunity that presents itself in the capital market, which may only be available for a short period of time. The Company may not issue the whole or any of these debentures, and is seeking approval to have a recourse ready in case there is need in the future. One of the primary intentions for raising debentures is to refinance or repay the existing debt. Therefore, it is not necessary that an issuance of debentures will certainly increase the Debt to Equity Ratio. Even assuming that the full THB 10 billion worth of debentures is issued AND is not used to repay existing debt, the Debt to Equity Ratio will still be less than 2:1, which is very healthy.



- [3] The objective of the proposal of up to 20-year maturity is to have the maximum term possible, as long as the interest is reasonable, which will benefit the Company and the shareholders.

Question: Mrs. Malival Chitreeyatham asked whether loans for ships are similar to loans for cars, and whether the Company's loans are from Thai banks or foreign banks.

Answer: Mr. Khushroo replied that it is normal in the shipping industry to mortgage the ships as security for a loan, akin to a car loan. The Company's loans are from both Thai banks and foreign banks.

Question: Mr. Sathaporn Pungnirundr asked whether issuing debentures in the amount of THB 10 billion will be excessive.

Answer: Mr. Khushroo reiterated that the whole THB 10 billion may not be issued at the same time, but it will depend on the mix of opportunity/availability in the market, and the need of the Company.

Questions: Mr. Pichet Hutayon asked:

- [1] how long the issuance of debentures would be able to support the Company.
- [2] how long the Company would be able to withstand the current market scenario without any further external funding.

Answers: Mr. Khalid replied as follows:

- [1] The debentures of THB 10 billion can support the Company for up to 5-7 years.
- [2] 2 years.

The Chairman proposed that the Meeting consider and approve the issuance and offering of debentures in the total amount not exceeding THB 10 billion (or an equivalent amount in foreign currency).

RESOLUTION: The Meeting approved the issuance and offering of debentures in the total amount not exceeding THB 10 billion (or an equivalent amount in foreign currency). The resolution was passed by more than three-fourths of votes cast by all shareholders who were present and eligible to vote. The details of the votes were announced as follows:

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	992,198,973 votes	equivalent to	99.86 %
Disapproved	251,440 votes	equivalent to	0.03 %
Abstained	1,100,000 votes	equivalent to	0.11 %
Total	993,550,413 votes	equivalent to	100.00%

There being no further questions or matters to address, the Chairman thanked everyone for attending the meeting and declared the Meeting adjourned at 17:00 hours.

Signed  Chairman of the Meeting
(Mr. Thira Wipuchanin)



Signed  Company Secretary / Minutes Taker
(Ms. Somprathana Thepnapaplern)