



Precious Shipping Public Company Limited



**Invitation to
the Extraordinary General Meeting
of Shareholders No. 1/2014**

On Wednesday, 30 April 2014 at 10:00 hours

**At the Lert Wanalai Ballroom, Swissotel Nai Lert Park Bangkok Hotel,
2 Wireless Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Thailand**

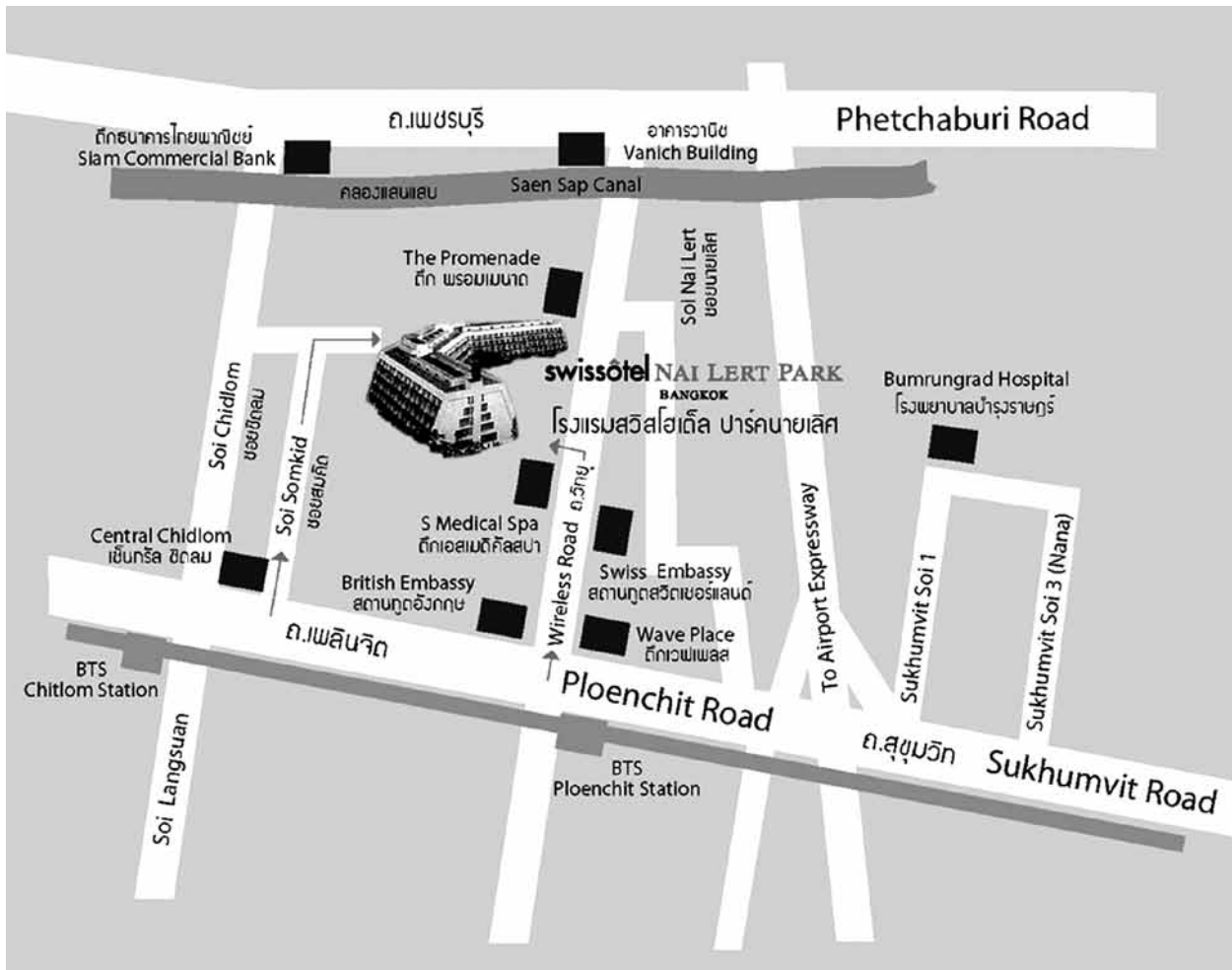
Telephone 66 (0) 2253-0123 Facsimile 66 (0) 2254-8740

E-mail : bangkok-nailertpark@swissotel.com

(Location Map on next page)

Swissotel Nai Lert Park Bangkok Hotel, Thailand

Location



Swissotel Nai Lert Park Bangkok Hotel
2 Wireless Road, Lumpini Sub-district, Pathumwan District,
Bangkok 10330 Thailand
Telephone 66 (0) 2253-0123 Facsimile 66 (0) 2254-8740
E-mail : bangkok-nailertpark@swissotel.com

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED

7th Floor, Cathay House
8 North Sathon Road,
Bangkok 10500, THAILAND
Mailing Address :
G.P.O. Box 915, Bangkok 10501, THAILAND

Tel: (662) 696 8800
Fax: (662) 236 7654, 633 8460
E-mail: psl@preciousshipping.com
Home Page: <http://www.preciousshipping.com>

Registration No. 0107537000629



4th April, 2014

Subject: Invitation to the Extraordinary General Meeting of Shareholders No. 1/2014 (the 'Meeting')

To: Shareholders of Precious Shipping Public Company Limited (the 'Company')

Enclosures:

1. Copy of the Minutes of the Annual General Meeting of the Shareholders No. 1/2014.
2. SCHEDULE 1.
3. SCHEDULE 2.
4. Report of Independent Financial Advisor Relevant to Assets Acquisition.
5. Guidelines for attending the Meeting and completing the Proxy Form.
6. The Articles of Association of the Company in respect of the items related to the Meeting of Shareholders and Voting Procedures.
7. Profile of Independent Directors for shareholders' proxies and Proxy Form B.

NOTICE IS HEREBY GIVEN that the Board of Directors has resolved to convene **the Extraordinary General Meeting of Shareholders No. 1/2014 on Wednesday, 30 April 2014 at 10:00 hours at the Lert Wanalai Ballroom, Swissotel Nai Lert Park Bangkok Hotel**, 2 Wireless Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Thailand, to address the following agenda:

1. **To adopt the Minutes of the Annual General Meeting of Shareholders No. 1/2014 held on 31 March 2014.**

Rationale:

A copy of the Minutes of the Annual General Meeting of Shareholders No. 1/2014 held on 31 March 2014 is attached as **Enclosure 1**.

Opinion of the Board of Directors:

The Meeting should adopt the Minutes of the Annual General Meeting of Shareholders No. 1/2014 held on 31 March 2014.

2. **To consider and approve 12 Shipbuilding Contracts signed by the Company for 12 new Bulk Carriers and authorise the Board of Directors to take all actions necessary to implement the Contracts in accordance with the agreed terms.**

Rationale:

This acquisition of 12 Ultramax Newbuilding Vessels would enable the Company to achieve the Company's strategy to rejuvenate and expand its fleet by acquiring younger and bigger vessels and thereby enhance market share apart from reducing the average age of the Company's fleet. The addition of these new Vessels would ensure longevity of the Company's assets. After the acquisition and delivery of these Vessels and the delivery of three Cement Carriers together with fourteen Bulk Carriers already ordered but not yet delivered, the Company and subsidiaries' fleet will consist of 69 vessels with an aggregate capacity of about 2,929,933 DWT with an average age of about 8 years.



The resolution for this agenda item would require a vote of not less than three quarters of the total number of votes of the shareholders who have attended the meeting and have the right to vote.

Opinion of the Board of Directors: The Meeting should approve the Shipbuilding Contracts signed by the Company for 12 new Bulk Carriers and authorise the Board of Directors to take all actions necessary to implement the Contracts in accordance with the agreed terms.

The Company is pleased to invite all shareholders to attend the Meeting on the date, and at the time and venue aforesaid.

A Proxy Form is enclosed for those shareholders who are unable to attend the Meeting in person. Shareholders may appoint their own proxy or may appoint any one of the following Independent Directors, to attend and vote on their behalf:

- 1) **Mr. Thira Wipuchanin**, Independent Director, Age: 64 years
Residential Address: No. 256 Lad Phrao Road, Soi Sannibathtedtaban, Chankasem, Chatuchak, Bangkok, 10900 Thailand.
- 2) **Mr. Kamtorn Sila-on**, Independent Director, Age: 43 years
Residential Address: No. 363 Soi Thonglor 19, Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110 Thailand.

None of the above Directors has a personal interest in any of the agenda items. The executed Proxy Form (**Enclosure 7**) should be delivered to the Chairman, or the person designated by him, prior to the commencement of the Meeting.

For and on behalf of
The Board of Directors of
Precious Shipping Public Company Limited

(Mr. Thira Wipuchanin)
Chairman of the Board of Directors





Enclosure 1
[FOR AGENDA 1]

**COPY OF THE MINUTES OF
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
NO. 1/2014**

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED

7th Floor, Cathay House
8 North Sathon Road,
Bangkok 10500, THAILAND
Mailing Address :
G.P.O. Box 915, Bangkok 10501, THAILAND

Tel: (662) 696 8800
Fax: (662) 236 7654, 633 8460
E-mail: psl@preciousshipping.com
Home Page: <http://www.preciousshipping.com>

Registration No. 0107537000629



Minutes of the Annual General Meeting of the Shareholders No. 1/2014

of

Precious Shipping Public Company Limited (the “Company”)

DATE AND TIME:

The Annual General Meeting of Shareholders No.1/2014 of Precious Shipping Public Company Limited (the “Meeting”) was held on Monday, 31st March, 2014 at 10:30 hours at the Bussarakam Ballroom, the 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 12 Directors were present at the Meeting. 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:

- | | | |
|-----|---|--|
| 1. | Mr. Thira Wipuchanin | Chairman of the Board of Directors,
Independent Director |
| 2. | Mr. Suphat Sivasriumphai | Chairman of Audit & CG Committee,
Nomination Committee Member,
Independent Director |
| 3. | Associate Professor Pavida
Panannond, Ph. D. | Audit & CG Committee Member,
Remuneration Committee Member,
Independent Director |
| 4. | Mr. Kamtorn Sila-On | Chairman of Remuneration Committee Member,
Audit & CG Committee Member,
Nomination Committee Member,
Independent Director |
| 5. | Mr. Chaipatr Srivisarvacha | Chairman of Nomination Committee,
Independent Director |
| 6. | Mr. Khalid Moinuddin Hashim | Managing Director, Executive Director |
| 7. | Mr. Khushroo Kali Wadia | Executive Director |
| 8. | Mr. Munir Moinuddin Hashim | Executive Director |
| 9. | Mr. Jaipal Mansukhani | Director |
| 10. | Mr. Kirit Shah | Director, Remuneration Committee Member |
| 11. | Ms. Nishita Shah | Director |
| 12. | Mr. Ishaan Shah | Director |

Company Secretary:

Ms. Somprathana Thepnapaplern



**Auditors from EY Office Limited (formerly known as Ernst & Young Office Limited),
Statutory Auditors:**

1. Ms. Sumalee Reewarabandith
2. Ms. Jiraporn Pinijnorachai

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

1. Mrs. Vunnipa Ruamrangsri
2. Ms. Nisachol Hanpattranon
3. 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. 7, related to the election of the Directors in place of those who retired by rotation, the Company would follow the recommended practices of the SEC, 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. 8, 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.
7. In accordance with good corporate governance, the Company would collect all the ballots after the Meeting is finished. Shareholders who wished 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 569 shareholders attending the meeting in person and by proxy, representing a total of 769,076,678 shares, or 73.98% of the total 1,039,520,600 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 9, an additional 178 shareholders (in person and by proxy), representing a total of 10,615,273 shares, were additionally registered. Hence, there were 747 shareholders who were finally present at the Meeting (in person and by proxy) representing a total of 779,691,951 shares, equivalent to 75.01% of the total number of shares issued by the Company.

AGENDA 1 To adopt the Minutes of the Annual General Meeting of Shareholders No. 1/2013 held on 1st April, 2013.

The Chairman proposed that the Meeting adopt the Minutes of the Annual General Meeting of Shareholders No. 1/2013 held on 1st April, 2013, circulated to all shareholders prior to this Meeting. The Minutes were posted on the Company's website on 12th April, 2013, to allow shareholders to make any objections but there were none.

The Chairman, then, proposed the Meeting to adopt the Minutes of the Annual General Meeting of Shareholders No. 1/2013 held on 1st April, 2013.

RESOLUTION: The Meeting adopted the Minutes of the Annual General Meeting of Shareholders No. 1/2013 held on 1st April, 2013, 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	778,825,716 votes	equivalent to	99.96%
Disapproved	257,600 votes	equivalent to	0.03%
Abstained	38,000 votes	equivalent to	0.01%
Total	779,121,316 votes	equivalent to	100.00%

AGENDA 2 To acknowledge the Board of Directors' Report on the Company's operations for the year 2013 and the 2013 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 2013 and Ms. Somprathana will summarize the same in Thai.



Mr. Khalid Hashim, Managing Director, presented the slides summarizing the Company's operations for the year 2013 including the key information contained in the 2013 Annual Report of the PSL's fleet as of 25th March, 2014, the Annual Average of the Baltic Dry Index (BDI), Dry Bulk Cargoes (Demand), Expected supply in Years 2014 & 2015 and Recent Positive Changes in Macro Economic Indicators. Thereafter, Mr. Khushroo Wadia presented the Financial Highlights for the year 2013 as compared to the year 2012.

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;

Question: Mr. Thammarong Pongkreankrai asked at what level of the BDI the Company makes a profit, as well as how much does the BDI affect the profitability of the Company.

Answer: Mr. Khalid replied that the changes to the BDI are not linked directly to our sector. Therefore, he explained the breakeven for profitability of the Company that the OPEX, depreciation, interest and administration costs are approximately USD 8,000 – USD 8,200 per day per ship based on a 365 day year; however, the earnings derive from 350 days therefore our daily operation cost will increase by about 4.5% or equivalent to USD 8,600 per day per ship. Therefore, to that extent, we have to earn on an average more than USD 8,600 per day per ship for profitability of the Company. However, depreciation is not a cash cost hence the cash breakeven for the company is a mere USD 6,200 per day per ship. He further explained that even though the BDI is not linked directly to the profitability of the Company because the index derives from several sectors, not only ours, but roughly the Company would reach profitability if the BDI is between 1,500 and 2,000 points.

Question: Mr. Rithichai Yibcharoenporn asked how our depreciation is affected by the ongoing Fleet Rejuvenation plan, as well as how our depreciation compares to others in the Industry.

Answer: Mr. Khalid replied that since we bought ships at lower prices, our depreciation is lower than the Industry at large, thereby making it easier to achieve a profit.

Question: Mr. Prasong Nitinavakorn further inquired as to how the Company made gains through the cancellations of previous Shipbuilding Contracts.

Answer: Mr. Khalid gave a brief background on the Shipbuilding Contracts with ABG Shipyard, stating that:

[1] Only 1 of the 21 ships ordered was delivered in consonance with the relevant Shipbuilding Contracts;



- [2] An additional 2 ships of the remaining 20 ships were delivered beyond their contract cancellation dates, and therefore, their prices were reduced to the then prevailing market price;
- [3] Of the 18 remaining Shipbuilding Contracts, 17 have been novated/cancelled; therefore, all the advances made to ABG have been returned with interest and a novation premium thereon which represents the profitability recorded under these contracts.

Question: Mr. Thammarong Pongkreankrai inquired regarding the lower economic figures of China, how the same would affect the oversupply of ships.

Answer: Mr. Khalid stated that the economy of China was so large that even a 7.5% annual growth rate (GDP), although lower than previous figure, can give a significant boost to the dry-bulk sector. He further stated that from the second half of this year onwards, the freight market will strongly improve as oversupply of ships continues reducing and demand continues growing.

Question: Mr. Noppakoon Assawanopakiat asked that after the Company locked in the long term charter, if the BDI drops, whether our clients will cancel the contracts.

Answer: Mr. Khalid replied that for the Company's business, the quality and credit of charterers is important. He further exemplified that even when the BDI had seen its sharpest fall between May 2008 and December 2009, falling by 95%, none of the Company's clients defaulted on payments or renegotiated their contracts. Therefore, even in the future, if there is a sharp fall of the BDI, we should have no problem of defaults by our clients.

Question: Mr. Chatchai Khunngam asked as follows;

- [1] How many ships had the Company's fleet increased since last year.
- [2] Whether the shipping cycle would remain relatively high over the next three years.
- [3] Whether that meant the Company would pay a higher dividend.

Answer: Mr. Khalid replied as follows;

- [1] As of the date of the Meeting, the Company had 40 ships in the water. He further stated that the Company was scheduled to take delivery of 5 more ships by the end of the year 2014, 18 ships in 2015 and 6 ships by the end of the year 2016, with 12 Shipbuilding Contracts still awaiting Shareholders' approval. After delivery of all these ships, the Company would have the fleet of 69 ships. At the same time, we may sell 18 - 20 old ships at the high point of the cycle around the second half of 2015 for capital gains, debt level reduction from prepayment of loans, and for releasing trained officers and crews from our 'sold' ships to take delivery of our 'new' ships.



- [2] The shipping cycle should remain high over the next 2.5 - 3 years.
- [3] If the Company's performance improves, the dividend will be distributed to the shareholders more consistently.

Thereafter, Ms. Jenjira Sombatcharoenwong thanked and complimented that the Company has shown a very good performance with good corporate governance for sustainable growth.

The Chairman, then, proposed the Meeting to acknowledge the Board of Directors' Report on the Company's operations for the year 2013 and the 2013 Annual Report.

RESOLUTION: The Meeting acknowledged the Board of Directors' Report on the Company's operations for the year 2013 and the 2013 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, 2013, and the Income statement for the year ended 31st December, 2013.

The Chairman proposed that the Meeting consider and approve the Audited Statement of financial position as at 31st December, 2013 and the Income statement for the year ended 31st December, 2013, which were approved by the Audit & Corporate Governance Committee and the Board of Directors and contained in the 2013 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, 2013.

RESOLUTION: The Meeting approved the Audited Statement of financial position as at 31st December, 2013, and the Income statement for the year ended 31st December, 2013, 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	779,622,422 votes	equivalent to	99.99%
Disapproved	0 votes	equivalent to	0.00%
Abstained	38,000 votes	equivalent to	0.01%
Total	779,660,422 votes	equivalent to	100.00%



AGENDA 4 To acknowledge aggregate interim dividends of Baht 0.30 per share for the year 2013.

The Chairman informed the Meeting that pursuant to Section 115 of the Public Limited Company Act B.E. 2535 and Article No. 53 of the Articles of Association of the Company, the Board of Directors may, from time to time, pay to the shareholders interim dividends as it may appear to the Board of Directors to be justified by the profits and retained earnings of the Company and shall report all such interim dividends to the shareholders in the next shareholders' meeting.

The Chairman informed the Meeting that during 2013 the Board of Directors declared and made three interim dividend payments as follows:

Interim Dividend No. 1

- Baht 0.10 per share on the ordinary shares of the Company approved by the Meeting of the Board of Directors of the Company No. 3/2013 held on 30 April 2013 based on the retained earnings as of 31 March 2013. The Record Date for the right to receive the dividend was 15 May 2013. The book closure date was 16 May 2013. The payment was made on 29 May 2013.

Interim Dividend No. 2

- Baht 0.10 per share on the ordinary shares of the Company approved by the Meeting of the Board of Directors of the Company No. 4/2013 held on 31 July 2013 based on the retained earnings as of 30 June 2013. The Record Date for the right to receive the dividend was 15 August 2013. The book closure date was 16 August 2013. The payment was made on 28 August 2013.

Interim Dividend No. 3

- Baht 0.10 per share on the ordinary shares of the Company approved by the Meeting of the Board of Directors of the Company No. 5/2013 held on 31 October 2013 based on the retained earnings as of 30 September 2013. The Record Date for the right to receive the dividend was 15 November 2013. The book closure date was 18 November 2013. The payment was made on 28 November 2013.

The Chairman, then, informed the Meeting to acknowledge the aggregate interim dividends of Baht 0.30 per share for the year 2013.

RESOLUTION: The Meeting acknowledged the aggregate interim dividends of Baht 0.30 per share for the year 2013 on the ordinary shares of the Company, paid on three occasions in 2013 as stated above. No voting was conducted for this agenda item.



AGENDA 5 To consider and approve the appropriation of profit and the final dividend payment for the year 2013.

The Chairman proposed that the Meeting consider and approve the total dividend of Baht 0.40 per share for the year 2013 from the retained earnings as at 31st December, 2013. As the Board of Directors had already declared and made three interim dividend payments totalling Baht 0.30 per share during 2013, the balance of Baht 0.10 per share shall be paid as a final dividend on the ordinary shares of the Company for the year 2013.

The Chairman also proposed that the Meeting acknowledge that the Record Date for the right to receive the final dividend was 24th February, 2014. Further, 25th February, 2014 was the book closure date on which the shareholders list, as specified in Section 225 of the Securities and Exchange Act, had been compiled. The dividend payment will be made on 11th April, 2014.

Question: Mr. Thammarong Pongkreeankrai asked whether there were any private equity/institutional investors looking to make investments into the Company.

Answer: Mr. Khalid stated that he personally attends at least 2 meetings each month with potential investors looking to make investments in the Company.

Question: Ms. Jenjira Sombatcharoenwong asked whether the Company had considered paying dividends only one or two times per year instead of quarterly payment, in order to save paper for environmental protection.

Answer: Mr. Khalid stated that each dividend is highly anticipated by the Shareholders at large, and therefore, would not like to lower the frequency of payment each year. He further stated that the Company had already put several measures in place to ensure that it is as “green” as possible.

RESOLUTION: The Meeting approved the total dividend for the year 2013 of Baht 0.40 per share from the retained earnings as at 31st December, 2013. As the Board of Directors had already declared and paid three interim dividend totalling Baht 0.30 per share during 2013, the balance of Baht 0.10 per share would be paid as a final dividend on the ordinary shares of the Company for the year 2013.

The Meeting also acknowledged that the Record Date for the right to receive the dividend as 24th February, 2014. Further, 25th February, 2014, was acknowledged as the book closure date on which the shareholders list, as specified in Section 225 of the Securities and Exchange Act, has been compiled. The dividend payment will be made on 11th April, 2014.

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	779,628,547 votes	equivalent to	99.99%
Disapproved	0 votes	equivalent to	0.00%
Abstained	38,000 votes	equivalent to	0.01%
Total	779,666,547 votes	equivalent to	100.00%

AGENDA 6 To consider and approve the appointment of the Auditors of the Company and to fix their remuneration for the year 2014.

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 (formerly known as Ernst & Young 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 2014, with audit fees in an amount not to exceed Baht 1.90 million plus out-of pocket expenses. The list of auditors and their corresponding practice license numbers are provided below:

1. Ms. Sumalee Reewarabandith, Certified Public Accountant (Thailand) No. 3970. She was the Company's auditor from 2003 until 2007 and again for the year 2010 until 2013.
2. Mr. Chayapol Suppasdtanon, Certified Public Accountant (Thailand) No. 3972. He was the Company's auditor for the year 2008 and 2009.
3. Ms. Vissuta Jariyathanakorn, Certified Public Accountant (Thailand) No. 3853.

The Chairman further informed the Meeting that all of the above auditors were qualified to conduct the audit 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.

Question: Ms. Yadarun Luxsameset from Thai Investors Association asked why three auditors from EY Office Limited have served terms for aggregating to over 10 years for the Company and whether this breached the relevant regulations.

Answer: Ms. Sumalee Reewarabandith, the Auditor from EY Office Limited, replied that per the regulations, one particular auditor could serve as auditor of the company for 5 consecutive years and thereafter take a 2-year break. Another auditor from the same audit firm can be appointed during the break.



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, 2014, with audit fees of an amount not exceeding Baht 1.90 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	779,649,847 votes	equivalent to	99.99%
Disapproved	0 votes	equivalent to	0.00%
Abstained	38,000 votes	equivalent to	0.01%
Total	779,687,847 votes	equivalent to	100.00%

AGENDA 7 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. Suphat Sivasriamphai	Chairman of the Audit and Corporate Governance Committee / Independent Director / Nomination Committee Member	20 years
2	Mr. Munir Moinuddin Hashim	Director / Executive Director	20 years
3	Mr. Khushroo Kali Wadia	Director / Executive Director	15 years
4	Mr. Jaipal Mansukhani	Director	20 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:

7.1 Re-election of Mr. Suphat Sivasriamphai, Audit & Corporate Governance Committee Chairman, Nomination Committee Member and Independent Director.

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	779,243,051 votes	equivalent to	99.94%
Disapproved	302,600 votes	equivalent to	0.04%
Abstained	145,500 votes	equivalent to	0.02%
Total	779,691,151 votes	equivalent to	100.00%



7.2 Re-election of Mr. Munir Moinuddin Hashim, Director and Executive Director.

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	779,395,551 votes	equivalent to	99.96%
Disapproved	257,600 votes	equivalent to	0.03%
Abstained	38,000 votes	equivalent to	0.01%
Total	779,691,151 votes	equivalent to	100.00%

7.3 Re-election of Khushroo Kali Wadia, Director and Executive Director.

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	779,350,551 votes	equivalent to	99.95%
Disapproved	302,600 votes	equivalent to	0.04%
Abstained	38,000 votes	equivalent to	0.01%
Total	779,691,151 votes	equivalent to	100.00%

7.4 Re-election of Mr. Jaipal Mansukhani, Director.

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	779,243,051 votes	equivalent to	99.94%
Disapproved	302,600 votes	equivalent to	0.04%
Abstained	145,500 votes	equivalent to	0.02%
Total	779,691,151 votes	equivalent to	100.00%

AGENDA 8 To consider and approve the Directors' remuneration for the year 2014.

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 2013 is provided in the 2013 Annual Report.

The Chairman proposed that the Meeting consider and approve not to change the Directors' remuneration* for the year 2014 as follows:



Remuneration for	Proposed for 2014	2013
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 8,050,000	Baht 8,050,000

* 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.

RESOLUTION: The Meeting resolved to approve no change to the Directors' Remuneration for the year 2014 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 (including the votes of additional shareholders who had registered at this stage). The details of the votes are as follows:

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	779,395,551 votes	equivalent to	99.96%
Disapproved	257,600 votes	equivalent to	0.03%
Abstained	38,000 votes	equivalent to	0.01%
Total	779,691,151 votes	equivalent to	100.00%

AEGNDA 9 To consider and approve the appropriation of profit of Baht 2.64 million as Corporate Social Responsibility 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 (CSR) 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 CSR Reserve which is subject to a minimum of Baht 1.75 million and a maximum of Baht 25 million per year. The actual utilisation out of this 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 profits of 2013, the Company has reserved Baht 2.64 million as CSR reserve. As at 31st December, 2013, the balance of CSR reserve is Baht 16.11 million.

The Chairman proposed that the Meeting consider and approve the appropriation of profit of Baht 2.64 million as Corporate Social Responsibility Reserve.

RESOLUTION: The Meeting approved the appropriation of profit of Baht 2.64 million as Corporate Social Responsibility Reserve. 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 are as follows:

Votes	Number of Votes	Percentage of voting rights exercised by the attending shareholders	
Approved	731,942,277 votes	equivalent to	93.88%
Disapproved	40,234,874 votes	equivalent to	5.16%
Abstained	7,514,880 votes	equivalent to	0.96%
Total	779,691,151 votes	equivalent to	100.00%

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

Question: Mr. Weera Chaimanowong, asked regarding the change in levels of the BDI during the year 2013, whether the BDI is linked to demand and supply and what could have caused the fluctuations experienced.

Answer: Mr. Khalid stated that fluctuations are high in the Shipping markets, and the year 2013 is a good example of the same. He further stated that the primary cause for the fluctuations last year was the demand for iron ore from China. He explained that due to Brazil's poor export of iron ore in the first half of 2013, but improvement in the latter half, the BDI saw a sudden rise towards the end of the year due to the much longer ton-mile impact on voyages from Brazil to China (about 90+ days) as compared to Australia to China (about 30+ days).




Question: Mr. Witaya Jangsombatsiri asked whether the Company was considering purchasing and operating LNG vessels.

Answer: Mr. Khalid replied that the average price of an LNG vessel being USD 250 million would make the same unfeasible for the Company. He further stated that the risk and impact on the Balance Sheet of the Company were additional undesirable factors.


Question: Ms. Yadarun Luxsameset from Thai Investors Association asked about the retirement age of the Directors of the Company.

Answer: Mr. Khushroo Wadia stated that the retirement age of a Director of the Company is currently 70 years.

There being no further questions or matters to address, the Chairman thanked everyone for attending the meeting and declared the Meeting adjourned at 12:20 hours.

Signed  Chairman of the Meeting
(Mr. Thira Wipuchanin)



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



Enclosure 2

SCHEDULE 1



SCHEDULE 1

1. The date of transaction occurred:

Pursuant to the Board resolution passed in the meeting of the Board of Directors No. 2/2014 on 26th February 2014, the Company as Buyer has completed the signing of the 10 Shipbuilding Contracts (the “**Sainty Shipbuilding Contracts**”) with Sainty Marine Corporation Ltd. as Seller (“**Sainty**”) on 26th February, 2014 for the construction of 10 Bulk Carriers (the “**Sainty Vessels**”), as listed in Appendix I attached hereto.

Further, additional 2 Shipbuilding Contracts (the “**Sanfu Shipbuilding Contracts**”) has been completely signed on 17th March, 2014 by the Company as the Buyer with Taizhou Sanfu Ship Engineering Co., Ltd. and Jiangsu Ruihai International Trade Co., Ltd, collectively as the Seller (“**Sanfu**”) for construction of 2 Bulk Carriers (the “**Sanfu Vessels**”), as listed in Appendix I attached hereto.

Sainty and Sanfu are hereunder referred to as the “**Sellers**” and each of them as the “**Seller**”. Sainty Vessels and Sanfu Vessels are hereunder referred to as the “**Vessels**” and each of them as the “**Vessel**”.

2. The parties involved:

The Company has entered into 10 Shipbuilding Contracts with Sainty on 26th February, 2014, and the Company has also entered into 2 Shipbuilding Contracts with Sanfu.

The Sellers are neither related nor 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 10 Shipbuilding Contracts with Sainty as listed in Appendix I for the construction of 10 Bulk Carriers at a price of USD 27.90 million per Vessel for 8 of the Sainty Vessels, and USD 27.40 million per Vessel for 2 of the Sainty Vessels.

The Company has further entered into 2 Shipbuilding Contracts with Sanfu as listed in Appendix I for the construction of 2 Bulk Carriers at a price of USD 27.90 million per Sanfu Vessel.

The aggregate value of the 12 Vessels is USD 333.80 million.

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 333.80 million = THB 10,854.17 million
 (Exchange Rate applied THB 32.517/1USD)
 / Value of the Company's Total Assets* = THB 25,509.76 million
 = about 42.55%

*Per Company's audited consolidated financial statements as of 31st December, 2013.

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 transactions) would be about 91.59% of the value of the Company's Total Assets which is, therefore, subject to certain disclosure requirements and the shareholders' approval as a Class 1 Transaction.

The Board of Directors of the Company has approved these acquisition transactions and has authorised the Executive Board of Directors to execute the relevant Shipbuilding Contracts, subject to all the Shipbuilding Contracts becoming effective after obtaining shareholders' approval.

4. The details of assets acquired:

The Vessels ordered are 12 approximately 64,000 DWT (Ultramax) Bulk Carriers. The aggregate Dead Weight Tonnage (DWT) of the Vessels ordered is approximately 768,000 DWT. After the delivery of these Vessels and the delivery of 17 more vessels already ordered but not yet delivered, the Company's fleet will consist of 69 vessels with a combined size of 2,929,933 DWT. List of the 12 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 333.80 million or equivalent to THB 10,854.17 million, under the terms of the respective Shipbuilding Contracts.

5.1 The Contract Price of each of the Sainty Vessels shall be paid in installments as follows:

(a) First Installment

10% of the Contract Price, 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 refund of the First Installment.

(b) Second Installment

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 the Second Installment.



(c) Third Installment

10% 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 the Third Installment.

(d) Fourth Installment

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 the Refund Guarantee to guarantee the refund of the Fourth Installment.

(e) Final Installment

60% of the Contract Price shall become due and payable concurrently with the delivery of the Vessel.

5.2 The Contract Price of each of the Sanfu Vessels shall be paid in installments as follows:

(a) 1st Instalment

15% of the Contract Price shall be remitted to the Seller's bank within five banking days after the Buyer has obtained its shareholders' approval and within five banking days after the Buyer's receipt of the Refund Guarantee to guarantee the refunds, if any, of the Pre-Delivery Installments.

(b) 2nd Instalment

10% of the Contract Price, shall become due and payable and be paid within five banking days after launching of the Vessel.

(c) 3rd Instalment

75% 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 12 Vessels ordered is USD 333.80 million or equivalent to THB 10,854.17 million.

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

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

**8. Benefit for the Company:**

In accordance with the Company's strategy to rejuvenate and expand its fleet by acquiring younger and bigger vessels, after the acquisition and delivery of these Vessels and the delivery of 17 more vessels already ordered but not yet delivered, the Company's fleet will consist of 69 vessels with an aggregate capacity of about 2,929,933 DWT and an average age of about 8 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 required for these transactions. Prior to sending the notice of the shareholders' meeting to the shareholders, the Company will seek the SET's review to determine the adequacy of the information contained in such notice.

11. Opinion of the Board of Directors:

The Board of Directors of the Company considered these asset acquisition transactions at the Board of Directors Meeting No. 2/2014 held on Wednesday, 26th February, 2014, and is of the opinion that these asset acquisition transactions are for the benefit of the Company and for the achievement of the Company's rejuvenation and expansion plan. Therefore, the Board of Directors of the Company unanimously resolved to propose these asset acquisition transactions for the shareholders' approval, and authorised the Executive Board of Directors to execute the relevant Shipbuilding Contracts with the relevant Sellers, with effectiveness of each of the contracts remaining subject to the shareholders' approval. None of the Directors had a different opinion. Also, the Board of Director has authorised the Audit & Corporate Governance Committee to appoint an Independent Financial Advisor ("IFA") to advise the shareholders in respect of these acquisition transactions. After considering the IFA's Draft Report at the Board of Directors Meeting No. 3/2014 held on Monday, 31st March, 2014, the Board of Directors has the same opinion as above.

12. Opinion of the Audit & Corporate Governance Committee:

The Audit & Corporate Governance Committee considered these asset acquisition transactions at the Audit & Corporate Governance Committee Meeting No. 2/2014 held on Wednesday, 26th February, 2014, and is of the opinion that these asset acquisition transactions are for the benefit of the Company and for the achievement of the Company's rejuvenation and expansion plan. Therefore, the Audit & Corporate Governance Committee approved these asset acquisition transactions. None of the members of the Audit & Corporate Governance Committee had a different opinion. The Audit & Corporate Governance Committee has been authorised to appoint an IFA to advise the shareholders in respect of these acquisition transactions. Based on the advice and approval of the Audit & Corporate Governance Committee, the Company appointed Grant Thornton Services Ltd. as the IFA. Please see the Report of the IFA in Enclosure 4. After considering the IFA's Draft Report at the Audit & Corporate Governance Committee Meeting No. 3/2014 held on Monday, 31st March, 2014, the Audit & Corporate Governance Committee is of the same opinion as above.



APPENDIX I

No.	Date of Contract/Transaction	Buyer	Seller	Type of Vessel	Builder's Hull No.	Delivery Date (on or before)	DWT	Price (In Million USD)
1	26-Feb-2014	Precious Shipping Public Co., Ltd.	Sainty Marine Corporation Ltd.	Bulk	SAM14019B	31-May-2015	64,000	27.90
2	26-Feb-2014	Precious Shipping Public Co., Ltd.	Sainty Marine Corporation Ltd.	Bulk	SAM14020B	31-May-2015	64,000	27.90
3	26-Feb-2014	Precious Shipping Public Co., Ltd.	Sainty Marine Corporation Ltd.	Bulk	SAM14021B	31-Aug-2015	64,000	27.90
4	26-Feb-2014	Precious Shipping Public Co., Ltd.	Sainty Marine Corporation Ltd.	Bulk	SAM14022B	31-Aug-2015	64,000	27.90
5	26-Feb-2014	Precious Shipping Public Co., Ltd.	Sainty Marine Corporation Ltd.	Bulk	SAM14023B	31-Oct-2015	64,000	27.40
6	26-Feb-2014	Precious Shipping Public Co., Ltd.	Sainty Marine Corporation Ltd.	Bulk	(Option Vessel exercised) SAM14024B	31-Oct-2015	64,000	27.40
7	26-Feb-2014	Precious Shipping Public Co., Ltd.	Sainty Marine Corporation Ltd.	Bulk	(Option Vessel exercised) SAM14025B	15-Dec-2015	64,000	27.90
8	26-Feb-2014	Precious Shipping Public Co., Ltd.	Sainty Marine Corporation Ltd.	Bulk	SAM14026B	15-Dec-2015	64,000	27.90
9	26-Feb-2014	Precious Shipping Public Co., Ltd.	Sainty Marine Corporation Ltd.	Bulk	SAM14027B	31-Mar-2016	64,000	27.90
10	26-Feb-2014	Precious Shipping Public Co., Ltd.	Sainty Marine Corporation Ltd.	Bulk	SAM14028B	31-Mar-2016	64,000	27.90
11	17-Mar-2014	Precious Shipping Public Co., Ltd.	Taizhou Sanfu Ship Engineering Co., Ltd. and Jiangsu Ruihai International Trade Co., Ltd, China	Bulk	SF130128	30-Nov-2015	64,000	27.90
12	17-Mar-2014	Precious Shipping Public Co., Ltd.	Taizhou Sanfu Ship Engineering Co., Ltd. and Jiangsu Ruihai International Trade Co., Ltd, China	Bulk	SF130129	15-Mar-2016	64,000	27.90
Total								333.80



Enclosure 3

SCHEDULE 2



SCHEDULE 2

1. The information under Schedule 1:

Please see Enclosure 2.

2. The Board of Directors' statements in accordance with its responsibilities on the information of the asset acquisition transactions:

The Board of Directors of the Company has considered these transactions and is of the opinion that the transactions are reasonable and all the information sent to the shareholders has been evaluated carefully.

3. Valuation Report:

A Valuation Report for the new ships from Fearnleys Asia (Singapore) Pte. Ltd, as the appraiser, along with a brief profile of the appraiser is attached herewith as Enclosure 3.1. The appraiser does not have any relationship with Precious Shipping Public Company Limited and/or its subsidiaries according to the Notification of the Stock Exchange of Thailand regarding Rules and Procedures in relation to the Disclosure of Connected Transactions of Listed Companies.

4. (4.1) The total amount of debt instruments having been issued and those not having been issued pursuant to the resolution of the shareholders meeting which authorizes the board of directors of the listed company to consider issuing them for sale as it deems appropriate.

Nil.

(4.2) The total amount of loans with specified repayment period, including the liability to place assets as collateral.

As at 31 December 2013, long-term loans accounts are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				
	Loan facilities for financing the construction and acquisition of new vessels		Loan facilities for purchasing of vessels		
	Facility 1	Facility 2	Facility 1	Facility 2	Total
Long-term loans	1,339,379	2,150,472	3,944,267	2,011,080	9,445,198
Less: Deferred financial fees	(7,926)	(38,304)	(112,789)	(13,422)	(172,441)
Total	1,331,453	2,112,168	3,831,478	1,997,658	9,272,757
Less: Current portion	(100,390)	(182,545)	(122,381)	(248,588)	(653,904)
Long-term loans - net of current portion	1,231,063	1,929,623	3,709,097	1,749,070	8,618,853



Loan facilities for financing the construction and acquisition of new vessels

Facility 1 Loan facility from DNB Asia Ltd., Kasikornbank, and certain other International Banks

On 3 July 2008, the Company entered into a secured loan agreement with DNB Asia Ltd., Kasikornbank, and certain other International Banks to obtain a loan facility of USD 398.40 million carrying interest at LIBOR plus margin. The loan was to be used to finance the construction and acquisition of 15 new vessels (9 handysize vessels and 6 supramax vessels) out of the 18 new vessels already ordered by the Company with ABG Shipyard Limited and the total loan amount was equivalent to 80% of the aggregate contract prices of the 15 vessels.

During the years 2011 to 2013, the Company has drawn the loans to finance 3 new vessels aggregately amounting to USD 54.50 million. The Company prepaid the loans drawn towards the Pre-delivery facilities for financing the new shipbuildings ordered amounting to USD 101.20 million and cancelled the undrawn balance loan facility amounting to USD 242.70 million.

The loan drawn of each vessel is to be repaid in quarterly installments, each equivalent to 1/60th of the post-delivery facility amount, and in a balloon amount equal to the balance under such tranche on final maturity which is in March 2020. The first quarterly repayment shall commence 3 months after delivery of each respective vessel.

The 3 new vessels were mortgaged as one of the securities for the banks.

Facility 2 Loan facility from ING Bank N.V., Singapore and DNB Asia Ltd.

On 14 October 2011, 4 indirect subsidiaries incorporated in Singapore ("SPCs") have executed an USD 84.96 million Loan Agreement with ING Bank N.V., Singapore Branch and DNB Asia Ltd. to finance up to 80% of the Total Acquisition Cost of the 4 new Supramax 57,000 DWT Dry Bulk vessels ordered by each SPC to be built in China. The loan carries interest at LIBOR plus margin.

During 2012 to 2013, 4 indirect subsidiaries have drawn the facility to finance the delivered 4 new Supramax vessels aggregately amounting to USD 71.20 million.

The loan drawn of each vessel is to be repaid in 32 equal quarterly installments of USD 354,000 and a balloon repayment of USD 9,912,000 together with the last installment. The first quarterly repayment shall commence 3 months after delivery of each respective vessel.

The 4 new vessels were mortgaged as one of the securities for the banks.

Loan facilities for purchasing of vessels

Facility 1 Loan facilities from Krung Thai Bank PCL and 2 Local Banks

The Company and local subsidiaries entered into the Loan Agreement dated 18 January 2007 to mainly fund the purchase of vessels. During 2009 to 2011, the Loan Agreement had been amended for certain terms and conditions.

The summarised details of drawdown of this facility are as follows.



- a) During the years 2011 and 2010, 2 local subsidiaries had drawn down Baht 1,502.35 million for purchase of 2 vessels. The loan drawn was swapped into USD 45.90 million and is to be repaid in 48 equal quarterly installments.
- b) During the year 2011, 4 local subsidiaries had drawn down USD 92.00 million from this facility and the undrawn facility was reduced to USD 108.00 million. In order to extend the availability period of the undrawn facility, on 9 March 2012, the Company and local subsidiaries executed a USD 50.00 million Term Loan Facility on same terms and conditions with one of the three local commercial banks and the loan was used for purchase of vessels by 2 local subsidiaries and thereafter the balance of USD 58.00 million was cancelled. The loans drawn are to be repaid in 44 equal quarterly installments.

15 vessels were mortgaged as one of the securities for the banks.

Facility 2 Loan facilities from Export-Import Bank of Thailand

On 17 February 2012, the Company executed a USD 100 million Term Loan Facility with Export-Import Bank of Thailand to finance up to 80% of the Acquisition Cost of new or second-hand Dry Bulk Vessels which the Company may want to buy. The loan carries interest at LIBOR plus margin. The loan is to be repaid in equal quarterly installments over a period of 8.5 years commencing from the end of the availability period.

The Company then drew down the loans aggregating USD 64.82 million between 2012 and 2013 and acquired 5 vessels from the loan proceeds.

On 12 December 2013, the Company executed the Amendment Agreement to the Term Loan Facility to extend the availability period of the balance facility of USD 35.18 million up to 30 December 2014.

The 5 vessels acquired were mortgaged as one of the securities for the bank.

(4.3) The total value of debts in other categories, including overdrafts, indicating the liability to place assets as collateral.

Nil.

(4.4) Indebtedness to be incurred in the future.

- As amended, a USD 38.69 million Term Loan Facility from Bangkok Bank Public Company Limited (Singapore Branch) to finance up to 80% of the Contract Price of 2 new Cement Carriers ordered with China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China. On 24th March 2014, the Company's subsidiary has drawdown of about USD 19.18 million to fund the delivery of the first Cement Carrier.
- As amended, a USD 150 million Term Loan Facility from the Bangkok Branch of an international bank and 2 local banks to fund additional second-hand vessels which the



Company may want to buy. The availability period of the loan facility is up to 30th June 2014. As on 31st December 2013, the Company has not drawn any amount and it is possible that the Company may not make any drawdown against this facility and the facility is cancelled.

5. (5.1) Nature of business operations and business trends of the Company and subsidiaries.

Precious Shipping Public Company Limited ("PSL"), established in 1989 and listed on the Stock Exchange of Thailand in 1993, owns and operates dry bulk ships, on a tramp shipping basis. The corporate structure of PSL, similar to other shipping companies, has separate subsidiaries owning each vessel (sometimes 2 or 3 vessels) to limit liability.

PSL presently (as on 31st March 2014) operates 39 bulkers and 1 cement carrier, representing 1,355,797 DWT. of the entire Fleet, 32 ships are registered under the Thai flag, and 8 ships under Singapore flag. 9 ships are in the Supramax sector and the balance 31 ships are in the small handy size sector of the dry bulk market.

PSL is one of the largest pure dry cargo ship-owning companies operating in the small handysize (10,000 to 30,000 DWT) sector of the tramp freight market. This segment is extremely fragmented and characterized by companies owning 2 or 3 ships. PSL's Fleet makes it one of the largest, if not the single largest company in the world, operating in this segment. During 2010, the Company entered the Supramax sector by taking over 4 new shipbuilding contracts for 4 Supramax ships which were delivered in 2012. The company expanded into this sector further by acquiring 2 more Ships during the last quarter of 2011 and acquired 3 more ships in year 2013. Naval architects have improved the design of Supramax (upto 57,000 DWT traditional size) further and increased the cargo carrying capacity to 64,000 DWT (known in the Industry as Ultramax) with eco-friendly fuel efficient engines without compromising much on draft restrictions. With today's high fuel prices and increasingly stringent pollution regulations, Ultramax design is gaining popularity among ship owners. Therefore, PSL entered into this segment last year by signing Shipbuilding contracts for six Ultramax Ships with expected deliveries in 2014-2016. Similar to Supramax ships, Handy size Ship design has also improved significantly and next generation handy size ships are upto 39,000 DWT. PSL has also entered into this segment by signing Shipbuilding contracts for six (38,000 DWT) Ships with expected deliveries in 2015-2016. PSL's Fleet is technically managed by Great Circle Shipping Agency Ltd, Bangkok, a wholly owned subsidiary of PSL that is ISO 9001 and ISO 14001 certified which makes us one of the very few Dry Bulk Ship Management Companies which are compliant with an Environment Management System certification.

PSL operates its Fleet on a tramp-shipping basis covering the entire world. Principal cargoes handled by PSL are agricultural products, steels, fertilizers, ores and concentrates, logs, coke and other items. PSL estimates its business to be divided evenly across five regions: USA/Canada, Europe, Latin America-Africa, Indian sub-continent - Middle East, and South East & Far East Asia. PSL operates its ships in ports that have restricted draft and limited infrastructure (PSL ships have equipment for loading/unloading) where larger ships cannot operate. This distinction is a comparative advantage and allows PSL to enjoy stable charter rates compared to larger vessel operators. This advantage also assists the Company's ships do business in developed countries as the cost of shore labour in such countries is prohibitive and the ship's staff, with the ship's gears, can easily discharge and/or load cargoes in such countries at a very economical cost and are preferred over larger gearless ships despite the latter's proven economy of scale.



The Chartering of ships is mainly undertaken by PSL vide the following two options:

Time Charter: Under this Charter, the Charterer pays Charter Hire to PSL to operate the vessel for an agreed time period. The Charterer bears all voyage costs including the cost of bunker fuels. It may be noted in this case that PSL (or the Shipowning Company) is not the Lessor of the Ship but is a service-provider since PSL retains full control with physical and legal possession of the Ship.

Voyage Charter: Under this Charter, the Charterer pays freight to PSL to transport a particular cargo between two or more designated ports. In this case, PSL bears all the voyage costs including the cost of bunker fuels.

PSL's Fleet does not follow set voyage routes, but each ship keeps moving across the globe depending on its charters. The Fleet is hired on both, time charters as well as voyage charters, with typical duration of 1-3 months. The mix between the two types of business has historically been equal, until the year 2004 when this changed to an extent that almost all the ships were on time charters. In each of the years 2005-2006, the proportion of voyage charters increased marginally as compared to the year 2004. However during 2007-10 the equation changed again and about 99% of the journeys were time charters and only about 1% were voyage charters except during year 2009 where the proportion of voyage charters was marginally higher at 6% compared to about 1% in the years 2007, 2008 and 2010. However during 2011-13, the Proportion of Voyage/Time Charters changed with an increase in percentage of Voyage Charters to around 14% to 17% from 0.5% in 2010.

The well spread diversification and nature of its operations (dry bulk shipping in the small handysize sector carrying 'essential' basic commodities) enables PSL to minimise the impact of concentration risks in terms of regions or commodities covered, and economic cycles.

(5.2) Summary of financial statements as well as the explanation and analysis of financial condition and operating results including risk factors which may affect the profit of the Company and subsidiaries:

(5.2.1) Summary of Financial statements during the past 3 years:

Unit : Baht Million

Details	2013	2012	2011
Vessel Operating Income	3,857.64	3,487.54	3,078.92
Vessel Operating Costs	2,385.93	2,045.64	1,333.29
Gross Profit	1,471.71	1,441.90	1,745.63
Total Revenues	4,828.61	3,828.02	3,433.51
Total Expenses (excluding depreciation)	3,187.80	2,770.11	2,072.43
Depreciation	1,136.72	910.30	646.56
Share of profit (loss) from investment in associate held by a subsidiary	31.58	(2.43)	7.64
Profit before Corporate Income Tax	535.67	145.18	722.16
Corporate Income Tax	7.90	4.15	3.64



Unit : Baht Million

Details	2013	2012	2011
Net Profit	527.77	141.03	718.52
Total Current Assets	4,935.70	2,941.45	6,021.55
Property, plant and equipment	18,669.56	16,212.57	9,445.53
Total Assets	25,509.76	24,029.69	22,893.25
Total Current Liabilities	977.02	1,119.44	1,047.24
Long-Term Loans - net of current portion	8,618.85	8,265.02	6,307.83
Total Liabilities	9,878.73	9,545.46	7,536.75
Paid-up Capital	1,039.52	1,039.52	1,039.52
Total Shareholders' Equity	15,631.03	14,484.23	15,356.50
Cash flow from Operating activities	1,012.76	751.18	1,050.60
Cash flow from (used in) Investing activities	1,199.88	(4,537.03)	(2,274.38)
Cash flow from (used in) Financing activities	(1,289.36)	1,430.18	1,150.56
Book Value per share (Baht)	15.04	13.93	14.77
Earnings per share (Baht)	0.51	0.14	0.69
Dividend declared for the year per share (Baht)	0.40	0.40	0.55
Cash Dividend paid out per share (Baht)	0.40	0.45	0.62
Gross Profit Margin (%)	38.15	41.34	56.70
Net Profit Margin (%)	10.93	3.68	20.93
Return on Equity (%)	3.51	0.95	4.80
Return on Total Assets (%)	2.13	0.60	3.35
Total Liabilities/Equity Ratio	0.63	0.66	0.49
Current Ratio (times)*	5.05	2.63	5.75
Funded Debt/Equity (times)*	0.59	0.63	0.46
Funded Debt/EBITDA (times)*, **	4.32	4.79	5.35
Debt Service Cover (times)*, **	2.58	1.95	1.88
EBITDA/Interest (times)*	1.91	2.21	2.89
Dividend yield (%) ***	2	3	3
Number of Ships (As at end of the Year)	40	36	25

* These ratios are calculated basis USD functional currency financial statements.

** The ratios are calculated in compliance with the financial covenants stated in the credit facility agreements.

*** Dividend yield is presented as a percentage of the closing share price as at the end of the year.



(5.2.2) The explanation & analysis of financial condition and operating result.

ANALYSIS OF INCOME STATEMENTS

The Net Ship Operating Income (net of voyage disbursements and bunker consumption) for 2013 increased by about 16 percent due to increase in average number of ships in 2013 as compared to 2012. However average ship earnings per day per ship (TC Rate) in 2013 was lower as compared to 2012. The average number of ships operated in 2013 was 39 as compared to 30 in 2012.

During 2013, the ship running expenses increased by about 33 percent in absolute terms as compared to 2012 mainly due to higher average number of vessels operated during the year as explained above. Average Vessel operating expenses per day per Vessel (Opex) have gone up from USD 4,481 for the year 2012 to USD 4,535 in the year 2013 (including depreciation/amortisation of the Drydocking/Special Survey expenses in both years).

During 2013, the total ship operating costs increased by about 17 percent in absolute terms, over the total ship operating costs of the previous year. During 2013, ship disbursements and bunker consumption increased due to increase in voyage charters during the year as compared to the previous year. The increase in total ship operating costs is mainly due to higher average number of vessels operated during the year.

Absolute Gross Profit increased by about 2 percent as compared to the previous year and the Gross Profit Margin has decreased from 41 percent to 38 percent as compared to the previous year because of the decrease in average ship earnings per day per ship (TC Rate). As a result of the higher net ship operating revenues as explained above, the total revenues during the year, in absolute terms, are higher than that of the previous year.

Administrative expenses for 2013 increased by Baht 40.61 million as compared to 2012. Finance costs have increased from Baht 433.66 million in 2012 to Baht 458.55 million in 2013. During 2013, Interest expenses increased due to loans drawn for financing the 5 Ships in year 2013 but Commitment fees reduced considerably because of drawdown of loans. It is to be noted that apart from Interest cost for financing 5 ships, the finance costs for 2013 mainly comprise of fees paid for extension of secured debt facilities during 2013, the commitment fees paid for maintaining the secured debt facilities during 2013 and deferred expenses written off for the reduction in loan amounts.

The total expenses (excluding depreciation) in 2013, as compared to the previous year, were higher due to the increase in total ship operating costs as explained hereinabove. The Depreciation for 2013 has increased from Baht 910.30 million in 2012 to Baht 1,136.72 million in 2013 due to increase in average number of ships operated during 2013 as compared to 2012 as a result of the additional depreciation on 4 Ships that were delivered in 2013.

The Company recorded exchange gain of Baht 13.33 million for 2013 as against exchange loss of Baht 5.65 million for 2012. The corporate income tax was Baht 4.15 million for the year 2012 and Baht 7.90 million for the year 2013 which in both the years mainly represented the income tax on interest income. The Company has recorded Baht 935.41 million as Gain on Novation/Cancellation of Newbuilding Contracts during 2013 as compared to Baht 305.45 million in 2012.

As a result of the above factors, the Company reported Net Profit of Baht 527.77 million for 2013 as compared to Baht 141.03 million in the previous year.

ANALYSIS OF STATEMENTS OF COMPREHENSIVE INCOME

The Company reported Baht 1,025.61 Million as other comprehensive income for year 2013 as compared to Loss of Baht 514.06 million for year 2012. This was mainly due to appreciation of U.S. Dollars in terms of Thai Baht, thereby increasing the value of Net Assets, mainly Property, Plant, and



Equipment and advances paid to Ship Builders under new shipbuilding Contracts as explained in 3 above, while translating into Thai Baht which is Company's Presentation Currency. Due to the above, the Company reported Baht 1,562.27 Million as Total Comprehensive gain for Year 2013 as against Total Comprehensive Loss of Baht 370.38 Million for Year 2012.

ANALYSIS OF STATEMENTS OF FINANCIAL POSITION

As compared to the end of the previous year (2012), there was an increase of Baht 1,994.25 million in current assets as at 31 December, 2013, mainly due to increase in Cash and Cash equivalents by Baht 1,040.77 million and increase of other receivables of Baht 835.69 million due from Refund Guarantors on account of cancellation of Shipbuilding Contracts of Hulls 339 and 378. The Company has already received these dues from Refund Guarantors in January 2014.

Receivables, net of all provisions which are part of current assets increased marginally by Baht 21.49 million and Bunker oil Stock decreased by Baht 44.52 million as compared to the previous year. The Company continues to be in an extremely comfortable position in terms of liquidity with more than adequate cash balances at all times.

The value of Property, Plant and Equipment of the Company increased from previous year's levels on account of delivery of Hull number 335 (Chintana Naree) from ABG Shipyard and three 54K Supramax vessels delivered during the year. The Company has paid Baht 1,973.33 million towards advances for newbuilding ships as at the end of 2013. The Total Assets increased mainly due to increase in Property, Plant and Equipment as explained above.

Total current liabilities decreased by Baht 142.43 million as compared to the previous year mainly due to decrease in current portion of long term loan. The Company pre-paid certain installments to some Lenders on account of the contractual obligations under their respective facilities agreements which are applied in direct order of maturity thereby reducing the current contractual obligations under their respective facility agreements. As at the end of 2013, the Company's Long term Loans (net of current portion) were Baht 8,618.85 million and aggregate long term loans were Baht 9,272.76 million.

During 2013, the Company prepaid the pre-delivery loan of Baht 355.54 million and drawn Baht 429.62 million as post-delivery loan for Chintana Naree out of the newbuilding facility. Further, the Company prepaid Baht 833.97 million from the DNB Bank led facility.

The Company also prepaid Baht 352.29 million and cancelled the facility from NIBC.

Apart from this newbuilding loan facility, during the year, the Company has drawn Baht 533.32 million for financing one Ship (Darane Naree) from ING Bank and Baht 1,062.90 million from EXIM Thailand.

Deferred financial fees of Baht 172.44 million are presented as deduction from Secured loan basis proportionate amount of drawdowns made so far from all the secured loan facilities.

The total liabilities increased from Baht 9,545.46 million in 2012 to Baht 9,878.73 million in 2013. This is mainly due to the translation of liabilities denominated in U.S. Dollars at a higher exchange rate of Thai Baht against the U.S. Dollar at the end of year 2013 as compared to the previous year due to depreciation of Thai Baht against the U.S. Dollar. It is to be noted that Total Liabilities in U.S. Dollar terms have decreased at the end of 2013 as compared to previous year.

Due to the net profits of Baht 527.77 million and other comprehensive gain of Baht 1,025.61 million of the year, dividends of Baht 415.47 million (Baht 0.40 per share including final dividend of 2012) paid during 2013, and net increase of Baht 8.89 million on account of cumulative effect of change in Accounting policy for employee benefits, CSR Reserve, other components of shareholders equity and minority interest, the Shareholders' Equity is now at Baht 15,631.03 million, which is higher by Baht 1,146.80 million over the Shareholders' Equity as compared to the end of the previous year.



(5.2.3) Risk factors which may affect the profit of the Company and subsidiaries

OPERATING RISK

The Company, as an owner and operator of ocean-going vessels operating without any geographical limitations is exposed to risks of marine disaster, environmental mishaps resulting in substantial claims, cargo/property loss or damage and business interruptions due to accidents or other events caused by mechanical failure, human error, political action in various countries, labor strikes, terrorist actions, piracy, adverse weather conditions and other such circumstances and events. This could result in increased costs or loss of revenues. However, to cover against most of these risks, which are standard for an International Ship owner/Operator, insurance covers are available in the international insurance industry. Accordingly, the Company is adequately covered against such aforesaid circumstances and events.

The operations of the Company depend on extensive and changing environment protection laws and other maritime regulations, non-compliance with which may entail the risk of detention of ships leading to loss of time which would lead to loss of revenues or claims from charterers, significant expenses including expenses for ship modifications and changes in operating procedures. However, the Company is vigilant on these issues and maintains internationally prescribed safety and technical standards.

The operations of ships and the management of the Company as a public company listed on the Stock Exchange of Thailand require skilled personnel to be employed as crew to operate its ships and managers at the corporate level with appropriate knowledge and experience. Sourcing and retaining such personnel is crucial for the business operations of the Company. This continues to remain a crucial risk factor especially in light of the rejuvenation plan for the Company. However, due to the adoption of fair and reasonable staffing policies, the Company has hitherto been quite successful in sourcing and retaining such highly skilled and qualified personnel. The Company continues to take a number of initiatives to attract and retain talent, and therefore does not expect any future cause for concern in this regard, although International Shipping is facing a shortage of qualified crew, particularly in the officers' cadre, required on board the ships.

As a publicly listed company, the Company is required to comply with various laws and regulations and failure to comply with any one or more of such laws and/or regulations could expose the Company to penalties or other legal action against the Company and its senior management. The Company remains vigilant on this issue and has taken adequate steps to employ qualified staff and also adopted adequate and effective systems to ensure full compliance with all laws and regulations.

The Company is not directly exposed to any risk of increased costs due to fluctuations in international oil prices. Whenever the fuel costs are on the Company's account (in case of a Voyage Charter), increase/decrease in oil price is passed on to the Customers since the freight rates are quoted and charged after incorporating the increased/decreased fuel cost. In case the business is done on a Time Charter, the fuel cost is directly on the Customer's account.



FINANCIAL RISK

Almost the entire Revenues and Expenses of the Company are denominated in US Dollars. Further, almost all the Fixed Assets of the Company, viz., ships are US Dollar based assets, since they are readily salable in US Dollars in the International market. Therefore, the Company is exposed to the risk of realising a Foreign Exchange loss in respect of its liabilities in any currency other than US Dollars. The US Dollar equivalent figure of such “Non-USD” denominated debt may increase or decrease with a fluctuation in the respective exchange rate. In recognition of this risk, the Company has attempted to maintain least possible exposure in other currencies and accordingly always maintained US Dollar denominated credit facilities and loans. As on 31st December 2013 the Company’s loans and Credit Facilities for financing the new ships ordered by the Company are denominated in US Dollars only. However, due to the effect of the Global Financial Crisis and the inability of the Company’s Local Lenders to extend a loan in US Dollars in the beginning of 2009, one of the Company’s facilities originally denominated in US Dollars was converted into Thai Baht when the availability period of the facility was extended by one year. However, in recognition of this risk, the Company obtained commitment from the same Lenders to convert the Thai Baht liability into US Dollars through the use of a USD/THB Swap whereby the principal portion of the Loan is converted into US Dollars, thereby eliminating the Foreign Exchange risk associated with the loan principal. Accordingly, the liability against this facility of Thai Baht 1,502.35 million drawn for financing two vessels was immediately converted (swapped) to US Dollars with a matching amortization schedule to the Thai Baht Loan. The interest on the loan is payable in Thai Baht and to that extent, the Company continues to be exposed to this risk. Other than this, all other loans and financing facilities of the Company are denominated in US Dollars only.

The Company also maintains almost all its Bank balances in US Dollars whereby there is no risk of realizing any loss on these balances, in US Dollar terms. However, it must be noted that the Company is exposed to an exchange loss in Thai Baht terms on translation of its US Dollar denominated Assets, Liabilities, Income and Expenses, arising out of the Currency translation from US Dollars to Thai Baht in the Thai Baht Financial Statements and also on the expenses of the Company which are incurred in Thai Baht.

The Company’s debt facilities carry interest at floating rates based on LIBOR (London Inter-Bank offered rate) and as such, the Company is exposed to fluctuations in its interest rates due to changes in the LIBOR. The Company monitors market interest rates regularly and remains vigilant on this issue. In the year 2012, the Company entered into an Interest rate Swap (IRS) whereby the Company’s Interest liability on a part of its Loans on a Loan amount of USD 64.82 million was converted from floating to fixed but since the Company was of the opinion that the Interest rates would not increase appreciably until Year 2014, the fixed rate is only payable by the Company from Year 2015.

The Company’s Assets, i.e. ships, have a finite life and as and when the ships reach a certain age, they need to be sold for onward trading or scrapped. This leads to a decrease in capacity as it has happened in the previous years when the Company had sold 35 ships out of its fleet of 54 ships, and if the Company wants to maintain capacity in terms of fleet size, the Company has to continuously follow a program of replacement of its older scrapped (or sold) vessels. Purchase of ships requires considerable funding, which may be through equity or debt or both. If the Company is not able to raise the necessary funds required for the purchases of ships to maintain capacity, the Company’s Capacity will continuously deplete, and as such, the Company is exposed to a funding risk. However, in recognition of this risk, the Company has put



in place credit facilities for acquisition of additional ships, which are available to the Company to purchase new (if delivered immediately) or second-hand or to order new ships directly from Shipbuilders.

MARKET RISK

The shipping industry and market has been cyclical, experiencing volatility in profitability, vessel values and freight rates, resulting from changes in the supply of and demand for shipping capacity. The Company had traditionally marketed all its ships in the spot market and had therefore been exposed to market fluctuations and the cyclical nature of the business. The Company believes that with the majority of its assets being in the 'niche' small handy size sector of the industry there is a fundamental advantage of demand over supply hence there is some downside protection against the cyclical nature of the business. Traditionally clients in this sector of the market did not take ships on long term contracts and preferred to do the majority or all their business only on the spot market. This situation has of course changed in the last 5 to 6 years because of the increase in freight market volatility leading to a change in strategy of the Company as well as that of our clients. We can now fix a portion of the Company's fleet on longer term charters, keeping the Company insulated somewhat from the volatility of the spot markets and ensuring visibility and stability in its revenue stream. However due to the very soft market conditions this year, it has not been possible for the Company to fix most of the Company's vessels on long term charters and to this extent the Company remains exposed to the volatile conditions of the freight markets.

The demand side of the Company's business is generated by the quantity of cargo its vessels are required to transport. The generation of this demand is mainly dependent on World Trade and Economic Growth. Severe depression in Growth and Trade could reduce the demand for ships. The spurt in demand for dry bulk shipping capacity in the past 7/8 years has largely been driven by the demand from China (supplemented by India and countries in the Middle-East) which is importing commodities and raw materials in huge quantities for major infrastructure projects. If there is a significant reduction in the Demand from China, particularly in the next few years when a significant number of new ships have entered the market over the last few years (2009 – 2013), it could have an adverse impact on the overall demand/supply balance in Shipping Capacity, which could lead to a further fall in freight rates coupled with a fall in ship values. The Company had acquired a number of second hand ships at market values mainly in 2003 and a couple in 2004, and therefore, the Company was exposed to the risk of reduced earnings and/or fall in asset values if there had been a significant downturn in the market. This did not happen and the Company was able to generate substantial revenues and extremely good returns on its acquisitions. Further, in December 2006/first Quarter 2007, the Company sold 10 of its oldest vessels in the fleet with an average age greater than 26 years, at attractive sales prices which reduced the risk to a large extent as this risk is higher in respect of the older vessels. The Company also sold 25 of its oldest vessels in 2009-2010 at reasonably attractive prices and thereby avoided exposure of these older vessels to unemployment and/or very low rates in the spot market once their long term contracts had expired. In respect of revenues on the rest of the fleet, the Company attempted to continue its strategy to mitigate this risk for its fleet by entering into period charters or contracts for a longer period for most of its ships, wherever possible, whereby the Company was able to "lock-in" future earnings at higher freight rates. This was a significant change made in 2004 in the Company's strategy of doing business, whereby the Company had deviated from its traditional policy of trading on the spot market with Voyage Charters and/or Time Charters of very short durations. During the year 2007, the market continued to move significantly higher until it reached a peak in the middle of the year 2008, after



which the Industry witnessed a sharp drop in market rates to levels close to all time lows. There was a recovery in the dry bulk markets in 2009 from the second quarter and which lasted till the end of the second quarter of 2011 but the situation deteriorated thereafter because of the large supply of new vessels which entered the market between 2009 and 2013. As expressed earlier, in the Company's opinion, given the uncertainty and the extreme volatility in the market where rates can shoot up or collapse very quickly, it is always prudent to "lock-in" future earnings, at reasonable freight rates whenever possible, as a cushion against a sudden and, more particularly, sustained collapse of the freight rates in the spot market. This strategy had been vindicated with the Company's earnings outperforming the market in the volatile market circumstances of the previous few years but as explained above, it has not been possible to book long term charters at reasonable rates in the present difficult conditions and it is expected that the Company shall remain exposed to the spot markets for some more time to come.

The above strategy of locking in future earnings vide long term contracts (period charters) at high rates when the markets are performing well exposes the Company to counterparty risk of its Customers. In case of a fall in the market and consequent fall in freight rates, the Company's customers (Charterers) with whom the period charters are signed could default on their obligations, as a result of which, the Company will not be able to achieve the higher contracted freight rates and would be forced to contract these ships in a depressed market when rates would be lower. The Company is always conscious of counterparty risk associated with its period charters and accordingly takes steps in analysing the counterparty risk of its potential charterers, particularly those with whom the Company signs longer period charters, and such contracts (Charters) are signed only with first class charterers with the highest possible credibility. It is for this reason that right through the depressed market, the Company did not suffer any losses on account of defaults by the Company's Charterers and even during the current weak period, there has been no default by any of the Company's long term contracts.

The Company's ships ply in international waters quite evenly distributed all over the world without any concentration in any particular area. As such, the Company is not exposed to a risk of geographical concentration of the Company's market and its customers. Therefore, any major adverse change in the market conditions in any one particular area of the world due to war, political action, or any other reason shall not result in a significant drop in revenues.

The Company's revenues are generated from a number of customers and the Company is not dependent on any single customer for the majority of its business. As such, the Company is not exposed to any risk of concentration of its business with any one customer and any loss of business from one such customer shall not have any significant impact on the Company's business and will not result in sudden and significant loss of revenues.

CAPACITY REPLACEMENT AND EXPANSION RISK

As explained above, the Company's Assets, i.e. ships, have a finite life and as and when the ships reach a certain age, they need to be sold or scrapped. This leads to a decrease in capacity and if the Company wants to maintain capacity in terms of fleet size, the Company has to continuously follow a program of replacement of its older scrapped (or sold) vessels. In about three years (2007- 2010) the Company sold 35 of its oldest vessels thereby reducing its Fleet size substantially. If the Company wishes to maintain capacity, a replacement of the sold ships has to be undertaken. Replacement of scrapped/sold ships could be achieved by purchase of second-hand ships from the open "Sale & Purchase" market. However, due to the boom in the International Shipping market in the past few years, the values (cost) of second-hand vessels were at unprecedented highs and the Company did not deem it prudent to be buying ships at



such inflated values and expose itself to the risks of an impairment charge on its assets as a result of a fall in the market values of ships in case of a sustained downturn that appeared to have been triggered in the latter half of the year 2008. If the ship values had not fallen appreciably or in fact increased, although the Company may have wanted to replace all its scrapped/sold ships with younger and bigger ships, the Company may not have been able to buy enough second-hand (or new ships for immediate/early delivery) ships and the inability to buy reasonably priced ships exposed the Company to the risk that the Company could not replace its capacity as a result of the sale of the Company's very old ships. However, since the last quarter of the year 2011 the Company has been able to acquire new/second-hand vessels at reasonable values and it does appear that this risk of not being able to replenish or rejuvenate the Fleet is on its way to being reduced considerably, if not totally eliminated, in the immediate future.

Considering the prolonged period of high Ship Values, the Company attempted to mitigate the above Capacity Replacement risk, by entering into contracts for construction of new ships (newbuildings) in years 2007 and 2008 with ABG Shipyard at reasonable prices and specifications matching the Company's requirement and needs. This was done to ensure capacity replacement/expansion as and when the ships are delivered in accordance with the contracts. However, due to the delays in delivery of these ships, the Company cancelled a number of newbuilding contracts with ABG Shipyard as a result of which the Company has just 1 outstanding contract left with ABG Shipyard as on date in December 2013. However, in the year 2013, the Company signed a number of more newbuilding contracts with Chinese Shipyards for deliveries of Cement Carriers and Dry Bulk Vessels. While the Operating and Market risks associated with the ships as and when delivered have been discussed above, the specific risks associated with the newbuilding contracts are summarized as under:

- **Risks associated with the Ship Builders:** The Company is exposed to a default risk by the respective Ship Builders in terms of adhering to delivery schedules and/or achieving the right quality of the ships whereby the ships may not be delivered for any reason or delivery of the ships is delayed and/or the ships delivered are not of the expected and contracted quality. The Company has attempted to mitigate these risks by not only carefully evaluating the capacity of each Ship Builder in terms of meeting contracted delivery schedules and maintaining quality but has also obtained bank guarantees to cover refund of pre-delivery installments and/or delay in deliveries apart from including stringent penalties in the contracts, both, for delays as well as departure from specified quality parameters. Further, the Company has also appointed and deployed a team of highly qualified and experienced marine personnel to supervise the construction of the ships at the respective shipyards. In the event that one or more of the vessels are not delivered in time, the Company could sell/novate these Contracts as was done in the past 3 years or could cancel the respective Vessel's order in accordance with the Contracts, against which, there would not be any direct financial loss for the Company since all payments made would be refunded with Interest although the Company loses the opportunity of replacing capacity and earning revenues from the delayed/cancelled vessels. However, the Company remains exposed to the counter-party risk of the respective Ship Builders and if each Ship Builder is unable to refund the installments paid by the Company, the Company would have to resort to making claims against the bank guarantees obtained from such Ship Builder and when these bank guarantees are honored, it is possible that the entire interest due on the installments may not be received. Similarly in case of a Novation, even if an interested New Buyer is found, it is possible that the New Buyer may default in the performance of the Novation Agreements and thereby the entire Novation Proceeds may not be received, in which case, once



again, the Company will have to make claims against the bank guarantees received from the respective Ship Builders.

- **Risks associated with a Cyclical Industry:** The Company is exposed to the risk that when the newbuildings are delivered, or soon after acquiring a number of second-hand ships, the Shipping Market remains in a cyclical downturn for a sustained period and in such case, apart from a fall in the ship values, it may not be possible to charter out these ships at the expected rates which would lead to operating losses (including cash losses) for the Company. These losses or low rates achieved by the Company for a sustained period could lead to default by the Company to meet its debt obligations including a default of the financial covenants applicable to the Company under its various Debt facilities.

Further, if the newbuildings are delivered while the industry continues in the midst of this cyclical and prolonged downturn, the market values of the new ships could drop to levels much lower than cost and if this drop is considered permanent, it may expose the Company to an impairment charge in the Company's accounts and the Company may also default under the "Loan to Value" Covenant required to be maintained in accordance with the Loan Facility Agreement.

- **Risks associated with funding:** The Company is exposed to the risk that the funding required for the newbuildings is not tied up through external sources in which case, the Company would be forced to utilize internal operating cashflows for this purpose, which, may not have left sufficient or any excess cash for dividends or other capital expenditure. In order to mitigate this risk, the Company has tied up credit facilities to fund three of the newbuilding contracts for cement carriers entered into by the Company in this year but has not yet drawn any funds against this facility for the pre-delivery Instalments paid by the Company. Further, the Company also has further unused credit facilities available to fund the second-hand ships to replace the old vessels sold by the Company and these could be used to fund the newbuilding vessels on delivery.

EFFECT OF GLOBAL FINANCIAL CRISIS

The most significant risk factors arising as a direct effect of the Global Financial Crisis on the Shipping Industry and consequently on the Company, are summarised as under:

- **Demand Loss Risk:** The financial crisis led to a closure or downsizing of a number of businesses and business units all over the developed world coupled with reduced access to Trade Finance, thereby affecting World Trade and resulting in a loss in demand for shipping services and consequent collapse in freight rates in 2008 and early 2009. Although there was a small recovery in demand in second half 2009 till the first half of 2011, the Company's strategy of signing longer term charters for the Company's ships at reasonably high rates, somewhat cushioned the Company's revenues from the effects of any sudden and appreciably large falls in Freight rates. However, with the continued crisis in the Euro Zone and the absence of appreciable Growth in US, demand growth could not keep pace with the supply of new Vessels as evidenced from the sustained fall in the Freight markets from the second half of 2011 right until the middle of this year. In case of a prolonged period of low freight rates, the Company's revenues may be significantly affected because the Company is being forced to charter those ships, which are not chartered on long periods or those of which have expired, at very low rates on a sustained basis. Further, if the crisis had continued without recovery in shipping freight rates, the Company may have been forced to scrap its ships which are not very old



because of the absence of demand for such ships or because of its inability to charter these ships even at their respective break-even rates.

- **Counterparty Risk:** In case of a relapse of the Global Financial Crisis or its spread to other regions after the US and Europe, a number of Companies which are users of shipping services including the Companies' Customers or Charterers with whom the Company has signed longer term period charters at high rates may close down or become insolvent or face financial difficulties in the future, resulting in nonpayment of charter revenues to the Company and/or termination of the Charters. However, as explained hereinabove, the Company is conscious of the counter-party risk associated with its period charters and accordingly has taken steps in analysing the counter-party risk of its potential charterers, particularly those with whom the Company signed longer period charters, and such contracts (Charters) were signed only with first class charterers with the highest possible credibility.
- **Credit Crunch:** The Financial Crisis has led to a Credit crunch because of the risk aversion policy adopted by Global banks to bolster or maintain Capital reserves, whereby it is still extremely difficult to raise new debt from International Banks particularly European Banks which are the traditional Lenders to the Shipping Industry. If this situation continues, the Company may not be able to raise new credit facilities or renew existing credit facilities required by the Company for capital expenditure, i.e. for purchase or order of ships to maintain or expand the Company's fleet of ships. However, to mitigate this risk, so far, the Company already has credit facilities in place to fund some of the newbuilding orders and has also renewed (extension of availability period) existing credit facilities to purchase additional second-hand vessels or newbuildings.

(5.3) Financial projections in the present year.

Nil.

(5.4) Details of the Management Team and List of first 10 shareholders with shareholding as at the closure of share register book of 28 March 2014:

Please see Enclosure 3.2.

(5.5) Other information that may materially affect the decision of investors.

Nil.

6. The opinion of the Board of Directors of the company relating to the sufficiency of cash flow. Where cash flow is not sufficient, the sources of funds to resolve the situation shall also be included.

This acquisition can be funded by any or all of the following:

(i) New Credit facilities to be availed from a Bank or a consortium of Banks.

The Vessels are expected to be partly funded by debt financing (from financial institutions). At present, the Company is in discussion with various banks who are very keen to fund these acquisitions.

(ii) Excess cash flow from operations.

The Company presently has cash reserves which could be used for payment of deposits against the shipbuilding contracts and is expected to generate further excess cash in the next few years as and



when its ordered vessels are delivered whereby there would be further excess cash inflows for the Company to use to fund the newbuilding ship orders.

In view of the above, the Board of Directors are of the opinion that the Company has cash reserves and offers from a number of banks who are very keen to fund these acquisitions and should have sufficient future cash flows for the 12 Shipbuilding Contracts for the 12 new ships and going forward will not face any difficulty in meeting all its obligations and the expected cash flows shall be more than sufficient.

7. Pending material lawsuits or claims:

As of 31 December 2013, the Company and/or its Subsidiaries are subject to pending marine claims, mainly for cargo damages on its ships. The aggregate amount of the claims is USD 10.86 million and the Company estimates that its liability on conclusion of the cases should be about USD 5.35 million out of which the Company's exposure would be about 22.24%, i.e. USD 1.19 million since the balance shall be paid by the P & I Club (Insurers) and others.

8. Connected transactions:

As of 31 December 2013, the following significant transactions entered into by the Company and its Subsidiaries constitute transactions with related parties:

(8.1) Office lease agreement between the Company and Unistretch Limited

- **The Relation**

The Office lease agreement is between the Company and Unistretch Limited. Miss Nishita Shah and Mr. Ishaan Shah, Directors of the Company, are directly interested as Directors and Shareholders and Mr. Kirit Shah, Director of the Company, is also interested as Director of Unistretch Limited.

- **The Significance of the related transaction**

The Office lease agreement is necessary for operating the Company.

- **The Fairness of Terms and Conditions of the Transaction**

For the year 2013, the Company has rental and related expenses for other services from such transaction amounting to Baht 1.93 million (2012: Baht 2.15 million) which is 0.01% (2012: 0.01%) of Net Tangible Assets. The Company has signed a lease for the office premises with Unistretch Limited at the rate of Baht 210 per square metre per month. The Company has also signed a lease for other office premises from a third party on other floors of the same building at the same rate of Baht 210 per square metre per month.

(8.2) Purchase of air tickets from Ambika Tour Agency Limited

- **The Relation**

The Company and subsidiaries purchased air tickets from Ambika Tour Agency Limited in which Miss Nishita Shah and Mr. Ishaan Shah are directly interested as Directors and Shareholders.



- **The Significance of the related transaction**

Given the nature of business, apart from air tickets for foreign travel by office Executives, air tickets are also required for the crew on a regular basis to allow them to sign on/off in different ports around the world on commencement and completion of their contracts, respectively. Ambika Tour Agency Limited has been selected for this purpose in view of their competitive rates and service and also for their proximity to the Company's office since this allows much quicker and efficient service.

- **The Fairness of Terms and Conditions of the Transaction**

For the year 2013, the Company and subsidiaries purchased air tickets amounting to Baht 11.43 million (2012: Baht 10.03 million) which is 0.08% (2012: 0.07%) of Net Tangible Assets.

(8.3) Maintenance and Management services from Maestro Controls Ltd.

- **The Relation**

The Company and its subsidiary paid maintenance expenses and related expenses for other services from such transaction to Maestro Controls Ltd. for the air conditioning system at the main operational offices and the condominium apartments of the Company and its subsidiary respectively. This is a connected transaction since Miss Nishita Shah, Director of the Company is directly interested as Director and Shareholder of Maestro Controls Ltd., Mr. Kirit Shah, Director of the Company, is also Director of Maestro Controls Ltd., and Mr. Ishaan Shah, Director of the Company, is Shareholder of Maestro Controls Ltd.

- **The Significance of the related transaction**

The maintenance of air conditioning system at the main operational offices and the condominium apartments including the management thereof is essential for operating the business of the Company and the assets of the Company's subsidiary, i.e. the residences of the Company's expatriate staff. Maestro Controls Ltd. has been selected for this purpose in view of their competitive rates and service.

- **The Fairness of Terms and Condition of the Transaction**

For the year 2013, the Company and its subsidiary have paid for maintenance and management expenses for the air conditioning system and the offices and condominium apartments of the Company and its subsidiary amounting to Baht 0.91 million (2012: Baht 1.02 million) which is 0.01% (2012: 0.01%) of Net Tangible Assets.

(8.4) Expenses for Hotel and Management services from Maxwin Builders Limited

- **The Relation**

The Company and its subsidiary paid expenses for hotel and management services to Maxwin Builders Limited. This is a connected transaction since Miss Nishita Shah and Mr. Ishaan Shah, Directors of the Company, are directly interested as Directors and Shareholders of Maxwin Builders Ltd.. Mr. Khushroo Kali Wadia and Mr. Kirit Shah, Directors of the Company, are Directors of Maxwin Builders Ltd.

- **The Significance of the related transaction**

The expenses for hotel services (like holding AGM and other meetings) and management services are required for the operating the business of the Company and its subsidiary. Maxwin Builders Ltd. has been selected for this purpose in view of their competitive rates and service.



- **The Fairness of Terms and Condition of the Transaction**

For the year 2013, the Company has paid expenses for hotel and management services amounting to Baht 1.42 million (2012: Baht 1.23 million) which is 0.01% (2012: 0.01%) of Net Tangible Assets.

(8.5) Insurances from InsurExcellence Insurance Brokers Group as Insurance Brokers

- **The Relation**

The Company and subsidiary paid insurance premiums for the cars and properties owned by the Company and subsidiary to InsurExcellence Insurance Brokers Limited and also paid life insurance premium for the Company's staff from such transaction to InsurExcellence Life Insurance Brokers Limited. This is a connected transaction since Miss Nishita Shah, Mr. Ishaan Shah and Mr. Kirit Shah, Directors of the Company are related to Miss Sameera Shah who is a Director and Shareholder in InsurExcellence Insurance Brokers Limited and InsurExcellence Life Insurance Brokers Limited.

- **The Significance of the related transaction**

The insurance of life of staff and motor vehicles and properties is part of the conduct of normal business of the Company and subsidiary and the insurances are essential for the security of the assets of the Company and Company's subsidiary. InsurExcellence Insurance Brokers Limited and InsurExcellence Life Insurance Brokers Limited have been selected for this purpose in view of their competitive rates and service after a thorough comparison of Insurance Premiums and allied services offered by other Insurance Brokers in the market.

- **The Fairness of Terms and Conditions of the Transaction**

For the year 2013, the Company and its subsidiary have paid for various insurance premiums amounting to Baht 2.35 million (2012: Baht 2.38 million) which is 0.02% (2012: 0.02%) of Net Tangible Assets.

(8.6) Computer purchases from Quidlab Company Limited

- **The Relation**

The Company and subsidiaries purchased computer hardware, software and computer related services from Quidlab Company Limited. This is a connected transaction since Mr. Kamal Kumar Dua, Vice President - IT, as part of Management of the Company is related to Mrs. Charu Dua who is directly interested as Director and Shareholder of Quidlab Company Limited.

- **The Significance of the related transaction**

Given the nature of business, computer hardware, software and related services are required for operating the business. Quidlab Company Limited is just one of the Vendors considered on a case by case basis for this purpose and whenever selected for a particular service or supply, is selected because of their competitive rates and services after a thorough comparison of rates and services offered by other companies in the market.



- **The Fairness of Terms and Conditions of the Transaction**

For the year 2013, the Company and its subsidiary have paid for computer and software purchases amounting to Baht 0.38 million (2012: 1.29 million) which is 0.003% (2012: 0.01%) of Net Tangible Assets.

9. Summaries of material contracts during the past 2 years.

- The Company (or its individual ship owning subsidiary) has entered into a number of contracts with customers (know as Charterers) who hired or chartered a ship at either a fixed US Dollar rate per day (in case of Time Charter) or at a fixed US Dollar rate per ton of cargo to be carried from one port to another port (Voyage Charter). These contracts, which are similar to sales contracts, are known as Charter Parties and are in the regular and normal course of business.
- The Company (or its individual ship owning subsidiary) has entered into contracts individually for each ship for repairs or other maintenance expenses incurred during drydocking of the respective ship. These repairs are undertaken during drydocking of each ship and are in the regular and normal course of business since each ship is required to undergo periodical drydocking as required by international regulations.
- On 15 February 2012, ABC TWO Pte. Ltd. and ABC THREE Pte. Ltd., the Singapore registered subsidiaries (the "Subsidiaries") of Associated Bulk Carriers Pte. Ltd., the Joint Venture Company (ABC) where the Company held 50% interest at that time, executed a USD 45.60 million Term Loan Facility with Bangkok Bank Public Company Limited, Singapore Branch to finance up to 80% of the Contract Price of two new 20,000 DWT Cement Carriers i.e. Hull No. 379 and Hull No. 380 ordered by the Subsidiaries. On 18 January 2013, the Company acquired 50% of the issued share capital of ABC from Varada Marine Pte. Ltd. who held the other 50% interest before the acquisition in order to take 100% control of ABC and all of its subsidiaries. On 18 September 2013, the Subsidiaries have executed the First Supplemental Agreement in relation to the above Term Loan Facility mainly to change the purpose of facility to finance the Pre and Post-delivery Instalments of the construction of two new cement carriers i.e. Hull Nos. CC200-01 and CC200-02 ordered with Shanhaiguan New Shipbuilding Industry Co., Ltd., China, of up to 80% of the contract price which were ordered to replace the two cement carriers (Hulls 379 and 380) ordered with ABG Shipyard Ltd., India, which were subsequently cancelled.
- On 17 February 2012, the Company executed a USD 100 million Term Loan Facility with Export-Import Bank of Thailand to finance up to 80% of the Acquisition Cost of new or second-hand Dry Bulk Vessels that may be acquired by the Company. On 12 December 2013, the Company executed the Amendment Agreement to this Facility mainly to extend the availability period of the balance Facility of USD 35.18 million from 30 December 2013 to 30 December 2014.
- On 9 March 2012, the Company executed a USD 50 million Term Loan Facility with Thanachart Bank Public Company Limited.
- In 2012, The Company (through its wholly owned subsidiaries) acquired vide signing of the Memorandum of Agreements with the Sellers for the following Ships:

No.	Contract Date	Ship name	Year Built	Shipyard Built	DWT	Delivery Date	Purchase Price (US\$ Million)
1	24-Jan-12	Mookda Naree	2009	Hindustan Shipyard, India	30,162	15-Feb-12	17.70
2	17-Feb-12	Mayuree Naree	2008	Hindustan Shipyard, India	30,193	19-Mar-12	16.70
3	29-Feb-12	Mallika Naree	2008	Hindustan Shipyard, India	30,195	02-Apr-12	16.60



4	27-Aug-12	Lanna Naree	2012	Jiangsu Yangzijiang Shipbuilding Co., Ltd., China	33,843	15-Oct-12	19.40
5	27-Aug-12	Latika Naree	2012	Jiangsu Yangzijiang Shipbuilding Co., Ltd., China	33,869	19-Nov-12	19.40

- There are four Cement Carrier Newbuildings for which contracts were signed in 2012 and 2013 with China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd. (collectively as the "Seller") as follows:

No.	Buyer/Ship Owning Subsidiary	Hull Number	Contract Date	Delivery Date	DWT	Contract Amount US\$
1	ABC Two Pte.Ltd.	CC200-01	05-Dec-12	24-Jan-14	20,000	24,180,000
2	ABC Three Pte.Ltd.	CC200-02	05-Dec-12	30-Apr-14	20,000	24,180,000
3	ABC Four Pte.Ltd.	CC200-03	03-Apr-13	31-Jul-14	20,000	24,180,000
4	Associated Bulk Carriers Pte.Ltd.	CC200-04	30-Aug-13	30-Nov-14	20,000	24,480,000
Cement Carrier - 4 Vessels					80,000	97,020,000

- On 25 November 2013, the Company entered into two Shipbuilding Contracts for two 64,000 DWT Bulk Carriers with Sainty Marine Corporation Ltd. as follows:

No.	Buyer/Ship Owning Subsidiary	Hull Number	Delivery Date	DWT	Contract Amount US\$
1	Precious Shipping Public Co., Ltd. and or its nominee	SAM13009B	30-Jun-14	64,000	27,400,000
2	Precious Shipping Public Co., Ltd. and or its nominee	SAM13010B	30-Jun-14	64,000	27,400,000
Ultramax - 2 Vessels				128,000	54,800,000

- On 25 November 2013, the Company entered into two Shipbuilding Contracts for two 38,500 DWT Bulk Carriers with China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd. (collectively as the Seller) as follows:

No.	Buyer/Ship Owning Subsidiary	Hull Number	Delivery Date	DWT	Contract Amount US\$
1	Precious Shipping Public Co., Ltd.	BC385-11	31-May-15	38,500	22,318,000
2	Precious Shipping Public Co., Ltd.	BC385-12	31-Dec-15	38,500	22,318,000
Handysize - 2 Vessels				77,000	44,636,000

- On 20 December 2013, the Company entered into eight Shipbuilding Contracts for four 39,000 DWT Bulk Carriers and four 64,000 DWT Bulk Carriers with Taizhou Sanfu Ship Engineering Co., Ltd. as follows:



No.	Buyer/Ship Owning Subsidiary	Hull Number	Delivery Date	DWT	Contract Amount US\$
1	Precious Shipping Public Co., Ltd.	SF130120	31-Aug-15	38,625	21,960,000
2	Precious Shipping Public Co., Ltd.	SF130121	30-Nov-15	38,625	21,960,000
3	Precious Shipping Public Co., Ltd.	SF130122	28-Feb-16	38,625	21,960,000
4	Precious Shipping Public Co., Ltd.	SF130123	31-May-16	38,625	21,960,000
Handysize - 4 Vessels				154,500	87,840,000
1	Precious Shipping Public Co., Ltd.	SF130124	31-Jul-15	63,345	27,477,500
2	Precious Shipping Public Co., Ltd.	SF130125	31-Oct-15	63,345	27,477,500
3	Precious Shipping Public Co., Ltd.	SF130126	31-Jan-16	63,345	27,477,500
4	Precious Shipping Public Co., Ltd.	SF130127	30-Apr-16	63,345	27,477,500
Ultramax - 4 Vessels				253,380	109,910,000
Grand Total				407,880	197,750,000

- On 27 December 2012, 27 December 2012 and 12 March 2013, respectively, the Company's three subsidiaries have signed three Memorandum of Agreements, for purchasing three resale Supramax Bulk Carriers as follows:

No.	Ship Owning Subsidiary	Ship Name	Year Built	DWT	Delivery Date	Purchase Price (US\$ Million)
1	Precious Ponds Ltd.	Warisa Naree	2010	53,839	20-Feb-13	13.25
2	Precious Comets Ltd.	Wariya Naree	2011	53,833	25-Apr-13	14.25
3	Precious Ornaments Ltd.	Wikanda Naree	2013	53,857	31-Jul-13	16.00
Supramax - 3 Vessels				161,529		43.50

- On 9 January 2014, Precious Shipping (Panama) S.A., the Company's subsidiary in the Republic of Panama (the "Subsidiary"), and the Joint Owner, collectively as the Sellers, signed a Memorandum of Agreement (MOA) for selling M.V. Fujisan Maru ("Vessel") with the Buyer.
- On 24 February 2014, the Company as Buyer entered into two Shipbuilding Contracts for two 64,000 DWT Bulk Carriers with Sainty Marine Corporation Ltd. The individual Contract price for each Vessel is USD 27.90 million and are expected to be delivered in March 2015.

10. Proxy form with at least one member of the Audit and Corporate Governance Committee being nominated as shareholder's proxy:

Please see Enclosure 7.



Enclosure 3.1

A Valuation Report with a brief profile of the Appraiser



Fearnleys Asia (Singapore) Pte Ltd

CERTIFICATE OF VALUATION

FOR: Ms. Julaporn Namchaisiri
Managing director
Grant Thornton Services Ltd.
18th Floor Capital Tower , All Seasons Place, 87/1 Wireless Road
Bangkok 10330 , Thailand

Hull No.	BUILT	Delivery date (on or before)	DWT	VALUE, USD M
SAM14019B	Sainty Marine Corporation Ltd, China	31-May-2015	64,000	29
SAM14020B	Sainty Marine Corporation Ltd, China	31-May-2015	64,000	29
SAM14021B	Sainty Marine Corporation Ltd, China	31-Aug-2015	64,000	29
SAM14022B	Sainty Marine Corporation Ltd, China	31-Aug-2015	64,000	29
SAM14023B	Sainty Marine Corporation Ltd, China	31-Oct-2015	64,000	29
SAM14024B	Sainty Marine Corporation Ltd, China	31-Oct-2015	64,000	29
SAM14025B	Sainty Marine Corporation Ltd, China	15-Dec-2015	64,000	29
SAM14026B	Sainty Marine Corporation Ltd, China	15-Dec-2015	64,000	29
SAM14027B	Sainty Marine Corporation Ltd, China	31-Mar-2016	64,000	29
SAM14028B	Sainty Marine Corporation Ltd, China	31-Mar-2016	64,000	29
Hull nos to be assigned	Taizhou Sanfu Ship Engineering Co., Ltd., China	30-Nov-2015	64,000	29
Hull nos to be assigned	Taizhou Sanfu Ship Engineering Co., Ltd., China	15-Mar-2016	64,000	29



Fearnleys Asia (Singapore) Pte Ltd

This valuation is performed on "willing Seller and willing Buyer" basis and is given to the best of our knowledge and based on the sale & purchase market condition prevailing at the time mentioned subject to the vessel being in sound condition and made available for delivery fairly prompt charter free and further subject to the conditions printed on the reverse side hereof.

We acknowledge that the valuation report will be presented in full and sent to the shareholders of Precious Shipping PCL., Bangkok, Thailand as part of the disclosure required on the newbuildings' orders for this type of vessel.

Fearnleys Asia (Singapore) Pte Ltd and it's Directors does not hold any shares in Precious Shipping PCL and or is not directly or indirectly interested in Precious Shipping PCL or its subsidiaries.

Fearnleys Asia (Singapore) Pte Ltd is not interested in these transactions in any manner.


RAJA SWAMINATHAN FICS

Date: 18.03.2014



This valuation and particulars are statements of opinion and are not to be taken as representations of fact. The figures relate solely to our opinion of the market value as of the date given and should not be taken to apply to any other date.

We have neither made a physical inspection of the units/ shipyards, but assume these units

- a) will be constructed in accordance with good commercial practices following the Shipbuilding contract and Classification Society rules.
- b) will be delivered in good working order and sound seaworthy condition with regards to her Hull & Machinery.

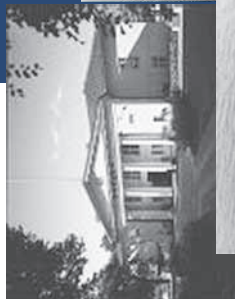
The valuation is provided on the basis of unit being sold individually where more than one unit has been valued.

Any person contemplating entering a transaction or otherwise relying upon this valuation should satisfy himself by inspection of the unit or otherwise as to the correctness of the statements and assumptions which the valuation contains. No assurance can be given that the value can be sustained or are realizable in actual transactions.

This valuation is provided solely for the use of the person to whom it is addressed and no responsibility can be accepted to any other person.

A short introduction to Fearnleys Asia

Singapore, March 2014










Fearnleys Asia

Astrup Fearnley Group

- Established in Oslo in 1869
- Private limited company
- About 350 employees - 100 in Asia
- 40 employees in Singapore and increasing

- Offices in Oslo, London, Paris, Sopot, Tokyo, Seoul, Beijing, Shanghai, Hong Kong, Singapore, Bangkok, Mumbai, Houston, Caracas

<div>Investment Banking</div>  <div> Fearnley Securities AS Shipping Offshore Oil Service Energy Oslo </div>	<div>Shipping</div>  <div> Fearnresearch Fearnley Consultants Fearnsale Fearnbulk Fearn-tank Fearn-gas Fearnley LNG </div>	<div>Offshore</div>  <div> Fearnley Offshore Fearnley Offshore Supply Oslo, Houston, Singapore </div>	<div>Energy</div>  <div> Libra Fearnley Energy Paris, London, Houston, Singapore </div>	<div>Project Finance</div>  <div> Fearnley Finans ASA Shipping Offshore Real Estate Oslo </div>
---	---	---	---	---



Astrup Fearnley in Singapore

Our offices in Asia

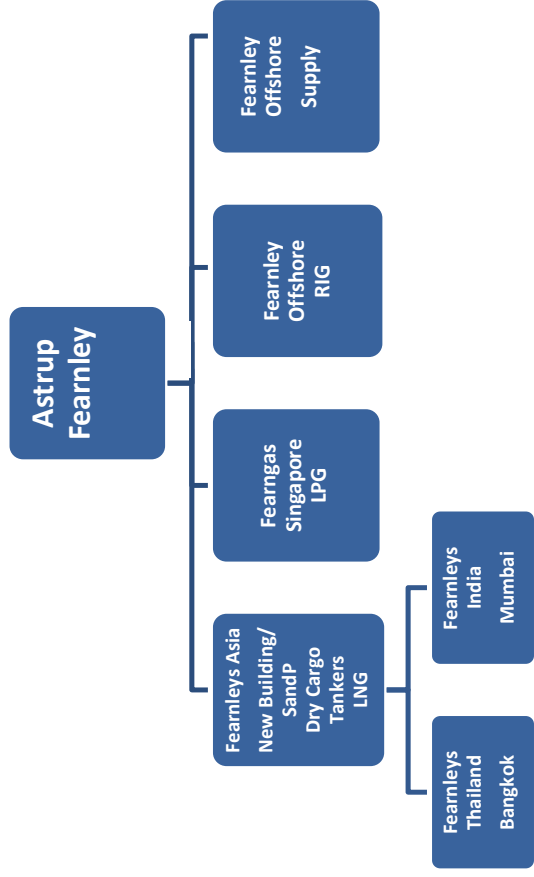




Astrup Fearnley in Singapore

Singapore - Business Units

- **Fearnleys Asia (Singapore) Pte Ltd**
 - ✓ Administration Services for all business units
 - ✓ Sale and Purchase/Newbuilding/ Valuations
 - ✓ LNG Chartering/Project
- **Fearnleys Tankers (Singapore) Pte Ltd**
 - ✓ Small Tanker chartering-Chemicals/MR CPP
 - ✓ DPP Aframax
- **Fearnleys Dry Cargo (Singapore) Pte Ltd**
 - ✓ Supra/Panamax/Cape chartering
- **Fearngas (Singapore) Pte Ltd**
 - ✓ Chartering/SandP/Product brokering
- **Fearnley Offshore Pte Ltd**
 - ✓ Chartering/SandP/Newbuilding Rigs
- **Fearnley Offshore Supply Pte Ltd**
 - ✓ Chartering/SandP/Newbuilding Offshore Supply Vessels





Our Departments

SNP

Represents Fearnleys in Singapore in the areas of Sale & Purchase, Newbuilding, Demolition , Desktop Valuations and Projects

Team strength: 5



Tankers

Represents Fearnleys in Singapore in the areas of spot & period tanker chartering

Team strength: 4



Bulk

Represents Fearnleys in Singapore in the areas of Chartering of all types and sizes of dry cargo tonnage and commodities

Team strength: 4





Fearnleys Asia

Our Departments

Offshore Supply

Represents Fearnleys in Singapore in the areas of Sale & Purchase, Chartering, Newbuilding of Supply & Support Vessels

Team strength: 5



Offshore

Represents Fearnleys in Singapore in the areas of providing advisory, consulting and brokerage in the offshore oil services sector

Team strength: 2



Gas & LNG

Represents Fearnleys in Singapore in the areas of chartering LPG & LNG carriers

Team strength: 8





Why deal with The Astrup Fearnley Group

- Financially strong major shareholder with a long term view
- Strong Brand name. Global presence since 1960'ies
- Benefit of solid research within both Shipping and Securities
- Strong corporate culture based on family values
- Solid client list
- Access to Financial Markets – Debt and Equity





Fearnleys
Fearnleys Asia – SnP
sandp@fearnleys.com.sg



Oslo
Bangkok
Beijing
Caracas
Hong Kong
Houston
Moscow
Mumbai
Paris
Seoul
Shanghai
Singapore
Stockholm
Tokyo

This presentation is prepared by **Fearnresearch** and **Fearnley Consultants**, companies in the **Astrup Fearnley Group**.

Copyright protected. Any retransmission or distribution is prohibited.



Enclosure 3.2

The Management Team and List of first 10 shareholders



List of Management Team

- | | | |
|-----|---------------------------------|--|
| 1. | Mr. Khalid Moinuddin Hashim | Managing Director |
| 2. | Mr. Munir Moinuddin Hashim | Director (Commercial) |
| 3. | Mr. Khushroo Kali Wadia | Director (Finance) |
| 4. | Mr. Jaipal Mansukhani | Director (Technical)
of Great Circle Shipping Agency Limited (Company's subsidiary) |
| 5. | Mr. Shrilal Gopinathan | Vice President (Commercial) |
| 6. | Mr. Koka Venkataramana Sudhakar | Vice President (Fleet Management) |
| 7. | Mr. Neelakantan Vasudevan | Vice President (Risk Management) |
| 8. | Mr. Stephen Korah | Vice President (International Safety Management (ISM)) |
| 9. | Mr. Kodakaraveetil Murali Menon | Vice President (Technical) |
| 10. | Mr. Kamal Kumar Dua | Vice President (Information Technology) |
| 11. | Mr. Nishikant Govind Desai | Vice President (Projects) |
| 12. | Mr. Prashant Mahalingam | Vice President (Procurement) |
| 13. | Mr. Kiran Kesarinath Vaidya | Senior Manager (Account & MIS) |
| 14. | Ms. Somprathana Thepnaplern | Assistant Vice President (Finance & Accounts) |
| 15. | Mr. Yingyong Kanghae | Senior Manager - Group Accounts |



Major Shareholders per share register as on 28 March 2014			
No.	Name	No. of shares	Percentage
	Globex Corporation Limited	266,625,206	25.65%
	Ms. Nishita Shah	98,586,000	9.48%
	Graintrade Limited	74,668,000	7.18%
	Unistretch Limited	7,600,400	0.73%
1	* Total shares under control of Ms. Nishita Shah	447,479,606	43.04%
	Mr. Khalid Moinuddin Hashim (20,000 shares held at Securities Company included)	87,610,850	8.43%
	Mr. Munir Moinuddin Hashim (1,728,000 shares held at Securities Company included)	94,567,850	9.10%
2	** Total shareholding of Hashim family	182,178,700	17.53%
3	Thai NVDR Limited	73,934,106	7.11%
4	STATE STREET BANK EUROPE LIMITED	28,178,900	2.71%
5	STATE STREET BANK AND TRUST COMPANY	15,111,918	1.45%
6	Phatra Capital Public Company Limited	11,808,400	1.14%
7	GEDRA ENTERPRISES INC	11,634,294	1.12%
8	BANQUE PICTET & CIE SA	9,619,000	0.93%
9	NORBAX INC., 179	9,349,818	0.90%
10	HSBC (SINGAPORE) NOMINEES PTE LTD	8,411,200	0.81%
11	Other shareholders (apart from the Top Ten shareholders as mentioned above)	241,814,658	23.26%
Grand total		1,039,520,600	100.00%
		Total : 4,774 shareholders	

Note: * Ms. Nishita Shah who is the Director of the Company is also the Director and Shareholder of

Globex Corporation Limited, Graintrade Limited and Unistretch Limited

** Mr. Khalid Moinuddin Hashim is the brother of Mr. Munir Moinuddin Hashim



Enclosure 5

**GUIDELINES FOR ATTENDING THE MEETING AND
COMPLETING THE PROXY FORM**



DOCUMENTS TO BE PRESENTED FOR ATTENDING THE MEETING

1. INDIVIDUAL:

For Shareholders attending the Meeting in person:

Shareholders' valid Identity Card / Passport / Other Government issued identity document, in original must be presented for verification.

Shareholders appointing proxy to attend the Meeting:

1. A completed proxy form with original signatures of both Grantor and Proxy **AND**
2. A copy of valid Identity Card / Passport with original signature of Grantor **AND**
3. A copy of valid Identity Card / Passport with original signature of Proxy **AND**
4. Proxy's valid Identity Card / Passport / Other Government issued identity document in original must be presented for verification.

2. JURISTIC PERSON:

1. The completed proxy form with original signatures of authorized persons of such Juristic person (Grantor) including stamp/seal (if any) and Proxy's original signature **AND**
2. The certified true copy of registration of such Juristic person which has been issued not more than 1 year before the date of the AGM (Grantor) **AND**
3. The certified true copy of valid Identity Card / Passport of authorized persons of such Juristic person (Grantor) **AND**
4. The certified true copy of valid Identity Card / Passport of Proxy **AND**
5. Proxy's valid Identity Card / Passport / Other Government issued identity document in original must be presented for verification.

3. NON-THAI NATIONAL or A JURISTIC PERSON REGISTERED OUTSIDE THAILAND:

All the documents as described above or their equivalent are required. In case the documents are not in Thai or English, an English translation, certified by the Shareholder (or the authorized directors(s) in case of a Juristic Person) is also required.

PROXY:

For those shareholders who are unable to attend the Meeting in person. Shareholders may appoint their own proxy or may appoint any one of the following Independent Directors to attend and vote on their behalf:

1. **Mr. Thira Wipuchanin**, Independent Director, Age: 64 years
Residential Address: No. 256 Lad Phrao Road, Soi Sannibathtedtaban, Chankasem, Chatuchak, Bangkok, 10900 Thailand.
2. **Mr. Kamtorn Sila-on**, Independent Director, Age: 43 years
Residential Address: No. 363 Soi Thonglor 19, Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110 Thailand.

None of the above Directors has a personal interest in any of the agenda items. The executed Proxy Form (**Enclosure 7**) should be delivered to the Chairman, or the person designated by him, prior to the commencement of the Meeting.



The proxies are requested to send the required documents to the Company at the address below for verification one day prior to the date of the Meeting or at least one hour prior to the commencement of the Meeting.

Address: Precious Shipping Public Company Limited
No. 8 Cathay House, 9th Floor, North Sathorn Road,
Silom, Bangrak, Bangkok 10500
Phone: 66 2 696 8854 Fax: 66 2 236 7654

REGISTRATION:

The registration for attending the Meeting will start 2 hours before the Meeting (at 8.00 hours).



Enclosure 6

**THE ARTICLES OF ASSOCIATION OF THE COMPANY
IN RESPECT OF THE ITEMS RELATED TO
THE MEETING OF SHAREHOLDERS
AND VOTING PROCEDURES**



- Article no. 15. Election of Directors shall be made by the shareholder's meeting with the following procedure and rules;
- a) Each shareholder shall have one vote per share for the election of each Director,
 - b) Each shareholder shall exercise all votes applicable under (a) in appointing one or more person to be a Director, but provided that any of the vote shall not be divisible,
 - c) After the vote, the candidates shall be ranked in a descending order from the highest number of votes to the lowest, and shall be appointed as directors in that order until all the director positions are filled. Where the votes for candidates are tied, which would otherwise cause the number of director to be exceeded, the Chairman shall have a casting vote.
- Article no. 16 The Directors' remuneration and perquisite shall be fixed by the shareholders' meeting.
- Article no. 17 At every annual general meeting, one-third of 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 on 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 to re-election.
- Article no. 36 The general shareholders' meeting of the Company shall be held in the area where the registered office of the Company is located or at any adjacent provinces or any other places as prescribed by the Board of Directors.
- Article no. 37 The general shareholders' meeting shall be held by the Director at least once in every twelve months. This meeting shall be call "General or Ordinary Meeting". The general meeting shall be held within four months from the end of accounting period of the Company.
- Any other shareholders' meeting shall be called "Extraordinary Meeting".
- The Board of Directors may summon an extraordinary meeting whenever they think fit or the shareholders holding not less than one-fifth of total shares sold or shareholders of at least twenty five persons, holding not less than one-tenth of total shares sold, request in writing to the Board of Directors for summoning and extraordinary shareholders' meeting. The requisition must clearly specify the object for which the meeting is required to be summoned. The Board of Directors shall hold the meeting within 1 month from the date of receiving such request.



- Article no. 38 In summoning a shareholders' meeting, the Board of Directors shall prepare a notice of the meeting indicating the place, date, time, agenda, and matters to be proposed to the meeting together with appropriate details by clearly specifying that such matter is for information, for approval, or for consideration including opinion of the Board of Directors on said matters, and sending them to the shareholders and the Registrar not less than 7 days prior to the meeting's date.
- Such notice must also be published in a local Thai - language newspaper for 3 consecutive days with at least 3 days prior to the meeting date.
- Article no. 39 In a shareholders' meeting, there must be at least 25 shareholders or one-half of the total shareholders holdings not less than one-third of the total shares sold present in persons or by proxies (if any) attending the meeting in order to constitute a quorum.
- If within an hour from the time fixed for the shareholders' meeting the quorum prescribed by the first paragraph is not constituted, the meeting, if summoning upon the requisition of shareholders, shall be dissolved. If such meeting is not summoned by the shareholders' requisition, another meeting shall be summoned and notices of the meeting shall be sent to the shareholders at least 7 days prior to the meeting's date. At such meeting no quorum shall be necessary.
- Article no. 40 In any shareholders' meeting, any shareholder is entitled to appoint person of legal age as a proxy to represent him at the meeting and have the right to vote. The instrument appointing a proxy shall be in writing, having a signature of the proxy in accordance with form prescribed by the Public Company's Registrar, and shall at least have the following particulars:
- the amount of shares held by such shareholder;
 - the name of the proxy;
 - the meeting(s) which the proxy is appointed to attend and vote
- and such instrument appointing the proxy shall be submitted to the Chairman or the person authorised by the Chairman at the place of the meeting prior to the proxy attending the meeting.
- Article no. 41 The Chairman of the Board of Directors shall be a Chairman for the shareholders' meeting. In the event the Chairman is not present or is unable to discharge his duties, Vice-chairman, if any, shall serve as a Chairman. If there is no Vice-chairman or such Vice-chairman is unable to discharge his duties, the Shareholders present shall elect one of them to be the Chairman.
- Article no. 42 In every shareholders' meeting, all shareholders have one vote for each share.
- A shareholder who has a special interest in resolution cannot vote on such resolution, except for the election of Directors.
- A resolution of any shareholders' meeting shall be passed by a majority votes of all the shareholders attending the meeting and having the right to vote; in the event of a tie, the Chairman shall give a casting vote, except in the following cases, a resolution of no less than three-fourth of the votes of the shareholders attending the meeting and having the right to vote is required;
- selling or transferring the Company's business whether in whole or in substantial part to other person;
 - purchasing or accepting the transfer of the business of other public or private company;
 - making, amending or terminating of any agreement concerning the lease, in whole or in substantial part, of the Company's business, assigning any person to manage the Company's business, or merging with other person for the purpose of profit and loss sharing.



- Article no. 43. The business to be transacted at the general meeting shall be as follows:
- 1) To approve the previous minute of general meeting;
 - 2) To consider the report of the Board of Directors regarding the Company's business in the previous year;
 - 3) To consider and approve a balance sheet;
 - 4) To consider the distribution of profit;
 - 5) To elect the directors replacing those retired by rotation;
 - 6) To appoint an auditor;
 - 7) To consider any other business.
- Article no. 44 The Auditor shall be appointed by the general shareholder's meeting. The retiring Auditor is eligible for re-election.
- Article no. 45 The Auditor's compensation shall be fixed by the shareholders' meeting.
- Article no. 47 The Auditor has the duty to attend in every shareholders' meeting which is held to consider the balance sheet, profit & loss account, and any problem regarding the Company's accounts in order to clarify the audit to the shareholders. The Company shall also deliver to the Auditor all the reports and documents of the Company to which the shareholders are entitled to receive at such meeting.
- Article no. 52 Payment of dividends can be made only by the resolution of the shareholders' meeting or of the Board of Directors in case of paying interim dividends.
- A written notice of payment shall be sent to all shareholders and be advertised in a local Thai - language newspaper for 3 consecutive days. Payment of such dividends must be made within one month from the date of passing the said resolution.
- Article no. 53 The Board of Directors may from time to time pay to the shareholders interim dividends as appeared to them to be justified by the profit of the Company and shall report to the shareholders in the next shareholders' meeting.
- Article no. 55 The Company must appropriate part of the annual net profit to reserve fund, at least 5% of the annual net profits extracted by the accumulated loss brought forward (if any) until the reserve fund reaches at no less than 10% of the registered capital.
- Notwithstanding the reserve fund referred to above, the Board of Directors may propose to the shareholders' meeting for its resolution to otherwise appropriate reserve fund as perceived by the Board to be beneficial to business operations of the Company.
- Article no. 59 The Board of Directors shall have the balance sheet and profit & loss account which are made at the end of the Company's accounting period submitted to the annual general meeting of the shareholders for approval. These balance sheet and profit & loss account shall be audited by the Auditor before submitting to the meeting.
- Article no. 60 The Board of Directors shall forward the following documents to the shareholders together with the notices of summoning of the annual general meeting.
- 1) Copy of Balance sheet and profit & loss account which are audited by the Auditor together with his auditor's report.
 - 2) Annual report of the Board of Directors.



Enclosure 7

**PROFILE OF INDEPENDENT DIRECTOR
FOR SHAREHOLDERS' PROXIES AND
PROXY FORM B**



PROFILES OF INDEPENDENT DIRECTORS FOR SHAREHOLDERS' PROXIES



MR. THIRA WIPUCHANIN

POSITION	Chairman of the Board of Directors / Independent Director
DATE OF APPOINTMENT ON THE BOARD	13 July 2000
AGE	64 years
EDUCATION	B.Sc. in Economics and Business Administration, University of Wisconsin - Stevens Point, U.S.A.
TRAINING	
• 2005	Attended training course on the topic "Audit Committee Program" (ACP) held by Thai Institute of Directors (IOD).
• 2001	Graduate member of Thai Institute of Directors (IOD) - Completed "Directors Certificate Program" (DCP), Class 6/2001.
EXPERIENCE TO REVIEW CREDITIBILITY OF THE FINANCIAL STATEMENTS	
• 2008 - March 2011	Audit Committee Member, Precious Shipping Public Company Limited.
• 2005 - Present	Chairman of the Audit Committee, United Palm Oil Industry Public Company Limited.
• 2003 - Present	Audit Committee Member, Siam Makro Public Company Limited.
• Present	Chairman of the Audit Committee, Bangkok First Investment & Trust Public Company Limited.
OTHER EXPERIENCE	
• 2000 - Present	Director, Precious Shipping Public Company Limited.
• 2000 - 2003	Senior Executive Vice President, Export - Import Bank of Thailand. Director, Sanyo Universal Electric Public Company Limited. Treasurer, The Community Support Foundation, Thailand. Member, Company Establishment Preparatory Committee / T.O.T. and C.A.T. Member, Company Establishment Preparatory Committee / P.T.T. Board member, Capital Market Opportunity Center / SET.



MR. THIRA WIPUCHANIN (Cont.)

- 1994 - 1997 Senior Vice President, Premier Group of Companies.
- 1990 - 1994 Thailand Representative, Prudential Asset Management Asia Limited.
- 1975 - 1990 Vice President (Investment), American International Assurance Company Limited.
- 1974 - 1975 Business Loan Manager, Commercial Credit Corporation (Thailand) Limited.
- 1973 - 1974 Served the Royal Thai Army.

OCCUPATION Company Director.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

- LISTED COMPANIES 4 Companies:
 1. Chairman of the Board of Directors, Chairman of the Audit Committee, Independent Director, Nomination Committee Member and Remuneration Committee Member, United Palm Oil Industry Public Company Limited.
 2. Independent Director, Audit Committee Member, Nomination and Remuneration Committee Member, Siam Makro Public Company Limited.
 3. Chairman of the Audit Committee, Independent Director, Nomination and Remuneration Committee Member, Bangkok First Investment & Trust Public Company Limited.
 4. Chairman of the Board of Directors and Independent Director, Interhides Public Company Limited.
- NON - LISTED COMPANIES 1 Company: Aira Advisory Co. Ltd.
- CONNECTED COMPANIES Nil
- OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES) Nil
- OTHER ORGANISATIONS Director, Thai Shipowners' Association.

NO. OF SHARES HELD AS OF YEAR END 2013:

- BY HIMSELF: Nil
- BY HIS SPOUSE AND MINOR CHILDREN (IF ANY): 60,000 shares (0.00% of total paid-up shares)

INCREASE (DECREASE) IN SHAREHOLDING IN THE YEAR 2013:

- BY HIMSELF: Nil
- BY HIS SPOUSE AND MINOR CHILDREN (IF ANY): Nil

No family relationship with any of the other Directors and any of the Management Team.

ATTENDANCE / TOTAL MEETINGS OF THE BOARD OF DIRECTORS (TIMES) IN THE YEAR 2013

- ORDINARY MEETING: 7/7 TIMES
- EXTRAORDINARY MEETING: 1/1 TIME



MR. KAMTORN SILA-ON

POSITION	Chairman of Remuneration Committee / Independent Director / Audit and Corporate Governance Committee Member* / Nomination Committee Member
DATE OF APPOINTMENT ON THE BOARD	14 March 2011
AGE	43 years
EDUCATION	
• 1995 - 1997	MIT Sloan School, Massachusetts, USA Master of Business Administration; Financial Engineering Track GPA: 4.6/5.0.
• 1988 - 1992	Imperial College of Science Technology and Medicine, London, England Master of Engineering; Chemical Engineering; Associate of the City and Guilds Institute Upper Second Class Honours.
TRAINING	
• 2008	Completed Executive Development Program (EDP) by the Capital Markets Academy and Thai Listed Companies Association.
• 2011	Director Certification Program (DCP) by Institute of Directors (IOD).
• 2012	Audit Committee Program (ACP) by Institute of Directors (IOD).
EXPERIENCE	
• March 2011- Present	Independent Director, Chairman of Remuneration Committee, Audit and Corporate Governance Committee Member, and Nomination Committee Member, Precious Shipping Public Company Limited.
• 2011 - Present	Deputy Managing Director, Head of Private Client Investment Management Group, Bualuang Securities Plc., Bangkok, Thailand.
• 2004 - 2011	Deputy Managing Director, Co-head of Investment Banking, Bualuang Securities Plc., Bangkok, Thailand.
• 1999 - 2004	Senior Vice President, Investment Banking Asset Plus Securities Plc., Bangkok, Thailand.
• 1997 - 1999	Associate, Global Investment Banking Chase Securities, Inc., New York, USA and Singapore.



MR. KAMTORN SILA-ON (Cont.)

- 1994 - 1995 Analyst, Investment Banking Dept. SCB Securities Co., Ltd., Bangkok, Thailand.
- 1992 - 1994 Manager, Money Market Dept. Tisco Plc., Bangkok, Thailand.

OCCUPATION Private Fund Management Executive of Bualuang Securities Plc.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

- LISTED COMPANIES Nil
- NON-LISTED COMPANIES Nil
- CONNECTED COMPANIES Nil
- OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES) Nil
- OTHER ORGANISATIONS Member of Academic Committee, Department of International Business, Logistics and Transport, Thammasat Business School, Thammasat University.

NO. OF SHARES HELD AS OF YEAR END 2013:

- BY HIMSELF: Nil
- BY HIS SPOUSE AND MINOR CHILDREN (IF ANY): Nil

INCREASE (DECREASE) IN SHAREHOLDING IN THE YEAR 2013:

- BY HIMSELF: Nil
- BY HIS SPOUSE AND MINOR CHILDREN (IF ANY): Nil

* Note: Audit Committee Member who has adequate expertise and experience to review creditability of the financial statement.

No family relationship with any of the other Directors or any of the Management Team.

ATTENDANCE / TOTAL MEETINGS OF THE BOARD OF DIRECTORS (TIMES) IN THE YEAR 2013

- ORDINARY MEETING: 7/7 TIMES
- EXTRAORDINARY MEETING: 1/1 TIME

ATTENDANCE / TOTAL MEETINGS OF THE AUDIT & CORPORATE GOVERNANCE COMMITTEE (TIMES) IN THE YEAR 2013

- ORDINARY MEETING: 4/4 TIMES
- EXTRAORDINARY MEETING: 2/2 TIMES



Proxy (Form B.)

(Affix Baht20 duty stamp)

Written at _____

Date ____ Month ____ Year ____

(1) I/We _____ Nationality _____
 Address No. _____ Road _____ Tambol/Kwaeng _____
 Amphur/Khet _____ Province _____ Postal Code _____

(2) being a shareholder of **Precious Shipping Public Company Limited (The "Company")**
 holding the total amount of _____ shares with the voting rights of _____ votes as follows:
☐ ordinary share _____ shares with the voting rights of _____ votes
☐ preference share _____ shares with the voting rights of _____ votes

(3) hereby appoint

- ☐ 1. Name Mr. Thira Wipuchanin age 64 years, residing at No. 256 Soi Sannibathtedtaban
Road Lad Phrao Tambol/Kwaeng Chankasem Amphur/Khet Chatuchak
Province Bangkok Postal Code 10900 or
- ☐ 2. Name Mr. Kamtorn Sila-On age 43 years, residing at No. 363 Soi Thonglor 19
Road Sukhumvit Tambol/Kwaeng Klongton Nua Amphur/Khet Wattana
Province Bangkok Postal Code 10110 or
- ☐ 3. Name _____ age _____ years, residing at No. _____
Road _____ Tambol/Kwaeng _____ Amphur/Khet _____
Province _____ Postal Code _____

Any and only one person to be my/our proxy to attend and vote on my/our behalf at **the Extraordinary General Meeting of Shareholders No. 1/2014 held on Wednesday, 30th April, 2014, at 10:00 hours at the Lert Wanalai Ballroom, Swissotel Nai Lert Park Bangkok Hotel, 2 Wireless Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Thailand** or at any adjournment thereof to any other date, time and place.

(4) I/We authorise the Proxy to cast the votes according to my/our intentions as follows:

Agenda No. 1 To adopt the Minutes of the Annual General Meeting of Shareholders No. 1/2014 held on 31st March, 2014.

- ☐ (a) The Proxy is entitled to cast the votes on my/our behalf at its own discretion
- ☐ (b) The Proxy must cast the votes in accordance with my/our following instructions:
☐ Approve ☐ Disapprove ☐ Abstain





Agenda No. 2 To consider and approve 12 Shipbuilding Contracts signed by the Company for 12 new Bulk Carriers and authorise the Board of Directors to take all actions necessary to implement the Contracts in accordance with the agreed terms

- ☐ (a) The Proxy is entitled to cast the votes on my/our behalf at its own discretion
- ☐ (b) The Proxy must cast the votes in accordance with my/our following instructions:
- ☐ Approve ☐ Disapprove ☐ Abstain

(5) Vote of the Proxy in any Agenda which is not in accordance with my/our intention as specified in this Proxy shall be deemed invalid and shall not be treated as my/our vote as shareholder.

(6) In case that I/We do not specify my/our voting intention in any agenda or not clearly specify or in case the Meeting considers or resolves any matter other than those stated above, or if there is any change or amendment to any fact, the Proxy shall be authorised to consider and vote the matter on my/our behalf as the Proxy deems appropriate in all respects.

For any act performed by the Proxy at the Meeting, it shall be deemed as such acts had been done by me/us in all respects except for vote of the Proxy which is not in accordance with this Proxy Form.

Signed _____ Shareholder
()

Signed _____ Proxy
()

Signed _____ Proxy
()

Signed _____ Proxy
()

Remark

1. The Shareholder appointing the Proxy must authorise only one proxy to attend and vote at the Meeting and shall not allocate the number of shares to several proxies to vote separately.
2. As regards the agenda to appoint directors, the meeting may consider appointing the entire board or any director(s).
3. In case there are agendas other than those specified above, the additional statement can be specified by the Shareholder in the Regular Continued Proxy Form B as enclosed.



