

Press Release

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TRIS Rating Views the Announced Tender Offer for “VL” Shares Will Have No Immediate Impact on “PSL”’s Ratings

TRIS Rating assesses that the transactions announced by Precious Shipping PLC (PSL) of a conditional voluntary tender offer for all outstanding shares of V.L. Enterprise PCL (VL), will have no immediate impact on the company rating assigned to PSL.

From a strategic standpoint, this investment offers PSL a low-risk entry into a new sector, allowing it to leverage its financial strength and VL’s established customer relationships to drive business growth. If successfully executed, the new business will diversify PSL’s revenue streams, reducing its reliance on the volatile dry-bulk shipping business. However, depending on the tender offer’s outcome, the transaction may put some pressure on PSL’s financial profile as it will add to the anticipated rise in debt from the company’s fleet renewal plan over the next two years. We will closely monitor the progress of the transaction.

VL provides maritime transportation services for petroleum and chemical products, including crude oil, dirty oil, clean oil, lubricating oil, and palm oil, covering both the domestic and international markets. On 8 November 2024, PSL, through its wholly owned subsidiary, Bongkot Holdings Limited (Bongkot), currently holding 12.7% in VL, offered to acquire up to 1,033.2 million shares, or approximately 87.3% of VL’s total issued shares and voting rights, at a price of THB1.24 per share, amounting to THB1,281.2 million. Bongkot reserves the right to cancel the transaction if, upon the expiry of the tender offer period, fewer than 204.7 million shares or approximately 17.3% of the total issued and paid-up shares and voting rights of VL have been tendered.

TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: +66 2 098 3000

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