

Ref: 2016-007

8th February 2016

To: The President of the Stock Exchange of Thailand

Subject: Submitting the Audited Consolidated Financial Statements for the year ended and as at 31 December 2015 and 2014.

We, Precious Shipping Public Company Limited, would like to notify the Stock Exchange of Thailand that the Board of Directors' Meeting of the Company no.1/2016 held on 8th February 2016 at 14.30 hours has approved the Audited Consolidated Financial Statements of Precious Shipping Public Company Limited and Subsidiaries for the year ended and as at 31 December 2015 and 2014 which are submitted herewith.

The main reasons for changes in the operating results between the two years are explained below.

For the year ended 31 December 2015, the Company and subsidiaries ("the Company") have incurred a consolidated net loss of Baht 2,425.78 million as compared to net loss of Baht 80.22 million incurred during the year 2014. The main reasons for changes are as follows:

1. The absolute Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the year 2015 has decreased by about 11 percent over the Net Vessel Operating Income for the year 2014 mainly due to the decrease in the average earnings per day per Vessel from USD 8,096 for the year 2014 to USD 6,266 for the year 2015 due to the continued poor market conditions as the Shipping Industry is passing through perhaps the worst market in the history of Dry Bulk Shipping. It may be further noted that the income has been earned from an average of 45 vessels during the year 2015 as against an average of 42 vessels in the same period of 2014. The fleet size as on 31 December 2015 was 45 vessels.
2. For the year 2015, the absolute Vessel running expenses are higher by 14 percent as compared to the year 2014, mainly due to the increase in number of ships operated during the year as explained above. The average Vessel operating expenses (Opex) per day per Vessel (including depreciation/amortisation of Drydocking/Special Survey expenses) have in fact slightly decreased from USD 4,695 for the year 2014 to USD 4,652 for the year 2015 due to a continued control over operating expenses and a lower average age of the fleet as a result of the delivery and sale of new and old vessels respectively.

3. The depreciation for the year 2015 is higher by Baht 238.13 million as compared to the year 2014 due to the increase in the number of vessels.
4. The Company recorded loss on sales of three old vessels of Baht 279.03 million for the year 2015 as against gain on sales of vessel and equipment of Baht 26.98 million in the previous year.
5. Due to the poor market conditions, the Company performed impairment reviews for all its vessels in the fleet and consequently recognized an impairment loss of Baht 840.77 million for the year 2015 in respect of the vessels expected to be sold in 2016.
6. Administrative expenses (including management remuneration) for the year 2015 are higher by Baht 133.63 million as compared to the previous year mainly due to an increase in payroll costs and professional fees paid for expert opinions from a third party technical consultant in respect of certain shipbuilding related issues in connection with the Company's disputes with two Shipbuilders.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khalid Moinuddin Hashim
Managing Director

Khushroo Kali Wadia
Director