

Ref. : 2009-006

4th February 2009

To : Director and Manager of the Stock Exchange of Thailand

Subject : Submitting the Audited Consolidated Financial Statements for the year ended 31 December 2008 and 2007.

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.1/2009 held on 4th February 2009 at 14.00 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 2008 and 2007 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 2008, the Company and subsidiaries ("the Company") have earned a consolidated net income of Baht 4,938.59 million as compared to net income of Baht 4,156.16 million earned during the year 2007. The main reasons for changes are as follows:

1. The Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the year 2008 has increased by about 18 percent over the Net Vessel Operating Income for the same period of 2007 mainly due to the increase in average earnings per day per Vessel from USD 13,147 in the year 2007 to USD 16,489 in this year as a consequence of the continuation of the long term charters fixed by Company when the markets were at high levels during the latter part of 2007 and the earlier part of 2008. The income has been earned from an average of 44 vessels during the year 2008 as against an average of 45 vessels in the same period of 2007.
2. For the year 2008, the absolute Vessel running expenses are higher by 6 percent as compared to the same period of 2007. The average Vessel operating (running) expenses per day per Vessel are USD 4,804 for the year 2008 as compared to USD 4,005 in the same period of 2007 (including depreciation/amortisation of the Drydocking/Special Survey expenses in both years.) This increase of 20 percent can be attributed mainly due to higher expenses on account of crew wages and drydocking and special survey expenses of the older vessels.

3. The Company recorded gain on sale of 10 ships of Baht 1,558.22 million for the year 2007 and no ships have been sold in this year and therefore, there are no capital gains on sale of vessels in this year.
4. The depreciation for the year 2008 is lower by Baht 739.20 million as compared to the same period of the previous year due to a change made in the estimated residual value of the vessels (from 1st January 2008) by increasing the assumed scrap price to USD 400 per tonne from USD 135 per tonne (residual value is calculated by multiplying scrap steel weight of the vessel (Light Displacement Tonnage) with assumed scrap steel price per tonne). This change in estimate was made in line with prevailing scrap steel prices in the market which had significantly increased from old estimations.
5. Administrative expenses for the year 2008 have increased by Baht 126.81 million as compared to the same period of 2007 mainly due to an increase in Staff Payroll expenses.
6. The Company recorded one time loss on financial instruments of Baht 241.97 million in the year 2007 and there is no such loss in this year.
7. The Company recorded exchange gain of Baht 61.13 million for the year 2008 as against exchange loss of Baht 175.17 million for the same period of 2007. The exchange gain is due to the depreciation of the Thai Baht against the US Dollar, which resulted mainly from the translation of the US Dollar cash balances and other current assets into Thai Baht.

We trust you will find the above in order.

Yours sincerely,

For : Precious Shipping Public Company Limited

(Khalid Moinuddin Hashim)
Managing Director

(Khushroo Kali Wadia)
Director