

Ref. : 2013-003

4 February 2013

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 2012 and 2011.

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.1/2013 held on 4 February 2013 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 2012 and 2011 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 2012, the Company and subsidiaries ("the Company") have earned a consolidated net income of Baht 141.03 million as compared to net income of Baht 718.52 million earned during the year 2011. 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 2012 has increased by Baht 78.17 million over the Net Vessel Operating Income for the year 2011 mainly due to the increase in number of ships operated during the period. The income has been earned from an average of 30 vessels during the year 2012 as against an average of 22 vessels in the year 2011. However, the average earnings per day per Vessel have decreased from USD 11,265 for the year 2011 to USD 8,221 for the year 2012 due to the extremely low freight market conditions this year.
2. For the year 2012, the absolute Vessel running expenses are higher by 44 percent as compared to the year 2011, mainly due to the increase in number of ships operated during the period as explained above. However, the average Vessel operating expenses per day per Vessel (including depreciation/amortisation of Drydocking/Special Survey expenses) have decreased from USD 4,613 for the year 2011 to USD 4,481 for the year 2012.

3. The Company recorded gain on novation of shipbuilding contracts Baht 305.45 million for the year 2012 which represents gain on novation of 2 shipbuilding contracts which, for the year 2011 was about Baht 319.17 and represented gain on novation of 3 shipbuilding contracts.
4. The depreciation for the year 2012 is higher by Baht 263.73 million as compared to the year 2011 due to the increase in the number of vessels.
5. Administrative expenses and Management remuneration for the year 2012 have decreased by Baht 7.86 million and Baht 11.00 million, respectively as compared to the year 2011 mainly due to the lower provision for staff bonus as a consequence of the lower net profit in this year based on which the staff bonus provision is made.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khalid Moinuddin Hashim
Managing Director

Khushroo Kali Wadia
Director