

Ref: 2018-001

6<sup>th</sup> February 2018

**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 2017 and 2016.**

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. 1/2018 held on 6<sup>th</sup> February 2018 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 2017 and 2016, which are submitted herewith.

For the year ended 31 December 2017, Precious Shipping Public Company Limited and its subsidiaries ("the Company") have incurred a consolidated net loss of Baht 129.48 million as compared to the net loss of Baht 2,664.90 million incurred during the year 2016. 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 2017 has increased by about 25 percent over the Net Vessel Operating Income for the year 2016, in spite of the fact that the income was earned from an average of 36 vessels for the year 2017 as against an average of 40 vessels in the same period of the year 2016. This is mainly due to the increase in the average earnings per day per Vessel from USD 6,476 in the year 2016 to USD 9,486 in the year 2017, as a consequence of the sustained market improvement from the severely prolonged weakness in the dry bulk shipping sector in the previous year. The fleet size as on 31 December 2017 was 36 vessels.
2. For the year 2017, the absolute Vessel running expenses are lower by 17 percent as compared to the year 2016, mainly due to the decrease in number of vessels 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) also decreased from USD 4,503 for the year 2016 to USD 4,355 for the year 2017, mainly on account of lower drydocking and special survey expenses as a consequence of the sale of the old vessels in the year 2016.

3. The depreciation for the year 2017 is lower by Baht 196.55 million as compared to the year 2016, due to the decrease in the number of vessels.
4. The Company recorded loss on sale of old vessels and loss on impairment of vessels aggregating Baht 1,246.84 million in the year 2016. No such losses have been recorded in this year. However, the Company recorded gain on sale of vessel and equipment of Baht 32.15 million in the year 2017.
5. The Company recorded interest on unsecured corporate loans and other expenses per Settlement Agreements of Baht 112.51 million as a result of the arbitration award in relation to the dispute with Sanfu shipyard in year 2017.
6. Finance cost for the year 2017 is higher by Baht 50.41 million as compared to the same period of 2016 (excluding a one-time write-off of Baht 182.25 million in 2016), mainly due to the increase in interest expenses on debentures.

Please be informed accordingly.

Yours sincerely,  
Precious Shipping Public Company Limited

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Khalid Moinuddin Hashim  
Managing Director

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Khushroo Kali Wadia  
Director