Precious Shipping Public Company Limited

ANNUAL REPORT 2023

(FORM 56-1 ONE REPORT)

VISION & MISSION STATEMENT

To be the most distinguished Shipping Company in the world, providing an exemplary level of services and solutions to facilitate global trade.

CORE VALUES

Integrity

Sustainability

Tradition

Innovation


วิกานดา นารี
WIKANDA NAREE


ภัทรา นารี
PHATRA NAREE

CONTENTS

BOARD OF DIRECTORS' REPORT

Mr. Chaipatr Srivisarvacha

Chairman of the Board of Director

TO THE SHAREHOLDERS:

The directors are pleased to present the 35th Annual Report of the Company along with the Audited Financial Statements as on 31 December 2023.

4th Quarter 2023/Annual Financial Performance (US Dollar Terms)

The results, audited by EY Office Ltd., show you the latest financial position of Precious Shipping Public Company Limited and its subsidiaries ("the Company"). The earnings per day per ship during Q4 came in at USD 12,429, taking the annual figure to USD 10,907. Please look at the Market Segmentation report that shows you the relative performance of the PSL fleet's earnings per day per ship compared to the Index ships.

In the current quarter, daily operating costs for ships were lower than the target for the year however, the actual costs were higher than the previous year. The costs were USD 5,332 per day per ship, which has brought the annual costs to USD 5,205 per day per ship, as compared to a target of USD 5,400 for the year and actual daily operating expenses of USD 4,895 for the previous year.

The EBITDA for Q4 was USD 20.70 million and USD 63.81 million for the full year. In Q4 we made a net profit of USD 7.03 million, with earnings per share of Baht 0.16. In the year 2023, we made a net profit of USD 20.35 million. The Company's earnings per share for the year were Baht 0.46.

THE HARD FACTS	2023	2022	Q4 2023*	Q4 2022*
Highest earnings per day per ship in USD	26,546	52,816	26,546	36,948
Average earnings per day per ship in USD	10,907	19,924	12,429	14,343
Av. earnings per day per Handy size ship in USD	10,280	17,523	11,414	12,525
Av. earnings per day per Supramax ship in USD	10,638	20,371	12,607	16,162
Av. earnings per day per Ultramax ship in USD	12,856	25,422	14,890	17,066
Av. earnings per day per Supramax/Ultramax ship in USD	11,682	22,748	13,682	16,587
Operating cost per day per ship in USD	5,205	4,895	5,332	4,815
EBITDA in million USD	63.81	180.33	20.70	27.89
Net Profit (Loss) in million USD excluding exchange gain (loss) and non-recurring items	18.97	138.66	9.14	17.16
Net Profit (Loss) in million USD	20.35	138.61	7.03	15.26
Earnings (Loss) Per Share in Thai Baht excluding exchange gain (loss) and non-recurring items	0.42	3.11	0.21	0.40
Earnings (Loss) Per Share in Thai Baht	0.46	3.11	0.16	0.35

**Derived numbers*

Mr. Khalid Moinuddin Hashim

Managing Director

Financial Highlights (Thai Baht Terms) and Review of the Year:

The Company reported a net profit of Baht 709.60 million (2022: Baht 4,850.79 million), with total revenues of Baht 5,192.98 million (2022: Baht 9,146.64 million), in the year under review. The shareholders' equity was Baht 16,245.75 million (2022: Baht 16,462.81 million) and total assets was Baht 24,345.82 million (2022: Baht 24,303.96 million). The total number of vessels operated by the company in 2023 and 2022 was 38.

The Company's vessels achieved an average time charter equivalent rate of USD 10,907 per day per vessel in 2023, lower than the average rate of USD 19,924 per day per vessel in 2022. The net vessel operating income (net of voyage disbursements and bunker consumption) in Thai Baht terms was 44% lower than the previous year. The average vessel running cost per day per vessel increased from USD 4,895 in 2022 to USD 5,205 in 2023, primarily due to higher dry-docking and special survey expenses, and stores/spares expenses. Absolute vessel running expenses in Thai Baht terms, increased by about 6%. The average technical downtime was 8 days per vessel, as 13 vessels underwent dry-docking and special surveys during the year.

We conducted an 'in-house' exercise again this year to determine total return to shareholders, which was calculated for the 30 years that we have been operating as a listed entity. Based on the closing share price of Baht 7.80 per share on 30 January 2024 (our first day of trading on the SET was 16 September 1993) and assuming you had subscribed at the IPO, at the end of 30 years you would have obtained a 15.76% IRR on your initial investment. This return does not assume any re-investment of the dividends into shares or any interest on the dividends received.

To keep things in perspective with regards to PSL, we would like to highlight the annual net profit/loss over the past few years.

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Av. BDI	920	1,206	1,105	719	673	1,145	1,353	1,353	1,066	2,943	1,934	1,378
Net Profit (loss) $m	4.5	17.5	-2.5	-69.41	-75.61	-3.76	14.1	-7.25	-40.8	136.96	138.61	20.35
Av. No. of Ships	30.44	38.93	41.66	45.46	40.29	36.02	36	36	36	36	36.99	38
Net Profit (loss) / Ship $m	0.15	0.45	-0.06	-1.53	-1.88	-0.1	0.39	-0.2	-1.13	3.8	3.75	0.54

During the abysmally low market period of 2015 and 2016, we managed to keep costs under tight control; raised about USD 65 million from our shareholders via a rights offering in early 2015; raised USD 100 million from a 5 year unsecured bond in January 2016; raised USD 55 million from a 3.5 year unsecured bond in December 2016; reduced finance costs by prepaying many of our secured loans coming due in 2018 and 2019; sold our older and inefficient ships to raise further cash (15 ships recycled in 2015 - 2016 and 2 older ships sold in 2016 - 2017 for further trading). In 2018, we fully prepaid one loan facility, thereby releasing 3 vessels from their mortgages. In 2019, we fully prepaid another loan facility and released 2 more vessels from their mortgages. To mitigate the deleterious impact of Covid-19 in 2020, we extended USD 124 million of indebtedness on our two outstanding bonds by 1.5 years, received USD 40.5 million through a settlement agreement with Sainty Shipyard, and received ~USD 26.55 million of gross proceeds through a 12-month advance charter-hire agreement with a customer. In 2021, we redeemed our two outstanding bonds well before the amended maturity dates and raised USD 133.45 million through the signing of three new loan facilities. In 2022, we raised USD 17.10 million through the signing of one new loan facility and prepaid two loan facilities thereby releasing two vessels from their mortgages. Total loan repayments for the year were USD 69.44 million. In 2023, we signed six loan agreements for a total of USD 244.05 million, of which we have drawn USD 105.15 million. We prepaid and repaid loans of USD 67.74 million. As of 31 December 2023, the Company has an undrawn loan balance of USD 138.90 million with availability periods of up to two years to use for our fleet rejuvenation.

Our Fleet: At the end of 2023, our fleet comprised of 38 ships on the water (8 Ultramax, 9 Supramax and 21 Handysize) with an aggregate capacity of 1,657,579 DWT. This works out to an average of 43,621 DWT per ship, with an average age of about 12.0 years.

Annual Benchmarking:

Marine Money, the leading publication in Ship Finance, releases an annual ranking of the world's publicly traded shipping companies. In the 2022 edition of the magazine's rankings, which covered 21 listed dry-bulk companies, PSL achieved the top position for operating profit margin, secured the 6^{th} spot for Return on Equity (ROE), and held the 3^{rd} position for Return on Assets (ROA). Additionally, PSL boasted the 6^{th} lowest debt-to-capitalization ratio and ranked 4^{th} for the debt coverage ratio. In terms of overall financial performance, PSL ranked 12^{th} among 78 shipping companies, and within the dry-bulk sector, PSL ranked 2^{nd} among 21 companies. This remarkable outperformance is a testament to the unwavering commitment and exceptional contributions made by each and every member of our workforce.

Awards and Honors:

- PSL has been included in the Stock Exchange of Thailand's Thailand Sustainability Investment (THSI) list for 2022-2023.
- PSL has been classified as a company with "Excellent" Corporate Governance for 14 consecutive years from 2010 to 2023, by the IOD & National CG Committee.
- PSL earned a full 100 AGM assessment score for six consecutive years from 2018 to 2023, as adjudged by the Thai Investors Association (TIA)
- In 2023, PSL has received the "Best Investor Relations Awards" for Companies with a market capitalization between Baht 10,000 million to Bath 30,000 million at the SET Awards 2023 from SET, Thailand.
- PSL is the highest-ranked global dry-bulk shipping company in the S&P corporate sustainability assessment (CSA) rankings for 2021 and in the top 12 percentile of global listed transportation companies for the year 2022.

Market Segmentation for 2023:

During 2023 the Baltic Handy Size Index (BHSI) averaged 579 points, as derived from an average Time Charter (TC) rate of USD 10,420 per day. In comparison, our Handy size fleet earned USD 10,280 and underperformed the BHSI TC rate by 1.34%. During 2023 the Baltic Supramax Index (BSI) averaged 1,022 points, as derived from an average TC rate of USD 11,240 per day. In comparison, our Supra/Ultra fleet average earnings were USD 11,682 per day and outperformed the BSI TC rate by 3.93%. Our target has been to outperform both the indices.

Long Term versus short term Charters:

The long-term charters, of about 1 year, are shown in the chart below. As can be seen, our forward four-year rolling book is currently at the 20% level with a visible revenue stream of USD 162.0 million.

Year	2024	2025	2026	2027
Total Available Days	13,908	13,870	13,870	13,870
Fixed T/C Days*	5,581	2,051	1,825	1,686
%age Fixed T/C Days	40%	15%	13%	12%
Av. T/C Rate/Day in** USD	14,446	14,648	14,550	14,699
Contract value in million USD	80.62	30.04	26.55	24.78

* This comprises charters on 5 ships on fixed rate charter and 15 ships on variable rate charters

** Average T/C Rate/Day for the variable rate charters is estimated based on rates prevailing in January 2024 for future earnings and actual earnings for past earnings.

It is our intention to continue to charter out our ships on long term period contracts whenever practical and economically viable.

SET Opportunity Day:

Number of online participants attending PSL's live presentation of Q3/2023 results on 8th of November 2023 were on the SET website/YouTube 139 views, 45 on Facebook, for a grand total of 184. We hope that many of you will join our next SET Opportunity Day on 21 February 2024 at 16:15 hours, Thailand time, via electronic means when we will be able to discuss our Q4 results in greater detail.

Update on the Chayanee Naree drug smuggling incident:

Since the last report, the Court hearing took place on 4th December 2023 for oral arguments on our no-case submissions. The Court ruling on these submissions is scheduled for 13th February 2024. The Company continues to work closely with its insurance company and legal counsel to ensure the case is fully resolved as early as possible.

What does the crystal ball predict for 2024?

2023 was a year when things went from bad to worse, with a second hot war starting on 7th October between Hamas and Israel and which continues into the 4th month. In the meanwhile, the first hot war continues to rumble along towards its second anniversary, with sanctions on Russian coal, oil, and gas, with corporates and individuals sanctioned by the USA, UK, and the EU, that are involved in food grains, and fertilizer exports. The EUs dependence on energy supplies from Russia has been broken only to be replaced by a total dependency on the USA. The world, especially the poor, whether living in the developed or developing world, paid the price with food, fuel, and fertilizer inflation leading to an ever-tightening belt, not just around their stomachs, but literally around their throats, choking the very life out of their miserable existence.

2023 was very unkind to regional banks in the USA with a few of them needing a bailout from Uncle Sam. The reason was a sharp mark down in long dated Treasury bonds that these banks held in a sharply spiking interest rate environment. Unrealized losses on such instruments reached more than $680b collectively requiring regulatory intervention and bailouts of these banks. Of course, JP Morgan became the sole winner from this debacle with over $50b in deposits; declared the largest ever banking profit at $49.6b (about 35%+ over 2022) in American history.

With the stop- start- stop-sailing of Maersk's container ships through the Suez Canal post November 2023, freight rates on containers from Asia to the West have gone up very sharply, some reports indicate that they are 4X higher than they were in the past or should be. With Israel warning their attack on Gaza will continue, even if it lasts the whole of 2024, till the last Hamas fighter is killed, container rates are likely to continue to increase and stay stronger for longer. Geopolitics has unintended consequences that leaders either understand and do not care about, or likely that they simply do not 'game' such scenarios into their decision making.

In contrast, the coming year 2024 appears to be eventful with two opposite scenarios, one good and the other bad, playing out.

First, the bad news. Electorates may elect bad leaders during 2024 where 4 billion people will participate in elections slated in more than 50 countries accounting for 50% of world GDP; USA, in the first Republican Presidential contest in Iowa secured a resounding MAGA win meaning Trump will be contesting, and likely, winning the next USA Presidential elections; geopolitics could certainly worsen based on the outcome of these elections; a turn for the worse in the Russia-Ukraine war like a nuclear strike; the second hot war between Israel-Hamas has already spilled into the maritime world increasing ton-mile significantly for those owners that do not want to risk their ships, or who are Israeli or connected to Israel or that have traded with Israel, coming under fire in the Red Sea; a third hot war between Taiwan-China, now that Taiwan has elected a China-hawk; a continued weakening global economy largely from bad policy decisions; a new pandemic taking up scarce tax dollars; cyber-attacks disabling infrastructure pushing the world into recession; a possible collapse of the global financial infrastructure that is still struggling post the 2008 financial crisis; debt related risks, principal or interest payments, in developing or poorer countries creating non-containable economic waves exacerbated by high energy and food prices, hurling the world into recession; developed democracies being undermined by financialized capitalism creating in the have-nots, anger, resentment, and eventually, violent overthrow of establishments; the China-USA rivalry continues with potential leaders in the USA, each singing a worse tune than the other, in what they would do to China; and sub-par world economic growth could lead to more right-wing politicians winning elections promising populist policies that could raise protectionism and tilt the world into a recession.

But things need not wallow in gloom and doom, we could have better news in 2024. If you are involved in shipping, then by default you are an optimist, and hence would lean towards the better news scenario that follows. The world has survived three years of the existing pandemic that is, muted, but still very much around; two full years of the Russia-Ukraine war; four months of the Israel-Hamas conflict; QE taper; and higher interest rates, all in reasonably good shape; we could have a resolution of the Russia-Ukraine war; a ceasefire in the Israel-Hamas conflict followed by peace and rebuilding; no hot war between Taiwan and China; China's stimulus to the property sector takes hold; world trade improves; supply side of new ships remains tight with recycling increasing due to environmental regulations kicking in; the inflation fight is won; interest rates start to decline, as signaled by the Fed; politicians elected are more balanced in their world views without populist election platforms; no debt crisis in developing and poor countries; financial markets grow strongly; US GDP grows at a faster pace than forecast; and the have-nots share some part of the financialized capitalism in the developed economies.

If we look at shipping from 2020 to 2022, when the world was hit by a three-year long global pandemic, the first major European war after more than 7 decades, and resultant disruptions galore, our industry still managed to do very well. Economic turmoil may have peaked in 2022, China exited covid-zero and started living with the virus, steel consumption in China continued with Shipyards, EV cars, infrastructure, and steel exports, replacing the property sector as the big consumers, and the stimulus for 50-whitelisted property corporates should be a shot in the arm for their real estate sector and bring a sharp recovery back to the dry bulk shipping world. This will be aided by the very low 8.33% order book to fleet ratio at the start of 2024, compared to existing 20 year old ships at 8.48% in the fleet; weather delays at sea and in port; congestion in Brazil grain export ports; congestion in Indonesian coal ports; lack of water in the Panama Canal increasing ton-mile demand for ships sailing around the capes; Houthis armed intervention in the Red Sea forcing ships to take the longer route to the West via the cape of good hope adding to ton-mile demand; weather related delays at sea and in ports; and the regulatory pressure from EEXI and CII to slow ships and to increase pressure to recycle ships being felt strongly in 2024. Turmoil and disruptions are, counterintuitively, good for shipping, as we have seen during the pandemic with declared results in 2022 being above or very close to the high reached in 2021. Yes, economic conditions in 2024 may be weaker than in 2023, but this could be overcome if China's property and steel-intensive stimulus takes hold in a non-covid-zero environment. The dry bulk market has had a history of uninterrupted ton-mile growth for the past 3 decades at 2 to 3 times world GDP growth rates. That came to an end by 2010 and we are getting accustomed to a ton-mile growth rate that is between 1 to 2 times world GDP growth rates. Future dry bulk ship supply has been nicely constrained due to crowding-out by other sectors grabbing all available shipyard berth space; shipyards finding it more lucrative to build higher value ships, bulkers are the lowest margin ships to build; transitioning away from internal combustion fossil fuel burning ship engines to ammonia or other fuels of the future, have conspired to deliver a very low forward orderbook to existing ship ratio of just 8.33% at the start of 2024. Regulatory pressure should also help whittle down the existing fleet via recycling and/or slow steaming. Shipping has always proved more resilient than anyone has ever given it credit for, so, on balance, we think we have a lot more to be optimistic about!

To confirm our views, Fearnleys first presentation of 2024 concluded as follows: We are bullish on market prospects for 2024; time charter earnings could average at least 50% higher than in 2023; asset values likely to see a more muted upturn; we believe a downturn will start at some point in 2025, likely towards the end of the year (but too early to conclude).

Factors Affecting the BDI:

There are two sides to the demand-supply equation. When balance is almost perfect, as it presently is, all you need is a small increase in demand or a small increase in supply, and the time charter rates could go up or down sharply. Starting from mid-October, markets have been in a downward mode not because our biggest market, China, has been underperforming. It is mainly because the developed world has not been doing as well as it could have been if it had not been embroiled in two hot wars (Russia-Ukraine and Israel-Hamas), one cold war (USA-China), fastest increase in interest rates to combat inflation by the central bankers in the developed world, except for Japan, pushing their economies into a likely recession, with the EU in a technical recession. These factors have caused uncertainty and have been holding demand back, therefore, even the tightening of the supply side due to the Panama Canal outages and weather delays have not been able to compensate for the drop in demand due to the uncertainty created by the above factors. The 30-year mortgage rate for new homes in the USA is a prime example standing at almost 8% killing demand from first time home buyers. Such factors reduce demand for goods needed to build those new homes that consist of cement, steel, and wood. Seasonality can only play its part when large economies in the developed world are functioning smoothly. That has not been the case for the last 12 to 18 months. These are the reasons that have been holding back demand to such an extent that markets are where they are, with most owners making a loss or a very slim profit up to and including Q3. As the USA got out of the hard/soft/no-landing economic debate and got its economy to work, as it did in Q3, time charter rates got better very quickly. Asset values are rising towards 2008 levels i.e., almost the highest they have ever been for new-build ships. The reason is shipyard capacity has shrunk by 35-40% from the peak reached in 2010/2011, with every segment of shipping booming at the same time except for dry bulk, even tankers have joined the maritime party, leading to an over ordering of ships in each respective sector, and crowding out the dry bulk owners from committing the same mistake as all the other segments have done so far or are currently doing. Besides, from a shipyard's perspective, dry bulk is the category that makes them either the smallest profit in boom times or the maximum loss in bad times, so it is the least preferred category of ships that they want to build. That is why the forward order book to current fleet ratio in dry bulk stands at 8.33% compared to the existing 20 years olds in the fleet that are at 8.48% at the start of 2024. Presently a 5-year-old ship is less expensive, on a straight-line depreciated basis, based on prevailing new build prices, but is still at the high end of historical averages. Therefore, it does not make sense to buy ships at the end of Q4 as asset values are sky high, but earnings are closer to the ground. This aberration means that either earnings must rise sharply, or asset values must fall to a level where both these factors are at parity. Such aberrations are generally short lived, but right now are favoring a rise in daily rates. And, oh boy, have rates risen. Look at the Cape size rates for maximum effect. During 2023, from a low level of USD 2,246 per day on 17 February 2023, rates skyrocketed to USD 54,584 at the high on 4 December 2023! This is what explains 'when balance is almost perfect' between demand-supply, then you have such sharp, volatile movements in time charter rates, either up or down, when very small movements in reduction of supply or increase in demand tend to have a disproportionate impact on time charter rates.

BIMCO has come out with their annual gloomy forecast for 2024/2025 and said the following on the demand side: "Global GDP could grow by 2.9% in 2024 and by 3.2% in 2025, below the 3.7% average annual growth rate between 2010 and 2019; Iron ore shipments are estimated to grow 3.0% from 2023 to 2025, supported by growth in global steel demand; Coal shipments could be 4.0% lower in 2025 than in 2023; Demand in advanced economies may continue to fall and mining in India and China could limit import demand growth; In 2024, maize shipments are expected to increase and in 2025 wheat volumes could recover; Between 2023 and 2025, grain shipments may increase by 5.1%." On the supply side they said: "The current orderbook stands at 8.1% of the dry bulk fleet. The supramax segment could grow the fastest, while the capesize orderbook remains small; Amid low fleet growth and a stable market, we estimate that only 15.5 MDWT may be recycled during 2024-2025; Climate regulations could cause sailing speed to fall 1-2% from 2023 to 2025. A tighter market in 2025 could keep sailing speeds from falling significantly." And their conclusion was: "Supply is forecast to grow 1-2% in both 2024 and 2025. Fleet growth will slow down during this period; Demand is forecast to grow 1-2% in 2024 and 1.5-2.5% in 2025. Improved economic conditions are expected to strengthen demand in 2025. The supply-demand balance should remain stable in 2024 and tighten slightly in 2025. As such, freight rates may remain around 2023 levels in 2024 and could improve in 2025."

Research reports that come across our desk seem concerned about economic headwinds in the ROW's economy, barring China and India, but are calmed by the low orderbook to fleet ratio in dry bulk; worried that the collapse of the Container sector could result in ever more cargoes moving into boxes but are calmed by fleet inefficiencies (Red Sea no-go area for container ships) releasing more cargoes from containers to dry bulk, that have helped Q4 rates to become ever more volatile than they have been thus far. Typical for dry bulk when demand-supply is in balance that volatility raises its head, reacting disproportionately to every little change in supply and/or demand.

The geopolitically driven Israel-Hamas conflict has impacted commercial shipping with the capture of Israeli owned Ray Shipping's car carrier 'Galaxy Leader' by Houthi forces on 19 November 2023, that is presently at Hodeidah port. There are 25 innocent crew members onboard the Galaxy Leader, none of them Israeli (Ukrainians, Bulgarians, Filipinos and Mexicans.) Next was a kamikaze drone attack on the container carrier CMA CGM Symi owned by Israelis where the ship suffered physical damage but fortunately none of the crew were injured. This was followed by the boarding, and subsequent release via intervention of US naval forces, of the 'Central Park' chemical tanker owned by Israelis, by Somali pirates. The Houthis have now widened their targets to any ships that have called at Israel, as a result, almost all Container lines have re-routed their ships away from the Res Sea adding a lot of extra sea days to journeys from Asia to the West and back. The same goes for all Israeli owned and or controlled ships; or ships that have called Israel; their insurance premiums for the Red Sea have skyrocketed; and the risk to their assets is very real. Bloomberg states, 'US efforts to counter Yemen's Houthi rebels as they attack ships in the Red Sea hit a roadblock because of disagreements among Washington's Arab allies.' Almost a month after the taking of the Galaxy Leader, on 14 December, the 'Ruen', a 40K DWT bulk carrier owned by Navibulgar, was boarded, captured, and sailed towards Somalia. The Somali pirates have got into the act, using the confusion created by the Houthis, and have taken advantage of it. Right now (week ending 24 Dec), most container lines have either stopped their ships outside the entrance to the Red Sea waiting for clarity or have sailed them around the Cape of Good Hope, to keep safe their ships, staff, cargoes, and deliver them to their customers with the least possible delays. This armada of diverted ships will need to refuel at South Africa, putting pressure on fuel oil supplies there. This will have, you have guessed it, a positive impact on, ton-mile demand. As we keep repeating, disruptions are good for shipping. The question really is, how long will this disruption last? If it lasts for any length of time, and wars as we have always seen seem to have a mind and a lifespan of their own volition, and not what we estimate it to be, it will have lasting repercussions. Clarksons data shows a 43% reduction in overall tonnage volumes arriving at the mouth of the Red Sea (during 18-21 Dec vs FH Dec), increasing to an 82% reduction in containerships.

We were interviewed on 12 January 2024 on Bloomberg around 10.15 hours Bangkok time, on the Red Sea situation. It is a short video, but it tells you what you need to know about what is happening there. When we spoke with Bloomberg, we had one of our ships transiting the 'High Risk Area' (HRA), and mercifully she came through unscathed. During the short interview we did not have time to explain why we were transiting the HRA, so let us explain it here. The client who had time chartered our ship has known us for over 2 decades, and we enjoy a good, friendly, and warm relationship with them. In that spirit, we approached them to reroute the ship via the COGH and offered to share the 'extra costs' on an equal basis with owners, our clients, and the cargo interests. Our clients checked with their cargo counterparts who apparently refused to share in the costs for ensuring the safety of the seafarers, their cargo, and our ship by taking the longer route around. The real issue is with the way the law operates in such circumstances. If there is 'war insurance cover' available, if other ships are transiting the HRA, and if you, your ship, your crew, have no connection with Israel, none of your ships have called Israel, and you have no connection with either the US or the UK, then in the eyes of the law, you have to follow the orders of your client. This is what is called 'individual ship risk assessment' and you must base your decisions on the same. If you do not, and take the longer route around, you will not only be liable for the entire extra costs for taking the longer route but also for any damage that our client, or the cargo interests may have suffered due to our 'unlawful' decision. All the legal experts that we consulted were uniformly of this view, and hence our reluctant agreement to follow our clients' 'lawful' orders. On all our long-term charters we have agreed with our clients NOT to pass through the HRA till the situation does not become risk free. Any new charters that we enter, all have an agreement for owners to decide which route we could take i.e., via COGH or via the HRA.

Low water (lowest in 73 years!) in the Panama Canal caused by climate change has had a significant impact on freight markets. At this time of the year (Q4), the Very Large Gas Carriers would have been getting a time charter rate of $40,000, instead rates are up at $140,000, all because it makes little sense for ships to wait at the Panama Canal but take the longer route via the Cape considerably increasing ton-mile demand. The alternative would be to purchase an expensive 'early' transit slot that was last auctioned at $4.0m! Freight markets, in almost every shipping sector, are very finely balanced, hence any small change in factors affecting supply or demand have disproportionate impacts on time charter rates. Volatility is going to be extreme and is here to stay, so, better get used to it.

If you were to combine the disruptions from the Panama Canal and from the Red Sea/Suez Canal, then you are talking of raising ton-mile demand by about 8%. When the note was written, it did look like the skirmish between Israel-Hamas would be relatively short lived, but here we are, after the 4th month with Israel stating that it could be the end of 2024 before they declare success and stop spilling any more blood. Shipping may need to hunker down for the long term with disruption of the Suez Canal transit increasing ton-mile demand significantly for the geared sectors in dry bulk.

Clarksons recently reported, 'Ton-mile trade statistics, which consider both the volume of trade moved and the distance involved, provide a better indicator of vessel demand than trade in tons alone, and 2023 proved an excellent example of this. In 2023, world seaborne trade saw a return to growth, having stalled in 2022, with volumes in tons expanding by 3.0% (to 12.4 BMT). However, with trade pattern shifts becoming established following the onset of the conflict in Ukraine the previous year, particularly in the energy shipping sectors, ton-mile trade registered an estimated increase of 5.0% (to a total of 62.3 trillion ton-miles), providing a pronounced "distance kicker". Ton-mile trade growth in 2023 was just behind 2017's 5.2% but otherwise the fastest rate since 2011. For dry bulk, iron ore 418bn (including firm Brazilian export growth), coal 385bn (including shifting Russian trade flows), whilst minor bulk saw 507bn ton-miles added (gains in long-haul bauxite trade from Guinea to China). The average haul of total global seaborne trade increased from 4,943 to 5,036 ton-miles, the third largest annual increase this century and >6x times the average. Though major shifts in trade patterns are not often repeated, the growing complexity of seaborne trade (including geopolitics) is an increasingly important trend for shipping. Today, disruption in the Red Sea region is affecting trade distances, as vessels are rerouted: we estimate a current +2.4% impact on total ton-miles. Trade distance and ton-miles are once again an important factor in 2024, in another example of shipping managing disruption.'

The other hot war, between Russia-Ukraine, continues to disrupt trade flows from the Black Sea, Russian Fareast, and the Baltic, impacting energy (coal, oil, oil products), food (grains, oil seeds), fertilizers, iron ore and metals. All these commodities must be shipped, if not from Russia-Ukraine, then from other countries, generally adding many more ton-miles to demand. Shipping thrives on disruptions as disruptions, almost always, add to ton-mile demand.

India is spending $100b on infrastructure development in the aviation sector by building airports, literally, everywhere on the subcontinent. This is good news for dry bulk which will carry cargoes linked to building materials for the infrastructure development in India.

India will add 17 Gigawatts of coal fired power plants in the next 16 months. Coal accounts for 73% of power generation in India. The demand for coal imports in India should remain steady or continue to grow from 2023's record imports.

Howe Robinson recently reported 'India's dry bulk imports rose to 359 MMT last year (+29 MMT y-o-y) and have risen consistently in the past 10 years except during the Covid impacted years of 2020-21. India's coal imports rose to a record 244.4 MMT in 2023 (+17 MMT y-oy). India's burgeoning minor bulk imports provided the greatest impetus for the country's dry bulk trade, totaling a combined 94 MMT (+10.6 MMT y-o-y), a new record. India's growth in imports has favored sub-Capesize segments; imports on Kamsarmax's and Ultramax's both rose to records at 84.7 MMT (+14 MMT y-o-y) and 46.1 MMT (+12 MMT y-o-y), respectively. India's rapid economic growth (IMF forecasting an average 6.3% GDP growth per year until 2030) and rising population will lead to a continued growth in imports particularly in minor bulk.' Please bear in mind that our ships carry minor bulks on most of our voyages.

Reuters stated 'Global factories had a weak finish to the year, with euro zone activity contracting for an 18th straight month in December and Asia's manufacturing powerhouses taking a hit due to China's patchy economic recovery.'

China exported 4.91 million EVs in 2023 making them, probably, the largest EV exporter in the world. Japan, the former number one EV exporter, is forecasting 4.3 million EV exports in 2023. EV manufacturing is one of four areas that has helped absorb a lot of surplus steel, with infrastructure, shipyards, and exports of steel out of China, being the other three.

China has, apparently, stepped up bank loans to 50-whitelisted real estate developers. Dry bulk should benefit with rates rising proportionately to the funding relief offered to these developers.

China said it will cut RRR by 0.5% releasing $139b into the market while hinting at more support measures to come.

The Northeast of China simply cannot catch a break. First came extremely high summer temperatures, followed by heavy rains flooding already planted crops, now a cold snap in the week starting 6 November and continuing in December, is disrupting the harvesting of grains already hammered by extreme heat and floods. China, aiming for food security, will continue to buy more grains in Q4 2023, and in 2024.

As if to confirm the above, there was an article in Bloomberg that confirmed imports of 314,000 tons of Barley into China in October from Australia. The article also confirmed that China had stepped up barley purchases from Kazakhstan and Russia to diversify suppliers.

The IMF recently upped Chinese GDP by 8% from 5.0% to 5.4% for 2023. The IMF pegged China's 2024 GDP growth at 4.6%. The Chinese government however has repeatedly stated that GDP growth rates would be about 5% per annum for 2023 to 2025. China is the largest importer/exporter of bulk cargoes in the world.

An article from Reuters states: 'The death toll from coal mining accidents in China's top coal producing region has surged to 100 people so far this year, according to a notice issued by China's cabinet on Monday that said safety checks would be ramped up. The figure represents a more than 53% increase on the 65 people killed in 54 coal mining accidents in Shanxi province in 2022, according to data from the China Coal Industry Association, as miners raise output. Miners have pledged to ramp up production this year to ensure adequate coal supply, amid a concerted push for greater domestic energy security.' This would mean more coal imports are needed by the number one consumer of coal in the world.

Fortune's CEO Newsletter stated, 'The US GDP grew at a stunning 5.2% in Q3. Inflation slowed to 3% in November, barely above the Fed's 2% target. The powerful combination of new technology and government investment may keep that going for some time to come.' Demand for dry bulk should stay strong based on the performance of the US economy.

To reconfirm that the USA economic bandwagon was on a roll, Bloomberg reported, 'The US economy continued its seemingly unstoppable ascent out of the pandemic recession and its inflationary aftermath, further burying wrong calls of recession by posting fourth-quarter growth numbers that crushed forecasts. Cooling inflation has fueled consumer spending amid continued, near-record low unemployment and rising wages. The economy's main growth engine, personal spending, rose at a 2.8% rate while business investment and housing also helped fuel the larger-than-expected advance.' USA GDP came in at 2.5% in Q4, much higher than expectations.

Bloomberg stated, 'The US Fed left interest rates unchanged on 13 Dec, it also filled investors with joy by saying it foresees lowering rates by 75 bps in 2024.'

Consumer spending makes up about 70% of US GDP, and the American consumer shows no signs of fatigue as online Black Friday sales were up 7.5% compared to 2022. It appears that the Fed rate increases have done the trick, with inflation in check, and the economy heading for a soft landing, with the Fed's dot plot showing a 75 bps fall in interest rates during 2024.

Bloomberg reports, 'Not only is the US consumer in "very good shape," but spending is up 4%-5% from a year ago, according to BofA's Brian Moynihan.'

An article in Fortune shows that the EU economy fared reasonably well when the prevailing EU-USD exchange rate is applied to respective years. The EU economy in 2024 may fare better than expected based on its ability to survive the Russian cheap energy cutoff, the EU central bank interest rate hike ending, and their labor markets remaining very strong. If the EU joins the growth-in-GDP party, then dry bulk will be firing on all cylinders in 2024.

Iron ore imports into China from Australia increased by +1.2% y-o-y to 737.8 MMT. Imports from Brazil increased by +9.7% y-o-y to 248.9 MMT (according to Drewry). Longer ton-mile increased over shorter ton-mile positively impacting the capesize sector.

The BDI started 2023 at 1,250 and finished 68% higher at 2,094 points. It peaked at 3,346 on 4 December 2023 and troughed at 530 on 16 February 2023, a 531% spread between high and low. Capes started 2023 at $13,561 on 3 January 2023, hit a peak of $54,584 on 4 December 2023, a trough of $2,246 on 17 February 2023, and closed the year at $28,177 on 22 December 2023, with an average of $16,389 up 1% y-o-y. Capes spend 74% of their time on iron ore and 19% of their time on coal. When you have that much of concentration risk on the type of cargoes carried and with a single dominant customer, China, accounting for over 60% of all iron ore imports, you are setting yourself up for volatility. Panamaxes started 2023 at $12,944, hit a peak of $21,966 on 4 December 2023, a trough of $7,277 on 20 February 2023, and closed the year at $17,183, with an average of $12,854 down 38% y-o-y. Supras started 2023 at $10,646, hit a peak of $17,213 on 5 December 2023, a trough of $6,874 on 13 February 2023, and closed the year at $15,063, with an average of $11,240 down 49% y-o-y. Handies started 2023 at $11,051, hit a peak of $16,340 on 15 December 2023, a trough of $7,007 on 7 August 2023, and closed the year at $15,813, with an average of $10,420 down 51% y-o-y. The smaller sizes with real diversification in terms of cargoes carried and ports visited have had a less spectacular though, more stable ride, on the roller coaster of the current dry bulk freight market. Ton-mile demand growth, estimated by Clarksons at 5.08% (Clarksons World Seaborne Trade Timeseries as on 31 December 2023), during 2023 was higher than net supply growth of +2.9% (Clarksons December 2023 DBTO). PSL's result for 2023 was positive every quarter, ending the year with a total net profit of $20.35m. 2023 was a story of a gradual pickup in demand side colliding with a marginal increase in supply with decreased fleet inefficiencies releasing more ships into the market, despite a reduction in the world fleet's speed by 0.2 knots (Clarksons Speed Timeseries as on 31 December 2023). The first 3 quarters of the year things were poor, but Q4 was impacted by this confluence of events. Rates ended 2023 on a high note thanks to the two-canal issues, with bad weather creating inefficiencies at sea and in port, further squeezing the supply side. This reaffirms that demand-supply is in balance and freight markets will be characterized by extreme volatility and sharp rate movements in both directions as we have seen in 2021, 2022, and 2023 with the slightest change in demand and/or supply. The order book to fleet ratio at just 8.33% holds out hope for a better year ahead.

In 2024, according to Clarksons December 2023 DBTO, ton-mile demand is expected to grow by 1.5% while net increase in supply is expected to grow by 2.3%. We hope that with the stimulus applied to the Chinese economy, ton-mile demand growth will increase during 2024. Regulatory changes implemented by IMO at the start of 2023 via EEXI and CII should continue to slow down the world fleet in 2024, induce more scrapping, and thereby reduce net effective supply. Between these two factors (growing demand and shrinking supply), the gap between demand and supply will narrow in favor of the ship owners and we could possibly see 2024 as a similar, though stronger year, than 2023.

Reconstruction needed in Gaza and Ukraine, once the war ends, will be great news for dry bulk. Olaf Scholz had indicated a spend equal to the Marshall Plan would be needed to reconstruct Ukraine at the end of the 1st year of that war of attrition, and we are approaching its second anniversary shortly.

The incentives to build new ships will remain low with greater value in the secondhand market.

Coal imports in Southeast Asia are expected to almost double over the next 6 years, once again giving credence to the famous quip by Mark Twain, duly paraphrased, that the rumors of the demise of King Coal have, therefore, been greatly exaggerated.

India's rice exports fell by 17.5% from a year ago to 16.7 MMT in 11 months of 2023.

India's coal import increased by 1.6% to 212.8 MMT in 11 months of 2023.

China imported 101.8 MMT of Soybean up 11.7% in 2023 compared to 2022.

China imported 27.1 MMT of corn up 31.6% in 2023 compared to 2022.

China imported 12.1 MMT of wheat up 21.5% in 2023 compared to 2022.

China imported 1,180.6 MMT of iron ore up 6.6% in 2023 compared to 2022.

China imported 474.5 MMT of coal up 61.8% in 2023 compared to 2022.

China produced 1,017.5 MMT of Steel up 0.5% in 2023 compared to 2022.

China exported 91.1 MMT of Steel up 35.1% in 2023 compared to 2022.

China's average PMI index was 49.9 during 2023.

China's GDP growth was 5.2% during 2023.

Containerships ordered in 2023 at 1.6 M-TEU took the total orderbook to 6.9 M-TEU at the start of 2024. The orderbook to fleet ratio for Containerships at the start of 2024 is 25% compared to start of 2023 figure at 28%. (Clarksons January 2024 CIM).

The SCFI crashed during 2023, falling 82% from $4,846 to $882 per TEU on China-North Europe and down 71% from $5,282 to $1,543 per TEU on China-Med. The SCFI for Transpacific was down 72% from $5,656 to $1,607 per FEU on China-USWC and was 70% lower from $8,514 to $2,529 per FEU on China-USEC.

The current orderbook to fleet ratio, at the start of 2024, for the dry-bulk sector is 8.33%. Ships 20 years or older, comprising 84.54 MDWT or 8.48% of the existing fleet at the start of 2024 would be ideal candidates for recycling due to the pressure from the EEXI/CII rules that started in 2023.

Recycling of dry-bulk vessels has gone up from 4.76 MDWT in 2022 to 5.37 MDWT (+12.8%) in 2023.

PSL's exposure to the smaller geared segments means that it will be exposed to growth in net supply of 3.2% in 2024, according to Clarksons December 2023 DBTO.

Clarksons expectations for 2024 and 2025 is that ton-mile demand will be 1.5% in each of these years while net supply growth will be 2.3% and 1.1%, respectively (Clarksons December 2023 DBTO).

Market prospects at the start of 2024 can be inferred by comparing the forward orderbook of 83.01 MDWT or 8.33% with the existing 20+ year fleet of 84.54 MDWT, and as a percentage (8.48%) of the existing fleet.

PSL's estimate of growth in supply by end of 2024 and 2025 of 2.45% and 1.78% (996.58 MDWT to 1,021.02 MDWT by end 2024 and then to 1,039.20 MDWT by end 2025), conservatively assumes recycling of just 10 MDWT/year and slippage of just 5% per year in 2024 and 2025.

Key Supply Side Developments:

We started 2023 with 966.03 MDWT and have increased to 996.58 MDWT (+3.16%) at the start of 2024. If we were to apply slippage of 5% (it was 1.38% for 2023) to the scheduled deliveries in 2024 and 2025 and assume scrapping reaches 10 MDWT (it was actually 5.37 MDWT during 2023) we would be left with a net fleet growth of 2.45% (996.58 MDWT to 1,021.02 MDWT of which 352.36 MDWT to 365.35 MDWT for the geared sector, 644.22 MDWT to 655.67 MDWT for the gearless sector) by end of 2024 and 1.78% by end of 2025 (1,021.02 MDWT to 1,039.20 MDWT of which 365.35 MDWT to 374.09 MDWT for the geared sector, 655.67 MDWT to 665.12 MDWT for the gearless sector.) Ballasting ships, slowing speeds in 2024 especially due to EEXI/CII regulations, will further assist in supply side tightening.

Differences in 2003-2009, 2010-2020, 2021, 2022, 2023 and the future:

Differences in 2003-2009, 2010-2020, 2021, 2022, 2023 and the future

Daily average Time Charter rate	2003 – 2009	2010 – 2020	2021-2022	2023	1M 2024
Capesize	67,101*	14,924***	24,807**	16,389**	20,798**
Panamax	32,793*	10,965***	23,836**	12,854**	14,309**
Supramax	28,013^^	10,765***	24,475**	11,240**	12,211**
Handysize	18,753^^	8,789***	23,533**	10,420**	11,445**
Annual Average Demand Billion Ton-miles	+5.4%	+4.3%	+0.95%	5.08%	1.49%
Average Speed (knots)	13.5^^^	11.5^^^	11.3	11.0	10.9
Chinese Stimulus	China enters WTO 2001	$ 578 bn (2009)	$667 bn (2021) $2.3 trillion (2022)^	$1.8 trillion^	$417 bn^
Orderbook/Fleet Ratio per Year (start of each year)	+36.02%	+26.23%	+6.96%	+7.16%	+8.33%
Annual Average % of 20-year-old (start of each year)	+18.38%	+11.27%	+6.76%	+8.07%	+8.48%
Annual Average Net Supply Growth	+6.8%	+6.4%	+3.3%	+2.9% (WFR +3.16%)	+2.3%

2022 & The Future

At the start of 2022, for the first time this century, the 20+ year old fleet was larger than the forward order book, and at the start of Jan 2024 it was still 8.48% versus 8.33%, respectively.

*Note: *BCI 172K (4TC), BPI 74K (4TC), BSI 52K (6TC), BHSI 28K (6TC).*
***BCI 180K (5TC), BPI 82K (5TC), BSI 58K (10TC), BHSI 38K (7TC)*
****Combine of above two classification*
^Bloomberg calculated Chinese stimulus at $ 5.3 trillion in 2022!, Bloomberg reported $1.8 trillion of construction stimulus in Apr 2023, CNBC reported a plan of 2 trillion Yuan stimulus package
^^1 Yr. TC 32K, 1 Yr. TC 52K used for years where there was no BHSI (2003-2006) or no BSI (2003-2005).
^^^Average speed in 2008-2009 and average speed in 2012-2020

Source: Clarksons Index Timeseries as on 30 Jan 2024, Clarksons Speed Timeseries as on 28 Jan 2024 and Clarksons World Fleet Register as on 31 Dec 2023 Supply Growth from Clarksons Dec 2023 DBTO and World Fleet Register as on 31 Dec 2023

If you look at the time charter rates for the period 2003-2009 it was the highest for the Capes compared to the other three periods. For the Panamax and Supras, during 2003-2009, rates were almost 3X higher than in the 2010-2020 period, almost equal to rates in 2021-2022. For the Handy size, 2021-2022 were almost 3X higher than in 2010-2020 and almost 1.5X higher than in 2003-2009. However, demand growth rate in ton-miles in the four periods declined from the 2003-2009 period of 5.4% to 4.3% (2010-2020), and to 0.95% (2021-2022), and yet PSL produced better results in 2022 than in 2021! What was different, of course, was the average orderbook to fleet ratio being highest in 2003-2009 dropping by 27% in 2010-2020, and by 81% in 2021-2022. The other significant difference was that orderbook to fleet ratio was 2X the 20-year-old fleet in 2003-2009, 2.3X in 2010-2020 and just 1X in 2021-2022, 0.9X in 2023 with a similar figure at the start of 2024 of 1.0X. Average speed dropped from 13.5K in 2003-2009 by 18.5% to 11.0K in 2023, further helping to tighten the net effective supply of ships. All this indicates weak supply growth in the future and indicates markets could be stronger for longer.

BDI started out in 2023 at 1,250 on 3 January 2023, troughed at 530 on 16 February 2023, reached a peak of 3,346 on 4 December 2023, and then has fallen very gradually till the end of the year. Why did rates drop in this fashion, then spike upwards, and then fall very gradually towards the year end? Demand-supply for dry bulk at the start of 2021 was almost in perfect balance, and as ton-mile demand estimated by Clarksons during 2021 grew at 3.44% (Clarksons World Seaborne Trade Timeseries as on 31 December 2023) compared to net fleet growth at 3.6% (Clarksons December 2023 DBTO), rates skyrocketed during 2021 due to inefficiencies reducing the effective net fleet! But during 2022 China decided to reign in their out-of-control real estate sector by letting Evergrande and its brethren collapse, imposed strict anti-pollution controls on coal fired power plants post COP26, curtailed steel production, and insisted on blue skies during the winter Olympics, ton-mile demand of necessity, took a hit and dropped to -1.53% according to Clarksons (World Seaborne Trade Timeseries as on 31 December 2023), colliding with a net supply increase of +2.9% as per Clarksons (December 2023 DBTO), with a decrease in fleet inefficiencies releasing even more ships into the market, despite a reduction in the world fleet's speed by 0.2 knots (Clarksons Speed Timeseries as on 31 December 2023). Consequently, rates in 2022 dropped in Q4 2022 for the opposite reasons that they skyrocketed to a peak in Q4 2021. The central bankers of the ROW tapering QE and hiking interest rates from March 2022 to combat inflation, did not help the demand side during 2022. With demand-supply coming into balance in 2021 rates skyrocketed. But the time charter rates fell during 2022 due to slowing down of demand in China (for the reasons already mentioned) and demand in the ROW slowing down due to central banks raising interest rates sharply to fight inflation. Consequently, a lot of the fleet inefficiencies that was present in 2021, and had helped rates skyrocket, started to unwind during 2022 releasing more ships into a demand challenged market growing at -1.25% making rates fall in Q4 2022 and into Q1 2023. Rates continued to slow down during Q2 and Q3 but spiked upwards in Q4 2023 as fleet inefficiencies came back into play due to bad weather at sea and in ports, Panama Canal halving their transits due to a lack of water, the Suez Canal being impacted by the Houthis pushing for a ceasefire and aid flow into Gaza by shooting at Israeli owned and/or controlled ships that tried to transit the Red Sea, and supply of Brazilian iron ore increasing due to drier weather. Drier weather in the Mississippi and in the Amazon made barges bring smaller lots of grain to export points resulting in congestion at New Orleans, USA and Southern Brazilian grain exporting ports. This extreme volatility, within each year, due to minor changes in demand-supply, will be the name of the game for the dry bulk freight markets in 2024 and beyond!

The geared sector, Supras and Handy sizes, had lower volatility in rates compared to the gearless sector, Capes and Panamaxes, due to the reasons expressed here but also because they had a slower net growth rate in DWT in supply of ships in 2021-2022 combined at 18.88 MDWT (geared ships), versus 40.16 MDWT (gearless ships).

China still needs affordable housing in a big way but not the type of luxury houses being built by Evergrande and their compatriots in which everyone invests, makes paper profits, but no one lives in them. By letting the big real estate developers suffer, China tried to control this sector and push them to focus on affordable housing that the common man needs, would love to own, and live in, via policy means like the lowered reserve requirement ratio for banks, the interest rate cuts, and lowered mortgage lending benchmark interest rates. It may take some more time, but if the real estate developers start building affordable housing in a big way, it will likely push up steel requirements to the levels prior to the Evergrande debacle. That would be a big win for the dry bulk sector especially now that China has four other large commercial buyers and users of steel i.e., infrastructure, steel exports, shipyards, and EV manufacturers.

As can be seen, all the reasons for the slowdown starting in Q4 2022 and ending in Q3, before spiking up in Q4 2023 are due to China moving from covid-zero to living with covid at start of 2023 (dry bulk is very dependent on China), or in the ROW (Fed Reserve and other Central Banks raising interest rates very sharply during 2022 and parts of 2023 to combat inflation and promising to hold it higher for longer). These decisions have curtailed demand, but are being reversed with China trying to step on the gas by allowing 50-whitelisted real estate developers allowed to borrow from banks; the US Fed confirming a 75 bps interest rate drop in 2024 in their forward dot plot; Climate change continuing to create more inefficiencies in the world fleet with bad weather; the two Canals pushing ships to take the longer routes around adding to ton-mile demand; will allow demand to flourish once again, and we could have a better year in 2024 than we did in 2023.

The Industry Outlook:

A truncated supply of new ships is expected for the next few years. The fleet stood at 966.03 MDWT at the start of 2023 and by the end of the year had grown to 996.58 MDWT. During the year, 5.37 MDWT was recycled, and 35.92 MDWT was delivered, thus making net fleet growth of 3.16%. The existing orderbook stood at 83.01 MDWT (deliveries up to end of 2026), or 8.33% of the world fleet at the start of 2024. Specifically, in the geared segment, net fleet growth was 3.41% in 2023 in the Handy/Supra/Ultra segment and the existing orderbook for the geared fleet stood at 33.95 MDWT (deliveries up to end of 2026), or 9.63% of the geared world fleet at the start of 2024. This historically low forward order book will help reduce the pressure from the Supply side of the equation.

While the supply side looks appealing on the surface, it does not factor in regulatory impacts or the current age profile of the fleet. At the start of 2024, 8.48% (84.54 MDWT) of the world dry bulk fleet (12.32% or 43.41 MDWT of the geared dry bulk fleet) was over the age of 20, and 14.24% (153.75 MDWT) of the world dry bulk fleet will be over 20 (18.17% or 64.01 MDWT of the geared dry bulk fleet) by the end of 2026 if none of these ships have been recycled by then. The first conclusion to draw from this is that the current orderbook is, at best, replacement capacity and will not increase capacity. Secondly, vessels over the age of 20 were designed, built, and delivered at a time when the average price of oil was $19.7/barrel with a low of $10/barrel during the peak of the Asian Crisis during 1998/2000, hence were designed for power and not for fuel economy. Ships that are 20 years or older will find it difficult to compete against younger more fuel-efficient vessels. It is our opinion that going into 2024, recycling should pick up, and new orders should slow as new regulations like EEXI, and CII come into full effect from 1st January 2024 onwards. Ships 20 years or older, comprising 84.54 MDWT or 8.48% of the existing fleet (43.41 MDWT of geared ships or 12.32% and 41.12 MDWT of the gearless fleet or 6.38%) at the start of 2024 would be ideal candidates for recycling as they would have to invest in expensive special surveys, and face regulatory-led recycling in 2024 due to EEXI, and CII.

The Cape sector (90,000+ DWT: 2,327 ships of 425.06 MDWT at the start of 2024): 103 ships of 21.01 MDWT or 4.94% of the existing DWT are scheduled for delivery up to end of 2026. In this sector, 238 ships of 40.58 MDWT or 9.55% will be over 20 years of age by end of 2026 and some or all of them are likely to be recycled during 2024 to 2026.

The Panamax sector (70,000 – 90,000 DWT: 2,746 ships of 219.16 MDWT at the start of 2024): 341 ships of 28.05 MDWT or 12.80% of the existing DWT are scheduled for delivery up to end of 2026. In this sector, 646 ships of 49.16 MDWT or 22.43% will be over 20 years of age by end of 2026 and some or all of them are likely to be recycled during 2024 to 2026.

The Supra/Ultramax sector (40,000 – 70,000 DWT: 4,154 ships of 234.16 MDWT at the start of 2024): 526 ships of 29.21 MDWT or 12.48% of the existing DWT are scheduled for delivery up to end of 2026. In this sector, 781 ships of 39.93 MDWT or 17.05% will be over 20 years of age by end of 2026 and some or all of them are likely to be recycled during 2024 to 2026.

The Handysize sector (10,000 – 40,000 DWT: 4,439 ships of 118.20 MDWT at the start of 2024): 176 ships of 4.73 MDWT or 4.00% of the existing DWT are scheduled for delivery up to end of 2026. In this sector, 1,003 ships of 24.08 MDWT or 20.37% will be over 20 years of age by end of 2026 and some or all of them are likely to be recycled during 2024 to 2026.

When reading the above numbers please keep in mind that Slippage was 1.38% and recycling accounted for 5.37 MDWT in 2023. Slippage has averaged 2.10% over the last 5 years (2019 to 2023) and recycling accounted for 7.55 MDWT annually over the last 5 years (2019 to 2023). Both slippage and recycling fluctuate inversely with the BDI and availability of finance.

On a net basis, the global fleet increased by 3.16% in 2023 (according to Clarksons World Fleet Register as on 31 December 2023). According to Clarksons, the fleet is forecast to grow at 2.3% while ton-mile demand (for dry bulk seaborne trade) will grow at 1.49% in 2024. This gap between expected demand growth and expected supply growth in 2024 should make for an increasingly volatile market. As supply and demand came into perfect balance during 2021, the market would be characterized by extreme volatility, when any small change in demand or small change in supply would have a disproportionate impact on the BDI.

Recycling of ships: The freight market is the prime mover that drives ships to the recycling yards. The lower the freight market, the greater the number of ships at the recycling yards. Regulations impacting supply like EEXI, and CII will also influence DWT of ships sent for recycling. Deliveries in 2023 at 35.92 MDWT were muted when compared to average annual deliveries for the decade of 40.76 MDWT per year (2014 to 2023) of new capacity delivered.

Regulatory impacts should see many more ships heading for the recycling yard in 2023 and beyond. IMO 2020 has resulted in more expensive but 'cleaner' LSFO being burnt by ships from 1st January 2020. EEXI and CII will result in lower emissions from shipping globally. As a result, the level of pollutants reaching the air that we breathe, as well as the 'acid' rain that results from such emissions, will continue to reduce annually.

Geopolitics, Inflation & Wars:

In the same newsletter, Kimathi goes on to write: "The UN's sustainable development goal (SDG) 16 specifically addresses peace, justice, and strong institutions. While it doesn't explicitly mention humanitarian issues under conflict, it emphasizes the promotion of peaceful and inclusive societies, reducing violence, ending abuse, and guaranteeing access to justice for all. Global calls for a ceasefire in the Israeli-Hamas war have gone unheeded, preventing anything more than a trickle of humanitarian aid from entering Israeli-besieged Gaza as shortages of food, fuel, drinking water and medicine worsen. Click here for a Reuters rundown of what some UN agencies call a 'humanitarian catastrophe' enveloping the tiny enclave of 2.3 million people. Reuters senior correspondent with nearly 25 years' experience covering the Israeli-Palestinian conflict, Nidal Al-Mughrabi, shares an in-depth report on the living conditions here."

As we have repeatedly stated, there are no winners in war, only losers. The biggest losers are those lacking a moral compass, who apply the 'might is right' rule of the jungle, misjudge world opinion, and will end up on the wrong side of history. The biggest losses, however, will be most deeply felt by the parents, spouses, partners, brothers, sisters, and siblings, of those led to the slaughter by their uncaring leaders, whose children are never put at risk of losing their lives. The picture above, and the poignant poem that follows it, confirms it all.

Geopolitics is causing the maximum worry and headache for CEOs around the globe. Fortune's Alan Murray, curator of their CEO Newsletter, reports from Davos where the World Economic Forum is getting underway, 'The 2,800 participants include CEOs from the world's largest companies, as well as government leaders. Four big topics define the agenda—the economy, the climate transition, the AI revolution, and geopolitics. But it's that last one that is likely to dominate, given rising tensions in the Red Sea and the escalating war of words over Taiwan.' Our focus, therefore, is to see how geopolitics impact the dry bulk business. Red Sea disruptions by the Houthis in Yemen firing drones and rockets on Israeli owned, or connected ships, or those ships that have traded, or are trading, with Israel, or those that are connected with the US or UK, has forced container and other ships to take the longer route around the Cape of Good Hope to the West and back, adding to ton-mile demand for the battered container ship sector. Some 325 MMT or 7% of all dry bulk cargoes (equal to 12% when measured by ton-mile demand) goes through the Red Sea/Suez Canal, with 40% carried on Supras/Ultras, and another 17% on Handy sizes, with the balance on gearless ships. If Israel's war on Hamas lasts any length of time it will increase the risks for ships transiting via the Suez Canal to the West and back, and that will increase ton-mile demand significantly.

Reuters reports, ‘Pope Francis urged political, economic, and business leaders at the WEF to look beyond profit and try to heal an “increasingly lacerated world, in which millions of persons – men, women, fathers, mothers, children – whose faces are for the most part unknown to us, continue to suffer, not least from the effects of prolonged conflicts and actual wars.” In a written message to the world’s movers and shakers, Francis urged them to tackle the injustices that are at the root causes of conflict, primarily hunger and the exploitation of natural resources for the benefit of the few.’

Reuters continues with ‘The UN Secretary General, Antonio Guterres said that the warring parties were “ignoring international law, trampling on the Geneva Conventions, and even violating the UN Charter. The world is standing by as civilians, mostly women and children, are killed, maimed, bombarded, forced from their homes, and denied access to humanitarian aid. I repeat my call for an immediate humanitarian ceasefire in Gaza, and a process that leads to sustained peace for Israelis and Palestinians, based on a two-state solution.”

The major unintended consequences of the Russia-Ukraine war and the sanctions regime, that the US and its cosponsors have imposed on the shipping world, trying to restrict the flow of oil out of Russia, has resulted in the large and growing ‘dark fleet’ comprised of rickety old tankers. The ownership of these tankers remains hidden by layer upon layer of dummy corporates, making it virtually impossible to identify, let alone pursue, the beneficial owner. The shipping world waits in trepidation for a massive oil spill from one of these dark fleet tankers, that are virtually uninsured. We, in the shipping/insurance world, wonder which country will be impacted by such an oil spill on their pristine shorelines, and who will help defray the cleanup costs emanating from one of these uninsured ships? Right on queue, TradeWinds came out with an article touching on this very sensitive topic.

In his book, War is a Racket, Smedley D. Butler, Major General, United States Marines (Retired), writes: ‘War is a racket. It always has been. It is possibly the oldest, easily the most profitable, surely the most vicious. It is the only one international in scope. It is the only one in which the profits are reckoned in dollars and the losses in lives. A racket is best described, I believe, as something that is not what it seems to most people. Only a small “inside” group knows what it is about. It is conducted for the benefit of the very few, at the expense of the very many. Out of war a few people make huge fortunes. Out of war nations acquire additional territory if they are victorious. They just take it. This newly acquired territory promptly is exploited by the few—the self-same few who wrung dollars out of blood in the war. The public shoulders the bill.’ The book basically confirms what we have been saying all along about wars, only the corporates that feed these war machines profit from wars, every other person associated with the war, loses from it.

Reuters states, ‘Facing a soaring death toll from Israel’s renewed offensive in southern Gaza, the Biden administration is trying to pressure its ally to minimize civilian deaths while stopping well short of the kind of measures that might force it to listen, such as threatening to restrict military aid.’

Since the above, Reuters now states, ‘Gazan families beg for bread as UN agencies warn of severe shortages of clean water, food and medicines. The WHO welcomed as “good news” that Israel opened the Kerem Shalom border crossing for aid shipments.’

Not to be left out, Bloomberg states, ‘US President Joe Biden warned Israel that it’s “starting to lose” the support of its allies, saying the bombing campaign that’s killed thousands of civilians in the Gaza Strip has been at times “indiscriminate.”

Bloomberg also stated, ‘In the 11 weeks since Hamas attacked southern Israel in a surprise incursion, killing 1,200 Israelis and kidnapping hundreds more, Israel’s military has laid waste to much of the Gaza Strip. More than 20,000 Palestinians have been killed, mostly women and children, in the impoverished, densely packed area of the Occupied Territories, local health officials there said.’ The current toll (end of January) is closer to 27,000 killed.

‘Meet the Companies Profiting From Israel’s War on Gaza’ article written by Jessica Corbett, states ‘As of Wednesday (20 Dec), a US-based Quaker group’s online database listed over two dozen companies profiting from the bloodshed in the Gaza Strip, where Israeli forces have spent the last 10 weeks waging what experts call a "genocidal" war that sent defense stocks soaring.' Please read the article that names the corporates that squeeze blood money from the lives of the innocents.

Bloomberg reports: 'War over Taiwan would have a cost in blood and treasure so vast that even those unhappiest with the status quo have reason not to risk it. Bloomberg Economics estimate the price tag at around $10 trillion, equal to about 10% of global GDP, dwarfing the blow from Russia's war on Ukraine, the Covid-19 pandemic and 2008 financial Crisis.' We know that the winner of the elections, leading Taiwan, is an anti-China hawk, and wonder if they have any inkling of what their rhetoric might cost the world?

Another unintended consequence of the attacks in the Red Sea is that every large container ship that sails via the COGH route instead of the shorter one via the Suez Canal will cost the owner, hence their customers in the EU, a cool extra $1.0m in EUAs that they must purchase due to the extra CO_2 generated on the longer journey. It also means that the CO_2 generated on such longer voyages will increase, not decrease, net CO_2 from the hard to abate shipping sector.

Fortune's CEO newsletter reported 'The US overtook Qatar to become EU's most important supplier of LNG. And EU is now the US's most important LNG export market. That relationship will only grow more important in coming years, a BCG partner specializing in geopolitics and trade, Tim Figures told me over the phone from London this week.'

Reuters reported, 'South Africa accused Israel of subjecting Palestinians to genocidal acts at the opening of hearings in a case brought to the International Court of Justice. The country demands an emergency suspension of Israel's military campaign in Gaza.' The Intercept carried the following 'Israel's rebuttal against charges of genocide was as weak in offering documented facts as South Africa's case was powerful. A team of Israeli lawyers and officials presented their defense at The Hague on Friday in the second day of the genocide case brought before the ICJ by the government of South Africa. The lawyers portrayed Israel as the actual victim of genocide, not Gaza, accused South Africa of supporting Hamas, and painted South Africa's government as functioning as the legal arm of the Palestinian militants who led the deadly raids into Israel on October 7.' There are alternate facts, and now, we can clearly see, an alternate reality too.

Chris Hedges, in his article titled "It May be Genocide, But it Won't Be Stopped" writes, 'Palestinians are the victims, not the perpetrators, of the "crime of crimes." A people, once in need of protection from genocide, are now potentially committing it. The [ICJ] court's ruling questions the very raison d'être of the "Jewish State" and challenges the impunity Israel has enjoyed since its founding 75 years ago. For an explanation of the ruling issued by the ICJ, please read this article.

Julia Conley's article titled, 'US Court Hears Case Alleging Biden Complicit in Israel's Genocide in Gaza' is worth a read.

The other article worth reading is by Ryan Grimm, titled 'What Are We Doing??'.

Reuters did an investigative piece on the murder of one of their journalists. 'Nearly two months after the death of Issam Abdallah on the Lebanon border, a Reuters investigation has found that an Israeli tank crew killed him by firing two shells in quick succession. International humanitarian law bars attacks on journalists as those in the news media have the full scope of protection granted to civilians and cannot be considered military targets.' Typically, the IDF responded as follows: 'The Israeli military, responding to a Reuters investigation that determined its forces killed Reuters journalist Issam Abdallah in southern Lebanon on October 13, said the incident took place in an active combat zone and was under review.'

The CPJ (Committee to Protect Journalists) reported, 'The Israel-Gaza war has taken a severe toll on journalists… As of December 9, CPJ's preliminary investigations showed at least 63 journalists and media workers were among the more than 18,000 killed since the war began on October 7—with more than 17,000 Palestinian deaths in Gaza and the West Bank and 1,200 deaths in Israel.'

In an article titled 'Why Mainstream Economics Got Inflation Wrong' in Project Syndicate, James Galbraith states: 'Leading economists' misdiagnosis of inflation in 2021-22 was the latest episode in a long-running series of failures, from not foreseeing the 2008 financial crisis to endorsing self-destructive austerity in the 2010s. Either mainstream economists need to re-examine their core beliefs, or the profession needs a new mainstream.' The article is worth a read.

In another article titled 'A Victory Lap for the Transitory Inflation Team' in Project Syndicate, Joseph Stiglitz states: 'More than two years after economists divided into opposing camps over the nature of the post-pandemic inflation, we now know which side was right. Disinflation has confirmed that the earlier price increases were "transitory," driven largely by supply disruptions and sectoral shifts in demand.' Once again, something worth reading in full.

Regulations:

'Fools rush in where Angels fear to tread' could easily describe owners rushing in to order dual fueled ships today. For dry bulk, we will be the last sector in shipping that will build brand new ships that are ready for fuels of the future. And the reason is that shipyards do not want to build dry bulk ships if they can land higher value container, gas, car carriers, offshore vessels, for their available slots. And within dry bulk the geared sectors will be the last to go green as the various ports that we call are so off the beaten track that green fuel availability will be an issue. Then we have the charterers, our clients, who do not want to pay extra for any such green ships, nor are they willing to sign long-term charters of more than 5 years. Without a commercially viable case, how on earth are dry bulk geared ships supposed to go green? The only way would be if the IMO were to place deadlines and a universal carbon tax. In the meantime, those that ordered LNG engine ships must deal with expensive methane slip abatement efforts, those with Methanol engine ships belatedly realize that the cost of green methanol will be multiple times higher than the cost for green ammonia. Being the first seems not the best idea when selecting the fuel for your future ships.

The EU ETS covering shipping comes into effect at the start of 2024 and is estimated to cost \$3.6b in 2024. The most efficient ships will therefore trade to the EU, pay the price of the ETS, charge it to their customers, and those ships that are less efficient will continue to trade elsewhere. The total CO2 generated will not have gone down an iota due to this tax, yet the EU would have collected \$3.6b via their ETS, which the common EU person would end up paying for. However, if the IMO would impose a universal global CO2 tax, then every ship would be paying for it no matter where they were trading, overall CO2 would come down, and the inefficient ships would be forced to end up at the scrapyards where they belong. A win-win solution, but commercial understanding seems to escape the regulators.

An article in Splash, quoting a Swedish report makes clear that there are 90% of contaminants in Scrubber water discharge. As we have repeatedly stated, Scrubbers is an economic tool that allows ships to transfer pollution from the sky into the seas while making a profit in between. Most countries do not allow scrubber water to be discharged into their ports as they realize it is contaminated.

An article written by Will Wade in Bloomberg titled 'First US Small Nuke Project Canceled After Costs Surge 53%' stated: 'NuScale Power Corp., the first company with US approval for a SMR design, is canceling plans to build a power plant for a Utah provider as costs surge. The decision to terminate the project underscores the hurdles the industry faces to place the first so-called small modular reactor into commercial service in the country. The company said in 2021 it would deliver power for \$58 a megawatt-hour, but that figure has jumped 53% to \$89.' Once again, it seems that SMRs are unable to deliver on their promises.

A Bloomberg report from COP28 states: 'Without action, global greenhouse gas emissions from livestock will grow by 47% by 2050 from 2015 levels, the UN's Food & Agriculture Organization says.' Finally, the livestock industry that is responsible for 15% of all GHG is feeling the climate change heat. About time too.

And the FT adds this for good measure. 'A "historic" agreement to transition away from fossil fuels has been reached at the COP28 climate summit in Dubai, carving a route to global net zero by 2050. The deal is very far from perfect, writes the FT editorial board. Indeed, large oil and gas producers seem unfazed by the announcement, an early sign that it may not drastically curb hydrocarbon production. But it marks a step forward — rather than the retreat that had been feared. Will it be enough?'

Bloomberg states, ‘For the first time in more than 50 years the US granted permission for a new type of nuclear reactor. California startup Kairos Power received a construction permit from the Nuclear Regulatory Commission to build its Hermes demonstration reactor in Tennessee. While commercial reactors in use today are cooled by water, the Kairos technology uses molten fluoride salt as a coolant.’

Inequality:

One of the SDGs of the UN is to lift people out of poverty. That has happened in China to a very large extent and the consumption of meat there has skyrocketed. Dry bulk ships carry the animal feed ingredients where volumes have shot up to cater to this meat-eating orientation achieved in China. Poorer people eat vegetables but as they get into the middle class their diet becomes meat-rich, and when they become superrich i.e., part of the 1% elite of the world, they go back to an organic, whole plant-based, vegetarian diet. Luckily for dry bulk there are many billions more people that are in the middleclass, or those that will soon reach that status, and start to consume a more meat-rich diet, thereby increasing the demand for animal feed ingredients, compared to the much, much smaller numbers that will graduate into the 1% elite. White meat needs 2.5 kilos of grain per kilo of live weight conversion, and red meats need upwards of 6 kilos of grain to make one kilo of live weight. The connection between inequality and dry bulk demand is therefore, quite apparent. The less the inequality, the greater the demand for meat-rich diets ergo more demand for animal feed ingredients, and hence, demand for dry bulk ships.

Reuters states, ‘The Oxfam report found that the combined fortunes of the world’s five wealthiest men have more than doubled to $869 billion since 2020, while five billion people have been made poorer. Meanwhile, nearly 800 million workers saw their wages over the past two years fail to keep up with inflation, resulting on average in the equivalent of 25 days of lost annual income per worker, according to Oxfam’s analysis.’ The world’s richest 1% own 43% of global financial assets. So, the rich get richer, and the poor get poorer, what an unequal world we live in.

Bloomberg reports, ‘Boeing’s name and that of the troubled model 737 Max are linked to some of the worst aircraft safety and design failures in recent aviation history. Some 346 people were killed in the Boeing 737 Max crashes of Lion Air Flight 610 in late 2018 and Ethiopian Airlines Flight 302 fewer than five months later. The company once enjoyed a sterling reputation for safety and reliability, but it has increasingly focused on pleasing shareholders.’ Unbridled capitalism and its excesses are epitomized by corporates like Boeing.

Reuters reports, ‘A Delaware judge tossed out Elon Musk’s record-breaking $56 billion Tesla pay package, calling the compensation granted by the EV maker’s board “an unfathomable sum” that was unfair to shareholders. The ruling, which can be appealed, nullifies the largest pay package in corporate America.’

In a short but interesting article titled ‘This Is What Inflation Does To Our Kids’ John Rubino states: ‘Mainstream economics portrays inflation — defined as a currency that loses a bit of purchasing power each year — as necessary to lubricate the gears of commerce. What they don’t seem to understand (or would like the rest of us to not understand) is that inflation is also a tool for redistributing wealth from one class to another. It pushes up the price of stocks, bonds, and real estate, enriching the owners of those assets while making day-to-day life a lot harder for people who live paycheck to paycheck.’ And there you have it, classic economics being (mis)used to create financial inequality, especially for first time job seekers as explained in this video by the erudite youngster, contained in the same article.

In an article in the New York Times, titled ‘India’s daughters’ Amanda Taub writes: ‘In many other countries, female labor-force participation has propelled economic growth. But India has one of the world’s lowest rates of formal employment for women. The percentage of women doing paid work has dropped sharply in recent years. Last year [2022], 24% had a paid job, down from 29% in 2010. In China, by comparison, that rate is about 60%. Without a way to earn a living, many women cannot escape violent marriages. Marital rape is not criminalized in India, and thousands of women are killed each year by their husbands or in-laws.’ The teaser at the top of the article says it all, ‘The Times team spent the past two years reporting on a major economic challenge for India: gender inequality.’

The article by Jonathan Watts in The Guardian titled 'Richest 1% account for more carbon emissions than poorest 66%' states: 'For the past six months, The Guardian has worked with Oxfam, the Stockholm Environment Institute and other experts on an exclusive basis to produce a special investigation, The Great Carbon Divide. It explores the causes and consequences of carbon inequality and the disproportionate impact of super-rich individuals, who have been termed "the polluter elite". Climate justice will be high on the agenda of this month's UN Cop28 climate summit in the United Arab Emirates.' Please do read this article.

The pay disparity between CEOs and typical workers has become obscene in the US. In 1965, CEOs typically earned 20 times the typical worker's pay. By 1979, the ratio between a CEO's salary, and that of the median worker, was 33 to 1. As of 2021, the CEO-to-median-worker pay ratio had grown to 399 to 1. Since the late 1970s, CEO pay increased more than 1,200%. At the same time, the pay of the typical American workers rose 18%. This is part of the story of how American capitalism has become rigged in favor of those at the top. It leads us directly to oligarchy, rule by the richest few, putting democracy at risk. This is from an article by Robert Reich.

Fortune states that 'California, despite having 12% of the US population, has 22% of its homeless people.' Considering that the USA is the richest country in the world, it is also probably the country with the greatest inequality within its population.

Bloomberg states 'The US federal government's latest figures paint a stark picture, with a 12% spike in the homeless population from 2022 to 2023. That includes a sharp rise in the number of families with children in shelters. So, what's driving this crisis?' Another article showing the stark disparity within the US population.

Reuters report from COP28, states: 'So far, the UN Women launched its "Feminist Climate Justice: A Framework for Action" report, which showed how climate change will push up to 158 million more women and girls into poverty and will plunge 236 million more women into hunger by 2050.' A real pity that inequality seems to be on the rise.

Bloomberg reported: 'The world's richest families have gotten $1.5t wealthier since the last ranking, and the new tallies from the Middle East weren't the only noteworthy shifts. Among the biggest gainers was the family behind luxury brand Hermes, who added $56b to become the world's third richest.' The rise of inequality marches on.

According to Reuters, 'a record 49.5 million people are expected to go hungry in West and Central Africa next year due to a combination of conflict, climate change and high food prices, the UN said.'

Climate Change:

Climate change, and its repercussions, are having a disproportionate impact on freight markets. The World Economic Forum at Davos asked 1,490 leaders to select risks that they believed are most likely to present a material crisis on a global scale and 66% answered, extreme weather. Weather conditions at sea have been sorely tested with 10-meter waves now considered normal during inclement weather. This will result in ship delays at sea, and even more delays when those weather-delayed ships finally reach ports, with long queues, because of, you guessed it, bad weather on land. These delays have been exacerbated by the lack of water in the Gatun lakes resulting in long waits at the Panama Canal, with many ships deciding to take the long route around instead of through the canal, resulting in even longer ton-miles that would be further increased by bad weather delays at sea. Low waters in rivers, in South American grain exporting ports, and in the Mississippi River in North America, has also added to delayed grain arrivals leading to significant congestion in these major grain exporting countries. These are some of the reasons why the Atlantic market has risen so sharply in the middle of November when seasonality would have had rates declining from the middle of November till two weeks after Chinese New Year. Northeast China faced extremely high summer temperatures, followed by heavy rains and now a cold snap in the week starting 6 November and continuing in December, disrupting the harvesting of grains where yields had already been hammered by extreme heat and floods. China, aiming for food security, will continue to buy grains in Q4 2023, in 2024, and beyond. The connection between climate change and demand for dry bulk ships is readily apparent.

Bloomberg reports, ‘Despite the challenges in 2023, the world spent a record $1.7 trillion on clean energy. This is more than the $1.1 trillion that was invested in fossil fuels. A massive deployment of solar and electric cars in China accounted for a large portion of that spend, and it seems China is committed at building at a huge scale.’

Bloomberg reports, ‘China installed more solar panels in 2023 than the US—or any other nation for that matter—has ever built. The country added 216.9 gigawatts of solar last year, blowing away its previous record of 87.4 gigawatts from 2022. That dwarfs the 175.2 gigawatts in the US, the world’s second-biggest solar market. The buildout adds to a massive renewable energy footprint.’

The Washington Post’s Scott Dance writes, ‘As a year of surprising global warmth came to a close, a record high annual average temperature was already assured. Now, some scientists are already speculating: 2024 could be even hotter.’ Climate change with warmer sea waters will take its toll with ever higher waves during ever more frequent bad weather at sea.

According to Bloomberg, ‘the torrential rains that hit Hong Kong this September, the heaviest since records were started in 1884, caused $100 million in damages, and are statistically considered one-in-500-year events.’ The weather, unfortunately, does not have a memory, so such an event could repeat, again, next year.

Bloomberg reports, ‘there are still 330 wildfires burning across Canada, with 85 of them raging out of control, according to the Canadian Forest Fire Centre. So far in 2023, 6,647 fires have burned 18.5 million hectares, which is roughly the size of North Dakota.’

An article titled ‘World’s Largest Iceberg Breaks Free in Antarctica’ dated 27 November states: ‘The largest iceberg in the world weighing one trillion tons, A23a nearly 1,500 square miles, about three times as big as New York City, has broken free of its anchor on the floor of the Weddell Sea and begun to drift toward the Southern Ocean. Marsh explained, “an iceberg of this scale has the potential to survive for quite a long time in the Southern Ocean, even though it’s much warmer, and it could make its way farther north up toward South Africa where it can disrupt shipping,” as Reuters reported.’ As explained in the opening paragraph on this subject, sea journeys are only going to get more difficult as weather conditions are reaching epic proportions. Now, with the potential of this monstrous iceberg to reach the Cape of Good Hope, and the Panama Canal problems pushing more ships towards the COGH, we can only see even more disruptions at sea due to weather related issues.

Bloomberg states, ‘Total consumption of coal will reach a record high of more than 8.5 BMT this year (2024), and then start a long, slow decline, according to a report from the International Energy Agency.’

Bloomberg had this interesting snippet on climate ‘The world is heading into a second year of the El Niño weather phenomenon. Climate scientists anticipate more record-breaking temperatures that are set to contribute to more dangerous storms, wildfires and floods. With all indications pointing to continued warm conditions across the ocean, 2024 could break into the top five most active hurricane years. Scientists will also be keeping their eyes on the poles — where ice has melted at disturbing rates.’ Ships will continue to be delayed at sea due to climate change.

Bloomberg states, ‘The world’s current carbon capture capacity is 45 million. That’s just 4% of carbon capture needed by 2030 to be on track for net zero by 2050, according to the International Energy Agency.’ And this is despite billions of dollars being invested in this technology. Just hope this does not end up being an incredibly expensive wild goose chase.

Reuters reported, ‘Libya’s deadly flash flood in September constituted a climate and environmental catastrophe that will require $1.8 billion in reconstruction, according to a report by the World Bank, UN, and EU.’

Bloomberg tells us ‘What’s happened at COP28’:

Day 1: Delegates from nearly 200 countries agreed on details for running the loss and damage fund, a facility designed to help vulnerable countries deal with more extreme weather stoked by global warming.

Day 2: COP28 President Sultan Al Jaber announced the UAE will put $30 billion into a climate finance fund called Alterra, which he dubbed a "vehicle like no other."

Day 3: Exxon Mobil Corp. and Saudi Arabia's Aramco led a pledge by 50 oil and gas producers to cut emissions from their own operations.

Day 4: The World Bank said it's working with a club of 15 finance bosses to lower the risk of investing in climate projects in emerging economies and attract private capital for cutting emissions.

Day 5: After an article in The Guardian reported the COP28 president found "no science" to support the phase out of fossil fuels to keep warming below 1.5C, Al Jaber said he was misunderstood.

Day 6: US climate envoy John Kerry criticized some US oil producers for not doing enough to combat global warming and singled out Chevron Corp. for scrutiny.

Day 7: Vladimir Putin flew into the UAE, his first trip to the Middle East since he invaded Ukraine, to discuss energy.

Day 14: COP28 ended with a call for countries to quickly shift energy systems away from fossil fuels in a just and orderly fashion, albeit in a non-binding deal.

International Maritime Organization (IMO) conventions:

International Maritime Organization (IMO) conventions are constantly updated to match the demand for enhanced steps to protect the environment. The increasing standards being adopted by the IMO have triggered research and development of several new technologies for the shipping industry.

The IMO Ballast Water Management Convention entered into force on 8 September 2017and all vessels are required to carry a Ballast Water Management certificate. New vessels built (date of keel laying) after the above date are required to be fitted with IMO approved ballast treatment plants and existing vessels are required to retrofit such plants in a phased manner along with surveys associated with the first renewal of IOPP (International Oil Pollution Prevention) certificate after 8 September 2019. By the end of 2023, USCG as well as IMO approved BWTS have already been fitted on all 38 vessels in PSL's fleet.

Decarbonization in shipping: Overview of the regulatory framework:

In 2015, the Paris Agreement on climate change was agreed by parties to the United Nations Framework Convention on Climate Change (UNFCCC). It entered into force on 4 November 2016. Its goal is to keep global temperature rise below 2°C above pre-industrial levels, and preferably limited to 1.5°C.

Even though the Paris Agreement does not include international shipping, the International Maritime Organization (IMO) committed to contribute its efforts to address climate change features prominently in its strategic plan. Consequently, in April 2018, IMO adopted an initial strategy on the reduction of greenhouse gas (GHG) from ships, i.e. emissions including carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O), expressed in CO_2e (carbon dioxide equivalent). In July 2023 (MEPD 80), IMO adopted the IMO strategy on reduction on GHG Emissions from ships in accordance with the agreed program of follow-up actions.

The IMO's strategy envisages:

1. A reduction of the average carbon intensity (carbon dioxide (CO_2) emissions per transport work) of international shipping by at least 40% by 2030, pursuing efforts towards 70% by 2050, as compared to 2008 levels.
2. To reduce total annual GHG emissions from shipping by at least 50% by 2050 compared to 2008, while pursuing efforts towards phasing them out entirely within this century.
3. The uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources which must represent at least 5%, striving for 10% of the energy used by international shipping by 2023.

4. The 2023 IMO GHG Strategy also introduces indicative check points to reach net-zero GHG emissions from international shipping, namely:
   a. to reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30%, by 2030, compared to 2008; and
   b. to reduce the total annual GHG emissions from international shipping by at least 70% striving for 80%, by 2040, compared to 2008.
5. To reduce GHG emissions from international shipping as soon as possible and to reach net-zero GHG emissions by or around 2050, considering different national circumstances, whilst pursing efforts towards phasing them out consistent with the long-term temperature goal set out in Article 2 of the Paris Agreement.

2008 is the baseline year against which future reduction targets are assessed, while 2050 represents an important milestone in the Paris Agreement, which the IMO explicitly references in its strategy. These ambitions are to be accomplished by a blend of measures applicable in the short, medium, and long-term.

Measures have been recently adopted by the IMO as amendments to the MARPOL Annex VI, requiring ships to take a technical and operational approach to reduce their carbon intensity. The mid- and long-term measures are likely to require a high degree of innovation and to result in the global uptake of new greener fuels and technologies.

Shipping emissions:

Even though shipping is one of the most energy efficient modes of mass transport, it was estimated to have contributed about 2.2% to the global emissions of CO2 in 2012. As sea transport continues to grow in tandem with world trade, it is imperative to have a global approach to further improve energy efficiency and effective emission control of the maritime sector.

The seventy-fifth session of the IMO's Marine Environment Protection Committee (MEPC-75), held in November 2020, approved the findings of this study and measures to reduce GHG emissions from international shipping were deliberated. Consequently, in June 2021, MEPC-76 adopted amendments to MARPOL Annex VI to reflect the technical and operational goal-based measures to reduce the carbon intensity of international shipping.

The eightieth session of the IMO's Maritime Environment Protection Committee (MEPC-80) held in July 2023, adopted the guidelines on life cycle GHG Intensity of Marine Fuel (LSA Guidelines). These guidelines aim at covering the whole fuel cycle (with specific boundaries), from feedstock extraction/cultivation/recovery, feedstock conversion to a fuel product, transportation as well as distribution/bunkering, and finally the fuel utilization on board a ship. The scope of these guidelines is to address well-to-tank (WtT), tank-to-wake (TtW) and Well-to-wake (WtW) greenhouse gases (GHG) intensity related to marine fuels/energy used for ship propulsion and power generation onboard. The relevant green house gases included are carbon dioxide (CO2), methane (CH4) and nitrous oxide (N2O).

IMO Regulations, The International Context:

The IMO has been actively engaged in a global approach to enhance ship's energy efficiency and develop measures to reduce GHG emissions from ships. The first major step to reduce these emissions was announced in 2011, when the IMO adopted mandatory measures to increase energy efficiency of international shipping. This paved the way for the regulations on Energy Efficiency Design Index (EEDI) for new ships, and Ship Energy Efficiency and Management Plan (SEEMP) – a ship-specific document that provides a mechanism to help improve the energy efficiency of a ship in a cost-effective manner. These mandatory measures (EEDI/ SEEMP) entered into force on 1 January 2013, while targets to improve design efficiency (EEDI) of new build ships commenced in 2015.

For new ships, the EEDI requires that energy efficiency is improved in phases such that CO2 emissions are progressively reduced:

1. During phase one, running from 1 January 2015 to 31 December 2019, the EEDI requires a 10% reduction of carbon intensity below the relevant reference line for newly built ships.
2. In phase two, running from 1 January 2020 to 31 December 2024, the EEDI requires up to 20% reduction of carbon intensity.
3. Phase three of the EEDI, due to commence in 2025, requires an additional 10% reduction, i.e., ships being built in 2025 will be required to be 30% more carbon efficient than those built in between 2000 to 2010.

However, during the MEPC-75, it was decided to move forward the effective date of phase 3, from 1 January 2025 to 1 April 2022, for containerships, large gas carriers (15,000 DWT and above), general cargo ships, LNG carriers and cruise passenger ships having non-conventional propulsion. A carbon intensity reduction requirement will apply to containerships, starting with 15-30% reduction rate for small container vessels and increasing up to 50% for large containerships (200,000 DWT and above). There are also considerations to introduce fourth phase of EEDI in 2027.

In addition to the above, since 2019, under the IMO Data Collection System (IMO-DCS), ships of 5,000 GT and above must collect and report data on fuel consumption under SEEMP Part II. These ships account for close to 85% of CO2 emissions from international shipping. The data collected will provide a firm basis on which future decisions on additional measures will be made.

The European Union (EU) has also implemented similar regulations on monitoring, reporting, and verifying fuel consumption (EU-MRV) for ships of 5,000 GT and above calling at European ports. While IMO-DCS is an anonymous public database, the EU-MRV is a distinctive public database.

The European Union (EU) has also implemented the emission cap-and trade system (EU ETS) to meet its target of a 55% reduction in GHG emissions by 2030 relative to 1990, and net zero by 2050. As per the regulation, ships above 5000 GT transporting cargo or passengers for commercial purposes in the EU will be required to acquire and surrender emission allowances for their CO2 emissions from 2024. This entails a three-year phase-in-period, increasing in scope from 40% of emissions in 2024 to 70% in 2025 and 100% in 2026. The EU ETS will initially cover carbon dioxide emissions and be widened to include methane and nitrous oxide from 2026. Offshore ship and general cargo ships between 400 and 5000 GT will also be required to report emissions and may be included in the EU ETS at a later stage.

Technical Measures: Energy Efficiency Existing Ship Index (EEXI):

Like the EEDI, the aim of the EEXI is to measure ship's energy efficiency based on its design and arrangements. This regulation is applicable to all existing ships of 400 GT and above falling under MARPOL Annex VI. The revised MARPOL Annex VI includes new regulation 23 (attained EEXI) and 25 (required EEXI).

Ships to which the regulation applies will be required to calculate EEXI value of each individual ship (i.e., attained EEXI) and the value shall be equal to or less than the allowable maximum value (i.e., required EEXI). The EEXI Technical File, which includes the data used for calculation is used as a basis for verification of compliance.

For ships where the calculated (or attained) EEXI is greater than the required, there will be a need to implement countermeasures to improve its efficiency index. Being a technical or 'design' efficiency index, this may include alterations to the ship's design or machinery, such as

- introduction of an engine power limitation or shaft power limitation
- increasing ship capacity (by increasing the deadweight (DWT) or gross tonnage (GT), if structurally possible)
- propulsion optimization devices, e.g., high efficiency propellers, propeller boss cap fins, Mewis duct, low friction paints, air lubrication systems, etc.
- energy efficiency technologies (EETs), such as waste heat recovery, wind assisted propulsion, solar cells, etc.

- switching to carbon-neutral fuel, but this might not be viable for most existing ships due to very high capital expenditure (CAPEX).

The regulations are not prescriptive on which improvement method should be deployed and the right solution may vary based on ship type and size. It is vital to consider the ship's age against the cost and payback time of improvement option.

The EEXI Technical File is approved by the ship's Flag State or Class and the compliance with the EEXI regime is reflected in the International Energy Efficiency Certificate (IEEC) at the first annual, intermediate or renewal survey of the International Air Pollution Prevention (IAPP) certificate on or after 1 January 2023 for ships delivered before 1 January 2023, or at the initial survey of IEEC for ships delivered on or after 1 January 2023.

In the PSL fleet, based on the EEXI calculations, a total of 23 vessels were required to implement the engine power limit. And 20 of these vessels have had EPL installed during the IAPP periodical/annual survey in the year 2023. The remaining three vessels will have EPL installed within the first quarter of 2024.

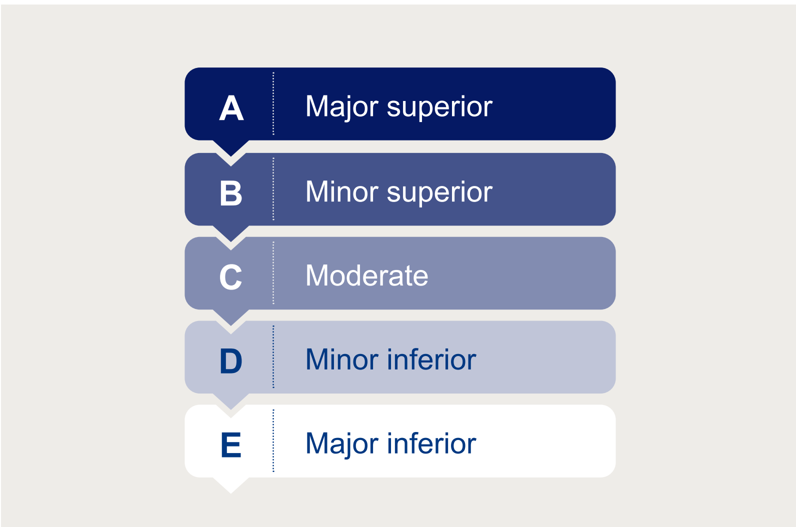
Operational Measures: Carbon Intensity Indicator (CII) and enhanced Ship Energy Efficiency Management Plan (SEEMP):

The CII is an operational measure applicable to ships of 5,000 GT and above, which aligns with the requirements for recording a ship's fuel consumption in accordance with the IMO Data Collection System (IMO-DCS).

As per the revised MARPOL Annex VI regulation 28, from 2023 applicable vessels will need to:

1. calculate attained annual operational CII over a 12-month period from 1 January to 31 December in that calendar year, and
2. demonstrate reductions of carbon intensity from 2023 to 2030. The reduction rates are intended to achieve the levels of ambitions set out in the IMO's initial strategy, in particular, the 2030 level of ambition of reducing carbon intensity of international shipping by at least 40% by 2030, compared to 2008.

Ships will be given an annual carbon intensity rating (CII rating) indicating their performance over the previous year. There are five CII rating categories given on a scale from A to E, where A is the best, based on a calculation of Annual Efficiency Ratio (AER).



The attained annual operational carbon intensity indicator will be based on IMO-DCS. Emissions data must be submitted through the IMO-DCS in addition to the existing fuel consumption requirement. Emissions reporting must, as a minimum, include the AER (for bulk carriers, tankers, container ships, general cargo, LNG carriers, gas carriers, combination carriers and reefers).

As required by the MARPOL Annex VI regulation 26, an enhanced version of the SEEMP (SEEMP-III) will need to be developed. This would include:

1. the ship's CII rating together with the description of the methodology used to calculate the ship's attained annual operational CII,
2. the required annual operational CII for the next three years,
3. an implementation plan documenting how the required annual operational CII will be achieved during the next three years, and
4. a process for reporting to Flag State for verification.

For the PSL Fleet, the enhanced SEEMP-III as required has already been developed, certified by the vessel's Class and placed on board.

From 1 January 2024, ships will be issued with a Statement of Compliance (SoC), covering verified fuel consumption, attained carbon intensity reduction and an annual rating (A to E) based on carbon intensity reduction performance against the required carbon intensity reduction. Ships rated 'D' for three consecutive years or at rating 'E' for one year, will have to submit and implement a corrective action plan showing how they can improve the vessel's efficiency to 'C' or above. The corrective action plan is to be included in the SEEMP.

Periodic SEEMP verification audits will be introduced to ensure plans are in place to achieve the targets and ensure correction plans are being followed where a ship is rated E in any given year, or D in three consecutive years. The frequency and specific requirements of these audits is expected to be discussed at MEPC-77 in November 2021, with guidance developed in 2022.

In addition to the above, the MEPC-76 approved a phased approach of 2% carbon intensity reduction as compared to the 2019 reference line from 2023 (when the MARPOL amendments would enter into force) through to 2026 (when another review to further strengthen the annual reduction rate is due to take place):

Year	Annual reduction factor (from 2019 reference)
2023	5%
2024	7%
2025	9%
2026	11%
2027-2030	Still to be decided

If regular improvements are not made, a ship's CII rating could drop as the targets will become increasingly strict every year. A consequence of this could be a loss of earnings and inability to trade, so there is a strong incentive to improve energy efficiency. The average CII figures for each type of vessel in PSL's fleet as verified by the Recognized Organization (NKK for PSL's fleet), are as indicated in the table below.

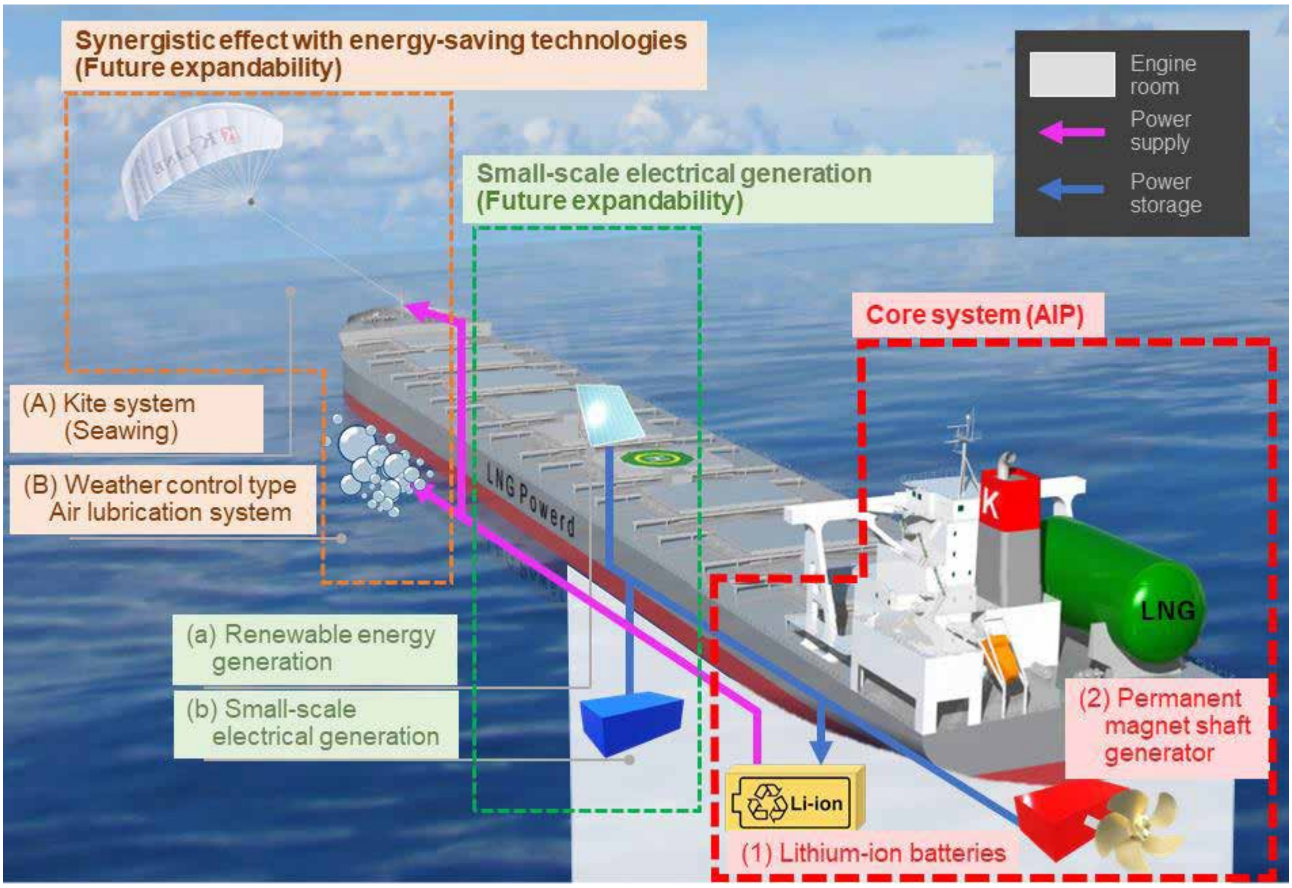
VESSEL TYPES	2021			2022			2023		
	No. of Vessels	CO_2 emitted (MT)	Average CII (grams/ tonne-mile)	No. of Vessels	CO_2 emitted (MT)	Average CII (grams/ tonne-mile)	No. of Vessels	CO_2 emitted (MT)	Average CII (grams/ tonne-mile)
CEMENT CARRIERS	4	42,216.46	13.75	4	44,476.70	13.60	4	44,718.23	15.27
HANDY-SIZE	15	198,769.11	7.89	17	195,721.21	7.52	17	210,967.64	6.71
SUPRAMAXES	9	149,800.48	6.42	9	144,056.00	5.98	9	152,163.23	5.45
ULTRAMAXES	8	131,048.50	4.55	8	107,570.11	4.43	8	117,742.69	4.25
TOTAL	**36**	**521,834.64**	**7.42**	**38**	**491,824.02**	**7.14**	**38**	**525,591.79**	**6.80**

As can be noted from the table, the average CII for PSL's fleet of vessels in the year 2023 was 6.80grams of CO_2 emitted per tonne-mile.

Other industry developments and new technologies:

The maritime finance and chartering sectors have also recognised their role in making shipping greener by creating the Poseidon Principles and Sea Cargo Charter – a framework for financial institutions and shipping interests (including charterers and cargo owners), to ensure that their interests are aligned with the targets set out in the IMO's greenhouse gas strategy.

Japanese shipping company Kawasaki Kisen Kaisha (K Line) developed two conceptual designs for LNG-fueled and battery-powered energy-saving bulk carriers and obtained approvals in principle (AIP) from the classification society ClassNK.



In addition to the equipment for greenhouse gas emissions reduction under the recent AIPs, the goal is to further reduce emissions going forward by installing various optional technologies.

Courtesy: Tsuneshi

Although LNG is still the most popular fuel choice for new eco vessels, Methanol-capable vessels are making up a greater proportion of new building orders this year. Methanol can be categorized into fossil-based methanol and renewable methanol. Fossil-based methanol is produced from coal or natural gas. Renewable methanol can be made from things like biomass or captured CO2 combined with green hydrogen. Methanol is a liquid at atmospheric pressure and CO2 emissions can be reduced by 7%, Sox emissions can be reduced by 9% and NOx emissions can be reduced by 60%. Methanol also biodegrades rapidly in water, which also makes it less of a risk to the environment than many other alternatives.

In 2023, ClassNK has issued approvals in principle (AIPs) for four designs, including a 210k methanol dual-fuel bulk carrier design developed by Marine Design & Research Institute of China (MARIC). For these accomplishments, ClassNK conducted the verification in line with relevant rules corresponding to respective ship type, including its Guidelines for ships using Alternative fuels.

Japanese shipbuilder Tsuneishi Shipbuilding has received an order for methanol-fueled vessels for KAMASAMAX AEROLINE (81,200 dwt) and TESS66 AEROLINE (65,700 dwt) by Mitsui & Co., Ltd, and Kambara Kisen respectively. These two designs use e-methanol produced primarily by synthesizing recovered CO2 and hydrogen produced using renewable energy sources, as well as bio-methanol derived from biogas. The vessel's design maximizes cargo space while ensuring sufficient methanol tank capacity set to allow the required navigational distance assuming various routes, at the same time maximizing cargo space.

Lloyd's Register (LR), Cargil International, Minerva Dry inc. and Nantong COSCO KHI Ship Engineering Co Ltd (NACKS) have collaborated on the design of a Kamsarmax bulk carrier with methanol and rotor sail capability. The design will provide a new energy efficient bulk carrier with new and upcoming environmental regulations which mandate the limiting of GHG emissions.

Efforts are continuing to advance the use of technologies to capture CO2 emissions from in-service vessels. Singapore-headquartered Eastern Pacific Shipping reports it has completed the installation of a filtering and carbon capture technology from Dutch start-up Value Marine. The installation was completed in early 2023 aboard the chemical tanker Pacific Cobalt, a 49,886-dwt vessel managed by Eastern Pacific. Value Marine's Carbon Capture and Storage (CCS) module added to the system can capture up to 40% of Co2 emissions from the vessel's main and auxiliary engines.

Nuclear Power Projects in Shipping: Across the world, there are now many nuclear shipping projects underway. UK-based CORE POWER, together with Terra Power, Southern Company and French atomic group Orano, is developing a modular molten salt reactor to propel ships and provide reliable energy for manufacturing synthetic green furls from hydrogen. The first prototype reactor is due to start trials in 2025.

In south Korea shipbuilding major Samsung Heavy Industries has teamed up with the Korea Atomic Energy Research Institute while Seaborg Technologies in Denmark is building floating power barges, and the Canadians are working with NuScale to develop marine power stations.

Recently, in Marintec China exhibition in Shanghai, Jiangnan Shipyard announced that a design of a prototype 24,000 teu ship powered by new molten salt reactor (MSR) technology being developed. The proposed design of super large nuclear container ships will truly achieve 'zero emissions' during the operation cycle of this type of ship.

Interest continues to grow in the potential of different forms of sails to provide wind propulsion assistance for large commercial vessels. In the latest development, the Singapore-based shipping subsidiary of Japanese trading house Marubeni announced plans to test a suction sail concept aboard one of its large bulkers. According to the companies, it will be the largest suction sail ever built and installed on a vessel and the first application of this form of the technology on a Panamax bulker.

Deltamarine has developed the innovative long endurance ammonia fueled Ultramax bulk carrier concept together with PGT. These ships are to be fitted with onboard ammonia crackers, which will allow the ships to run on hydrogen fuel. The planned ships will additionally feature equipment developed by Oslo-based Pherousa Green Technologies (PGT). Each vessel will be equipped with 12 megawatts of TECO 2030 fuel cells for main propulsion onboard. The TECO 2030 fuel cell system will be installed in combination with a Pherousa Green Technologies AS' ammonia to hydrogen cracker. Bunkering ammonia and cracking to hydrogen on board the vessel will solve the storage and infrastructure challenges of hydrogen as a marine fuel and thus paving the way for zero emission deep-sea shipping.

PSL's Training Department:

Introduction:

In the dynamic landscape of today's business world, companies recognize the importance of investing in their human capital to stay competitive and adapt to ever-evolving challenges. One such exemplary initiative is the PSL Training Department, an in-house training program designed to foster skill improvement among the company's floating staff. This strategic approach not only benefits the individual employees but also contributes to the overall growth and success of the organization.

The PSL Training Department is a specialized autonomous unit within the company dedicated to honing the skills and competencies of its floating staff. These are seafarers who work on board our fleet of vessels, requiring a diverse skill set to navigate different responsibilities effectively. The training department is an embodiment of the company's commitment to continuous learning and development, acknowledging that a well-equipped workforce is the key to sustained success.

Courses conducted by PSL Training:

Courses offered at PSL Training include both licensing and tailored programs. MRM is a training program for ship's officers, engineers, pilots, and shore-based personnel. The aim is to increase knowledge about human capabilities and limitations and to reinforce positive attitudes towards safety and teamwork. MRM is generally accepted to be one of the most efficient means of improving crew cooperation and minimizing the risk of accidents caused by human errors as well as failures in effective teamwork and resource management. The MRM course is authorized and licensed by ALL Academy International AB, an independent training development company primarily involved in human factors and resource management training programs. ALL Academy is the company behind the Maritime Resource Management (MRM)™ training program that has become the industry standard for resource management training.

Apart from the MRM courses, the PSL Training Center has classrooms, Video-Based Training (VBT) and Computer based training (CBT) for the ship staff. Courses include MRM, Bridge Team Management (BTM), Bridge Team Competency (BTC), Officer Of the Watch (OOW), Chief Mate Course (CMC), Command Course (Command), Electronic Chart Display and Information System (ECDIS) officers are required to undergo further ECDIS familiarization course at our in-house facility, Shipboard Safety Course (SSC), Maritime Professional Briefing (MPB), Maritime English training (divided into 5 course levels) programs for safety and efficient ship operations of deck and engine departments. The Training Center also conducts lectures on VTS (Vessel Traffic Separation) & SMCP (Standard Marine Communication Phrases) within the BTM and MRM courses, with the aim of developing our officers' communication skills in communicating with a VTS officer using standard maritime phrases in various simulations. The courses are upgraded regularly and provide a solid foundation to the Company's training activities and enable our Officers and Engineers to keep abreast of the latest developments in ship operations.

To meet the needs of trained engineers to serve on vessels fitted with new generation Main Engines from MAN Diesel & Turbo and Wartsila, the PSL Training Center liaises very closely with the Technical Department and the engine manufacturers to continuously upgrade the training courses which were first introduced even before the vessels were delivered into the fleet. Other training courses which the engineers go through before joining the ships are "Engine Room Management and Competency Enhancement" - "EMC" for Senior Engineers, "Engineer on Watch" - "EOW" for Junior Engineers, courses on "stern tube sealing systems" and "ships' cargo gears with special focus on hydraulics", and "Shipboard Safety." The PSL Training Center also augments classroom theoretical courses with practical training, wherever possible. Because the new vessels acquired are fitted with more fuel-efficient modern engines using advanced electronic controls and technology, the Company's senior engineers, Electrical Officers and shore-based Technical Superintendents are put through the engine-maker's specific training courses designed to better understand the operation and for effective troubleshooting. Junior engineers are in turn trained at the Company's Training Center and by trickle-down methods on board ships. New courses are also being introduced to prepare the ships' staff for the challenges expected in the coming years on account of the low Sulphur cap, carbon dioxide emissions and ballast water treatment regulations. To equip the officers with knowledge of new developments, the company has also taken the step of organizing specialized courses conducted by experienced and proficient guest teachers.

Training overview on year 2023:

In this training overview for the year 2023, we will explore the key trends, courses, and developments that are shaping the landscape of professional development for the benefit of the company. During the year 2023, we continued to train our officers using a online/onsite hybrid system. Some courses such as BTC I and BTMC were combined using both online and onsite PSL Bridge Simulator. A total of 1,153 sea going officers and crew members attended a total of 22 courses that were conducted during the year, which is a testament to the company's commitment towards training our crew members and the high premium that we place on the same.

Significant changes introduced in the year 2023:

1. The training contents of BTC – II and BTM were combined together as the "Bridge Team Management and Competency Course" BTMC.
2. The Vessel Inspection Course has been replaced with the 'It's My Ship' course. While the Vessel Inspection Course was originally designed to prepare the vessel for inspection by third parties, 'It's My Ship' now emphasizes the continuous maintenance of the vessel to uphold high standards at all times.

What is new in 2023:

A Mental Health Survey is administered prior to joining, utilizing the questionnaire set out by the Department of Mental Health, Ministry of Public Health, Government of Thailand.

Summary of courses conducted in 2023:

Course Name	No. of Class conducted in 2023	No. of Participants in 2023	Man/day
MRM & VTS	10	177	531
BTC – I	5	29	87
BTM & VTS	9	115	345
MPB	12	182	728
OOW	5	27	81
CMC	9	38	114
COMMAND	7	24	48
ECDIS	5	30	90
Vessel inspection	4	24	24
It's my ship	4	106	530
RT – Flex	5	35	175
RT Flex Operation & Practical Advanced	5	49	245
ME Course	5	35	175
ME Engine Advance Troubleshooting	5	54	270
ME – B Control System Standard Ops	10	158	632

Course Name	No. of Class conducted in 2023	No. of Participants in 2023	Man/day
Basic English	6	67	670
Elementary English	6	94	940
Intermediate Eng – I	7	35	350
Intermediate Eng – II	2	9	90
SSC	1	11	11
Mental Health Training	2	31	31
Total	**114**	**1,153**	**5,636**

Plans for 2024:

New courses planned to introduce in 2024 as follow:

1. Shipboard Safety Course for Chief Engineer: This course is designed to enhance the awareness of responsibilities and duties for Chief Engineers who serve as Safety Officers on board.
2. Handling Hazardous Substances in Bulk and Packaged form: This course is designed for all deck staff and will focus on the safe handling of hazardous substances loaded on board, whether in solid or packaged form.
3. Hatch Cover Maintenance: This course emphasizes the importance for the Master and Chief Officer to understand the correct way to inspect and maintain hatch covers.
4. Log Lashing training course: To impart log lashing skills to all deck staff.

Joint Venture:

International Seaports (Haldia) Pvt Ltd: This is now our only investment in Ports in the Haldia Dock Complex (about 22.4% of the total capital) under our port projects investments. This JV continues to operate very well, and we have to-date received total dividends of USD 6.58 million, which works out to about 323% of our original Investment made in years 2002-2003.

In Conclusion

Demand:

The environment for 2024 is going to be characterized by extreme volatility, as it was for 2021, 2022, and 2023, for the same reason, that demand-supply came into near perfect balance during 2021. Downside risks for 2024 will include, amongst others, geopolitical tension hot spots like Ukraine, Israel, and Taiwan; China importing lower quantities of coal and iron ore; real estate, steel production, cement and aluminum manufacturing slowing down and negatively impacting GDP rates in China; QE taper in USA hurting their economy; interest rate in USA and other major economies not dropping quickly enough; higher oil prices negatively impacting world economic growth rates; and protectionism increasing. But it is not all doom and gloom. The upside potential for 2024 consists of, amongst others, fiscal and monetary stimulus by governments; China lowering interest rates, lowering reserve ratio requirements of their banks, lowering mortgage rates, and providing steel intensive stimulus; China importing more high-grade iron ore as they increase steel production; China importing more coal to reduce pollution; slower ordering of new ships due to challenging regulations covering fuels of the future, lack of traditional finance sources for 'new fuel burning ships that could become stranded assets'; the US economy may outperform expectations and grow more strongly than forecast; and weaker currencies in the Euro zone and Japan helping them to export their economies out of trouble. Most importantly, with geopolitical tensions around Ukraine, Israel; China rescinding its unofficial ban on coal imports from Australia; and the Chinese government adding as much stimulus as needed to keep their economy chugging along at a brisk pace, should all assist the demand side of the equation at a time when the supply side shows no signs of growing at anything but the slowest pace on record this century.

Supply:

Under the current conditions, approximately 14.24% (153.75 MDWT) of the existing world fleet would be over 20 years of age between 2024-2026 if no ships are recycled till the end of 2026. These ships would come under tremendous financial pressure due to the upcoming regulatory requirements. Depending on how challenging the freight markets turn out to be and the increasing regulatory pressure on older ships in the period 2024 to 2026 many of these ships would be forced to take the decision to head to the recycling yards in Asia.

With respect to the 8.33% of new ships (83.01 MDWT) scheduled to be delivered to the end of 2026, the lack of funding for fuel burning ships coupled with slippage in deliveries at shipyards would help slow down their arrivals into the freight market.

Financing:

As we began the year 2023, every economist worth their salt forecast a Fed induced global recession that would slow global GDP growth. The only point of conjecture was the severity of this much anticipated recession. How wrong were they! The US recorded a blistering 4.9% GDP growth rate in 3Q 2023, China's GDP growth for the year was above 5%, while India's was above 7%. The only laggard was Europe, which recorded a rather placid growth rate of less than 0.5%, much of this due to the loss of low cost energy from Russia. Economists, perhaps embarrassed by the impotency of their prophecies on full display, don't seem to have the courage to forecast a downturn for 2024. We may have to wait a bit longer for this recession if it decides to show its head at all!

Meanwhile, newspapers and business news channels were, and continue to be, inundated with articles about China's ailing property sector adding to the general gloominess, most especially for the dry-bulk sector. China, on the other hand, has different ideas with dry-bulk imports of virtually every major commodity reaching new highs in 2023. Weakness in the property sector was comfortably offset by growth in the automotive, ship building and infrastructure sectors. Unbeknownst to most, 2023 is, in fact, a milestone year for the Chinese automobile industry as this is the year that it established itself as the world's largest automobile exporter.

The impending global recession, coupled with the doom and gloom of the Chinese property sector, permeated the boardrooms of many financial market participants. This resulted in a reduction of capital availability for the shipping industry, from USD 16.6 billion in 2022 to USD 7.3 billion in 2023. Participants in the shipping industry were somewhat indifferent, too. Many had already utilized the extraordinary earnings of 2021 and 2022 to build up substantial cash reserves on their balance sheets. Additionally, newbuild ordering in the dry-bulk and tanker sector remained relatively muted. This was due to uncertainty over future fuels, limited yard capacity, and high prices, all of which contributed to keeping the demand for finance low.

The global demand for shipping is steadily increasing and there's a pressing need for companies to update their ageing fleets. Our own fleet is showing signs of age, with the average age now being 12 years old. Recognizing the need to stay competitive, we have initiated the process of fleet renewal. In 2023, we signed six loan agreements, with a significant portion of proceeds to be utilized to acquire new vessels.

The theme of ESG (Environmental, Social, and Governance) continued to be a significant focus for participants in the financial industry, with many financiers now requiring a sustainability component in every financing transaction. However, these financiers and industry participants remain realistic about the feasibility of these initiatives, acknowledging the limitations imposed by current technology and commercial viability.

According to Clarksons, the shipping industry (excluding offshore) as a whole raised USD 6.6 billion from capital markets in 2023, compared to USD 15.2 billion in 2022. USD 6 billion came in from bonds and about USD 557 million from public equity and private placements, out of which about USD 319 million of public equity was raised through primary offerings (IPOs), down from the USD 1 billion raised through IPOs in 2022. The container shipowner company JJ Shipping had the largest shipping IPO in 2023, raising USD 305 million through a listing on the Shanghai Stock Exchange, while the second largest IPO was that of Chinese bulk carrier Shipping Fujian Highton, which raised about USD 208 million on the Shanghai Stock Exchange. Bond issuances in the shipping industry were dominated by the cruise sector, while equity issuances were dominated by dry bulk.

Concluding Remark:

Considering all the above, we are taking advantage of the opportunities that are present in the market. We hope to deliver to all our stakeholders the promise of this potential. This will, in no small measure, be due to the very dedicated and hardworking professionals that make up the office, as well as the floating staff at PSL.

For and on behalf of the Board of Directors of
Precious Shipping Public Company Limited

Chaipatr Srivisarvacha
Chairman of the Board of Directors

Khalid Moinuddin Hashim
Managing Director

12 February 2024

Part

1 CORPORATE STRUCTURE & BUSINESS OPERATIONS

BUSINESS OVERVIEW

Precious Shipping Public Company Limited (PSL or the Company), established in 1989 and listed on the Stock Exchange of Thailand in 1993, owns and operates dry bulk ships on a tramp shipping basis. The corporate structure of PSL, similar to other global shipping companies, comprises separate subsidiaries owning each vessel (sometimes 2 or 3 vessels).

As of 31 December 2023, PSL operates 38 dry bulk ships including 4 cement carriers (the "Fleet"), amounting to 1,657,579 DWT in aggregate. The Fleet comprises 20 ships that are registered under the Thai flag and 18 ships that are registered under the Singapore flag. 8 ships are in the Ultramax sector, 9 ships are in the Supramax sector and the balance 21 ships (including 4 cement carriers) are in the Handy Size sector of the dry bulk market.

PSL is one of the world's largest pure dry cargo ship-owning companies operating in the Geared (10,000 to 69,000 DWT) sector of the tramp freight market. The Geared sector consists of 2 sub-sectors which are 1) Handy Size sector, ships with 10,000 - 40,500 DWT, and 2) Supramax / Ultramax sector, ships with 40,501 - 69,999 DWT. Historically, the Company operated mainly in the Handy Size sector. However, the Company's strategy has been to expand its fleet by acquiring larger, younger, modern and fuel-efficient vessels, as explained hereunder in "Nature of Business and Industry" of this Annual Report.

PSL's Fleet is technically managed by Great Circle Shipping Agency Ltd, Bangkok, a wholly-owned subsidiary of PSL that is ISO 9001 and ISO 14001 certified, which makes it one of the very few dry bulk ship management Companies that is compliant with an Environment Management System certification.

- **Vision & Mission Statement:**

  To be the most distinguished Shipping Company in the world, providing an exemplary level of services and solutions to facilitate global trade

- **Core Values:**

  Integrity, Sustainability, Tradition and Innovation

- **Ongoing Commitments:**

  >> **Focus on people, operations, and technology**

  PSL recognizes the importance of human capital in the growth and success of its business. Therefore, we strive to enhance the competence and skills of our employees by conducting a range of in-house training and development programs for employees across the organization.

  PSL is committed to continuous advancement and automation of its operations to ensure the highest level of operational efficiency. Further, we are committed to implementing latest technologies to improve operational efficiencies and reduce our environmental impact.

  >> **Concern for society**

  Community development is in our DNA. Over the years, we have made significant donations to community schools as well as provided scholarships to deserving students at the Merchant Marine Training Centre and various such activities since 1995.

  >> **Concern for the environment**

  We take our obligation to reduce the environmental impact of our business very seriously. We have measurably reduced emissions by replacing our fleet of older vessels with modern fuel-efficient vessels. In addition, we have undertaken a number of fuel-saving measures such as installing mewis ducts on the propellor of ships, regular cleaning of the external underwater hull and propeller so that frictional losses are kept to a minimum; usage of efficient hull coatings (anti-fouling paints), avoiding wastage of electric power on board and implementation of active weather routing on voyages to increase efficiency. We are committed to burning only low sulphur fuel while avoiding equipment such as scrubbers that cause acidification of the ocean.

PSL's Changes and Important Developments during the past 3 years (between 2021 and 2023)

2021

- **Reporting on 4th partial early redemption of the PSL206A Debentures**

  On 10 February 2021, the Company notified the SET that the Company exercised the right to early redeem another 50% of the outstanding principal amount of the PSL206A Debentures (THB 658.56 million), equivalent to THB 329.28 million. The payment of this 4th partial early redemption was made along with the accrued interest to the Debenture holders on 12 March 2021. After this 4th partial early redemption, the outstanding principal of the PSL206A Debentures was THB 329.28 million.

- **Reporting on 5th early redemption of the outstanding PSL206A Debentures (Final Redemption)**

  On 24 March 2021, the Company notified the SET that the Company exercised its right to early redeem the remaining outstanding principal amount of the PSL206A Debentures, equivalent to THB 329.28 million. The payment of this 5th early redemption (final redemption) was made along with the accrued interest to the Debenture holders on 23 April 2021.

- **Reporting on 3rd partial early redemption of the PSL211A Debentures**

  On 30 March 2021, the Company notified the SET that the Company exercised its right to early redeem another 10% of the outstanding principal amount of the PSL211A Debentures (THB 2,872 million), equivalent to THB 287.20 million. The payment of this 3rd partial early redemption was made along with the accrued interest to the Debenture holders on 30 April 2021. After this 3rd partial early redemption, the outstanding principal of the PSL211A Debentures was THB 2,584.80 million

- **New credit facility of USD 10.10 million from Export-Import Bank of Thailand**

  On 5 May 2021, the Company notified the SET that on 30 April 2021, the Company and certain subsidiaries of the Company executed a USD 10,100,000 term loan facility agreement with Export-Import Bank of Thailand. The purpose of the Loan Facility was for refinancing the loan provided by the Export-Import Bank of Thailand under the facility agreement dated 28 May 2020, as disclosed to the SET on 29 May 2020.

- **New Loan Agreement of USD 38.35 million with Crédit Agricole Corporate and Investment Bank**

  On 21 June 2021, the Company notified the SET that certain of the Company's Singapore subsidiaries, namely Precious Glories Pte. Ltd., Precious Wisdom Pte. Ltd., Precious Bridges Pte. Ltd., Precious Sparks Pte. Ltd., Precious Fragrance Pte. Ltd. and Precious Forests Pte. Ltd. (collectively the "Subsidiaries") as the Borrowers, and the Company and Precious Shipping (Singapore) Pte. Ltd. ("PSSP"), the Company's Singapore subsidiary which is the shareholder of the Subsidiaries, as the Guarantors executed a USD 38,350,000 Senior Secured Amortizing Term Loan Agreement with Crédit Agricole Corporate and Investment Bank to reimburse PSSP for the intra-group loans owed by the Subsidiaries in relation to the 6 vessels owned by them, i.e., M.V. Vipha Naree, M.V. Viyada Naree, M.V. Daranee Naree, M.V. Baranee Naree, M.V. Benjamas Naree and M.V. Ananya Naree, respectively.

- **Reporting on 4th partial early redemption of the PSL211A Debentures**

  On 21 June 2021, the Company notified the SET that the Company had exercised its right to early redeem another 45% of the outstanding principal amount of the PSL211A Debentures (THB 2,584.80 million), equivalent to THB 1,163.16 million. The payment of this 4th partial early redemption was made along with the accrued interest to the Debenture holders on 22 July 2021. After this 4th partial early redemption, the outstanding principal of the PSL211A Debentures was THB 1,421.64 million.

- **A Sustainability-Linked Loan of USD 85 million from International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited**

  On 29 June 2021, the Company notified the SET that certain of the Company's Singapore subsidiaries, namely ABC ONE Pte. Ltd., ABC TWO Pte. Ltd., ABC THREE Pte. Ltd., ABC FOUR Pte. Ltd. and Precious Comforts Pte. Ltd. (collectively the "Subsidiaries") as the Borrowers entered into the relevant agreements in relation to a USD 85,000,000 Senior Secured Sustainability-Linked Amortizing Term Loan Facility ("Loan Facility") with International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited, mainly to refinance 4 Cement Carriers, i.e., M.V. Apinya Naree, M.V. Boonya Naree, M.V. Chanya Naree and M.V. Danaya Naree, 1 Supramax Dry Bulk Vessel (M.V. Apiradee Naree) and to redeem the remaining outstanding principal of the Company's PSL211A Debentures.

- **Interim Dividend No. 1/2021**

  On 16 August 2021, the Board passed a resolution approving an Interim Dividend No. 1 for the year 2021 based on the retained earnings as of 30 June 2021 of Baht 0.50 per share. The Record Date for the right to receive the dividend was 30 August 2021. The payment was made on 10 September 2021.

- **Reporting on 5th early redemption of the outstanding PSL211A Debentures (Final Redemption)**

  On 27 August 2021, the Company notified the SET that the Company had exercised its right to redeem the remaining outstanding principal amount of the PSL211A Debentures, equivalent to THB 1,421.64 million. The payment of this 5th early redemption (final redemption) was made along with the accrued interest to the Debenture holders on 27 September 2021.

- **Chayanee Naree incident**

  On 15 October 2021, 19 October 2021, 1 November 2021 and 13 December 2021, the Company notified the SET of the update on the news of the arrest of 22 Thai crew members on board the Singapore-flagged vessel of the Company's Singapore subsidiary, Precious Visions Pte. Limited, i.e., M.V. Chayanee Naree (the "Vessel") in Nigeria for alleged drug trafficking.

- **A long-term charter of M.V. Vipha Naree**

  On 25 October 2021, the Company notified the SET that a Handysize vessel in its fleet, M.V. Vipha Naree, was fixed on a 11-13 month charter to Navision Chartering A/S commencing 22 October 2021 at a gross variable rate equivalent to 102% of the Baltic Exchange Handysize Index (BHSI) weighted time charter average value over the previous 15 days.

- **Interim Dividend No. 2/2021**

  On 15 November 2021, the Board passed a resolution approving an Interim Dividend No. 2 for the year 2021 based on the retained earnings as of 30 September 2021 of Baht 0.50 per share. The Record Date for the right to receive the dividend was 29 November 2021. The payment was made on 13 December 2021.

- **A connected transaction**

  On 15 November 2021, the Company notified the SET that the Meeting of the Board of Directors of the Company No. 5/2021 held on Monday, 15 November 2021 approved a connected transaction, being the purchase of one condominium unit at Prestige Towers Condominiums by Great Circle Shipping Agency Limited, a wholly owned Thai subsidiary of the Company, from Mr. Khalid Moinuddin Hashim, Managing Director and Director of the Company, and Director of the Subsidiary and Mr. Munir Moinuddin Hashim, brother of Mr. Hashim.

- **A long-term charter of M.V. Latika Naree**

  On 22 November 2021, the Company notified the SET that a Handysize vessel in its fleet, M.V. Latika Naree, was fixed on a 10-12 month charter to Navision Chartering A/S commencing 20 November 2021 at USD 21,000 per day for the first 50 days, thereafter, at a gross variable rate equivalent to 95% of the Baltic Exchange Handysize Index (BHSI) time charter average value.

2022

- **A long-term charter of M.V. Sarika Naree**

  On 10 January 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Sarika Naree, was fixed on a 11-13 month charter to Umang Shipping Services Ltd. commencing 10 January 2022 at a gross variable rate equivalent to 115% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Savita Naree**

  On 31 January 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Savita Naree, was fixed on a 11-13 month charter to Umang Shipping Services Ltd. commencing 28 January 2022 at a gross variable rate equivalent to 115% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **Interim Dividend No. 3/2021**

  On 14 February 2022, the Board passed a resolution approving an Interim Dividend No. 3 for the year 2021 based on the retained earnings as of 31 December 2021 of Baht 0.50 per share. The Record Date for the right to receive the dividend was 1 March 2022. The payment was made on 11 March 2022.

- **A long-term charter of M.V. Savitree Naree**

  On 17 February 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Savitree Naree, was fixed on a 11-13 month charter to Umang Shipping Services Ltd. commencing 15 February 2022 at a gross variable rate equivalent to 115% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Sarita Naree**

  On 4 March 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Sarita Naree, was fixed on a 12-14 month charter to Umang Shipping Services Ltd. commencing 3 March 2022 at a gross variable rate equivalent to 115% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **Final Dividend for the year 2021**

  At the Annual General Meeting of Shareholders of the Company No. 1/2022 held on Monday, 4 April 2022, the Shareholders passed a resolution approving a final dividend for the year 2021 based on the retained earnings as of 31 December 2021 of Baht 0.25 per share. The Record Date for the right to receive the dividend was 12 April 2022. The payment was made on 28 April 2022.

- **Change in the Board of Directors**

  At the Annual General Meeting of Shareholders of the Company No. 1/2022 held on Monday, 4 April 2022, Ms. Lyn Yen Kok who retired by rotation, excused herself from being available for re-election.

- **Appointment of certain sub-committee members**

  The following resolutions were passed by the Board at the Meeting of the Board of Directors of the Company No. 3/2022 held on Wednesday, 4 April 2022.

  - The redesignation of the Risk Management Committee as the Sustainability and Risk Management Committee.
  - Ms. Pensri Suteerasarn, Independent Director, as a member of the Audit and Corporate Governance Committee with effect from 4 April 2022.
  - Ms. Pensri Suteerasarn, Independent Director, as a member of the Sustainability and Risk Management Committee with effect from 4 April 2022.
  - Professor Dr. Pavida Pananond, Independent Director, as a member of the Nomination Committee with effect from 4 April 2022.
  - The Amendment to the tenures of all sub-committee members (including Audit and Corporate Governance Committee members) from 2 years to a tenure that is coterminous with each member's tenure on the Board.

- **A long-term charter of M.V. Sarocha Naree**

  On 20 April 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Sarocha Naree, was fixed on a 9-11 month charter to Pan Ocean Co., Ltd., South Korea, commencing 7 March 2022 at a gross fixed rate of USD 35,500 per day.

- **Interim Dividend No. 1/2022**

  On 11 May 2022, the Board passed a resolution approving an Interim Dividend No. 1 for the year 2022 based on the retained earnings as of 31 March 2022 of Baht 0.50 per share. The Record Date for the right to receive the dividend was 25 May 2022. The payment was made on 8 June 2022.

- **Acquisition of two secondhand Vessels**

  On 31 May 2022, the Company notified the SET about the acquisition of two secondhand Handysize Vessels, viz. M.V. NORDIC SEOUL and M.V. NORDIC BUSAN by the Company's Subsidiaries, Precious Stones Shipping Limited for M.V. NORDIC SEOUL and Precious Jasmines Limited for M.V. NORDIC BUSAN. The purchase price of M.V. NORDIC SEOUL was USD 25 million, and the purchase price of M.V. NORDIC BUSAN was USD 26 million, which was the market price.

- **Delivery of one secondhand 35,882 DWT Bulk Carrier**

  On 13 June 2022, the Company's subsidiary took delivery of M.V. Phatra Naree (formerly known as M.V. Nordic Seoul. The vessel was registered in Thailand.

- **New Loan Agreement of USD 17.10 million with Bangkok Bank Public Company Limited, Singapore Branch**

  On 21 June 2022, the Company notified the SET that on 20 June 2022, the Company's Singapore subsidiary, Precious Grace Pte. Ltd., (the "Subsidiary") as the Borrower and the Company as the Guarantor have executed a USD 17,100,000 term loan facility ("Loan Facility") with Bangkok Bank Public Company Limited, Singapore Branch. The purpose of the Loan Facility was to reimburse or refinance any shareholder's loan which was used to support the Borrower's operations and to provide intercompany loans to support the Guarantor's vessel acquisitions.

- **Delivery of one secondhand 35,882 DWT Bulk Carrier**

  On 25 July 2022, the Company's subsidiary took delivery of M.V. Pavida Naree (formerly known as M.V. Nordic Busan. The vessel was registered in Thailand.

- **Interim Dividend No. 2/2022**

  On 15 August 2022, the Board passed a resolution approving an Interim Dividend No. 2 for the year 2022 based on the retained earnings as of 30 June 2022 of Baht 0.50 per share. The Record Date for the right to receive the dividend was 29 August 2022. The payment was made on 12 September 2022.

- **Dissolution of the Company's subsidiaries**

  On 5 September 2022, the Company notified the SET of the dissolution of 6 wholly-owned Thai subsidiaries of the Company ("Subsidiaries") viz, Precious Capitals Limited, Precious Diamonds Limited, Precious Garnets Limited, Precious Minerals Limited, Precious Moons Limited and Precious Resorts Limited. The reason for dissolution was due to the absence of any operations since the Subsidiaries did not own any vessels.

- **Three long-term charters**

  On 3 October 2022, the Company notified the SET of the following recent long-term charters:

  - A Supramax vessel in its fleet, M.V. Baranee Naree, was fixed on a 12-15 month charter to Intergis Co., Ltd., South Korea, commencing 1 October 2022 at a gross variable rate equivalent to 98% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.
  - An Ultramax vessel in its fleet, M.V. Issara Naree, was fixed on a 12-15 month charter to Intergis Co., Ltd., South Korea, commencing 2 October 2022 at a gross variable rate equivalent to 115% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.
  - A Handysize vessel in its fleet, M.V. Vipha Naree, was fixed on a 11.5-14.5 month charter to Navision Chartering A/S, Denmark, commencing 1 November 2022 at a gross variable rate equivalent to 102% of the Baltic Exchange Handysize Index (BHSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Wariya Naree**

  On 5 October 2022, the Company notified the SET that an Supramax vessel in its fleet, M.V. Wariya Naree, was fixed on a 11-13 month charter to Stone Shipping Ltd, Bermuda, commencing 5 October 2022 at a gross variable rate equivalent to 86% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Sunisa Naree**

  On 10 October 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Sunisa Naree, was fixed on a 12-15 month charter to Intergis Co., Ltd., South Korea, commencing 10 October 2022 at a gross variable rate equivalent to 115% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Chayanee Naree**

  On 25 October 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Chayanee Naree, was fixed on a 12-15 month charter to Intergis Co., Ltd., South Korea, commencing 22 October 2022 at a gross variable rate equivalent to 98% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **Interim Dividend No. 3/2022**

  On 11 November 2022, the Board passed a resolution approving an Interim Dividend No. 3 for the year 2022 based on the retained earnings as of 30 September 2022 of Baht 0.50 per share. The Record Date for the right to receive the dividend was 25 November 2022. The payment was made on 9 December 2022.

- **Change in Management and Executive Board**

On 11 November 2022, the Company notified the SET that Mr. Prashant Mahalingam, who was Director (Technical) and Executive Director on the Executive Board of Directors ("Executive Board") of the Company and had been with the Company since 1993, planned to retire from the Company in all capacities at the end of 2022. As such, the Board of Directors of the Company appointed Mr. Chandrasekhar Sivaraman Venkatraman who was then Vice President (Technical & Information Systems) and has been employed by the Company since 1992, as Mr. Prashant's replacement as Director (Technical) and as Executive Director on the Executive Board with effect from 1st January 2023. Following the aforementioned appointment with effect from 1st January 2023, the Executive Board comprises of Mr. Khalid Hashim, Mr. Gautam Khurana, and Mr. Chandrasekhar Sivaraman Venkatraman.

- **A long-term charter of M.V. Sarocha Naree**

On 13 December 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Sarocha Naree, was fixed on a 12-15 month charter to Intergis Co., Ltd., South Korea, commencing 9 December 2022 at a gross variable rate equivalent to 116.5% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Lanna Naree**

On 19 December 2022, the Company notified the SET that a Handysize vessel in its fleet, M.V. Lanna Naree, was fixed on a 10-14 month charter to Dampskibsselskabet Norden A/S, Denmark, commencing 18 December 2022 at a gross variable rate equivalent to 92.5% of the Baltic Exchange Handysize Index (BHSI) weighted time charter average value over the previous 15 days.

2023

- **A long-term charter of M.V. Latika Naree**

On 6 January 2023, the Company notified the SET that a Handysize vessel in its fleet, M.V. Latika Naree, was fixed on a 10-14 month charter to Dampskibsselskabet Norden A/S, Denmark commencing 5 January 2023 at a gross variable rate equivalent to 92.5% of the Baltic Exchange Handysize Index (BHSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Rattana Naree**

On 7 March 2023, the Company notified the SET that a Handysize vessel in its fleet, M.V. Rattana Naree, was fixed on a 10-12 month charter to Transcend Marine Pte Ltd., Singapore commencing 4 March 2023 at a gross variable rate equivalent to 89.5% of the Baltic Exchange Handysize Index (BHSI) weighted time charter average value over the previous 15 days.

- **An extension of the long-term charter of M.V. Savita Naree**

On 15 March 2023, the Company notified the SET that the long term charter of M.V. Savita Naree with Umang Shipping Services Ltd. has been extended for another 11-13 month commencing 15 March 2023 at a gross variable rate equivalent to 117% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Savitree Naree**

On 3 April 2023, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Savitree Naree, was fixed on a 11-13 month charter to Umang Shipping Services Ltd. commencing 2 April 2023 at a gross variable rate equivalent to 117% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **Final Dividend for the year 2022**

At the Annual General Meeting of Shareholders of the Company No. 1/2023 held on Monday, 10 April

2023, at 10:30 hours by electronic means ("E-AGM"), the Shareholders passed a resolution approving a final dividend for the year 2022 based on the retained earnings as of 31 December 2022 of Baht 0.25 per share. The Record Date for the right to receive the dividend was 24 April 2023. The payment was made on 9 May 2023.

- **Appointment of a new Independent Director**

  The Annual General Meeting of Shareholders of the Company No. 1/2023 held on Monday, 10 April 2023, at 10:30 hours by electronic means ("E-AGM"), the Shareholders passed a resolution approving the appointment of Ms. Qiyu (Jackie) Wang as a new Independent Director.

- **New Loan Agreement of USD 9 million with the IYO Bank Ltd., Singapore Branch**

  On 26 April 2023, the Company notified the SET that on 25 April 2023, a wholly owned Singapore subsidiary of the Company, namely Precious Visions Pte. Ltd. (the "Subsidiary") as the Borrower and the Company as the Guarantor have executed a USD 9,000,000 Senior Secured Amortizing Term Loan Agreement ("Agreement") with the IYO Bank Ltd., Singapore Branch, to refinance the Supramax Dry Bulk Vessel, i.e. M.V. Chayanee Naree.

- **Appointment of members of Sub-Committees**

  With reference to the appointment of Ms. Qiyu (Jackie) Wang as a new Independent Director on the Board of Directors, at the Meeting of the Board of Directors of the Company No. 3/2023 held on Monday, 15 May 2023, the Board has resolved to reorganize certain sub-committees for better efficiency, as follows:

  - The combination of the Nomination Committee and the Remuneration Committee into one committee, namely the Nomination and Remuneration Committee, which comprises the following members:
    (i) Ms. Pensri Suteerasarn, Independent Director, Chairperson of the Committee.
    (ii) Ms. Qiyu (Jackie) Wang, Independent Director, Committee Member.
    (iii) Mr. Kirit Shah, Director, Committee Member.
  - The revised structure of the Sustainability and Risk Management Committee is as follows:
    (i) Prof. Dr. Pavida Pananond, Independent Director, Chairperson of the Committee.
    (ii) Mr. Kamtorn Sila-On, Independent Director, Committee Member.
    (iii) Ms. Pensri Suteerasarn, Independent Director, Committee Member.
    (iv) Ms. Qiyu (Jackie) Wang, Independent Director, Committee Member.
    (v) Mr. Khalid Moinuddin Hashim, Managing Director, Committee Member.

- **Interim Dividend No. 1/2023**

  On 15 May 2023, the Board passed a resolution approving an Interim Dividend No. 1 for the year 2023 based on the retained earnings as of 31 March 2023 of Baht 0.05 per share. The Record Date for the right to receive the dividend was 30 May 2023. The payment was made on 14 June 2023.

- **A long-term charter of M.V. Pavida Naree**

  On 31 May 2023, the Company notified the SET that a Handysize vessel in its fleet, M.V. Pavida Naree, was fixed on a 10-12 month charter to Navision Shipping A/S, Denmark commencing 30 May 2023 at a gross variable rate equivalent to 101.5% of the Baltic Exchange Handysize Index (BHSI) weighted time charter average value over the previous 15 days.

- **Amendments to the Secured Loan Agreement with Bangkok Bank Public Company Limited, Singapore Branch**

  On 20 June 2023, the Company notified the SET that on 15 June 2023, certain wholly-owned Singapore subsidiaries of the Company, namely Precious Grace Pte. Ltd., Precious Skies Pte. Ltd., and Precious Tides Pte. Ltd. (collectively the "Subsidiaries") as the Borrowers and the Company as the Guarantor have executed a first amendment and restatement agreement ("Amendment Agreement") in relation to the USD 17.10 million Senior Secured Amortizing Term Loan Agreement with Bangkok Bank

Public Company Limited, Singapore Branch. The aforesaid Amendment Agreement is mainly to upsize the original Loan by an additional loan amount of up to USD 31.80 million. As such, the aggregate loan amount has been increased to USD 48.90 million.

- **New Subsidiaries of the Company**

  On 8 August 2023, the Company notified the SET about the incorporation of the following 9 (nine) wholly owned subsidiaries of our Singaporean subsidiary, Precious Shipping (Singapore) Pte. Ltd.:

  1. Precious Breeze Pte. Ltd.
  2. Precious Topaz Pte. Ltd.
  3. Precious Waves Pte. Ltd.
  4. Precious Jade Pte. Ltd.
  5. Precious Tulips Pte. Ltd.
  6. Precious Violets Pte. Ltd.
  7. Precious Daisies Pte. Ltd.
  8. Precious Marigold Pte. Ltd.
  9. Unity Ventures Pte. Ltd.

- **Interim Dividend No. 2/2023**

  On 11 August 2023, the Board passed a resolution approving an Interim Dividend No. 2 for the year 2023 based on the retained earnings as of 30 June 2023 of Baht 0.05 per share. The Record Date for the right to receive the dividend was 25 August 2023. The payment was made on 8 September 2023.

- **A long-term charter of M.V. Phatra Naree**

  On 15 August 2023, the Company notified the SET that a Handysize vessel in its fleet, M.V. Phatra Naree, was fixed on a 11-13 month charter to Navision Shipping A/S, Denmark commencing 12 August 2023 at a gross variable rate equivalent to 101.5% of the Baltic Exchange Handysize Index (BHSI) weighted time charter average value over the previous 15 days.

- **New credit facility of USD 26.25 million from Export-Import Bank of Thailand**

  On 15 August 2023, the Company notified the SET that on 11 August 2023, the Company and certain subsidiaries of the Company executed a USD 26.25 million term loan facility agreement with Export-Import Bank of Thailand. The purposes of the Loan Facility are to reimburse the acquisition expenses of M.V. Phatra Naree and to support the Borrowers' operations.

- **The extensions of seven long-term charters**

  On 25 September 2023, the Company notified the SET of the following recent extensions of long-term charters:

  - A Supramax vessel, M.V. Baranee Naree, extended her charter to Intergis Co., Ltd., South Korea, for further 12-15 months. The charter extension commenced on 15 November 2023 at a gross variable rate equivalent to 100% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.
  - An Ultramax vessel, M.V. Issara Naree, extended her charter to Intergis Co., Ltd., South Korea, for further 12-15 months. The charter extension commenced on 17 November 2023 at a gross variable rate equivalent to 118% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.
  - An Ultramax vessel, M.V. Sunisa Naree, extended her charter to Intergis Co., Ltd., South Korea, for further for another 12-15 months. The charter extension commenced on 23 November 2023 at a gross variable rate equivalent to 118% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.
  - A Supramax vessel, M.V. Chayanee Naree, extended her charter to Intergis Co., Ltd.,

South Korea, for further 12-15 months. The charter extension commenced on 7 December 2023 at a gross variable rate equivalent to 100% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- An Ultramax vessel, M.V. Sarocha Naree, extended her charter to Intergis Co., Ltd., South Korea, for further 12-15 months. The charter extension commences on 24 January 2024 at a gross variable rate equivalent to 118% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.
- A Handysize vessel, M.V. Lanna Naree, extended her charter to Dampskibsselskabet Norden A/S, Denmark, for further 10-14 months. The charter extension commenced on 18 December 2023 at a gross variable rate equivalent to 94.50% of the Baltic Exchange Handysize Index (BHSI) weighted time charter average value over the previous 15 days.
- A Handysize vessel, M.V. Latika Naree, extended her charter to Dampskibsselskabet Norden A/S, Denmark, for further 10-14 months. The charter extension commenced on 5 January 2024 at a gross variable rate equivalent to 94.50% of the Baltic Exchange Handysize Index (BHSI) weighted time charter average value over the previous 15 days.

- **New Loan of USD 105 million from International Finance Corporation, Export-Import Bank of Thailand and Crédit Agricole Corporate And Investment Bank**

  On 25 October 2023, certain wholly-owned Singapore subsidiaries of the Company, namely Precious Waves Pte. Ltd., Precious Breeze Pte. Ltd., Precious Topaz Pte. Ltd., Precious Jade Pte. Ltd., Precious Violets Pte. Ltd., and Precious Tulips Pte. Ltd. (collectively the “Subsidiaries”) as the Borrowers have executed the relevant agreements in relation to a USD 105,000,000 Senior Secured Amortizing Term Loan Facility (“Loan Facility”) with International Finance Corporation, Export-Import Bank of Thailand and Crédit Agricole Corporate and Investment Bank, mainly to finance the acquisition of up to six (6) dry bulk carriers.

- **New Loan Agreement of USD 37.50 million with Crédit Agricole Corporate and Investment Bank**

  On 6 November 2023, certain wholly-owned Singapore subsidiaries of the Company, namely Precious Glories Pte. Ltd., Precious Wisdom Pte. Ltd., Precious Bridges Pte. Ltd., and Precious Sparks Pte. Ltd. (collectively the “Subsidiaries”) as the Borrowers executed a USD 37,500,000 Senior Secured Amortizing Term Loan Agreement (“Loan Agreement”) with Crédit Agricole Corporate and Investment Bank mainly to refinance the Existing Loan Agreement.

- **New Subsidiary of the Company**

  On 14 December 2023, the Company notified the SET of the recent incorporation of Bongkot Holdings Limited, a wholly owned Thai subsidiary of the Company.

- **Interim Dividend No. 3/2023**

  On 10 November 2023, the Board passed a resolution approving an Interim Dividend No. 3 for the year 2023 based on the retained earnings as of 30 September 2023 of Baht 0.05 per share. The Record Date for the right to receive the dividend was 24 November 2023. The payment was made on 8 December 2023.

- **New Loan Agreement of USD 18 million with SinoPac Capital International (HK) Limited, Hong Kong**

  On 27 December 2023, the Company notified the Stock Exchange of Thailand that on 26 December 2023, certain wholly-owned Singapore subsidiaries of the Company, namely Precious Daisies Pte. Ltd. and Precious Marigold Pte. Ltd. (collectively the “Subsidiaries”) as the Borrowers have executed the relevant agreements in relation to a USD 18,000,000 Senior Secured Amortizing Term Loan Facility (“Loan Facility”) with SinoPac Capital International (HK) Limited, mainly to refinance two Handysize dry bulk carriers, i.e., M.V. Chamchuri Naree and M.V. Charana Naree.

NATURE OF BUSINESS AND INDUSTRY

1. Revenue Structure

PSL Ships are employed principally under a Time Charter or Voyage Charter Contract:

1.1 Time Charter: Under this type of charter, the Charterer pays Charter Hire to PSL to operate the vessel for an agreed time period. The Charterer bears all voyage costs, including the cost of bunker fuels and port dues. It may be noted in this case that PSL (or the Shipowning Company) is not the Lessor of the ship, but rather a service-provider, since PSL retains full control with physical and legal possession of the ship.

1.2 Voyage Charter: Under this charter, the Charterer pays Freight to PSL to transport a particular cargo between two or more designated ports (usually paid on a dollar per ton basis). In this case, PSL bears all the voyage costs, including the cost of bunker fuels and port dues.

Revenue structure from the operation of PSL for the last 3 years

Revenues	2021		2022		2023	
	Amount (Baht Million)	% of Total Revenue	Amount (Baht Million)	% of Total Revenue	Amount (Baht Million)	% of Total Revenue
Time Charter Income	7,722.88	87.62	8,992.49	98.31	5,016.04	96.59
Voyage Charter Income	888.87	10.08	132.30	1.45	78.62	1.51
Total Vessel Operating Income	**8,611.75**	**97.70**	**9,124.79**	**99.76**	**5,094.66**	**98.10**
Other income	**202.54**	**2.30**	**21.85**	**0.24**	**98.32**	**1.90**
Total Revenues	**8,814.29**	**100.00**	**9,146.64**	**100.00**	**5,192.98**	**100.00**

2. Nature of business

PSL operates its fleet on a tramp-shipping basis, which is to say that the vessels do not have a predetermined schedule for the ports that they call. Principal cargoes handled by PSL are cement, agricultural products, steel, fertilizers, ores and concentrates, coal, and logs. Geographically, PSL estimates its business to be divided evenly across five regions: i) North America ii) Europe, iii) Latin and South America - Africa, iv) Indian sub-continent - Middle East, and v) South East & Far East Asia. PSL operates the majority of its ships in ports that have restricted draft and limited infrastructure (PSL ships have equipment for self-loading & unloading) where larger ships cannot operate. This distinction provides a competitive advantage and allows PSL to enjoy stable charter rates compared to other operators. PSL's geared ships are therefore preferred over larger, gearless ships, despite the latter's economies of scale.

Each ship sails across the globe, depending on the requirements of PSL's charterers. The Fleet is hired on both time charters as well as voyage charters, with a typical duration of 1 - 3 months. Until 2004, the mix between the two types of businesses had historically been equal. Thereafter, time charter contracts constituted roughly 90% of vessel employment. The time charters were either fixed rate trip time charters or fixed rate period charters. In 2022 - 2023, a significant proportion of our fleet was fixed on index linked time charter contracts of about 12 months duration. The variable rates under this type of time charter allow us to fully capture the upside in the market, although it also exposes us to the risk of a fall in market rates.

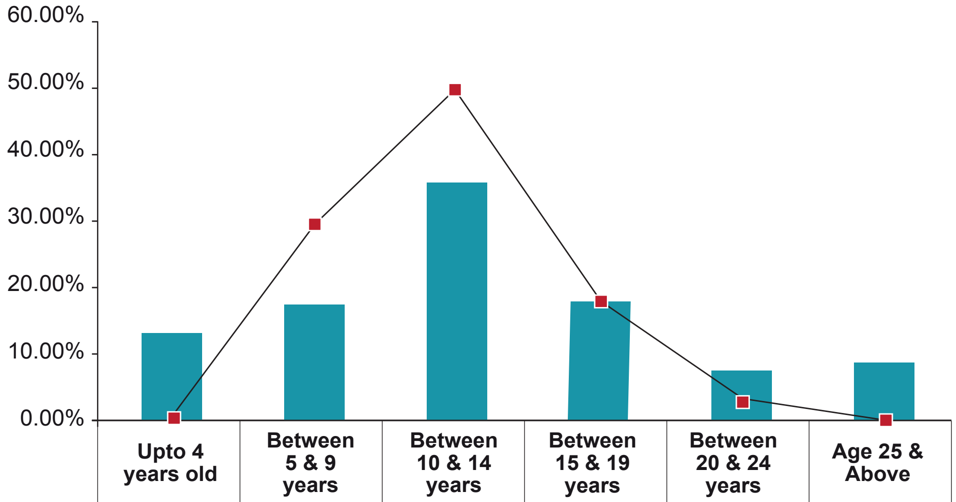
The diversified nature of its operations (global dry bulk shipping in the geared sectors carrying 'essential' basic commodities) allows PSL to minimize the impact of risks in terms of regions or commodities covered as well as economic cycles.

2.1 Fleet Age

PSL's fleet, with a present average age of about 12 years, is younger than the world's fleet average age of about 12.9 years.

An age-wise analysis as of 1 January 2024 of PSL's fleet vis-a-vis the World Fleet (10,000 - 69,999 DWT) is given in the following graph.

DRY CARGO WORLD FLEET (10,000 - 69,999 DWT) - AGE ANALYSIS



	Upto 4 years old	Between 5 & 9 years	Between 10 & 14 years	Between 15 & 19 years	Between 20 & 24 years	Age 25 & Above
World Fleet	12.67%	17.67%	35.90%	17.79%	7.29%	8.68%
PSL Fleet	0.00%	28.95%	50.00%	18.42%	2.63%	0.00%

World Fleet PSL Fleet

Source : Clarksons

2.2 Business Operations

PSL's revenues are well diversified in terms of its business mix, as can be seen from the following tables:

i Commodities/Cargoes Carried

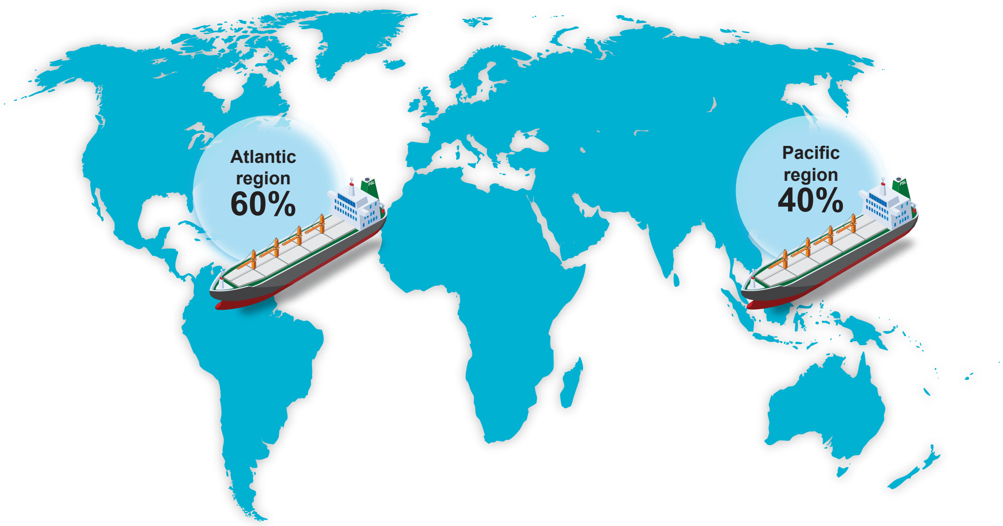
Commodity	(Number of Voyages and % of Total Voyages)					
	2021		2022		2023	
Cement	125	32.22%	115	31.68%	144	35.12%
Agricultural Commodities	67	17.27%	60	16.53%	46	11.22%
Steel	35	9.02%	45	12.39%	46	11.22%
Fertilisers	40	10.31%	20	5.50%	26	6.34%
Specialised Ores	39	10.05%	60	16.53%	67	16.34%
Coal	26	6.70%	22	6.06%	23	5.61%
Forest Products/Logs	21	5.41%	11	3.03%	13	3.17%
Petcoke	6	1.55%	10	2.75%	14	3.41%
Others	29	7.47%	20	5.53%	31	7.57%
Total	**388**	**100.00%**	**363**	**100.00%**	**410**	**100.00%**

ii Voyage Charters v/s Time Charters

Charter	(Number of Voyages and % of Total Voyages)					
	2021		2022		2023	
Voyage Charters	24	6.19%	3	0.83%	2	0.49%
Time Charters	364	93.81%	360	99.17%	408	99.51%

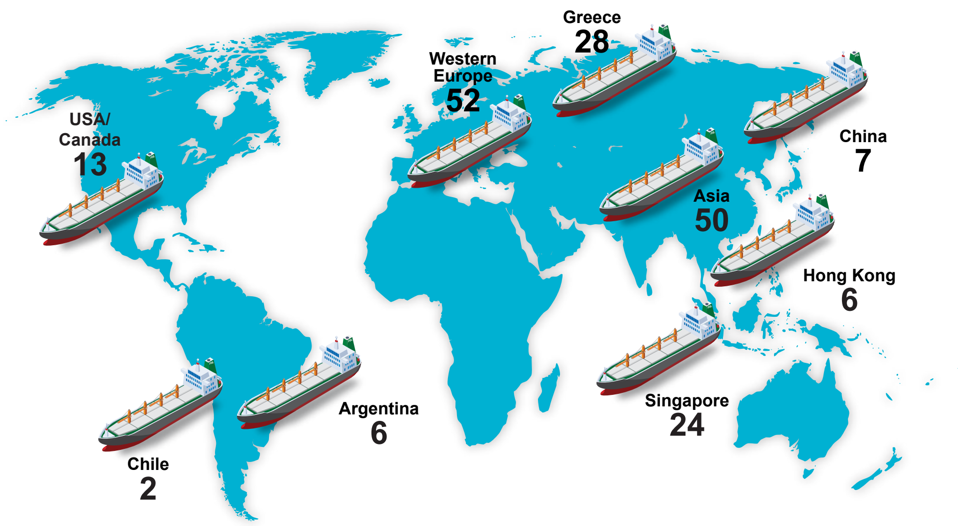
iii Vessel Trading Areas for the year 2023

PSL'S VESSELS TRADING AREAS



Iv Marketing network and major broker locations

MAJOR BROKERS' LOCATIONS

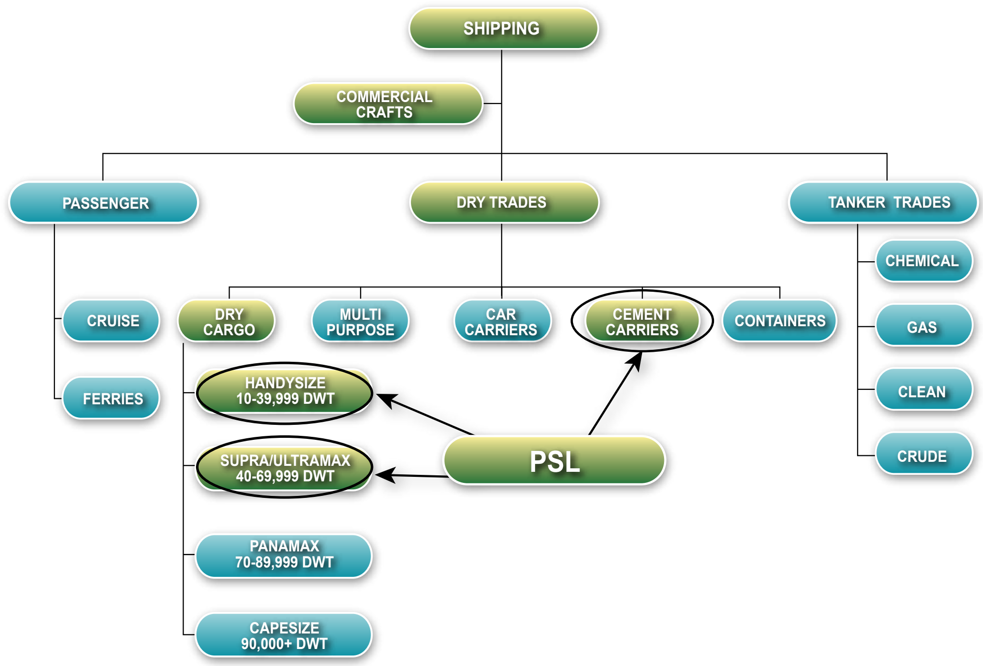


From the above graphs, it can be observed that PSL enjoys a wide coverage with its top class world-wide marketing network. The extensive use of the internet has allowed this coverage to be obtained in an extremely cost effective manner.

3. INDUSTRY STRUCTURE

Broadly, the Shipping Industry is classified as under:

TYPE OF VESSELS



3.1 Dry Bulk Market

Dry Bulk Commodities are divided into 2 categories, viz. Major Bulk and Minor Bulk. Major Bulk commodities are iron ore, coal, and certain grains. Minor Bulk commodities are agricultural commodities, cement, steel, fertilisers, specialized ores, forest products, etc.

PSL's fleet is in the geared ships sector. Demand for this sector is fragmented because of the broad cargo base and multitude of ports serviced by this market segment. As a result, earnings are also less volatile compared to earnings of gearless vessels.

The vessel supply picture is also very fragmented. As of 31 December 2023, there were 8,593 ships with DWT of between 10,000 and 69,999. The largest shipowner in this sub-group has a fleet of only about 114 ships or about 1.45% market share of capacity in DWT terms. The majority of the owners are private companies with a small number of vessels. PSL has 38 ships or about 0.47% market share of capacity in DWT terms.

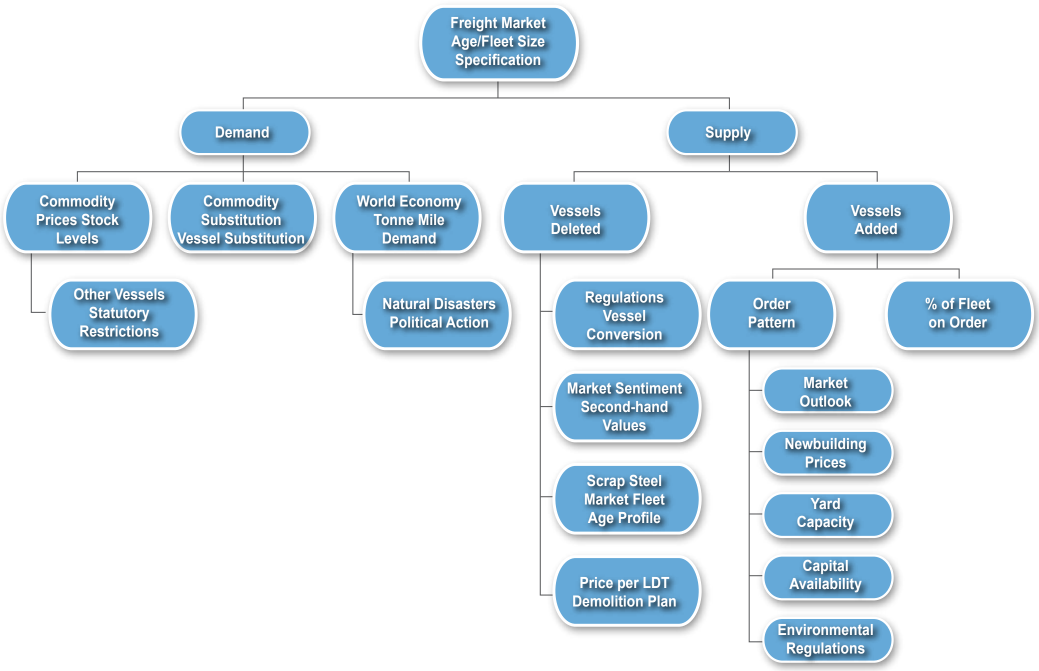
Historically, the Shipping Industry has been a very cyclical industry with two to three years of declining charter rates needed to stabilise supply and demand before freight rates begin to increase. For instance, it took three years for demand to recover following the "down cycle" triggered by the "Asian Financial Crisis" in 1997. With the gradual increase in economic growth in all regions of the world, dry bulk commodity demand improved in 2000 and the improvement continued till the first half of 2001. Also helping the bullish freight rates were increased scrap prices, which incentivized the demolition of older vessels. From 2001, the market witnessed a downturn due to various factors which were of a rather limited duration. The market then witnessed an unprecedented upward trend starting in the third/fourth quarter of 2003, and remained firm throughout 2004 till the first half of 2005, after which the market again experienced a small downturn which experts attributed to an upsurge in supply of vessels, coupled with a decline in scrapping of older vessels. However, contrary to expectations and conventional wisdom, the market turned north from the end of the second quarter of 2006. During 2007, the market continued heading north and reached a peak indicated by the Baltic Dry Index (BDI - as described in 3.3 hereunder) touching 11,039 points on 13 November 2007, before starting to drift lower till the end of January 2008. The market then again headed north till it reached its highest level ever, with the BDI reaching 11,793 points on 20 May 2008, after which, with the onset of the Global Financial Crisis (GFC) and the threat of sustained global recessionary conditions, it fell consistently, reaching 663 points on 5 December 2008, and was at 774 points at the end of the year 2008. As the net annual increase in the supply of vessels was very high during 2009 - 2012, the dry bulk market had to face a protracted period of low BDI from 2011 to 2016. The BDI hit the lowest level in its history at 290 points on 10 February 2016 and the average BDI for the year 2016 was at 673 points which was the lowest average BDI in dry bulk history.

Since 2016, the BDI has been on a gradual uptrend as supply pressures eased due to a decline in the new vessel orderbook. In the first half of 2019, an accident at a Vale mine in Brazil, adverse weather conditions in Australia and African swine fever in China had a debilitating impact on freight rates. Fortunately, the recovery in the second half was very strong, with the BDI touching a ten-year high in September 2019. This was followed by the mother of all black swan events, the Covid-19 Pandemic, which annihilated ship earnings between February and May of 2020. From June 2020 onwards, however, there was a gradual resumption in demand as economies around the world reopened. In addition, China's USD 667 Billion steel-intensive stimulus package accentuated the demand for commodities. Recovering demand and tightening vessel supply have kept freight rates buoyant in late 2020 and through the year 2021. In 2021, the dry-bulk freight markets continued their uptrend driven by further economic expansion in major economies as well as a benign orderbook. The BDI hit 5,650 points, a 13 year high, on 7 October 2021, following which it declined to close the year at 2,217 points. In 2022, the dry-bulk freight markets continued their uptrend however rates softened in the latter half of the year due to the increase in US interest rate, the worsening property sector in China, and lower cargo flows out of Ukraine due to the Russia-Ukraine war. The BDI closed the year at 1,515 points. In 2023, we experienced no less than 3 cycles. First was in January and February when China experienced a surge of covid infections resulting in a sharp drop in trade. This was followed by a sharp increase in rates from March to June as South American grain exports gained momentum. In mid-July, the UN sponsored Black Sea Grain Corridor which was in place to facilitate Ukrainian exports came to an end, and more than 200 ships flooded the market overnight causing rates to plunge. July is also when there is usually a pick up in grain exports out of the Black Sea region and so the timing of this termination was particularly bad. October is traditionally when exports of dry commodities pick up in the Americas and so there was somewhat of a surge in rates although not as much as expected. This was because of low water levels in the Mississippi. In Brazil on the other hand, excessive rains led to a slowdown in exports and a huge increase in ships waiting for cargoes. All of this is of course good, as it takes away capacity. And then finally, it rained in the North American region, following which there was a surge of export cargoes coming out of the Mississippi and this together with Panama canal draft restrictions, caused a rate spike. All of these huge variations in rates took place in just a span of 12 months and is evidence of how finely balanced demand and supply is! We began the year in despair but ended it on a high. The BDI closed the year at 2,094 points.

3.2 Demand – Supply

While the composition and the age of a company's fleet does have an effect on its earnings and expenses, the following table illustrates the various external factors governing demand and supply that drive the Shipping Industry and create the business cycle.

FREIGHT MARKET : DEMAND and SUPPLY



3.3 Shipping Market Index

The Baltic Dry Index ("BDI") is the leading indicator of spot dry bulk cargo freight rates, calculated by the London-based Baltic Exchange. A description of the BDI and its computation method is provided hereunder.

The Baltic Dry Index

The BDI is the successor to the Baltic Freight Index (BFI) and came into operation on 1 November 1999. From 1 July 2009 to 28 February 2018, the BDI was a composite average of Capesize, Panamax, Supramax and Handysize vessel time charter rates (TC).

In January 2018, the Baltic Exchange announced that it will be implementing changes to the Baltic Dry Index (BDI). From 1 March 2018, the BDI was re-weighted to the following ratios of time charter assessments: 40% Capesize, 30% Panamax and 30% Supramax. Handysize vessels were no longer included in computing the BDI. A multiplier of 0.1 was applied to the assessed daily time charter rate.

The BDI is computed by applying the following formula.

((Average Capesize TC X 40%) + (Average Panamax TC X 30%) + (Average Supramax TC X 30%)) X 0.1.

Baltic Supramax Index (BSI)

BSI for Tess 58 design has been published commencing on 3 April 2017, and the transition from BSI Tess 52 design to BSI Tess 58 design was completed as of 31 December 2018, when the Baltic Exchange stopped publishing BSI for Tess 52.

Since 1 January 2019, the Baltic Supramax Index is based on the following type of vessel as described below:

Standard "Tess 58" type vessel with grabs as follows:

- 58,328 DWT self trimming single deck bulk carrier on 12.80 m draught, non - scrubber fitted.
- 189.99 m length, 32.26 m breadth, 5 hatches, 72,360 cubic metres space for loading cargo.
- Speed of 14 knots loaded with cargo on a consumption of 33mt of fuel oil per day at sea, speed of 14 knots without any cargo on a consumption of 32mt of fuel oil per day at sea.
- Speed of 12 knots loaded with cargo on a consumption of 24mt of fuel oil per day at sea, speed of 12.5 knots without any cargo on a consumption of 23mt of fuel oil per day at sea.
- 4 Cranes, each of 30mt lifting capacity with 12 cubic metre grabs for loading and or discharging cargoes.
- Maximum age of Vessel - 15 years.

Route definitions

Route 1B: Delivery of the ship within Canakkale range for one trip time charter via Mediterrenean or Black Sea. Duration of the time charter about 40/50 days. Redelivery of the ship within China/South Korea range. Weighting applied: 5 percent.

Route 1C: Delivery of the ship within US Gulf range for one trip time charter. Duration of the time charter about 50/55 days. Redelivery of the ship within China/South Japan range. Weighting applied: 5 percent.

Route 2: Delivery of the ship within North China range for one trip time charter. Duration of the time charter about 35/40 days. Redelivery of the ship within one Australian or Pacific round voyage range. Weighting applied: 20 percent.

Route 3: Delivery of the ship within North China range for one trip time charter. Duration of the time charter about 55/65 days. Redelivery of the ship within West Africa range. Weighting applied: 15 percent.

Route 4A: Delivery of the ship within US Gulf range for one trip time charter. Duration of the time charter about 25/30 days. Redelivery of the ship within Skaw/Passero range. Weighting applied: 7.5 percent.

Route 4B: Delivery of the ship within Skaw/Passero range for one trip time charter. Duration of the time charter about 25/30 days. Redelivery of the ship within US Gulf range. Weighting applied: 10 percent.

Route 5: Delivery of the ship within West Africa range for one single time charter via East Coast South America. Duration of the time charter about 60/65 days. Redelivery of the ship within North China. Weightage applied: 5 percent.

Route 8: Delivery of the ship within South China range for one trip time charter via Indonesia. Duration of the time charter about 20/25 days. Redelivery of the ship within East Coast India range. Weighting applied: 15 percent.

Route 9: Delivery of the ship within West Africa range for one trip time charter via East Coast South America. Duration of the time charter about 45/50 days. Redelivery of the ship within Skaw/Passero range. Weighting applied: 7.5 percent.

Route 10: Delivery of the ship within South China range for one trip time charter via Indonesia. Duration of the time charter about 20/25 days. Redelivery of the ship within South China range. Weighting applied: 10 percent.

In all the above, it is assumed that 5% total commission on the Gross Time Charter Hire would be payable and business is done within 5/10 days in advance of the ship being free of her last cargo.

Baltic Handysize Index (BHSI)

BHSI for Tess 28 design has been published commencing in 2007, and the transition from BHSI Tess 28 design to BHSI Tess 38 design was completed as of 31 December 2019.

Since 2 January 2020, the Baltic Handysize Index is based on the following type of vessel as described below:

- 38,200 DWT self trimming single deck geared bulk carrier on 10.538 m draught, non - scrubber fitted.
- 180 m length, 29.8 m breadth. 5 holds and 5 hatches. 47,125 cubic metres space for loading cargo.
- Speed of 14 knots loaded with cargo on a consumption of 26mt of fuel oil per day at sea, speed of 14 knots without any cargo on a consumption of 24mt of fuel oil per day at sea.
- Speed of 12 knots loaded with cargo on a consumption of 18mt of fuel oil per day at sea, speed of 12 knots without any cargo on a consumption of 17mt of fuel oil per day at sea.
- 4 Cranes each of 30mt capacity for loading and or discharging cargoes.
- Maximum age of Vessel - 15 years.

Route definitions

Route 1: Delivery of the ship within Skaw/Passero range for one trip time charter. Duration of the time charter about 35/45 days. Redelivery of the ship within Recalada/Rio de Janeiro range. Weighting applied: 12.5 percent.

Route 2: Delivery of the ship within Skaw/Passero range for one trip time charter. Duration of the time charter about 35/45 days. Redelivery of the ship within Boston/Galveston range. Weighting applied: 12.5 percent.

Route 3: Delivery of the ship within Recalada/Rio de Janeiro range for one trip time charter. Duration of the time charter about 35/45 days. Redelivery of the ship within Skaw/Passero range. Weighting applied: 12.5 percent.

Route 4: Delivery of the ship within US Gulf for one trip time charter. Duration of the time charter about 35/45 days via US Gulf or North Coast South America. Redelivery of the ship within Skaw/Passero range. Weighting applied: 12.5 percent.

Route 5: Delivery of the ship within South East Asia for one trip time charter . Duration of the time charter about 30/45 days. Redelivery of the ship within Singapore/Japan range including China. Weighting applied: 20 percent.

Route 6: Delivery of the ship within North China/South Korea/Japan range for one trip time charter Duration of the time charter about 40/45 days. Redelivery of the ship within North China/South Korea/Japan range. Weighting applied: 20 percent.

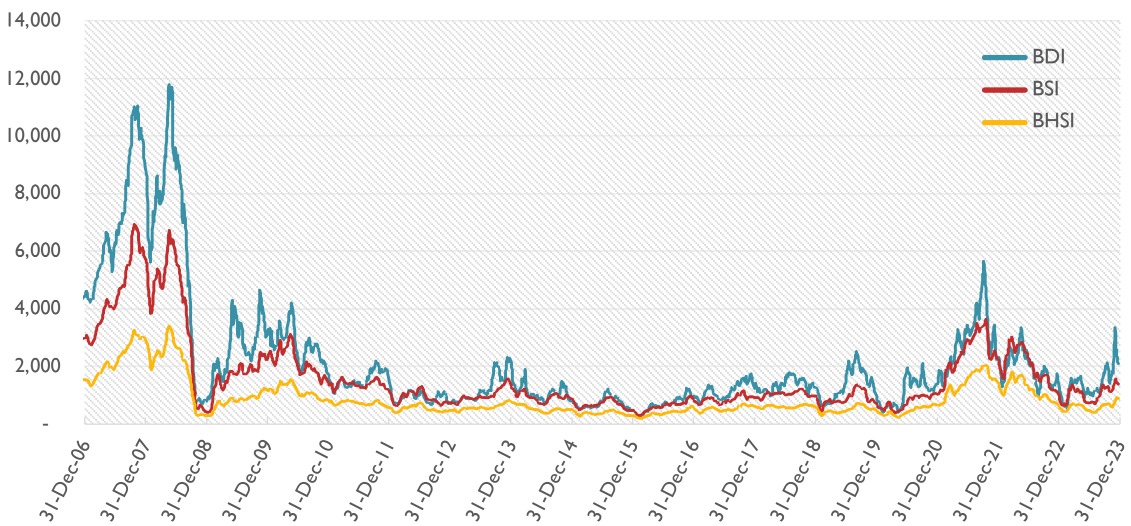
Route 7: Delivery of the ship within North China/South Korea/Japan range for one trip time charter Duration of the time charter about 25/30 days. Redelivery of the ship within South East Asia range. Weighting applied: 10 percent.

In all the above, it is assumed that 5% total commission on the Gross Time Charter Hire would be payable and business is done within 5/10 days in advance of the ship being free of her last cargo.

The following graph shows the movement of the BDI, BSI and BHSI from 2006 until the end of 2023.

BDI, BSI and BHSI INDEX

	BDI		BSI		BHSI	
All Time High	11,793	20 May 2008	6,956	30 Oct 2007	3,407	22 May 2008
All Time Low	290	10 Feb 2016	243	12 Feb 2016	183	15 Feb 2016
Latest	2,094	22 Dec 2023	1,369	22 Dec 2023	879	22 Dec 2023



Source : Clarksons

3.4 Maritime Laws and Regulations

Maritime laws and regulations are very complex and rigid. Due to PSL's strict observance of all maritime laws and regulations, coupled with excellent maintenance of its vessels, increasingly stringent regulatory environments play to PSL's strengths. For example, PSL's vessels frequently sail into countries, where authorities monitor compliance diligently, like Australia, the U.S., Canada and the European Union, without the fear of detentions and associated delays.

The following major laws and regulations govern the International Shipping Industry:

1. Flag State

The country where the ship has been registered is called a Flag State. This registration grants the ship physical and legal protection afforded under that flag/flag state usually applied to vital areas such as the safety of cargo and life of those on board the ship. Flag states have the legal authority and responsibility to enforce regulations upon vessels that are registered under their flag, including regulations relating to inspection, certification, safety, and pollution. A shipowner or operator who registers their ship under a flag must meet the standards set by the Flag State and ensure that national and international regulations are being met.

The Flag State issues a Certificate of Registry, a statutory certificate required by local law and the United Nations Convention on the Law of the Sea. The Certificate of Registry which establishes the nationality and ownership of a ship shall be used only for the lawful navigation of the ship.

As of 31 December 2023, PSL has 20 ships registered under the Thai flag and 18 ships registered under the Singapore flag.

2. International Maritime Organization

The International Maritime Organization (IMO) is a United Nations body, which regulates the International Shipping Industry for the safety of life, property and the environment.

IMO has adopted numerous conventions, of which the most important are: Safety of Life at Sea (SOLAS), Maritime Regulations for Prevention of Pollution (MARPOL), Standards for Training Certification and Watch-keeping (STCW) & Maritime Labour Convention (MLC); these are the four pillars of the International Maritime Industries regulatory framework.

IMO Conventions are constantly being reviewed and updated to keep them in line with changing trends. Flag States are members of the IMO and are committed to abide by these conventions and regulations. Under MARPOL requirements, major changes with regard to reducing air pollution came into force from 1 January 2013. New ships built after this date are required to have an Energy Efficiency Design Index (EEDI) determined at the construction stage. The IMO has set a limiting value for EEDI which cannot be exceeded; IMO has also issued detailed guidelines for improving the EEDI in subsequent years. All ships are also required to have a Ship Energy Efficiency Management Plan (SEEMP) from 1 January 2013. As a further improvement to the SEEMP, mandatory fuel oil consumption data collection and reporting has been adopted by IMO in 2016. This entered into force on 1 March 2018, and collection of fuel consumption data commenced from 1 January 2019. The methodology is to be included in the Ship Energy Efficiency Management Plan (SEEMP).

- Upon verification of the submitted data, the Administrations will issue to the ships a Statement of Compliance related to fuel oil consumption.
- Finally, the Administrations will submit aggregate data to the IMO, which will maintain an anonymized IMO Ship Fuel Oil Consumption Database.

Engine exhaust emission standards are governed under MARPOL which from 1 January 2020 stipulated a global cap of 0.5% on the sulphur content of marine fuel compared to the previous cap of 3.5%. That said, a number of regions such as North America, North Sea, Caribbean and Baltic follow regulations that are stricter than the global standard and have from January 2015, required that vessels in these regions burn fuel with a maximum sulphur content of no more than 0.1%.

The switchover from 3.5% sulphur fuel to 0.5% sulphur fuel in 2020 was initially expected to be challenging due to the uncertainty regarding the availability and cost of compliant fuel. The transition, however, was relatively smooth and now three years after the regulation entered into force, there seem to be no problems with the availability of the new grade of compliant fuel with sulphur content below 0.5% by mass. Shipowners had the option of installing an exhaust gas scrubber unit, in which case fuel with a higher sulphur content (HSFO) (3.5%) could be used. The scrubber would then 'wash down' and reduce the sulphur levels in the exhaust to below 0.5% levels (VLSFO). Installing scrubber units on vessels, however, presents several challenges both technical as well as financial. Several design flaws became apparent during the past few years as most of the commercially available scrubbers frequently broke down at sea. There were a few cases where the ships were left immobilized/incapacitated due to extensive damage to the scrubber units themselves and in certain cases also to the main propulsion machinery. In addition, several countries have banned the discharge of wash water from Open-Loop Scrubbers in their coastal waters and it is possible that these restrictions may spread globally. With the price differential between HSFO and VLSFO progressively decreasing, PSL's decision not to install scrubbers on our vessels and to consume compliant fuel only (VLSFO) on our vessels instead has proven to be a correct one.

The International Maritime Organization adopted the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Index (CII) as an amendment to Marpol Annex VI, which entered into force on 1 January 2023.

EEXI Stands for Energy Efficiency Existing Ship Index. For vessels built after 2013, this is referred to as the Energy Efficiency Design Index or EEDI. This index is a measure of the CO_2 emissions per cargo tonne-mile, by determining the standardized CO_2 emissions related to installed engine power, transport capacity and ship speed. There are upper limits imposed by IMO on the maximum EEXI values permitted on all vessels- referred to as ‘required EEXI’. The required levels are pre-determined on the basis of vessel size and type. The calculated EEXI figure for each vessel is referred to as ‘attained EEXI’. If the ‘attained EEXI’ is higher than ‘required EEXI’, corrective measures will need to be adopted. Corrective measures include the installation of energy saving devices (eg. Mewis Duct) and Engine Power Limitation (EPL). Under EPL, the engines maximum continuous rating (MCR), which is the maximum power that the main engines were originally designed for, is limited either mechanically (on mechanical engines) or electronically (on the MAN ME and Wartsila Flex engines). 11 of our vessels are already compliant with the upcoming EEXI regulations (i.e. attained EEXI < required EEXI) and so no changes will be required for these vessels. The EEXI regulation does not apply to cement carriers and so no changes are required for our fleet of four cement carriers. 23 of our vessels have Engine Power Limitations (EPL) installed; however, only 16 vessels will require a speed reduction, following which there will be a drop in the maximum speed as well as the fuel consumption.

CII stands for Carbon Intensity Indicator and is a measure of the quantity of CO_2 actually emitted by the vessel when it is in service. Vessels are required to reduce their attained CII levels compared to a base year of 2019. The reductions required are 1% by 2020, 2% by 2021, 3% by 2022, 5% by 2023, 7% by 2024, 9% by 2025, and 11% by 2026. Required CII levels after 2027 are yet to be decided upon. Vessels will be awarded a ‘rating’ on a scale of A to E, with A representing a very good (low CII) rating and E representing a poor (high CII) rating. After 2023, an ‘E’ rating can be maintained for a maximum of 1 year after which the rating would have to be reduced to at least a ‘D’. A ‘D’ rating can be maintained for a maximum period of 3 years after which the CII rating would have to drop to ‘C’. To meet this challenge, the ‘enhanced SEEMP’ (Ship Energy Efficiency Management Plan Part III) has been prepared and approved by the Recognized Organization (ClassNK) for all of PSL’s vessels. This will be effective from 1 January 2023.This document outlines the methods by which fuel consumption and thereby GHG emissions may be reduced for each individual vessel.

3. Classification Societies

Ship classification societies are organizations that establish and apply technical standards in relation to the design, construction, and survey of marine-related facilities.

The role of classification and classification societies has been recognized in the International Convention for the Safety of Life at Sea, (SOLAS) and in the 1988 Protocol to the International Convention on Load Lines. With outstanding technical skills, Classification Societies have been recognized as reliable entities for verification of the condition of ships. Consequently, flag States have delegated their statutory authority regarding survey and certification of ships to Classification Societies under the provision of IMO regulations.

A classification certificate issued by a classification society recognized by the proposed ship register is required for a ship’s owner to be able to register the ship and to obtain marine insurance on the ship.

Currently, more than 50 organizations worldwide describe their activities as including marine classification. The International Association of Classification Societies (IACS) a technically based non-governmental organization plays an important role within the International Maritime Organization (IMO), providing technical support and guidance and develops unified interpretations of the international statutory regulations developed by the member states of the IMO. The IACS currently consists of twelve-member marine classification societies.

PSL's vessels are classed with Nippon Kaiji Kyokai (Class NK), Lloyd's Register (LR), American Bureau of Shipping (ABS) Bureau Veritas (BV) and DNV. All five are members of IACS and have received authorization to act as Recognized Organizations under the IMO ("the RO Code")

4. Carriage of Goods by Sea Act

The Carriage of Goods by Sea Act (COGSA) was introduced in 1924 in Brussels after many shipping conferences were held among various European nations interested in shipping transportation. Subsequently, similar legislation was also introduced in the United States of America. This law is designed to govern the rights and responsibilities between the owners of the cargo being shipped (aka "shippers") and the persons or entities that transport the cargo for a fee (aka "carriers"); it covers the international transportation of merchandise by sea and has been amended many times since. The most recent amendment was made in 1992.

5. International Safety Management Code (ISM Code)

The ISM Code in its current form was adopted in 1993 and was made mandatory with the entry into force, on 1 July 1998, of the 1994 amendments to the SOLAS Convention. The purpose of the ISM code is to provide an international standard for the safe management and operation of ships and for pollution prevention. There are two relevant certificates issued by the government of the State whose flag the ship is entitled to fly or by an organization acting on behalf of that government – (1) the Document of Compliance 'DOC', evidencing that the relevant shipowner or operator (manager) has established a satisfactory Safety Management System (SMS) and (2) the Safety Management Certificate (SMC), issued after the auditing body is satisfied that the shipowner and its shipboard management operate in accordance with an approved Safety Management System. The code ensures that the ship and the company management ashore are subject to verification.

The Safety Management System of the Company and of the ships have always been audited and comply with the requirements of the International Management Code for the Safe Operations of Ships and for Pollution Prevention (ISM Code).

6. International Ship and Port Facility Security Code (ISPS Code)

The ISPS code is a comprehensive set of measures to enhance the security of ships and port facilities, developed in response to the perceived threats to ships and port facilities in the wake of the 9/11 attacks in the United States.

Having entered into force under SOLAS chapter XI-2, on 1 July 2004, the International Ship and Port Facility Security Code (ISPS Code) has since formed the basis for a comprehensive mandatory security regime for international shipping.

SOLAS contracting governments, port authorities and shipping companies are required, under the ISPS Code, to designate appropriate security officers and personnel, on each ship, port facility and shipping company. These security officers, designated Port Facility Security Officers (PFSOs), Ship Security Officers (SSOs) and Company Security Officers (CSOs), are charged with the duties of assessing, as well as preparing and implementing effective security plans that can manage any potential security threat.

All vessels in the fleet have been issued with an International Ship Security Certificate under the provisions of the ISPS Code.

7. Maritime Labour Convention (MLC)

The International Labour Organization (ILO) is the UN agency that sets internationally recognized labour standards to protect the rights of workers. The IMO and ILO cooperate on issues that come under the remit of both Organizations when they relate to seafarers. In February 2006, the ILO's Maritime Labour Convention (MLC) set the minimum standards to ensure satisfactory conditions of employment for the world’s seafarers. The MLC 2006 achieved the required ratification criteria in August 2012 and entered into force on 20 August 2013; bringing together and updating over 65 other ILO maritime labour instruments, while introducing a system of certification and inspection to enforce it.

The MLC convention is also referred to as the “fourth pillar” of the maritime regulations, the others being SOLAS, MARPOL & STCW.

The Appendices to the MLC 2006 Convention contain two key model documents: a Maritime Labour Certificate and a Declaration of Maritime Labour Compliance. These certificates would be issued by the Flag State to a ship that flies its flag, once the State (or a recognized organization that has been authorized to carry out the inspections) has verified that the labour conditions on the ship comply with national laws and regulations implementing the Convention.

The MLC 2006 addresses the following in respect of conditions on board the ship:

Title 1: Minimum requirements for seafarers to work on a ship.

Title 2: Conditions of employment.

Title 3: Accommodation, recreational facilities, food and catering.

Title 4: Health protection, medical care, welfare and social security protection.

Title 5: Compliance and enforcement - on board complaint procedures.

Thailand had ratified the Maritime Labour Convention on 7 June 2016. It entered into force on 7 June 2017. All our Thai flag vessels are fully compliant.

Singapore had already ratified the MLC earlier. The Company’s vessels flying the Singapore flag vessels are fully compliant with the MLC requirements.

In April 2014, the International Labour Organization (ILO) agreed on several amendments to the MLC to implement the principles agreed back in 2009 by the joint IMO/ILO financial security working group. These amendments entered into force on 18 January 2017. Ships that are subject to the MLC, after this date, are required to display certificates issued by an insurer or other financial security provider confirming that insurance or other financial security is in place for the cost and expense of crew repatriation, as well as up to four months contractually entitled arrears of wages and entitlements following abandonment. A further certificate will be required for liabilities for contractual claims arising from seafarer personal injury, disability, or death. P+I Clubs of the respective vessels have provided such certificates for all ships in our fleet. We have obtained these respective certificates for the individual ships from their respective P+I Clubs.

According to the provisions of the 2006 Maritime Labour Convention, the International Labour Organization (ILO) appealed to governments to ensure that seafarers are repatriated and that the risk of COVID-19 virus infection is minimized.

8. Ship Sanitation Certificate (SSC)

Historically, ships have played a significant role in the global transmission of infectious diseases. A World Health Organization (WHO) review identified more than 100 disease outbreaks associated with ships between 1970 and 2003. Because of the international nature of ship transport, international regulations relating to sanitary aspects of ship transport have been in place for more than half a century.

The International Health Regulations (IHR) (2005) is a key international public health document that is legally binding across 196 countries, including all World Health Organization (WHO) Member States, requiring them to work together for global health security. This fundamental document requires that ratifying countries have the ability to detect, assess, report and respond to public health events.

The IHR (2005) entered into force on 15 June 2007 and included "The Ship Sanitation Certificate" a document that corroborates a ship's compliance with maritime sanitation and quarantine rules specified in article 39 of the International Health Regulations (2005) issued by the World Health Organization. The certificate serves as proof that the ship is free of clear sources of contagion and may be a requirement for permission of entry into a port in some jurisdictions. The SSC may be required from all ships, whether seagoing or inland navigation vessels, on an international voyage calling at the port of a State Party and may be renewed at any port authorized to do so.

Ship sanitation certificates (SSC) can be of two types: Ship Sanitation Control Certificates (SSCC) are issued when a health risk is found, and control measures (fumigation, etc.) have been successfully carried out. Ship Sanitation Control Exemption Certificates (SSCEC) are issued to vessels that have passed flying fists, that verify that the ship is free of animal vectors, potential disease reservoirs or ill humans.

All vessels in the fleet maintain a valid Ship Sanitation Control Exemption Certificate (SSCEC).

9. International Convention on the Control of Harmful Anti-fouling Systems (AFS) on Ships

The harmful environmental effects of organotin compounds were recognized by IMO in 1989. In November 1999, IMO adopted an Assembly resolution that called on the MEPC to develop an instrument, legally binding throughout the world, to address the harmful effects of anti-fouling systems used on ships.

This instrument was later adopted as the International Convention on the Control of Harmful Anti-fouling Systems on Ships. It was adopted on 5 October 2001, prohibiting the use of harmful organotin compounds in anti-fouling paints used on ships and established a mechanism to prevent the potential future use of other harmful substances in anti-fouling systems. The Convention entered into force on 17 September 2008.

The convention defines "anti-fouling systems" as "a coating, paint, surface treatment, surface or device that is used on a ship to control or prevent attachment of unwanted organisms".

Anti-fouling paints are used to coat the bottoms of ships to prevent sea life such as algae and molluscs from attaching themselves to the hull – thereby slowing down the ship and increasing fuel consumption.

Amendments to the IMO Convention for the Control of Harmful Anti-fouling Systems on Ships (AFS Convention) – MEPC.331(76) – **Ban on use of AFS containing cybutryne.**

These amendments mean that AFS containing cybutryne shall not be applied or reapplied to any ship on or after 1 January 2023.

Ships bearing an AFS that contains cybutryne in the external coating layer of their hulls on 1 January 2023 shall either remove the anti-fouling system; or apply a coating that forms a barrier to this substance leaching from the underlying non-compliant AFS; no later than either the next scheduled renewal of the anti-fouling system after 1 January 2023, but no later than 60 months following the last application to the ship of an anti-fouling system containing cybutryne.

All vessels in the fleet have been surveyed in accordance with the regulation and comply with the applicable requirements of the Convention and have been issued an International Anti-Fouling System certificate.

10. International Convention on Standards of Training, Certification and Watch-keeping (STCW) for Seafarers, 1978, as amended

The 1978 STCW Convention was the first to establish basic requirements on training, certification and watch-keeping for seafarers on an international level. Previously, the standards of training, certification and watch-keeping of officers and ratings were established by individual governments, usually without reference to practices in other countries. As a result, standards and procedures varied widely, even though shipping is the most international of all industries. The Convention prescribes minimum standards related to training, certification and watch-keeping for seafarers which countries are obliged to meet or exceed.

The 1995 amendments, adopted by a Conference, represented a major revision of the Convention, bringing about more stringent requirements to the standards.

Another major revision to the STCW Code was adopted at a Diplomatic Conference in Manila in June 2010, thereby ensuring that necessary global standards were in place to train and certify seafarers to operate technologically advanced ships for some time to come. The amendments, known as "The Manila amendments to the STCW Convention and Code" entered into force on 1 January 2012, under the tacit acceptance procedure and were aimed at bringing the Convention and Code up to date with developments since they were initially adopted in 1978 and further revised in 1995; and to enable them to address issues that are anticipated to emerge in the foreseeable future. Amongst the amendments adopted, there were a number of important changes to each chapter of the Convention and Code. The five-year transitional period ended on 1 January 2017 and the Manila Amendments have been fully implemented.

11. International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004

Ships take in a large volume of ballast water after discharging cargo to maintain stability. This ballast water containing species from one region is discharged in another region where the ships load a cargo. The problem of invasive species has increased due to the expanded trade and traffic volume over the last few decades. The effects in many areas of the world have been devastating. Quantitative data show that the rate of bio-invasions is continuing to increase at an alarming rate, in many cases exponentially, and new areas are being invaded all the time. At present, the regulations require vessels to exchange ballast water at open sea before discharging into a different port. New regulations require ships to treat the ballast water taken into their tanks with the help of an approved Ballast Water Treatment System (BWTS) which needs to be installed onboard. The Ballast Water Management Convention entered into force on 8 September 2017, 12 months after ratification by 30 States, representing 35% of world merchant shipping tonnage. All vessels are required to carry a Ballast Water Management certificate. All new vessels' keel laid from this date are required to be fitted with IMO approved ballast treatment plants. All existing vessels are required to retrofit such plants in a phased manner along with surveys associated with the first renewal of the International Oil Pollution Prevention (IOPP) certificate after 8 September 2019. All IMO approved treatment plants present in the market have not yet met the stringent US Coast Guard (USCG) approval requirements. There is a separate USCG schedule for BWTS installation, defined mainly by the number of USCG approved BWTS that were available in the market.

The MEPC adopted amendments to the International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004 (BWM Convention), concerning commissioning testing of ballast water management systems and the form of the International Ballast Water Management Certificate. The amendments entered into force on 1 June 2022.

The Committee also approved revised Guidance for the testing and commissioning of ballast water management systems (BWM.2/Circ.70/Rev.1); and revised Guidance on ballast water sampling and analysis for trial use in accordance with the BWM Convention and Guidelines (G2) (BWM.2/Circ.42/Rev.2).

As of the end of December 2023, PSL's fleet of 38 vessels have been installed with BWTS that are approved by both the IMO as well as the USCG.

12. Maritime Cyber Risk Management

Cyber security threats in present times have increased in variety, frequency and sophistication - from a Trojan USB stick that introduces malware aimed at acquiring sensitive commercial information or an email with detailed vessel itineraries sent to a large group of unknown people or the full-scale subverting of a company's IT system or the potential compromising of Automatic Identification System (AIS) and Electronic Chart Display and Information System (ECDIS) systems onboard ships. The number of potential risk scenarios is significant and keeps growing. Fraudsters employ whatever hacking technology works, often tailored to specific targets of opportunity. Ships nowadays regularly use Global Navigation Satellite System (GNSS) and ECDIS combined with Automatic Information System (AIS) transponders. An attack on Global Positioning Satellites (GPS) systems could threaten a vessel not knowing its precise location at sea or while maneuvering in port.

Ships are increasingly using systems that rely on digitalization, integration, and automation, which call for cyber risk management on board. As technology continues to develop, information technology (IT) and operational technology (OT) onboard ships are being networked together – and more frequently connected to the internet. This brings the greater risk of unauthorized access or malicious attacks to ships' systems and networks. Risks may also occur from personnel accessing systems on board, for example by introducing malware via removable media.

In the first quarter of 2020, PSL completed a full audit of our IT network based on BIMCO Cyber Security Guidelines, conducted by Lloyds Register, and based on the findings of this gap analysis of PSL's cyber security posture, we have taken action to eliminate all the weak points. Similarly, we also underwent a grey box penetration test done by an ethical hacker and based on the findings, have fully implemented all the recommended measures.

In compliance with IMO resolution MSC 428 (98), which encourages national administrations to ensure that cyber risks are appropriately addressed in safety management systems (SMS) no later than the first annual verification of the company's Document of Compliance after 1 January 2021, we have produced a "Cybersecurity Management Manual" which has now been incorporated into the company's SMS.

13. International Code for Ships Operating in Polar Waters (Polar Code)

IMO has adopted the Polar Code and related amendments in 2014 - 2015 to make it mandatory under both the International Convention for the Safety of Life at Sea (SOLAS) and the International Convention for the Prevention of Pollution from Ships (MARPOL). The Polar Code entered into force on 1 January 2017. This marks a historic milestone in the IMO's work to protect ships and people aboard them, both seafarers and passengers, in the harsh environment of the waters surrounding the two poles. By the amendment to the code, additional more stringent regulations to prevent discharge of Oil, Noxious liquid substances in bulk, Sewage and Garbage will be imposed in order to protect the environment. However, as our vessels do not trade in the Polar region, the code does not apply to us.

14. International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001

The Convention entered into force on 21 November 2008 and was adopted to ensure that adequate, prompt, and effective compensation is available to persons who suffer damage caused by spills of oil when carried as fuel in ships' bunkers. The Convention applies to damage caused on the territory, including the territorial sea, and in exclusive economic zones of State Parties.

All vessels in the fleet have in place a policy of insurance or other financial security satisfying the requirements of Article VII of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001.

15. The Nairobi International Convention on the removal of Wrecks, 2007 (the "Wrecks Convention")

The convention entered into force on 14 April 2015 and provides the legal basis for States to remove, or have removed, shipwrecks that may have the potential to affect adversely the safety of lives, goods, and property at sea, as well as the marine environment. The convention requires the registered owner of any seagoing vessel of 300 GT and over to maintain insurance or other financial security to cover the costs of locating, marking and removing wrecks. A certificate is issued to the vessel by a state party to the convention, attesting that the necessary insurance is in place.

All vessels in the fleet have in place a policy of insurance or other financial security satisfying the requirements of Article 12 of the Nairobi International Convention on the removal of Wrecks, 2007.

16. International Maritime Solid Bulk Cargoes (IMSBC) Code

The International Convention for the Safety of Life at Sea, 1974 (SOLAS Convention), as amended, deals with various aspects of maritime safety and contains, in chapter VI, the mandatory provisions governing the carriage of solid bulk cargoes. These provisions are extended in the International Maritime Solid Bulk Cargoes Code (IMSBC Code).

The primary aim of the International Maritime Solid Bulk Cargoes Code (IMSBC Code), which replaces the Code of Safe Practice for Solid Bulk Cargoes (BC Code), is to facilitate the safe stowage and shipment of solid bulk cargoes by providing information on the dangers associated with the shipment of certain types of solid bulk cargoes and instructions on the procedures to be adopted when the shipment of solid bulk cargoes is contemplated.

The prime hazards associated with the shipment of solid bulk cargoes are those relating to structural damage due to improper cargo distribution, loss or reduction of stability during a voyage and chemical reactions of cargoes. Therefore, the primary aim of the IMSBC Code is to facilitate the safe stowage and shipment of solid bulk cargoes by providing information on the dangers associated with the shipment of certain types of solid bulk cargoes and instructions on the procedures to be adopted when the shipment of solid bulk cargoes is contemplated. Observance of the Code harmonizes the practices and procedures to be followed and the appropriate precautions to be taken in the loading, trimming, carriage and discharge of solid bulk cargoes when transported by sea, ensuring compliance with the mandatory provisions of the SOLAS Convention.

The IMSBC Code was adopted on 4 December 2008, by resolution MSC.268(85), and entered into force on 1 January 2011, from which date it was made mandatory under the provisions of the SOLAS Convention.

Amendment 06-21, initially scheduled to take effect on January 1, 2023, experienced a delay in official approval at the International Maritime Organization (IMO) due to the COVID impact. Subsequently, significant amendments to the IMSBC Code have been implemented, and the details are presented below.

1. Revised definitions of the IMSBC Code group classifications
2. Deletion of Group C cargo entry "Ammonium nitrate-based fertilizers" and introduction of a whole new Group C entry for the same cargo
3. Deletion of Group C cargo entry "Superphosphate (triple, granular)" with a new Group B entry of the same name
4. Addition of new cargoes
5. Revision of the cargo declaration form.

Compliance with the amended IMSBC Code requirements became mandatory starting from December 1, 2023.

17. The International Maritime Dangerous Goods (IMDG) Code

The International Convention for the Safety of Life at Sea, 1974 (SOLAS), as amended, deals with various aspects of maritime safety and contains in chapter VII the mandatory provisions governing the carriage of dangerous goods in packaged form. The carriage of dangerous goods in packaged form shall comply with the relevant provisions of the International Maritime Dangerous Goods (IMDG) Code which is considered an extension to the provisions of SOLAS chapter VII.

Furthermore, the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto (MARPOL), which contains in its Annex III mandatory provisions for the prevention of pollution by harmful substances carried by sea in packaged form, prohibits the carriage of harmful substances in ships except in accordance with the provisions of MARPOL Annex III, which are also extended in the IMDG Code.

The IMDG Code was developed as an international code for the maritime transport of dangerous goods in packaged form, in order to enhance and harmonize the safe carriage of dangerous goods and to prevent pollution to the environment. The Code sets out in detail the requirements applicable to each individual substance, material or article, covering matters such as packing, container traffic and stowage, with particular reference to the segregation of incompatible substances.

The Code was initially adopted in 1965 as a recommendatory instrument. It was in 2002 that the general Assembly at its seventeenth session adopted by resolution A.716(17) the IMDG Code and decided to give it a mandatory status under the umbrella of SOLAS Convention, from 1 January 2004. However, some parts of the Code remain recommendatory.

<u>The IMDG Code, 2022 Edition (inc. Amendment 41-22) comes into force on 1 January 2024.</u>

18. FAL Convention

For international shipping to thrive, a unified, global approach to Facilitation is vital. This is the purpose of the international treaty called the FAL Convention.

The FAL Convention has been in force since 1967 but is kept continually amended and updated by Governments at the FAL Committee of IMO – which usually meets once a year at IMO's London Headquarters.

In its Annex, the FAL Convention contains standards and recommended practices and rules for simplifying formalities, documentary requirements and procedures on ships' arrival, stay and departure.

Under the FAL Committee, IMO developed standardized FAL documentation (known as FAL Forms) for authorities and Governments to use.

Since April 2019, the FAL Convention makes it mandatory for ships and ports to exchange FAL declarations electronically, and from January 2024, the single window approach will be mandatory in all ports.

19. Various Regional and Local Regulations around the world

Shipping is regulated by various regional regulations and acts like:

- US Environmental Protection Act (EPA) - The Environmental Protection Agency is an independent executive agency of the United States federal government tasked with environmental protection matters.
- US National Pollutant Discharge Elimination System (NPDES) is a system under the US Environmental Protection Rules (Clean Water Act) to minimize pollution within US territorial waters (3 nm). For ships greater than 79 feet in length, all the requirements are laid out in

a document called the Vessel General Permit (VGP). These requirements are additional to international environmental rules such as MARPOL. The VGP establishes technology-based effluent limits for all vessels and 26 specific discharges incidental to the normal operation of a vessel. In addition to these discharge and vessel specific requirements, extensive requirements are included for inspections, monitoring, reporting and record-keeping. The VGP requires a detailed review of environmental protection systems, crew training and record-keeping. The rules have been in force since the beginning of 2009. VGP requirements of the Environment Protection Agency (EPA) have become more stringent since January 2014.

- Since the year 2009 bulk cargo vessels (non-tank vessels) were required to have in place a non-tank vessel response plan (NTVRP) as per the US Code of Federal Regulations. The scope and requirements for US NTVRP are becoming larger and more vessel-specific since January 2014. Contracts and funding agreements are required with Salvage and Marine Fire Fighting companies as well as oil spill response organizations.
- As per the California Air Resources Board (CARB), vessels are to comply with stringent fuel regulations within 24 nautical miles of the California State coast. Beginning 1 January 2014, the maximum permitted sulphur content in fuels used onboard is 0.1%, for both marine gas oil and marine diesel oil.
- US EPA has made it mandatory from 1 July 2012, for all vessels to have in place control measures and records against bio-fouling activity while in US waters.
- New Zealand has introduced strict regulations against biofouling in May 2018 under which ships calling at ports in New Zealand are expected to have the underwater hull and appendages cleaned not over 30 days before calling in New Zealand or within 24 hours after the time of arrival.
- As per European Union directives, fuel burnt in ports within EU territory continues to be capped at 0.1% sulphur content.
- Turkey is not a member of the EU, but its sulphur emission regulation is aligned with that of the EU. Hence, all ships are required to use marine fuels with a sulphur content not exceeding 0.10% while at berth in Turkish ports or operating on Turkish inland waterways. The requirement does not, however, apply to ships transiting the Turkish Straits, that is, the Bosporus and the Dardanelles, and the Marmara Sea, unless their transit process, e.g. a stay at an anchorage or in a port whilst awaiting passage, exceeds two hours.
- Black sea ports Bulgaria, Georgia, Romania, Russian Federation, Ukraine & Turkey are members of “The Commission on the Protection of the Black Sea Against Pollution”. Ships calling at these ports are subject to controls more stringent than MARPOL regulations and US requirements. Discharge of ballast water, sewage, grey water from washrooms and even deck wash water are subject to scrutiny by the authorities.
- China enforced its national fuel cap regulations since 1 January 2019.
    - From 1 January 2019, vessels must use fuel with a sulphur content not exceeding 0.50% while operating within the Coastal ECA, i.e., within China’s territorial sea (including the Hainan Coastal ECA).
    - From 1 January 2020, vessels entering Inland ECAs (Yangtze River and Xi Jiang River) must use fuel with a sulphur content not exceeding 0.10% while operating within the Inland ECA.
    - From 1 January 2022, vessels must use fuel with a sulphur content not exceeding 0.10% while operating within the Hainan Coastal ECA.

- As part of its effort to prevent air pollution from ships, the Chinese authorities may determine that even stricter fuel quality requirements should be imposed in future. Under consideration is the implementation of a 0.10% sulphur cap in the Coastal ECA from 1 January 2025.

- The Republic of Korea (South Korea) is the latest country to announce the designation of national sulphur emission control areas which entered into force on 1 September 2020. The national South Korean sulphur restrictions will apply to the following six ports and a national sulphur emission control area has been defined for each port (Busan / Incheon / Ulsan / Yeosu / Gwangyang, including Hadong / Pyeongtaek-Dangjin). Initially, from 1 September 2020, ships had to switch to fuel oil not exceeding a sulphur content of 0.10% from one hour after completion of anchoring or mooring to one hour before completion of heaving up the anchor or de-berthing.
  - On 1 January 2022, the requirement within the national sulphur emission control areas was tightened and ships needed to switch to fuel oil not exceeding a sulphur content of 0.10% when trading within a national sulphur emission control area.
- Effective 1 January 2020, the use of LSFO or other compliant fuels containing no more than 0.5% of sulphur became mandatory for vessels operating the world over unless the vessels are fitted with scrubbers capable of extracting sulphur content from the exhaust gas emissions.
- From 1 July 2024, an amendment to MARPOL will take effect whereby there shall be a prohibition on the use and carriage for use as fuel of heavy fuel oil (HFO) by ships in Arctic waters. The prohibition will cover the use and carriage for use as fuel of oils having a density at 15°C higher than 900 kg/m^3 or a kinematic viscosity at 50°C higher than 180 mm^2/s. Ships engaged in securing the safety of ships, or in search and rescue operations, and ships dedicated to oil spill preparedness and response would be exempted. Ships that meet certain construction standards with regard to oil fuel tank protection would need to comply on and after 1 July 2029. A Party to MARPOL with a coastline bordering Arctic waters may temporarily waive the requirements for ships flying its flag while operating in waters subject to that Party's sovereignty or jurisdiction, up to 1 July 2029.
- The CII rating was introduced from 1 January 2023 based on the annual fuel consumption of each ship. The ships subject to the CII rating are required to develop a SEEMP (Part III) to include "CII calculation methodology", "Required CII values over the next 3 years", "implementation plan for achieving the required CII" and "procedures for self-evaluation and improvement", which is to be confirmed by the Administration or a Recognized Organization (RO). From 2023, the IMO DCS data will be subject to the CII rating, and a rating (A, B, C, D or E) will be given to each ship from 2024. Ships that have an E rating in any year or D ratings for 3 consecutive years are required to develop a corrective action plan in the SEEMP Part III and the plan should be confirmed by the Administration or an RO.
- CO_2 reporting schemes (IMO DCS / EU MRV / UK MRV).
  - IMO DCS (Data Collection System) - From the calendar year 2019 each ship of 5,000 gross tonnage and above require to collect and report data on their fuel consumption (following a yearly cycle) to the Flag state or Recognized Organization, this should be done within three months after the end of each calendar year. Data collected is reviewed and submitted to the data collection centre at the IMO. After verification, a Statement of Compliance (SoC) is issued in due time before the 31 of May.

  PSL vessels' data collection and reporting are being reviewed from 1 January 2019 onwards by the Recognized Organization.

- EU MRV (Monitoring, Reporting and Verification) - With effect from 31 August 2017, each ship of 5,000 gross tonnage and above calling any EU ports should have an approved vessel-specific CO_2 Monitoring, Reporting & Verification Plan (MRV). Plans are to be submitted to the competent authority after the end of each calendar year before the 30 of April. 30 June of each year after the reporting period - the Document of Compliance issued by the verifier is to be on-board

PSL vessels calling at EU ports have been submitting data as per the EU MRV and have received the Documents of Compliance from the Recognized Organization.

- UK MRV (Monitoring, Reporting and Verification) - Due to Brexit, EU MRV no longer applies to ships visiting UK ports. As such, the UK is no longer part of the EU MRV regime, but it has retained and amended the EU legislation with the establishment of an identical scheme, the UK MRV scheme, to monitor, report and verify emissions data from ships calling at UK ports. Shipping companies will have to submit their first UK MRV emissions reports to verification bodies in early 2023, with the first monitoring period starting on 1 January 2022.

• Ship Recycling Conventions - In view of an increased concern about various environmental issues, the focus on the use of non-hazardous materials in ship design, building and operation is also increasing. Two regulations are presently governing these issues:

  - Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 SR/CONF/45 (HKC) and
  - Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on Ship Recycling (EU SRR).
  - The EU SRR and the HKC, both statutory requirements, place responsibility on ship owners, shipbuilders, suppliers, recycling facilities and national authorities to ensure the safe and environmentally viable management of hazardous materials (hazmat) as well as the sustainable recycling of ships. A fundamental requirement of these regulations is the documentation of hazardous materials onboard ships, the so-called Inventory of Hazardous Materials (IHM), and the authorization of ship recycling facilities.
  - With effect from 31 December 2020, EU Regulation on Ship Recycling will apply to foreign ships in EU waters. Ships are to comply with the Inventory of Hazardous Material (IHM)
  - PSL has obtained the Statement of Compliance on Inventory of Hazardous Materials (IHM) for all the vessels in the fleet.

• The European Emissions Trading System ("EU ETS") is a cornerstone of the EU's policy to combat climate change and its key tool for reducing greenhouse gas emissions cost-effectively. It is the world's first major carbon market and remains the biggest one.

ETS is a cap-and-trade system for cutting down GHG emissions. It has two principles, setting a ceiling on the yearly maximum amount of GHG emissions and the trading of EU emission allowances (EUAs).

Beginning from 2025, shipping companies will have to surrender EUAs based on their EU MRV. To ensure a smooth transition, shipping companies will be given a three-year phase-in period where they will surrender allowances for a portion of their emissions, based on the following schedule;

a) 40% of verified emissions in 2024

b) 70% of verified emissions in 2025

c) 100% of verified emissions in 2026.

The regulated entity shall surrender sufficient allowances by 30 April of each year to cover its emissions during the preceding year. In case these allowances are not adequate, the regulated entity shall be held liable for the payment of an excess emissions penalty while Member States shall publish the names of shipping companies that fail to submit sufficient allowances.

- From 1 May 2024, the Mediterranean Sea will be designated as an Emission Control Area (ECA) for sulphur oxides (SOx) and particular matter (PM); however, these requirements will take effect from 1 May 2025 and then onwards it will be mandatory for ships to either use fuel oil with a sulphur content of 0.10% m/m or utilize an exhaust gas cleaning system (EGCS) while sailing through the Mediterranean Sea ECA.
- A new regulation 43A in Chapter 9 of MARPOL Annex I will introduce a ban on the use and carriage of heavy fuel oil (HFO) in Arctic waters on and after 1 July 2024.

  The prohibition will cover the use and carriage for use as fuel of oils having a density at 15°C higher than 900 kg/m3 or a kinematic viscosity at 50°C higher than 180 mm2/s. However, the carriage of heavy fuel oil as cargo is not prohibited.

  The application will be to all ships, except for ships engaged in securing the safety of ships or in search and rescue operations, and ships dedicated to oil spill preparedness and response.

  Exemptions for ships with fuel tanks protected by double hulls, and waivers for ships flying the flag of countries with a coastline bordering on Arctic, that will allow these ships to continue carry HFO for use until 1 July 2029.

20. Port State Control (PSC) Inspections

Port State control (PSC) is an inspection regime for countries to inspect foreign-registered ships in a port other than those of the flag state. There are Nine regional agreements on port State control – Memoranda of Understanding or MoUs. The United States Coast Guard maintains the tenth PSC regime.

The primary responsibility for ships' standards rests with the flag State - but port State control provides a "safety net" to identify substandard ships and act against ships that are not in compliance.

Inspectors for PSC are called PSC officers (PSCOs) and are required to investigate compliance with the requirements of international conventions, such as SOLAS, MARPOL, STCW, and the MLC. Inspections can involve checking that the vessel is manned and operated in compliance with applicable international law and verifying the competency of the ship's master and officers, and the ship's condition and equipment.

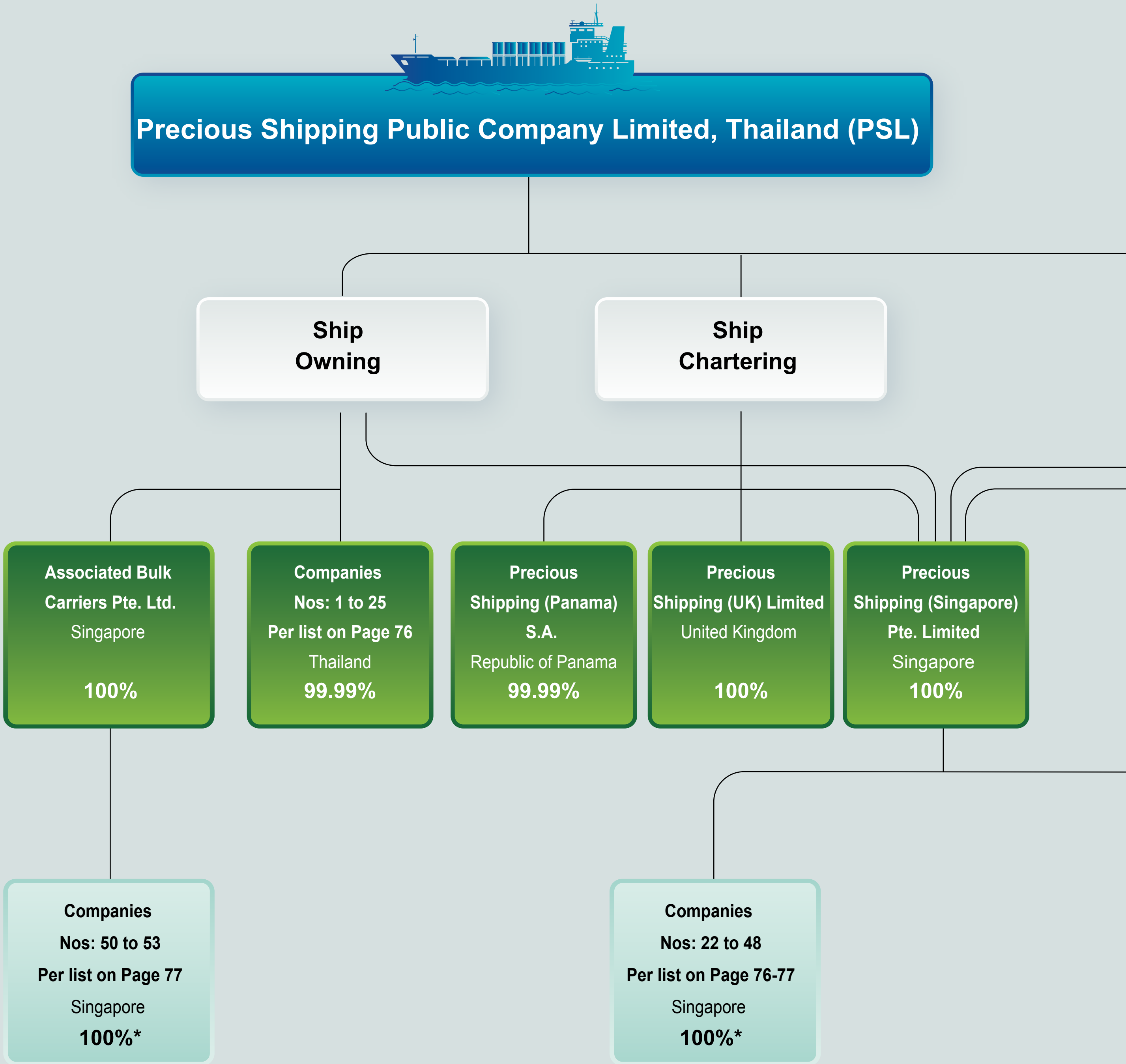
Any serious deficiency identified by the inspectors may result in the detention of the vessel, invariably causing delays till the deficiency is rectified.

FLEET LIST
As on 31 December 2023

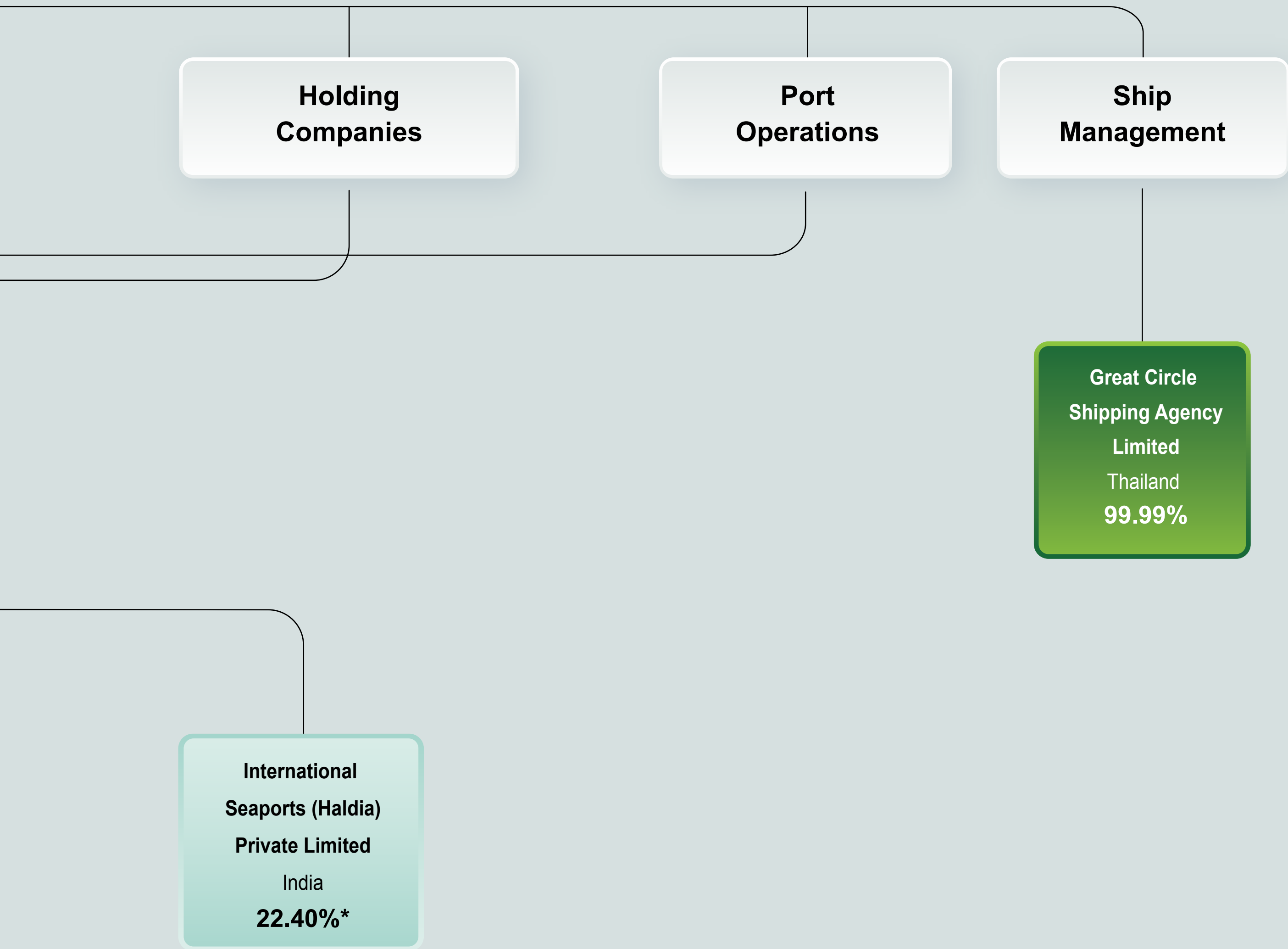
No.	Vessel Name	Flag	Year Built	Dead Weight Tonnes (DWT)	*Net Book Value (Million US$)	**Insured Value (Million US$)
1	Rattana Naree	Thai	2002	28,442	5.21	6.00
2	Rojarek Naree	Thai	2005	29,870	8.66	8.70
3	Nalinee Naree	Thai	2005	31,699	9.69	9.70
4	Chamchuri Naree	Singapore	2005	33,733	9.54	9.60
5	Charana Naree	Singapore	2005	33,720	9.88	9.90
6	Mookda Naree	Thai	2009	30,162	10.53	10.50
7	Mayuree Naree	Thai	2008	30,193	10.14	10.20
8	Mallika Naree	Thai	2008	30,195	9.99	10.00
9	Lanna Naree	Thai	2012	33,843	13.64	13.70
10	Latika Naree	Thai	2012	33,869	13.82	13.90
11	Ananya Naree	Singapore	2011	33,857	18.06	18.10
12	Benjamas Naree	Singapore	2012	33,780	18.63	18.70
13	Chintana Naree	Singapore	2013	33,945	16.74	16.80
14	Vipha Naree	Singapore	2015	38,851	16.59	17.80
15	Viyada Naree	Singapore	2016	38,716	16.81	19.00
16	Phatra Naree	Thai	2017	35,882	24.32	24.40
17	Pavida Naree	Thai	2018	35,892	26.43	26.50
Handysize 17 Vessels		**Total**		**566,649**	**238.68**	**243.50**
		Average		**33,332**	**14.04**	**14.32**
18	Kanchana Naree	Thai	2011	56,920	16.75	16.80
19	Kirana Naree	Thai	2011	56,823	17.09	17.10
20	Warisa Naree	Thai	2010	53,839	10.22	11.25
21	Wariya Naree	Thai	2011	53,833	10.39	12.00
22	Wikanda Naree	Thai	2013	53,857	12.46	13.50
23	Apiradee Naree	Singapore	2012	56,512	18.59	18.60
24	Baranee Naree	Singapore	2012	56,441	18.63	18.70
25	Chayanee Naree	Singapore	2012	56,548	18.65	18.70
26	Daranee Naree	Singapore	2012	56,588	18.50	18.50
Supramax 9 Vessels		**Total**		**501,361**	**141.29**	**145.15**
		Average		**55,707**	**15.70**	**16.13**
27	Inthira Naree	Thai	2014	63,468	19.35	22.00
28	Issara Naree	Thai	2014	63,516	19.75	22.00
29	Sarita Naree	Thai	2015	62,964	19.88	23.25
30	Sarika Naree	Thai	2015	63,023	19.50	23.25
31	Savitree Naree	Singapore	2016	63,016	19.62	24.50
32	Savita Naree	Singapore	2016	62,970	19.94	24.50
33	Sunisa Naree	Thai	2016	63,007	20.10	24.50
34	Sarocha Naree	Singapore	2017	63,047	21.28	26.00
Ultramax 8 Vessels		**Total**		**505,011**	**159.42**	**190.00**
		Average		**63,126**	**19.93**	**23.75**
35	Apinya Naree	Singapore	2014	21,136	16.46	24.00
36	Boonya Naree	Singapore	2014	21,159	16.90	24.10
37	Chanya Naree	Singapore	2014	21,114	16.72	24.00
38	Danaya Naree	Singapore	2015	21,149	17.32	24.70
Cement Carriers 4 Vessels		**Total**		**84,558**	**67.40**	**96.80**
		Average		**21,140**	**16.86**	**24.20**
38 essels		**Total**		**1,657,579**	**606.78**	**675.45**
		Average		**43,621**	**15.97**	**17.78**

Remarks * Net Book Value is as per US Dollars (functional currency) financial statements as on 31 December 2023.
** Insured Value means agreed value to be received from the insurer in case of total loss of the Vessel.

CORPORATE STRUCTURE



* Represents indirect ownership of PSL



Legend

Name of Company.
Country of Incorporation.
Percentage of Ownership.

CORPORATE INFORMATION

(As of 31 December 2023)

Name of Company	Precious Shipping Public Company Limited
SET Symbol	PSL
Business	Shipowner and Holding Company
Registration No.	0107537000629
Date of establishment	1 December 1989
Date of conversion to public limited company	18 February 1994
Date of listing on the SET	16 September 1993
Registered address	8 North Sathorn Road, G, 7th, 8th, 9th Floors, Silom, Bangrak, Bangkok 10500 Thailand
Contact details	Telephone: 66-2 696-8800 Facsimile: 66-2 236-7654 E-mail: ir@preciousshipping.com Home page: http://www.preciousshipping.com
Latest Company Rating	BBB by TRIS Rating Co., Ltd., announced on 19 October 2023
Ordinary Shares	
Authorized share capital	Baht 1,559,291,862 (1,559,291,862 shares of Baht 1 each)
Issued and fully paid-up share capital	Baht 1,559,291,862 (1,559,291,862 shares of Baht 1 each)
Share Registrar	**• THAILAND SECURITIES DEPOSITORY CO., LTD.**
	No. 93, Ratchadaphisek Road, Dindaeng Subdistrict,
	Dindaeng District, Bangkok 10400
	Telephone: 66-2 009-9000 Facsimile: 66-2 009-9991
	Call Center: 66-2 009-9999
	E-mail: contact.tsd@set.or.th
	Website: http://www.tsd.co.th
Main Banks	**• KRUNG THAI BANK PUBLIC COMPANY LIMITED**
	No.10, Sukhumvit Road, Klongtoey Subdistrict,
	Klongtoey District, Bangkok, 10110
	Telephone: 66-2 208-7000, 8000 Facsimile: 66-2 255-9391-3
	Website: http://www.ktb.co.th
	• KASIKORNBANK PUBLIC COMPANY LIMITED 1 Soi Kasikornthai, Ratburana Road, Bangkok 10140 Telephone: 66-2 888-8800 Facsimile: 66-2 888-8882 Website: http://www.kasikornbank.com
	• EXPORT-IMPORT BANK OF THAILAND EXIM Building, 1193 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400 Telephone: 66-2 271-3700 Facsimile: 66-2 271-3204 Website: http://www.exim.go.th.
	• INTERNATIONAL FINANCE CORPORATION Siam Piwat Tower, 28th Floor, 989 Rama1 Rd., Patumwan, Bangkok 10330 Telephone: 66-2-686-6568 Website: www.ifc.org

	• CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK 12, place des Etats-Unis, CS70052, 92547 Montrouge Cedex, France c/o Credit Agricole Asia Shipfinance Limited 27th Floor, Two Pacific Place, 88 Queensway, Hong Kong Telephone: +852 2848 9906 Facsimile: +852 2868 1448 Website: www.ca-cib.com
	• BANGKOK BANK PUBLIC COMPANY LIMITED, SINGAPORE BRANCH 180 Cecil Street, Bangkok Bank Building, Singapore 069546 Telephone 65 6410 0400 Website: https://www.bangkokbank.com/en/International-Banking/Asean/ Singapore-Business-Banking
	• TMBTHANACHART BANK PUBLIC COMPANY LIMITED 3000 Phahonyothin Rd. Khwang Chomphon, Khet Chatuchak, Bangkok 10900 Telephone 66 2242 3380 Website: https://www.ttbbank.com
Auditor	**• EY OFFICE LIMITED** 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey District, Bangkok 10110 (Opposite Benjakitti Park / Near Queen Sirikit National Convention Centre) G.P.O. Box 1047, Bangkok 10501, Thailand Telephone: 66-2 264-9090 Facsimile: 66-2 264-0789 E-mail: EY.Thailand@th.ey.com
Main Legal Counsel	**• THANATHIP & PARTNERS LEGAL COUNSELLORS LIMITED** 17th Floor, Tonson Tower 900 Ploenchit Road Lumpini, Pathumwan, Bangkok 10330 Telephone: 66-2 089 8902 E-mail: info@thanathippartners.com Website: https://www.thanathippartners.com

NAME AND CATEGORY OF SUBSIDIARIES AND ASSOCIATED COMPANIES IN WHICH THE COMPANY HOLDS MORE THAN 10% OF THEIR SHARES

Sr No.	Name of Subsidiaries and Associated Companies	Currency	Registered Capital	Issued and paid-up Share Capital	Percentage of Shareholding	Category of business
1	Precious Metals Limited	Baht	275,000,000	275,000,000	99.99	Shipowner
2	Precious Wishes Limited	Baht	230,000,000	230,000,000	99.99	Shipowner
3	Precious Stones Shipping Limited	Baht	260,000,000	260,000,000	99.99	Shipowner
4	Precious Lands Limited	Baht	306,000,000	306,000,000	99.99	Shipowner
5	Precious Lakes Limited	Baht	184,000,000	184,000,000	99.99	Shipowner
6	Precious Oceans Limited	Baht	175,000,000	175,000,000	99.99	Shipowner
7	Precious Planets Limited	Baht	270,000,000	270,000,000	99.99	Shipowner
8	Precious Sapphires Limited	Baht	144,000,000	144,000,000	99.99	Shipowner
9	Precious Emeralds Limited	Baht	366,000,000	366,000,000	99.99	Shipowner
10	Precious Rubies Limited	Baht	259,360,000	259,360,000	99.99	Shipowner
11	Precious Opals Limited	Baht	249,360,000	249,360,000	99.99	Shipowner
12	Precious Pearls Limited	Baht	173,000,000	173,000,000	99.99	Shipowner
13	Precious Flowers Limited	Baht	336,000,000	336,000,000	99.99	Shipowner
14	Precious Forests Limited	Baht	286,000,000	286,000,000	99.99	Shipowner
15	Precious Trees Limited	Baht	202,000,000	202,000,000	99.99	Shipowner
16	Precious Ponds Limited	Baht	124,000,000	124,000,000	99.99	Shipowner
17	Precious Ventures Limited	Baht	202,000,000	202,000,000	99.99	Shipowner
18	Precious Jasmines Limited	Baht	567,000,000	567,000,000	99.99	Shipowner
19	Precious Orchids Limited	Baht	217,000,000	217,000,000	99.99	Shipowner
20	Precious Lagoons Limited	Baht	140,000,000	140,000,000	99.99	Shipowner
21	Precious Comets Limited	Baht	141,000,000	141,000,000	99.99	Shipowner
22	Precious Ornaments Limited	Baht	156,000,000	156,000,000	99.99	Shipowner
23	Precious Venus Limited	Baht	298,800,000	298,800,000	99.99	Shipowner
24	Precious Neptune Limited	Baht	298,800,000	298,800,000	99.99	Shipowner
25	Bongkot Holdings Limited	Baht	1,000,000	1,000,000	99.99	Holding company/ Investment
26	Great Circle Shipping Agency Limited	Baht	210,000,000	210,000,000	99.99	Manager of Ships
27	Precious Shipping (Singapore) Pte. Limited	SGD	20,000,000	15,000,000	100	Holding company/ Chartering
28	Precious Comforts Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
29	Precious Sparks Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
30	Precious Visions Pte. Ltd.	SGD	280,000	280,000	100*	Shipowner
31	Precious Bridges Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner

Sr No.	Name of Subsidiaries and Associated Companies	Currency	Registered Capital	Issued and paid-up Share Capital	Percentage of Shareholding	Category of business
32	Precious Forests Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
33	Precious Fragrance Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
34	Precious Thoughts Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
35	Precious Tides Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
36	Precious Skies Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
37	Precious Glories Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
38	Precious Wisdom Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
39	Precious Grace Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
40	Precious Breeze Pte. Ltd.	SGD	1	1	100*	Shipowner
41	Precious Topaz Pte. Ltd.	SGD	1	1	100*	Shipowner
42	Precious Waves Pte. Ltd.	SGD	1	1	100*	Shipowner
43	Precious Jade Pte. Ltd.	SGD	1	1	100*	Shipowner
44	Precious Tulips Pte. Ltd.	SGD	1	1	100*	Shipowner
45	Precious Violets Pte. Ltd.	SGD	1	1	100*	Shipowner
46	Precious Daisies Pte. Ltd.	SGD	180,000	180,000	100*	Shipowner
47	Precious Marigold Pte. Ltd.	SGD	180,000	180,000	100*	Shipowner
48	Unity Ventures Pte. Ltd.	USD	1	1	100*	Holding company/ Investment
49	Associated Bulk Carriers Pte. Ltd.	USD	2	2	100	Holding company
50	ABC ONE Pte. Ltd.	USD	150,000	150,000	100*	Shipowner
51	ABC TWO Pte. Ltd.	USD	150,000	150,000	100*	Shipowner
52	ABC THREE Pte. Ltd.	USD	150,000	150,000	100*	Shipowner
53	ABC FOUR Pte. Ltd.	USD	150,000	150,000	100*	Shipowner
54	Precious Shipping (Panama) S.A.	USD	10,000	10,000	99.99	Shipowner/ Chartering
55	Precious Shipping (UK) Limited	USD	10,000	10,000	100	Chartering
56	International Seaports (Haldia) Private Limited	Indian Rs	445,000,000	440,580,200	22.40*	Berth Operator

**(represents indirect ownership of shares)*

REGISTERED OFFICE ADDRESS OF SUBSIDIARY AND ASSOCIATED COMPANIES ARE AS FOLLOWS:

SUBSIDIARY 1-25	Registered Office is at 8/27-28, 7th Floor, Cathay House, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand. Tel : 66-2 696-8800 Fax : 66-2 236-7654, 633-8460
SUBSIDIARY 26	Registered Office is at 8/35 Cathay House, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand. Tel : 66-2 696-8900 Fax : 66-2 237-7842, 633-8468
SUBSIDIARY 27-53	Registered Office is 20 McCallum Street, #19-01 Tokio Marine Centre, 069046 Republic of Singapore.
SUBSIDIARY 54	Registered Office is at c/o ADR Building, 13th Floor, Samuel Lewis Avenue, Republic of Panama.
SUBSIDIARY 55	Registered Office is at 130 Shaftesbury Avenue, 2nd Floor London W1D 5EU United Kingdom.
ASSOCIATE 56	Registered Office is at 105, Park Street, Flat No. 27 Kohinoor Building, 5th Floor, Kolkata - 700 016, West Bengal, India.

MAJOR SHAREHOLDERS AND DIVIDEND POLICY STATEMENT

Major Shareholders per share register as on 31st December 2023 and 2022

No.	Name	As on 31st December 2023		As on 31st December 2022	
		No. of shares	Percentage	No. of shares	Percentage
	Globex Corporation Limited	442,857,535	28.40%	442,857,535	28.40%
	Graintrade Limited (922,500 shares held under Thai NVDR Limited)	131,008,766	8.40%	131,008,766	8.40%
	NKS Investment Ltd. (shares held under Bank Julius Baer & Co. Ltd, Singapore)	108,054,537	6.93%	108,054,537	6.93%
	Unistretch Limited	11,465,009	0.74%	11,465,009	0.74%
	Eastern Energy Pte Ltd.	555,000	0.04%	555,000	0.04%
1	**Total shares owned by and under control of the Shah Family * / ** **	**693,940,847**	**44.51%**	**693,940,847**	**44.51%**
2	Thai NVDR Limited	145,282,905	9.32%	150,212,693	9.63%
3	Mr. Khalid Moinuddin Hashim (121,386,275 shares held under Bank Julius Baer & Co. Ltd, Singapore, and 140,000 shares held under Thai NVDR Limited)	121,526,275	7.79%	121,526,275	7.79%
4	Krungsri Dividend Stock LTF-D	33,356,500	2.14%	33,707,800	2.16%
5	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	15,677,335	1.00%	34,324,059	2.20%
6	BANQUE PICTET & CIE SA	14,452,100	0.93%	14,428,500	0.93%
7	Krungsri Dividend Stock RMF	11,935,500	0.76%	11,291,700	0.72%
8	Mr. Supote Supthavichaikul	10,600,000	0.68%	-	0.00%
9	DBS BANK LTD. AC DBS NOMINEES-PB CLIENTS	10,502,900	0.67%	10,502,900	0.67%
10	Bualuang Infrastructure Retirement Fund (IN-RMF)	8,217,500	0.53%	-	0.00%
11	Other shareholders (apart from the Top Ten shareholders as mentioned above)	493,800,000	31.67%	489,357,088	31.39%
	Grand total	**1,559,291,862**	**100.00%**	**1,559,291,862**	**100.00%**
		Total : 19,974 shareholders		**Total : 17,614 shareholders**	

* The Shah Family comprises of (i) Ms. Nishita Shah, (ii) Ms. Sameera Shah, (iii) Mr. Ishaan Shah, and (iv) Mrs. Anjeli Kirit Shah.

** No shareholder agreement between the Shareholders Nos. 1 and 3

Dividend Policy Statement

"The Company's dividend policy approved by the Annual General Meeting of Shareholders No. 1/2004 dated 30th April 2004 is to pay out not less than 25% of Net Profits after taxes and appropriation to any reserves required by law. Upon approval by the Board of Directors, the annual dividend payout is to be presented to the shareholders' annual general meeting for approval. As regards the interim dividend, however, the Board is authorised to pay it and then report the payout at the next shareholders' general meeting."

RISK MANAGEMENT AND SIGNIFICANT RISK FACTORS

1. RISK MANAGEMENT POLICY

The Company recognizes the importance of Risk Assessment as a tool to preemptively indicate signals of events that if unchecked, could result in a loss to the Company. The Company's risk management policy, governed by its Vision and Values, covers all potential risks that could impact on its business. The Company strives to proactively manage all internal and external risks that could disrupt its business. The Company has implemented internal control systems and a risk management framework in accordance with the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to ensure that operations are conducted efficiently and within risk parameters acceptable to the Company. The Board of Directors has set the policy and framework of Risk Management by considering the probability and the likely impact of a range of risks that can adversely impact the business. They also particularize a list of preventive and mitigation measures and establish reporting structures and monitoring procedures to pick up on any early warning signs of potentially adverse events.

The Company emphasizes the importance and value of risk management and has formed the following risk governance structure to proactively monitor potential risks across the organization and to ensure that risk assessments are performed regularly.

- The Board of Directors is responsible for overseeing risk within the Company.
- The Executive Board of Directors is responsible for preparing and reviewing policy and guidelines for risk management and monitoring the management to ensure the efficiency of the Company's risk management system.
- The Sustainability and Risk Management Committee ensures that business risks are identified as well as monitored on an on-going basis and that effective mitigation measures are in place.
- The Audit & Corporate Governance Committee is responsible for reviewing the risk management system of the Company and recommending improvements on a regular basis.
- All executives and staff in each department are responsible for assessing and monitoring the respective risks at the operational level. Hence, the organization has formed a risk management Working Group, consisting of representatives from all business units within the Company. This group is accountable for consolidating risks across all business units and performing a comprehensive risk assessment of the Company.
- The head of the risk management working group is the Director (Finance), who is responsible for monitoring operational risks and working with other executives to develop and implement strategies for managing those risks.
- The results of risk assessment for various activities are reported periodically to the Executive Board of Directors, the Sustainability and Risk Management Committee, and the Board of Directors for their consideration.

2. SIGNIFICANT RISK FACTORS

Operating in a global and competitive environment exposes the Company to a wide range of risks including **market risks** related to demand and supply imbalances and broader economic conditions, **strategic risks** related to the overall direction and competitiveness of the company, **operating risks** related to the day-to-day operations of the business, **emerging risks** that have the potential to cause significant disruption in the future, **compliance risks** related to adherence to laws and regulations, **financial risks** related to the company's financial performance and stability, and **investor risks** related to the potential impact on shareholders and other stakeholders. All the risks mentioned above are considered within the sustainability dimension, viz., Environmental risk (E), Social risk (S), and Governance and economic risk (G), which are presented in the table below. The Company has put in place an **Enterprise Risk Management (ERM)** system to identify, assess and mitigate these risks.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Market risk	Governance and economic risk (G)	• The risk of increased supply-side competition	• In addition to operating in a highly regulated environment, the Company competes with similar service providers from all over the world. It is possible that an oversupply of ships could hurt our profitability.	• These risk factors are beyond the control of the Company. Nevertheless, the Company believes that having a high-quality fleet is vital to meeting the needs of our clients and so the Company constantly looks for opportunities to strategically expand our fleet and make it more fuel efficient. • To assess the supply and demand balance, the Company monitors and keeps track of key indicators affecting the shipping industry, such as global fleet size, orderbook for new vessels, and scrapping rates. • The Company strives to implement the latest technological advancements and the industry's best practices to compete effectively.
Market risk	Governance and economic risk (G)	• The risk of fluctuation in charter rates for the dry bulk shipping business influenced by macroeconomic factors beyond our control.	• Charter hire rates can be extremely volatile leading to large potential variations in financial results and profitability. • A significant proportion of the Company's fleet has earnings linked to the Baltic Handysize or Supramax market indices which results in higher earning when markets are strong while also exposing the Company to lower earnings when markets are weak.	• These risk factors are influenced by broader market conditions and are not solely within the Company's control. However, in the Company's opinion, given the uncertainty and the extreme volatility in the market, where rates can shoot up or collapse very quickly, it is always prudent to "lock-in" future earnings at reasonable freight rates whenever possible, as a cushion against a sudden and, more particularly, sustained collapse of the freight rates in the spot market. This strategy was vindicated with the Company's earnings outperforming the market in the volatile market circumstances in the past. • The Company implements various hedging strategies, such as engaging in Freight derivatives trading, to mitigate the impact of fluctuating charter rates and macroeconomic factors. • The degree of charter hire fluctuation varies by ship size and type, with large, ungeared, ships having the most volatile earnings. As most of our ships are in the small, geared, sector (Handy, Supramax and Ultramax) of the industry, the Company is partially immune to such volatility. The Company believes that with all its ships being in the geared sector of the industry, there is a fundamental advantage of diversified demand and hence there is some downside protection against the cyclical nature of the business.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Strategy Risk	Governance and economic risk (G)	• Capacity replacement risk • The risk from an ageing fleet	• The Company's assets, i.e., ships, have a finite life and as and when the ships reach a certain age, they need to be sold or recycled. This leads to a decrease in capacity and if the Company wants to maintain capacity in terms of fleet size, the Company must continuously follow a program of replacement of its older recycled or sold vessels. • Our fleet's advancing age could potentially lead to higher operating expenses in the future, posing a significant risk to our operational performance, financial stability, and cash flow. • Our future growth will be contingent on various additional factors, including the identification of appropriate vessels for acquisition at favorable prices, the procurement of newbuilding slots from shipyards and/or shipping companies, the attainment of necessary financing, as well as the acquisition of other companies or investment in joint ventures, and the integration of any acquired businesses. It is possible that the Company may encounter a risk wherein it does not obtain a favorable return on its investments or fails to accomplish its strategic objectives. • Apart from a fall in the ship values, it may not be possible to charter out these ships at the expected rates which would lead to operating losses (including cash losses) for the Company. These losses or low rates achieved by the Company for a sustained period could lead to the inability of the Company to comply with financial covenants or worse meet payment obligations under its senior secured debt and debenture financing facilities.	• The Company is committed to strategically developing its fleet while maintaining the age distribution and emission profile of its fleet. • Between the years 2012 and 2014, the Company signed several newbuilding contracts with three different Chinese shipyards for deliveries of cement carriers and dry bulk vessels. • In 2022, the Company purchased two young secondhand handysize bulk carriers as part of its strategy to have a younger and more fuel-efficient fleet.
Strategy Risk	Governance and economic risk (G)	• Risks associated with shipbuilding contracts	• Non-delivery or delayed delivery of vessels ordered under shipbuilding contracts as part of the Company's capacity expansion plans may lead to the Company failing to achieve its expansion targets and could also result in operational losses.	• The Company conducts a thorough review before signing a shipbuilding contract to identify and mitigate potential problems.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Operating risk	Environment risk (E)	• Climate change risk	• We recognize that climate change is the most pressing issue of our time, and we are determined to take stronger steps to manage climate-change risks. It is likely that governments and regulators around the world will enact more stringent regulations to control emissions in coming years, which may affect the operations of the Company. • The frequency of storms has increased 4 to 5X since the 1970's. Such extreme climate and weather events pose a serious threat to our crew and assets. • A comprehensive analysis of the risks and opportunities posed by climate change is provided in the "Task Force on Climate Related Financial Disclosures (TCFD) Report."	• Climate change is a systemic challenge requiring collective action and beyond the direct control of individual companies. The Company has taken actions to mitigate its own environmental impact and adapt to changing conditions. • The Company's governance structure ensures that its operations are in line with best practices to minimize our environmental impact. • The Company's commitment to environmental protection has been formalized in its **Environmental Policy**, which is based on ISO standards along with established internal guidelines that outline its efforts to address environmental issues throughout its business activities. • The Company promotes the use of new technologies and innovation to help reduce its environmental impact. • Incorporating climate risk into its risk management approach to prepare for and minimize the impact of climate change. • The Board of Directors oversees the Company's response to climate change, including its strategy and action plan to minimize environmental impact. As part of its responsibilities, the Board ensures that climate factors are considered in financial planning, decision-making, and short and long-term strategies. • The senior management team oversees the overall approach to identifying and evaluating the risks and opportunities of climate change.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Operating risk	Governance and economic risk (G)	• Risks due to the growing scrutiny and evolving expectations of stakeholders, viz., investors, lenders, charterers, government, and other market participants regarding ESG practices.	• ESG concerns may lead lenders and institutional investors to completely exclude transportation or shipping companies from their investment portfolios. Such exclusion could have adverse effects on our access to capital markets and potentially increase our funding costs. • Additional operating and compliance costs may be imposed due to the heightened scrutiny on environmental, social, and governance (ESG) factors.	• To ensure the successful execution of the action plan, an internal ESG working group has been established. Comprised of representatives from various departments, this group plays a crucial role in supporting the management by evaluating the Company's ESG practices and ensuring adherence to the action plan. • The Company adopts a proactive approach to effectively manage risks associated with the increasing scrutiny of ESG (Environmental, Social, and Governance) factors. This approach includes the following measures: - A robust ESG strategy: The Company aligns its operations and goals with recognized ESG frameworks to demonstrate its commitment and transparency. - Investment in green technologies: The Company strives to explore innovative technologies and energy efficiency improvements to minimize its environmental impact. - Prioritization of employee well-being: The Company implements fair labor practices, ensures safety standards, and invests in employee training and development to promote a healthy and supportive work environment. - Strengthening corporate governance: The Company continuously strives to enhance its financial reporting, decision-making processes, and anti-corruption measures to ensure responsible and ethical business practices. - Engagement with stakeholders: The Company actively communicates its ESG efforts and progress to investors, lenders, charterers, governments, and communities, fostering a collaborative approach towards sustainable development.
Operating risk	Governance and economic risk (G)	• The risk from government policies or related agencies	• Government policies can have a direct impact on shipping. Changing government policies can have a negative impact on the operations of the Company, including those relating to the taxation of shipping Income and freight, import and export duties, port taxes, trade policies, and protectionism.	• These risk factors are beyond the control of the Company. However, it takes necessary steps to ensure that its business operates in compliance with all relevant policies and in a cost-effective manner.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Operating risk	Governance and economic risk (G)	• The risk of economic slowdown • The risk of high inflation	• Concerns about recession in major economies like the US and China could decrease global trade volume, impacting demand for shipping services. • Higher inflation and rising interest rates may increase our borrowing costs and negatively affect our financial position. The rising costs of fuel, port fees, and labor are putting pressure on shipping companies' profit margins and affecting the cost-effectiveness of transporting goods. All these factors collectively could adversely affect our profitability.	• These external risk factors are beyond the direct control of the Company; however, the Company's governance structure makes the Company's operations run efficiently, minimizing the impact of these risks, and enabling the Company to adapt to changes and foster long-term growth. • Diverse geographical markets to mitigate risks associated with specific economic or geopolitical events. • Implementing cost-saving strategies such as streamlining routes, adopting fuel-efficient technologies, conducting cost-benefit analysis, and engaging in favorable contract negotiations to address the challenge of escalating expenses.
Operating risk	Governance and economic risk (G)	• The risk from geopolitics and political instability • The increasing trend of protectionism	• Shipping is exposed to geopolitics, and geopolitical events may adversely impact international maritime trade and vessel movements. Changes in the economic and political environment of major trading nations may have a significant impact on demand for dry bulk cargoes. Trade in regions that are engulfed in conflict can have a significant adverse impact on the shipping industry. These conflicts can result in increased risks for crew members, as ships may be targeted or detained in areas of conflict. • Furthermore, the increased risk of war or other hostilities can also lead to higher fuel costs and other expenses, which can result in higher operating costs for shipping companies. • A prolonged conflict might have further repercussions, including an impact on demand for various commodities. • A more stringent sanctions regime against certain countries can make compliance challenging, and violations can result in severe penalties and consequences for ship owners and counterparties. This may lead to heightened volatility, constraining corporate expenditures and consequently impacting the demand for shipping.	• The Company has no control over these risk factors; however, the Company's ships operate in international waters and are spread out globally, reducing the risk of geographical concentration in their market and customer base. This means that any major negative changes in a specific region, such as war or political action, should not significantly affect the Company's revenues. However, changes in the economic or political environment of major trading nations may still impact on the Company's revenues. • Compliance with these restrictions is diligently maintained by the Company's operations and legal team while ensuring that the Company's ships proactively avoid high-risk areas. However, the Company is still subject to a certain degree of risk as its ships may have to sail through high-risk areas to adhere to the agreed-upon routes or reach the charter destination ports as outlined in the charter contract terms that have already been entered into. • Collaborating and actively participating in regular discussions with insurance clubs and industry partners to proactively identify and mitigate potential risks.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Operating risk	Governance and economic risk (G)	• Risk from pandemics	• An economic shock, such as what happened soon after the world was afflicted by the COVID -19 pandemic, could affect the Company's ability to raise debt. Such restricted access to debt could cause a liquidity squeeze that could hinder operations. • In addition to the human toll, pandemics have the potential to disrupt worldwide supply chains and impact crew rotations, thereby raising the overall expenses associated with conducting business operations.	• While these risk factors are beyond the direct control of individual companies, the Company has taken significant steps to mitigate their impact by implementing various measures company-wide. - Safety Protocols: To ensure the safety of its employees and visitors during a pandemic or any similar outbreak like COVID-19, the Company has put in place policies and procedures that encompass mask mandates, social distancing measures, and enhanced cleaning protocols. - Creating Awareness: The Company strives to create awareness about the importance of public health measures like vaccination and the adoption of good hygiene practices, among their employees and customers. - Business Continuity Plan: As part of its business continuity plan to ensure uninterrupted operations during pandemics, the Company has established infrastructure that enables employees to work from home, even if physical workplaces are closed due to lockdowns or health concerns. Moreover, the Company implements supplementary measures such as diversifying its supply chains and stockpiling essential supplies for onboard vessels to further enhance their preparedness.
Operating risk	Governance and economic risk (G)	• The risk associated with smuggling of drugs or other contraband onto our vessels	• The quantity of illicit narcotics being transported through commercial shipping is consistently on the rise, consequently amplifying the vulnerability of ships and ports. There exists a possibility of encountering such risks during our operations where our vessels may call in ports where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. This may lead to governmental claims against the Company and detention of its vessel. The adverse consequences of governmental or regulatory claims or restrictions could have a detrimental impact on the Company's reputation, business, financial condition, results of operations, and cash flows.	• As certain trading nations serve as significant markets for the shipping industry, it would not be prudent to wholly refrain from operating in these regions. • The Company implements additional security measures including enhanced security watches, employment of armed guards, security patrol boats, sniffer dogs and divers when calling at ports with a high risk of drug trafficking. However, even with these rigorous security measures in place, shipping companies continue to be vulnerable to drug smugglers who utilize progressively advanced tactics to secretly smuggle drugs on board. Consequently, there remains a potential risk that smugglers could successfully evade all existing security measures.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Operating risk	Governance and economic risk (G)	• The risk of accidents onboard vessels	• The shipping industry is constantly exposed to a wide range of risks. These risks include the possibility of marine disasters and environmental mishaps. • Maritime accidents can occur due to numerous factors, including human errors, technical failures, natural conditions, shipping factors, route conditions, and cargo-related factors. This may result in substantial claims, as well as the potential loss of people, damage of cargo or property.	• The Company is vigilant on these issues and maintains internationally prescribed safety and technical standards apart from relevant insurance covers. • Internal audits and risk assessments to proactively identify and address potential hazards. • Comprehensive training to crew members on safety procedures, emergency response protocols, and safe operation of equipment. • Continuous enhancement of ongoing training programs to keep crew members updated on the latest safety regulations and best practices.
Operating risk	Governance and economic risk (G)	• Security risks	• The increased risk of piracy and other forms of violence can raise the cost of insurance and other security measures.	• Employ trained and experienced security personnel on board vessels transiting high-risk areas. • Provide crew members with relevant training on security protocols and procedures to enhance preparedness and response capabilities. • Assign citadels to all ships as a secure measure against piracy situations. • Implement CCTVs surveillance to enhance situational awareness. • Utilize satellite communication and tracking systems for real-time monitoring of vessel locations. • Regularly review emergency response plans that include procedures for dealing with piracy incidents. • Consider specialized insurance policies that cover piracy-related risks when sailing in high-risk areas.
Operating risk	Governance and economic risk (G)	• The risk of fluctuations in the price of fuel:	• The Company is not directly exposed to any risk of increased costs due to fluctuations in international oil prices.	• Whenever the fuel costs are on the Company's account (in case of a voyage charter), the increase/decrease in oil price is passed on to the Customers since the freight rates are quoted and charged after incorporating the increased/ decreased fuel cost which is booked at the time of securing the business. In case the business is done on a time charter, the fuel cost is directly on the customer's account.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Operating risk	Governance and economic risk (G)	• Expansion fleet risk	• Our future growth will be contingent on various additional factors, including the identification of appropriate vessels for acquisition at favorable prices, the procurement of newbuilding slots from shipyards and/or shipping companies, the attainment of necessary financing, as well as the acquisition of other companies or investment in joint ventures, and the integration of any acquired businesses. It is possible that the Company may encounter a risk wherein it does not obtain a favorable return on its investments or fails to accomplish its strategic objectives.	• Perform thorough due diligence, when acquiring vessels or companies, to assess financial health, operational efficiency, and compliance with regulations. • Verify the condition and maintenance history of existing vessels to avoid unforeseen operational issues. • Monitoring and evaluating the return on investment for each vessel acquisition or project.
Operating risk	Governance and economic risk (G)	• Supply chain-related risks	• Managing supply chain and logistics of stores and spare parts is crucial for ensuring our vessels' performance, compliance with technical requirements imposed by regulating authorities and minimizing operating costs. Any stockouts could have an adverse impact on the Company's operations. • There exists a potential risk in the event that the Company's suppliers fail to provide stores and spares of satisfactory quality, or if crucial spare parts are not delivered promptly or are rendered unusable, consequently causing delays. Such circumstances can lead to a decline in revenue, escalated expenses, and may impact the relationships with customers.	• The technical department oversees maintenance planning and inventory management, ensuring the efficient sourcing and delivery of necessary parts onboard. This minimizes the risk of stockouts and contributes to smooth operations. • Diversified supplier base. • Robust quality control: stringent quality control procedures upon receiving spare parts from any supplier. • Conduct Inspections, tests, and verification against agreed-upon specifications.
Operating risk	Governance and economic risk (G)	• Commercial downtime	• Apart from a fall in the ship values, it may not be possible to charter out these ships at the expected rates which would lead to operating losses (including cash losses) for the Company. These losses or low rates achieved by the Company for a sustained period could lead to the inability of the Company to comply with financial covenants or worse meet payment obligations under its senior secured debt and debenture financing facilities.	• Conduct thorough market research to anticipate demand and pricing trends in the shipping industry. • Explore financial instruments and risk management tools, such as hedging, to protect against adverse movements in charter rates.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Operating risk	Governance and economic risk (G), Social risk (S) (human rights risk)	• The risk of skill shortages and loss of key personnel. • Human capital risk and employee well-being	• Human resource management is important for a company's success because it helps ensure that the Company has the right people with the right skills to meet its business objectives. Key risk factors include having a workforce which is underqualified and the loss of key personnel. This can happen if the company is not able to effectively recruit and retain qualified individuals. • Sourcing and retaining qualified personnel are crucial for the business operations of the Company. A lack of skilled employees or skill shortages may negatively impact the Company's business resilience and growth. In addition, losing key personnel can significantly impact the performance, productivity, and business prospects of the Company.	• The Company mitigates these risks through the adoption of a fair staffing policy and has thus far been quite successful in sourcing and retaining highly skilled and qualified personnel. In addition, the Company continues to take several initiatives including the establishment of a detailed Succession Plan to attract and retain talent, and therefore does not expect any future cause for concern in this regard, although international shipping continues to face a shortage of experienced crew, particularly in the officers' cadre, required on board the vessels.
Operating risk	Governance and economic risk (G)	• The risk of failure or lack of proper control over the Company's systems or work processes	• Non-compliance with the Company's own procedures (SOPs) and policies poses a huge risk to its operations. Failure of internal controls, SOPs and work processes exposes the Company to the risk of fraud, loss of assets and/or non-compliance with laws and regulations.	• To manage these risks, the Company strives to identify opportunities to improve its internal processes and keep its policies up to date in line with the best industry practices.
Operating risk	Governance and economic risk (G)	• Governance risk	• The Company is also exposed to the risk that inadequate governance can adversely impact its operations and undermine investors' confidence.	• The Company is committed to maintaining a harmonious relationship with all its stakeholders (workforce, community, governments, etc.) and to addressing any concerns on a timely basis. The Company's business ethics and code of conduct policies are implemented to ensure that business is conducted via an ethical governance framework. • The Company's corporate governance structures ensure utmost transparency in reporting of operational and financial performance.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Operating risk	Social risk (S)	• Human rights risk	• The Company is subject to various labor, human rights, safety, and local laws or regulations. A breach of these laws or regulations can affect the operations of the Company.	• The Company's Business Ethics and Code of Conduct outlines its values regarding Human and Labor Rights which it has embedded into its corporate practices and systems. It states the guiding principles on respecting human rights of every individual as well as treat everyone fairly in every stage of recruitment starting from selection, remuneration payment, working hours and job holidays, assignment, performance appraisal, learning and development, career path planning and others without discrimination. • The Company has created policies which serve as a guideline for employees, to ensure that these laws or regulations are not breached.
Operating risk	Governance and economic risk (G)	• The risk that all losses will not be covered by insurance.	• Although the Company has different insurance policies relating to the operations of the Company to mitigate the risks arising from the loss or damage to the assets of the Company, there is still a risk that the policy will not cover certain losses and/or third-party claims.	• The Company has established an internal training department dedicated to educating its staff members. This is because the Company firmly believes that allocating resources towards implementing strict safety protocols and maintenance procedures can minimize the probability of accidents and losses. This includes routine inspections, comprehensive crew training, and strict adherence to international safety regulations. • Enhanced situational awareness and prevention of potential hazards using advanced technologies such as voyage monitoring systems, real-time weather data, route optimization, etc.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Emerging risk	Governance and economic risk (G) / Environment risk (E)	• The decarbonization challenge	• Global pollution is a major threat to the survival of our planet, and the shipping industry is a significant contributor to greenhouse gas emissions. The shipping industry is responsible for a significant portion of global emissions of pollutants such as carbon dioxide, which contribute to climate change. The Paris Agreement, which was adopted in 2015, aims to limit global warming to well below 2 degrees Celsius and to pursue efforts to limit warming to 1.5 degrees Celsius. • It is imperative that the shipping industry takes action to reduce emissions to meet its decarbonization targets. However, a significant amount of uncertainty surrounds projected carbon reduction trajectories for companies committed to decarbonization because of the uncertainty over future propulsion and technology. The transition to more sustainable and zero-carbon fuels is crucial for the shipping industry to meet its decarbonization goals, but the production and availability of these fuels are still in their preliminary stages. Additionally, currently, there is no commercially viable green fuel that can substitute heavy fuel oil. Therefore, the extent and speed of decarbonization by the industry may have a significant impact on our business strategy and operations in the future.	• Specific emission reduction targets in line with IMO's goal to reduce overall greenhouse gas emissions by 50% from 2008 levels by 2050. • The Company is a member of the Getting to Zero Coalition aiming to explore commercially viable zero-emission fuels. • By investing in a variety of energy-saving devices, the Company is actively exploring and evaluating new emerging technologies through trials and studies. Examples include: - Sensors: Enhance engine operational efficiency by installing sensors, enabling real-time correction of operational problems, and thus improving fuel efficiency. - Energy Saving Devices: Install Energy Saving Devices such as Mewis Ducts, Pre shrouded vanes or even completely new propellors to enhance fuel efficiency. - Fuel: Use additives and biofuels to reduce fuel emissions
Emerging risk	Governance and economic risk (G)	• The risk associated with disruptive regulatory changes	• Since shipping is a highly regulated industry, regulatory and compliance costs to meet environmental targets are one of the biggest risks to the shipping industry in the next few years. Various national governments and international regulatory bodies have begun requesting that more stringent environmental regulations be applied to vessels. As a result, there is a risk that soon after the delivery of a newbuild vessel, new regulations may come into force that would render such newbuild vessel obsolete or uncompetitive. • Complying with these requirements may necessitate modifications to vessels, installation of expensive equipment or retrofits. This could potentially diminish the resale value or shorten the useful lifespan of our vessels.	• Our Technical Management team and International Safety Management team work proactively to evaluate compliance risks and any potential regulatory risks pertaining to the shipping business. • The Company conducts a thorough analysis of the potential risks before acquiring any ships. This analysis takes into consideration the worst and base case scenarios, as well as the ongoing best practices in the industry. • Additionally, when required the Company seeks guidance from third-party experts.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Emerging Risk	Governance and economic risk (G)	• Cyber-security risks	• The Company is aware of emerging risks that may impact its business if not proactively managed. The Company also strives to identify and assess the impact of such risks. The shipping industry has become more susceptible to cyber-attacks due to increased automation and digitalization. The Company relies on information systems to transmit and store data which includes confidential and valuable information. Covid-19 accelerated the Company's effort to move towards further digitalization and technological advancement while transitioning to remote work. However, remote working by its employees has significantly increased the risk of cyber and phishing attacks. Thus, the Company is exposed to cyber security threats and unauthorized access to the Company's information technology systems. Failure of the IT system could disrupt its operations. In addition, a security breach could result in reputational damage, legal actions, or financial liability.	• The Company strives to implement consistent mitigation policies aiming to avoid any such IT hazards. The Company has taken the following measures to combat and mitigate cyber security risks: - Promote employee awareness of technology use through training programs to ensure employees have knowledge and understanding of how to use technology effectively and to protect the business from cyber threats. An educational online platform with tests on employees' awareness and understanding of IT policy and cybersecurity is also organized every month. - IT policy outlining preventive measures to protect and safeguard its information technology systems in business operations from possible cyber risks and threats. - Next-generation firewall protection that restricts malicious internet traffic. - Latest virus and malware protection programs to protect its data. - Spam filtering and virus protection on all inbound and outbound emails. Using a reliable and secure email hosting provider that meets the standard and provides top notch security. - A data backup policy to ensure data recoverability in the event of a system outage or a cyber-attack. - The Company employs the services of a third-party firm which carries out a comprehensive vulnerability assessment and conducts penetration tests of its IT network to safeguard against cyber threats.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Compliance Risk	Governance and economic risk (G)	• Non-Compliance with laws and regulations	• Shipping, being a highly regulated Industry, is subject to complex laws and regulations, including environmental regulations, international safety regulations and vessel requirements imposed by classification societies. • Non-compliance of international regulations risks detention of vessels, leading to loss of time, which would lead to loss of revenues or claims from charterers. • Non-compliance with any environmental laws and regulations or emission standards may result in penalties causing financial loss and damage to the Company's reputation. • Non-compliance or violations of laws and regulations and the failure to comply with any one or more of such laws and/or regulations could expose the Company to penalties, legal action against the Company and its senior management, downgrading of vessel ratings, vessel detention or other regulatory restrictions.	• The Company remains vigilant on this issue and has taken adequate steps to employ qualified staff and has adopted adequate and effective systems to ensure full compliance with all laws and regulations as may be updated from time to time.
Compliance Risk	Governance and economic risk (G)	• Escalating compliance costs resulting from the heightened expectations of market participants concerning ESG practices	• Vessels may face additional regulatory requirements and/or penalties if it fails to meet the required EEXI targets, and this may result in some of the Company's vessels getting poor environmental ratings and consequently impact its ability to charter these affected vessels at competitive rates. The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry.	• ESG principles into core business operations, decision-making, and risk management. • Standardized emission and fuel consumption data collection, reporting, and disclosure processes of ESG-related data to enhance efficiency and minimize expenses. • The company strives to invest in energy efficient technologies to improve the efficiency of its existing fleet.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Compliance Risk	Governance and economic risk (G)	• Non-Compliance with classification society's standards and regimes	• The classification society certifies, by periodical surveys, that a vessel is maintained as per the required standards and that the vessel complies with the applicable rules and regulations. Based on satisfactory surveys, the classification society issues trading certificates which permit the vessel to operate worldwide. A vessel must undergo annual surveys, drydocking and special surveys. The machinery would be surveyed periodically over a five-year period. Every vessel is also required to be drydocked every 30 to 36 months for inspection of the underwater parts of the vessel. If any vessel does not maintain its class and/or fails any annual survey, drydocking or special survey, the vessel will become uninsurable and unemployable in international waters. Any such failure to comply could have a material adverse impact on the Company's financial condition and results of operations.	• A proactive compliance culture that includes regular training, clear communication of compliance expectations, and robust internal reporting. • Our technical team conducts internal audits and gap analyses to proactively identify and evaluate potential non-compliance risks.
Compliance Risk	Governance and economic risk (G)	• Non-compliance with charter parties	• Regulations such as Carbon Intensity Indicators and Energy Efficiency on Existing Ships are expected to make compliance with charterparties more complex in the future, as shipowners and charterers are required to embrace new clauses to meet their environmental targets. A failure to comply with charter parties may result in financial claims, reputational damages, and can negatively impact client relationships.	• Clearly defined, specific and measurable expectations. • Maintain regular communication with the charterers regarding ESG performance and potential challenges. • Update charter party clauses and operational practices accordingly to reflect relevant changes.
Compliance Risk	Governance and economic risk (G)	• Personal Data Protection and Privacy Risk	• The Company is exposed to the risks associated with leak or misuse of personal data of its relevant individual stakeholders (employees, shareholders, clients, business partners, suppliers, and visitors etc.). The Company recognizes the importance of personal data protection and considers such data as a critical and invaluable asset. It also believes that data privacy of its individual stakeholders, involved in any area of the Company's business operations, is important and should be treated with utmost care.	• The Company has already formalized its commitment to ensure personal data protection and privacy through its "Personal Data Protection Policy". The purpose of this Policy is to provide the appropriate framework for handling Personal Data and to ensure that there are sufficient security measures in place to protect and secure Personal Data which the Company is collecting, using, and disclosing in accordance with the PDPA and any related regulations thereof. • The Company has also appointed a Data Protection Officer primarily to oversee and ensure that the Company's collecting, processing, or disclosing personal data of its individual stakeholders is following the Law and/or other applicable laws and regulations.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Financial risk	Governance and economic risk (G)	• Counterparty risk	• The risk associated with the ability of each counterparty to fulfill its obligations under these contracts is contingent upon various factors that are beyond our control, such as prevailing economic conditions and the financial health of the counterparty. Failure on the part of our counterparties to meet their obligations could result in significant losses and legal disputes. Such disputes could have a material adverse effect on various aspects of our business, including our financial condition, operational performance, and cash flows.	• Due diligence of counterparties to thoroughly assess the financial health, credit worthiness, and reputation of potential counterparties before entering into agreements. • Avoiding dependence on single counterparties. • Continuously monitor counterparties' financial health and market conditions to identify and address potential issues early.
Financial risk	Governance and economic risk (G)	• Foreign exchange risk	• Almost the entire Revenues and Expenses of the Company are denominated in US Dollars. Further, almost all the Fixed Assets of the Company, viz., ships, are US Dollar based assets since they are readily saleable in US Dollars on the International market. The Company's functional currency is determined to be US Dollars. Therefore, the Company is exposed to the risk of realizing a Foreign Exchange loss in respect of its Liabilities in any currency other than US Dollars. The US Dollar equivalent figure of such "non-USD" denominated debt may increase or decrease with a fluctuation in the respective exchange rate.	• The Company has attempted to maintain the least possible exposure in other currencies and accordingly always maintained US Dollar denominated credit facilities and loans. In cases where financing is in non-USD denominated debt, the Company enters a cross currency swap or option contracts whereby the principal and/or interest of the debt are converted into US Dollars, thereby hedging the Foreign Exchange risk.
Financial risk	Governance and economic risk (G)	• Interest rate risk in debt facilities	• Several of the Company's debt facilities carry interest at floating rates and as such, the Company is exposed to fluctuations in its interest rates. Therefore, the Company's financial conditions and financial arrangements could be adversely affected to the extent of any unhedged exposure to interest rate movements.	• The Company has in the past entered, and in the future may enter, interest rate swaps to convert the interest portion of its debt from a floating to a fixed rate, so as to hedge the risk of adverse interest rate movements.
Financial risk	Governance and economic risk (G)	• Funding risk	• The Company's assets, i.e., ships, have a finite life and as and when the ships reach a certain age, they need to be sold for onward trading or recycling. If the Company wants to maintain capacity in terms of fleet size, the Company must continuously follow a program to replace its recycled or sold vessels. Purchase of ships requires considerable funding, which may be through equity, debt, or both. If the Company is not able to raise the necessary funds required for the purchases of ships to maintain capacity, the Company's capacity will continuously deplete, and as such, the Company is exposed to a funding risk.	• Embracing ESG principles to tap into a wider range of capital sources at a lower cost. The Company has previously and will continue to consider green or sustainability-linked loans, as well as advocate for the integration of green principles into its loan borrowing process. • Proactively identify potential risks that could impact funding, such as market downturns, competitor actions, or regulatory changes.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
Financial risk	Governance and economic risk (G)	• Decline in asset values. • Noncompliance with the terms of our debt agreement.	• The Company is subject to specific operational and financial restrictions outlined in its outstanding debt agreements, which also mandate the maintenance of various financial ratios. Failure to comply with the terms of our debt agreements may have detrimental consequences for our business. It could limit our capacity to refinance our debt and distribute dividends. • The market values of ships have generally experienced high volatility. Since declining ship values could breach the loan-to-value covenants in the Company's credit facilities and loans, resulting in demand by the lenders for prepayment of the outstanding loans and/or providing additional security, this could adversely affect the Company's liquidity and operational flexibility, thereby impacting its operating results. • Further, the Company's current loan agreements include various conditions and covenants that may require the Company to obtain the lender's consent prior to carrying out certain activities and entering into certain transactions, including incurring additional debt, changing the Capital structure, increasing or modifying capital expenditure plans, undertaking any expansion, providing additional guarantees, merging with or acquiring other companies, whether or not there is any failure by the Company to comply with the other terms of such agreements. Any failure to comply with the stipulated loan covenants may result in the Company's lenders calling upon the Company to repay the relevant facility or a part thereof on demand. If the Company breaches certain covenants, or an event of default occurs, the Company's lenders may also take possession of the relevant ship(s) which has been provided as security for such loans.	• Robust financial forecasting and budgeting practices to accurately predict cash flow and ensure timely debt servicing. • Consider alternative funding choices, debt restructuring possibilities, and potential cost reduction strategies whenever necessary and advantageous for the benefit of our stakeholders. • Ensure consistent and transparent communication with our lenders by frequently providing them with financial updates, reporting on our progress towards achieving milestones, and proactively addressing any potential challenges or concerns. • Use derivatives or other risk management tools, such as hedging contracts, to minimize the impact of market fluctuations and to hedge against potential losses due to market downturns. • Using strategies that are best aligned with the Company's financials, long-term goals, and relationships with lenders, when necessary, reducing the remaining loan amount through lump sum payments or accelerated regular payments through cash sweeps.

Risk Category	ESG Dimensions	Key Risks	Impact	Mitigation and Risk Management Strategies
			• The loan agreements may also contain cross-default provisions whereby a default under one agreement could result in a default and acceleration of the Company's repayment obligations under other agreements, including those of its subsidiaries. If a cross-default were to occur, the Company may not be able to pay its debts or borrow sufficient funds to refinance them. Even if new financing were available, it may not be available on acceptable terms.	
Investor risk	Governance and economic risk (G)	• The common shares of the Company may experience significant price fluctuations. • Changes in taxation • Control risk	• An investor in the Company's shares or securities is also exposed to additional risks. The value of the stocks listed on the Stock Exchange of Thailand (SET) may fluctuate due to factors affecting the Thai stock market without any connection to the performance of the Company. Such factors affecting the Thai stock market could include political instability or political disturbances, the slowdown in the growth of the Thai economy, US Federal Reserve action, Trade Wars, withdrawal of economic stimulus by governments of key export markets, general slowdown in regional, Asian or other developed economies and so on. • The investor may suffer a loss on investment in the event one or more Thai laws pertaining to the investment are amended adversely. An example of such an adverse change in law would be imposition of taxes or other duties on the investment or sale of investment in equity shares. • If the Thai Government introduces exchange controls on investment proceeds or on the repatriation of investment proceeds, the Investor's cost of the investment may increase and/or the investor may not be able to repatriate the sale proceeds of the investment. • Further, the investor is exposed to additional risks like lower standards of Corporate Governance of the companies listed on the SET, insufficient legal checks and balances on company management, high proportion of concentrated shareholding with one individual or one group leading to unduly high control exercised by the individual or group, unavailability of qualified and experienced persons to act as directors, etc.	• Strong governance practices, independent board oversight, and effective internal controls. • Proactive Risk Management to Identify and assess potential risks. • Communicating financial performance, future plans and potential risks to investors. • Build strong relationships with investors through regular engagement and analyst meetings to understand investor concerns and expectations. • Emphasize long-term value creation strategies over short-term gains. • Monitor market trends, competitor activity, and economic indicators to anticipate potential triggers for volatility and proactively manage expectations. • Implementing a stable dividend policy, which can provide regular income to investors and encourage long-term holding.

Business Sustainability Development

Content

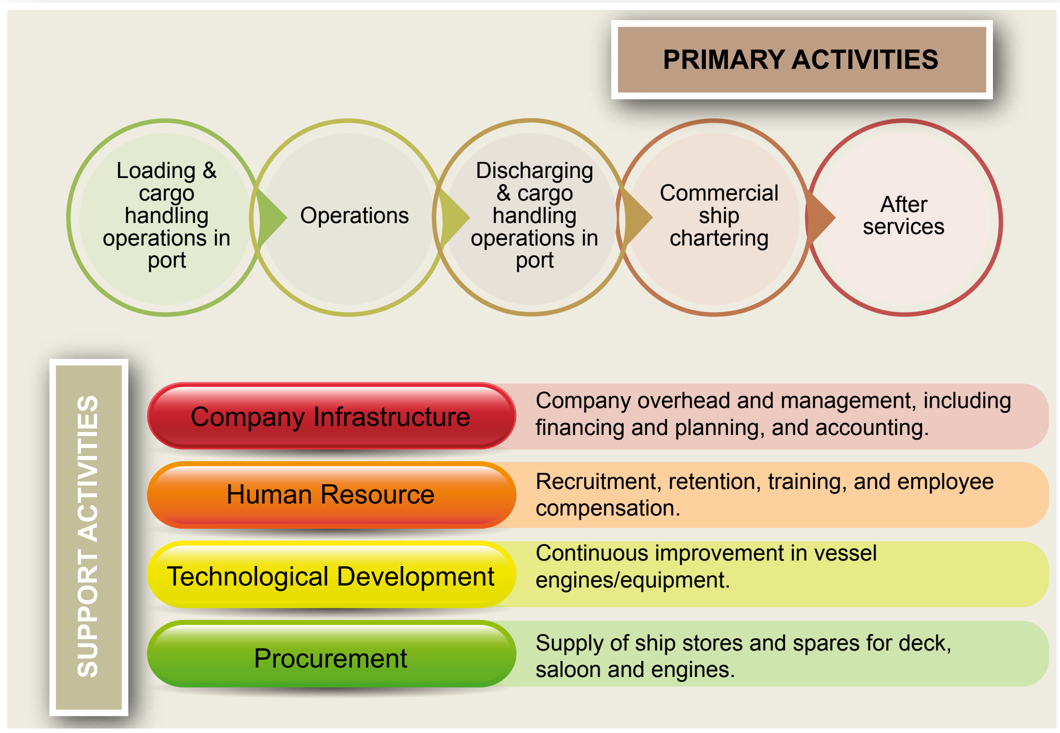
Sustainable Development

Sustainable Development Policy

To formalize its commitment to sustainable development, the Company has established a separate Sustainable Development Policy. This policy addresses environmental and social issues and adheres to principles of good corporate governance, business ethics, and compliance with laws and regulations. With this policy, the Company aims to implement practices that will promote economic development, environmental sustainability and social responsibility.

Our Value Chain [GRI 102-9]

In the dry bulk shipping industry, a maritime operational value chain is considered to be sustainable if the activities involving the transportation of dry bulk goods such as grains, minerals, and other raw materials are carried out in an environmentally and socially responsible manner. This includes the use of efficient ships, routes, and cargo loading and unloading practices. It also involves efforts to minimize emissions and environmental impact. By implementing sustainable practices across the entire value chain, the Company aims to reduce its costs and increase efficiency while improving its environmental and social performance.



The maritime shipping industry is crucial for international trade because it is the most efficient and cost-effective way to move large volumes of goods over long distances. According to estimates, around 90% of global trade is carried by sea. This includes everything from raw materials, such as oil and grains, to manufactured products, like cars and electronics. The ability of ships to reach and deliver cargoes to remote corners of the world make them indispensable for the global economy.

1. **Loading and cargo handling operations in port:** This involves loading the cargo, such as ores or grain, onto a ship, as well as ensuring that the cargo is properly secured and stored on the ship for transportation.

   The following practices are implemented to improve the loading process:

   - Using efficient and swift cargo handling equipment.

- The loading and discharging sequences are discussed with the shore team at the port, and due consideration is given to optimise the turnaround time, which can help to minimize delays and to ensure smooth cargo management.
- There is a "ship-shore safety checklist" which is followed as part of our Standard of Procedures (SOPs) to ensure all points are taken into consideration.

2. Operating a dry bulk shipping vessel as a ship owner requires a high degree of expertise and experience in managing ships and handling cargo, as well as a thorough understanding of the logistics and regulations involved in international shipping. The following divisions are typically involved in vessel operations:
    - **Technical Management:** The technical team manages the fleet of vessels, including scheduling maintenance and repairs, and monitoring the vessels' performance and regulatory compliance.
    - **Crew Management:** The fleet personnel team manages all crew and is responsible for recruiting, training, and managing the performance of the crew members.
    - **Insurance:** The Company ensures that its vessels are properly insured against various risks such as accidents, piracy, and natural disasters.
    - **Compliance:** The Company ensures that its vessels comply with international regulations for safety, environmental protection, and other standards. The Company analyses each violation in detail to identify the root cause and initiate appropriate corrective and preventive actions. The results are then conveyed to all senior employees as case studies to avoid recurrence.
3. The process of procuring **supplies and replacement parts** for our vessels involves identifying the need, selecting reputable and reliable suppliers, inviting quotations, inspecting, and storing the items. Therefore, it is essential to establish open and clear communication, meet agreed-upon deadlines and payment terms, treat suppliers fairly, and build long-term relationships with suppliers. The Company ensures that supplier terms and conditions are based on industry norms and practices. The Company established a code of conduct policy for its suppliers to emphasize its dedication to collaborating with them toward a sustainable future. This helps the Company encourage its suppliers to adopt good practices for reducing environmental impact and promoting social responsibility.
4. **Discharging and cargo handling operations in port:** Discharging involves unloading and delivering the cargo in the same condition in which it was loaded. Prior to arrival, the master usually plans a sequence for discharging cargoes. A discharge plan helps to show the distribution of cargoes within the ship and allow safe discharge of cargoes. After the cargo has been discharged, the ship will be repositioned to another port for its next voyage, or sail to a shipyard for maintenance and repairs.
5. **Commercial and ship chartering** involves overseeing the commercial side of the business, which encompasses negotiating charter rates, managing the voyage schedule of the ship, and determining the best location for the employment of vessels i.e., the positioning of vessels.
    - **Negotiation of charter rates:** The commercial team is responsible for negotiating charter rates with charterers, which is the fee charged for using a ship for a specific voyage or period of time.
    - **Chartering:** The commercial team is responsible for managing and chartering the Company's vessels to charterers or customers. This process involves negotiating charter rates, voyage itineraries, and other terms and conditions. They usually work with independent brokers or agents to connect with potential charter parties.
    - **Voyage planning:** The post fixture team is responsible for planning the voyage itineraries for all vessels, taking into account factors such as weather conditions, sea lanes, and port availability.
6. The online **customer satisfaction** survey is an effective way for the Company to gather valuable feedback from customers about their experiences and perceptions of the business. This information can be used to identify areas for improvement and make informed decisions to better meet customers' needs and expectations. Furthermore, conducting regular customer surveys helps to keep the Company informed of changes in customer attitudes and preferences.

The Company's commitment to the environment led to the early induction of 'ECO' vessels. Similarly, it is expected that as soon as commercially viable options for these next-generation zero-emission 'green' vessels become available, they will also form part of our fleet.

Sustainable Value Chain [GRI 102-9]

Input

2022

Shareholders' equity: USD 476.32 million*

Total assets: USD 703.19 million*

Dividend payout ratio 56%

983 employees (ashore and onboard)

Our fleet: 38 vessels, 1,657,579 dwt

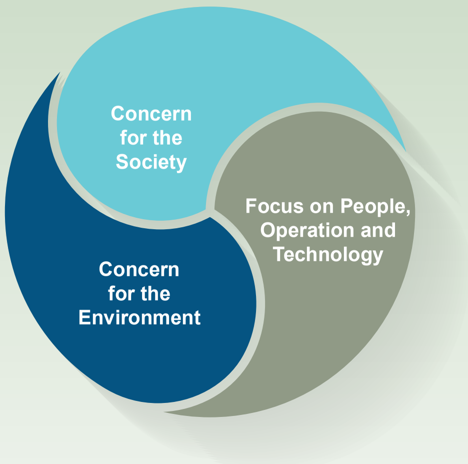
Average fleet age: 11 years*

(* as of 31 December 2022)

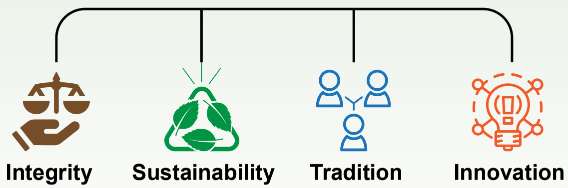
Sustainable Framework and Strategy

Our Vision and Mission Statement

To be the most distinguished shipping company in the world, providing an exemplary level of services and solutions to facilitate global trade.



Core Value



Focus People, Operations, and Technology

PSL recognizes the importance of human capital in the growth and success of its business. Therefore, we strive to amplify the competence and skills of our employees by conducting a range of in-house training and development programs for employees across the organization. PSL is committed to continuous advancement and automation of its operations to ensure the highest level of operational efficiency. Further, we are committed to implementing latest technologies to improve operational efficiencies and reduce our environmental impact.

Concern for the Environment

We take our obligation to reduce the environmental impact of our business very seriously. We have measurably reduced emissions by replacing our fleet of older vessels with modern fuel-efficient vessels. In addition, we have undertaken a number of fuel-saving measures such as installing mewis ducts on the propellor of ships, regular cleaning of the external underwater hull and propeller so that frictional losses are kept to a minimum; usage of efficient hull coatings (anti-fouling paints), avoiding wastage of electric power on board and implementation of active weather routing on voyages to increase efficiency. We are committed to burning only low sulphur fuel while avoiding equipment such as scrubbers that cause acidification of the ocean.

Concern for the Society

Community development is in our DNA. Over the years, we have made significant donations to community schools as well as provided scholarships to deserving students at the Merchant Marine Training Centre.

Output/ Value Creation

2023

- Shareholders' equity: USD 474.70 million ^
- Total assets: USD 711.38 million ^
- Net profit: USD 20.35 million^
- Dividend payout ratio 54%
- 1,035 employees (ashore and onboard)
- Our Fleet: 38 vessels, 1,657,579 dwt
- Average fleet age: 12 years^
- Reduced average intensity of carbon emissions in grams per ton-mile from 12.9 in 2014 to 6.8 in 2023
- Reduced water sourced from onshore in 2023 by 26% compared to 2019
- Installed Ballast Water Treatment plants in 100% of the fleet.
- 3,048 hours of ashore employees training, with an average of 22.09 training hours per employee
- 37,002 hours of crew training, with an average of 27.82 training hours per crew member
- Conducted customer satisfaction survey
- Conducted employee satisfaction survey
- Zero incident reports of insider trading
- Zero incident reports of human rights
- Zero injuries with onshore staff

(^ as of 31 December 2023)

Stakeholders

Stakeholder Engagements [GRI 102-21, 102-40, 102-42, 102-43, 102-44]

The Company recognizes the importance of all stakeholder groups whether it is the internal stakeholders such as shareholders, employees, and management of the Company and subsidiaries or external stakeholders such as creditors, suppliers, customers, investors, communities, government agencies, and other related organizations whom the Company has an ongoing relationship with and impact on because of its business operations.

The Company carefully considers all aspects of its business, both internal and external, to define its engagement goals. These goals are focused on specific processes, operations, and broader company-wide initiatives. Through this process, the Company identifies relevant stakeholders and prioritizes those most impacted or influential. Stakeholder expectations are considered throughout this process, guided by the principles and tools of the AA1000SES standard. These principles - inclusivity, materiality, and responsiveness - are deeply embedded in the Company's practices, corporate strategies, and daily operations.

Stakeholder Engagement Process:

- **Identifying and prioritizing key stakeholders:** The Company identifies and prioritizes key stakeholders by considering their knowledge of crucial issues, engagement expectations, relationship with the Company, influence level, geographic location, and organizational context, ensuring a comprehensive understanding of stakeholders' concerns and expectations.
- **Define engagement methods:** The Company defines engagement objectives and selects appropriate methods for communicating and collaborating with various stakeholder groups. These methods may involve conducting surveys and interviews, as well as organizing focus groups, seminars, and utilizing online platforms and other channels that are deemed appropriate.
- **Develop a communication plan:** The communication plan of the Company is established through the clarification of its objectives and policies. It considers the necessary resources to effectively communicate with stakeholders, including the selection of appropriate channels, determining the frequency of communication, and identifying key messages that promote transparency and clarity.
- **Grievance mechanism:** The Company engages its stakeholder groups in a variety of ways, with frequency and communication mechanisms based on the most effective means of facilitating dialogue. The Company has provided channels on its website for any stakeholder to express his/her opinion and contact the Board of Directors in case they wish to do so directly without going through the management. The Board has and will continue to treat such information seriously and with the utmost confidentiality.
- **Monitor and evaluate:** The Company regularly monitors and evaluates the engagement process at least once a year. Feedback on the engagement is collected and utilized to enhance future involvement efforts.

Currently, the Company categorizes and prioritizes stakeholders into nine groups, which are presented below. All business units are responsible for creating and maintaining good relationships with these groups, communicating, taking their suggestions, and assessing their expectations.

Stakeholders	Stakeholders Expectations	Key Actions	Engagement Approach & Tools
Shareholders	• Share in profits by way of dividends • Business growth and sustainability • Fair and transparent operations • Risk management • Equitable treatment • Appropriate channels for monitoring the Company's performance and giving feedback to the Company • Easy accessibility to the management of the Company	• Creation, preservation, and enhancement of long-term value for our shareholders • Disclosing timely, concise, and relevant information • Responsive to all inquiries	• Direct channel of communication to the Board/ management is open to every shareholder • Shareholder meetings at least once a year, plus quarterly SET opportunity day meetings (videos of these meetings are available on the Company's website) • Regular newsletters from the CEO • Annual report and other reports, such as press releases, etc. • Frequent communications through company visits, road shows and meetings
Customers	• Professional service with a fair charter rate • Commitment to agreements	• Develop services to respond to diverse needs • Provide efficient, reliable, and professional services and solutions to all our customers • Follow the terms of agreements	• Conduct the customer satisfaction survey • Provide a substantive reply to any query promptly • A direct channel of communication to the Board/management is open to every stakeholder
Employees	• Appropriate compensation and welfare • Career advancement and succession • Competency enhancement • A positive and good work environment • Security and safety at work	• Respecting human rights and diversity • Ensuring equal opportunity • Ensuring a safe and healthy work environment • Providing skill enhancement via sophisticated training	• Annual review of compensation, welfare, and benefits structure to remain competitive with industry standards • Open channels for accepting opinions and suggestions • Conduct an employee satisfaction survey
Creditors/ Financial Institutions	• Ability to repay debts and punctual payment • Fair returns on loans and service fees • Commitment to agreements • Transparent information sharing	• Full compliance with all terms of borrowings, including compliance with the objectives of using the borrowed funds, repayment, collateral, and other conditions as may be agreed	• Regular meetings for information exchange and to maintain a good relationship • Financial and annual operating reports • Promptly respond to any queries

Stakeholders	Stakeholders Expectations	Key Actions	Engagement Approach & Tools
Community & Society	• Improvement in quality of life • Support community activities • Environment protection	• Support the local community on a regular basis • Put in place and implement appropriate measures to reduce the environmental impact of the Company's operations	• Meet with key community stakeholders to plan and execute community development projects
Regulators	• Compliance with relevant laws, rules and regulations • Good corporate governance and transparency • Sufficient and timely information disclosures	• Follow guidelines in doing transactions with the state, adhere to the code of conduct and actively engage in academic collaboration • Periodic internal assessment of regulatory compliance • Complaint handling channels and remedial measures	• Regular disclosures through the SET • Regular participation in meetings and activities of related agencies • Annual report and other reports, such as press releases, etc.
Suppliers	• Fairness and equal opportunity in the procurement process • Fair prices • Reputation and credibility • Honor payment terms	• Ensure that terms and conditions for suppliers are based on industry norms and practices • Follow agreed upon terms and conditions • On-time payment	• Conduct supplier evaluations through questionnaires and surveys • Complaint handling channels on the corporate website
Independent/ Public Organizations & NGOs	• Collaboration to drive forward sustainable development	• Dialogue through industry associations	• Direct engagement to foster closer cooperation
Prospective Investors	• Return on investment • Business growth and sustainability • Fair and transparent operations • Risk management • Appropriate channels for monitoring the Company's performance • Easy accessibility to the management of the Company	• Business operations that are transparent, verifiable, and adheres to the principles of good governance • Transparent, complete, and consistent disclosure of information • Provide accurate and complete financial information • Adhering to ethical and legal standards	• Direct and open channel of communication to management • Frequent meetings and conference calls/ Q&A sessions • Regular disclosures through the SET • Presentation/Roadshows 15 times in 2023 • Annual report and other reports, such as press releases, etc.

Stakeholder Type	Engagement Types			
	Email/ Telecommunications	Direct Meetings	Events	Surveys/ Questionnaires
Shareholders	✓	✓	✓	
Customers	✓	✓		✓
Employees	✓	✓	✓	✓
Creditors/ Financial Institutions	✓	✓	✓	
Suppliers	✓	✓		✓
Local Communities	✓	✓	✓	
Industry Associations/Unions/ NGOs	✓	✓		
Regulators	✓	✓		
Investors	✓	✓	✓	

The Materiality Assessment [GRI 102-31, 102-47, 103-1]

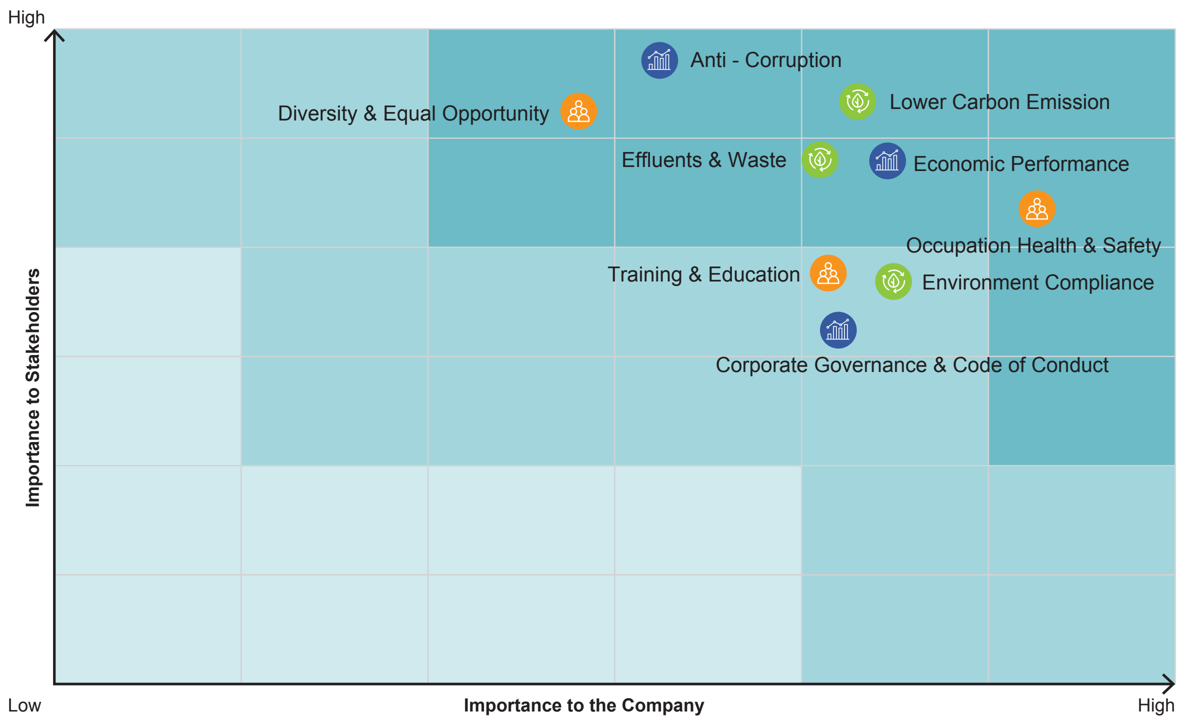
The content of this sustainability report is geared to highlight the Company's policies, achievements, and challenges towards sustainability within the reporting period. The Company has ascertained this content by carrying out a materiality assessment.

In alignment with the principles of the GRI Standards and the SDGs, the Company has used a four-step process in determining its materiality assessment:

1. Identification of relevant topics: by evaluation of the boundaries (where the impact of each issue occurred), the impact of each issue was determined both inside and outside the Company, and by business unit utilizing GRI indicators.
2. Prioritization of topics against stakeholder and Company influence and impact: by considering each topic, issues deemed significant to the organization and deemed significant to the stakeholders, and those issues and topics that reflected significant economic, environmental, and social impact.
3. Validation of prioritization and identification through review and evaluation: this materiality assessment has been validated through internal representatives of the business units with assistance from senior management.
4. Review of context on an annual basis: by incorporating into this report, stakeholder feedback from outside stakeholders received through multiple channels, such as SET opportunity day/investor meetings, the Company website, regulatory authorities, and press coverage of the Company.

This materiality matrix below presents nine topics for each sustainability-related category, based on their level of significance and impact. The topics in the matrix reflect the Company's sustainability priorities and the issues that are most relevant and important to the Company and its stakeholders. The Company recognizes the value of broadening its engagement with its stakeholders to improve its materiality assessment and increase the relevance of information within its report based on stakeholder priorities.

2023 Materiality Matrix



Economic

- Economic Performance
- Corporate Governance & Code of Conduct
- Anti-Corruption

Environment

- Lower Carbon Emission
- Environment Compliance
- Effluents & Waste

Social

- Training & Education
- Occupation Health & Safety
- Diversity & Equal Opportunity

Contribution to Sustainable Development Goals (SDGs) [GRI 102-15, 102-29, 103-2, 103-3]

The Company aims to support the United Nations' Sustainable Development Goals (SDGs). The Company integrates these goals into its business operations to ensure that all executives and staff are able to achieve sustainable development alongside the Company's business growth.

The Company is committed to meeting the UN's sustainable development goals, particularly in relation to the promotion of good health and well-being; quality education; gender equality; decent work and economic growth; climate action; peace, justice and strong institutions; and partnerships to achieve the goal. These goals are integral to the long-term sustainability of the Company.

Sailing Toward Sustainability Goals

Materiality topics	Key stakeholders	Our commitments	Targets 2030	Our efforts in 2023	SDGs
Risk and opportunities arising from climate change	• Regulators • Shareholders • Investors • Communities and society	• To identify and assess the impact of extreme climate changes.	• Incorporate climate change and natural disaster scenarios into our risk management framework.	• Aligned our reporting with the TCFD framework and recommendations and incorporated climate risk into our enterprise risk management.	
Carbon footprint and emissions	• Regulators • Charterers • Shareholders • Investors • Communities & Society	• To reduce the carbon footprint and harmonize the Company's efforts towards environmental conservation.	• Reduce CO2 emissions per transport work (ton DWT) by at least 40% by 2030, compared to 2008 as the baseline year, aligning with the objectives set by the International Maritime Organization (IMO). • Become a player in new energy transportation and supply that supports decarbonization and carbon neutrality.	• Joined the Getting to Zero Coalition, an industry group formed to jointly develop commercially viable zero-emission vessels. • Reduced CO2 emissions per transport work (ton DWT) in 2023 by about 47%, compared to 2014. • All vessels in the fleet are weather routed so as to save on fuel consumption as well as increase safety. • Achieved 5% savings in energy consumption and emissions per vessel by installing wake equalizing ducts on 20 vessels in the fleet. • We have deployed sensors on 10 vessels to gather and transmit data on fuel consumption and effective engine performance. This information will be analyzed on a real-time basis to provide early warning of engine or hull problems so that these are addressed on a timely basis, thereby reducing emissions. • Study use of B24 and B34 biofuels to reduce net emissions. • We have decided to replace the propellers on two ships, to reduce emissions. • Study fuel additives to improve fuel oil combustion and thereby reduce emissions. • Conducted a survey to collect initial inventory and emission data to establish a baseline data set for current employee commute behaviors. • Regular staff awareness programs to create awareness and promote low-carbon behavior and energy saving habits among our employees.	

Materiality topics	Key stakeholders	Our commitments	Targets 2030	Our efforts in 2023	SDGs
Effluents and waste	• Regulators • Communities and society	• To protect and conserve the environment and to rank environmental considerations equally with commercial and operational factors.	• Recycle ships in an environmentally responsible manner. • Reduce the fresh water received on ashore by at least 25% by 2029, compared to 2019 as the baseline year. • Reduce the food waste on board by 20% by 2029, compared to 2020 as the baseline year. • Maintain zero oil spills.	• While no vessels were recycled during the period, all vessels have been audited by recognized organizations and issued an "Inventory of Hazardous Materials" certificate, thus ensuring that if and when any of the vessels are recycled, they are done so in an environmentally safe and sustainable manner. • In 2023, the Company organized the campaign, "Empowering Oceans Through Marine Life Guardianship" aimed to boost the gulf of Thailand's blue swimming crab population by releasing them into the sea. The release of blue swimming crabs into the sea, a crucial element of the initiative, directly addressed the overfishing crisis faced by the iconic blue swimmer crab in Thailand. • Reduced water sourced from onshore in 2023 by 26.48% compared to 2019. • Strategic partnership with local vendors with the objective of gathering and recycling waste papers.	13 CLIMATE ACTION 14 LIFE BELOW WATER
Anti-corruption	• Employees • Charterers • Suppliers • Regulators	• To conduct business ethically with a zero-tolerance approach to bribery and corruption.	• Maintain zero incidents of corruption.	• Provided training sessions for all employees. • Communicated our anti-corruption policy and practices to employees, suppliers, financial institutions and other stakeholders. • There were no unethical cases reported in 2023.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Economic performance	• Shareholders • Employees • Investors	• To create, preserve and enhance long-term value for our shareholders. • To be good stewards of capital.	• Build long-term value through sustainability. • Control operational cost. • Focus on customer needs and on exceeding their expectations.	• Yearly evaluation of operational performance and efficiency. • Consider investment in new technologies to improve operational efficiency. At present, we are conducting trials on a range of energy-saving devices and technologies in order to enhance the efficiency of our current fleet. • Achieved lower opex than the industry average.	8 DECENT WORK AND ECONOMIC GROWTH

Materiality topics	Key stakeholders	Our commitments	Targets 2030	Our efforts in 2023	SDGs
Training and education	• Employees • Communities and society	• To reinforce positive attitudes towards health and safety and to amplify the competence and skills of our employees by conducting a range of in-house training and development programs for employees across the organization.	• Regularly update or develop an internal training program for all crew members. • Focus exercises designed to improve navigational skills and awareness by putting officers through various weather, sea, and port conditions.	• A total of 1,330 sea going officers and crew members attended a total of 30 courses that were conducted online and at our training center in bridge team competency during the year. • Initiated a scholarship program to support the children of our valued employees and crew members. This program aims to support young individuals in pursuing their academic aspirations. A total of 21 scholarships were granted based on both academic excellence and financial need. • Funded a total of 42 scholarships and internships for students within the maritime and transportation industries. • Donated to a school in rural Thailand, believing in the transformative power of education for children and communities alike.	4 QUALITY EDUCATION
Occupational health and safety	• Employees	• To conduct business with the highest standards of safety, occupational, and health conditions.	• Achieve zero work-related fatalities. • Stabilize the lost-time injury rate at below 0.30 (per 1 million hours worked)	• Ensured a safe and healthy work environment through various anti-pandemic measures. • Implementation of remote working to ensure the safety and well-being of employees during the pandemic. • Conducted basic fire safety training to prioritize the safety of employees and empower our team with critical fire knowledge for a safer workplace.	3 GOOD HEALTH AND WELL-BEING
Diversity and equal opportunity	• Employees • Regulators	• To be a fair and caring employer, offering its staff equitable opportunities to develop and grow.	• Promote a diverse workforce with an inclusive culture.	• Established a diversity and inclusion policy. • Conducted a gender equality training and awareness program for our employees. • Granted scholarships to two female cadets.	5 GENDER EQUALITY

Sustainable Management Performance

Corporate Governance, Ethics, and Integrity [GRI 102-34, 103-1]

The Company is committed to conducting business under good corporate governance principles, doing business ethically, striving for the betterment of society and the environment. The Board of Directors has promoted corporate governance practices to help fulfill its responsibility to the shareholders. The Board of Directors has to serve in a prudent fiduciary relationship with shareholders and to oversee the management of the Company's business. Details of the Company's governance structure are provided in the **"Organization Structure"** section of this annual report.

The Company has set up a business ethics and code of conduct manual and a corporate governance policy to commit to the key principles of integrity, ethical business conduct, and accountability for directors, executives, and staff as a guideline in carrying out their respective work for the Company in a transparent, honest, faithful, and justifiable manner. These guidelines can be accessed through the Company's website.

Performance Data	2021	2022	2023
Business Ethics			
Business Ethics & Code of Conduct Policy	Yes	Yes	Yes
Anti-Corruption Policy	Yes	Yes	Yes
Whistleblowing Policy (part of business ethics policy)	Yes	Yes	Yes
Articles of Association	Yes	Yes	Yes
Total monetary loss due to legal proceedings associated with bribery or corruption	0	0	0
Total number of insider trading violations	0	0	0
Total number of conflict of interest issues	0	0	0
Total number of incidents reported of human rights issues	0	0	0
Significant labor dispute	No	No	No

Governance Data [GRI 405-1]

Performance Data	2023
Board of Directors	
Chairman of the Board of Directors	Independent Director
Members	12
Independent directors	42%
Non-executive directors (including independent directors)	75%
Executive directors	25%
Number of meetings held (times)	6
Attendance ratio (%)	97%
The proportion of directors by gender	
Female	42%
Male	58%

Performance Data	2023
Audit and Corporate Governance Committee	
Chairman of the Audit & Corporate Governance Committee	Independent Director
Members	3
Independent directors (%)	100%
Number of meetings held (times)	4
Attendance ratio (%)	100%
Sustainability and Risk Management Committee	
Chairman of the Sustainability and Risk Management Committee	Independent Director
Members	5
Independent directors (%)	80%
Number of meetings held (times)	4
Attendance ratio (%)	100%
Nomination Committee*	
Chairman of the Nomination Committee	Independent Director
Members	3
Independent directors (%)	100%
Number of meetings held (times)	1
Attendance ratio (%)	100%
Remuneration Committee*	
Chairman of the Remuneration Committee	Independent Director
Members	3
Independent directors (%)	67%
Number of meetings held (times)	1
Attendance ratio (%)	100%
Nomination and Remuneration Committee*	
Chairman of the Nomination and Remuneration Committee	Independent Director
Members	3
Independent directors (%)	67%
Number of meetings held (times)	1
Attendance ratio (%)	100%

* Reorganizing by combining the Nomination Committee and the Remuneration Committee into the Nomination and Remuneration Committee by a resolution of the Board of Directors in the Board meeting No. 3/2023 held on 15 May 2023

Anti-Corruption [GRI 205-2, 205-3]

The Company has developed a reputation in the industry for having zero tolerance toward any form of corruption or unethical behavior. The senior management has always enforced this policy throughout the history of the Company. The Company has established an anti-corruption policy and a self-evaluation tool for countering bribery and corruption.

This policy, which is an embodiment of the age-old stance of the Company, against any form of corruption or unethical behavior, has been communicated to every member of the Board of Directors and each of the Company's employees.

In December 2018, the Company implemented a “No Gift Policy” in accordance with guidelines from the Private Sector Collective Action Coalition against Corruption (CAC), whereby the Company requested all business partners not to give any gifts for any occasion to any of its personnel, including its directors, executives, and employees at all levels. The Company continued with this practice in 2023. This no gift policy reinforces the Company’s compliance with the anti-corruption policy and good corporate governance principles.

The Company provided anti-corruption seminars and training for all directors, executives, and staff members at the office to bolster the Company’s anti-corruption culture.

The Company extends the application of these policies beyond itself and applies the same to each individual/corporation/organization that the Company deals with. The Company has set up a channel to contact the Board of Directors directly for any business suggestions, complaints, or recommendations indicating the impact or risks of impact on stakeholders arising from its business wrongful action, violation of the code of conduct, illegal acts, etc. As such, the Company ensures that none of its affairs are conducted with or through any unethical individual/corporation/organization.

In 2023, there were zero whistleblowing incidents and zero violations of our ethical principles.

Precious Shipping was certified as a member of Thailand’s Private Sector Collective Action Coalition against Corruption (CAC)

Photo: Mr. Gautam Khurana, Director (Finance) of the Company was presented the CAC membership renewal certification at an online awards ceremony held in December 2022.

PSL has been a certified member of CAC since 2019. In order to receive the membership certificate, the Company must undergo a self-assessment process and have it reviewed and approved by the Chairman of the Audit and Corporate Governance Committee to show that it follows anti-corruption policies, practices, and has complete documentation as required by the CAC Committee.

The CAC aims to tackle corruption, build a critical mass of clean and transparent businesses and uplift compliance standards of private companies.

Customer

Customer Relationship Management

The Company recognizes that its success depends on adding value to customers by transporting goods cost-efficiently and reliably. As maritime shipping is a 24/7 business, it is imperative that company employees, both ashore and onshore, respond to customer needs promptly and substantively. The Company strives to offer solutions to the Customer's issues, even if its vessels are not involved, as long as they are within the bounds of the agreed contract. The Company is happy to report that its service is well appreciated, and many first-class charterers prefer to do business with the Company over others in the market.

Customer Privacy [GRI 418-1]

For customer privacy, the Company insists on protecting customers' confidential information from loss, theft, misuse, unauthorized disclosure, modification, and unauthorized destruction. The Company handles complaints through phone lines, emails, and letters to and from customers. The Company always prioritizes the principles of transparency and responsibility in providing services to its customers to meet the commitment to provide the best service, provide a rapid response to various requests and complaints as part of a service commitment and maintain the confidentiality of its customers. During the reporting period, there have been no complaints whatsoever regarding the mentioned issues and no financial penalties or other sanctions associated with the violation of the confidentiality of customers' data.

Information about our vessels

Full details of all our ships are provided under the fleet list section of our corporate website. In addition, the corporate website has an open positions page that provides details of open ships, i.e. name, year of build, deadweight, open dates, open port, etc., so that prospective customers and other stakeholders can make informed decisions.

The Company has provided channels on its website for any stakeholders to express their opinion and contact the Board of Directors in case they wish to do so directly, without going through the management. The Board has and will continue to treat such information seriously and with the utmost confidentiality. In an effort to improve the level of service it provides to customers even further; the Company actively solicits the feedback of its customers through a customer satisfaction survey that is sent after the completion of each contract.

Dry bulk vessels are used to transport raw materials and unpackaged bulk cargo such as iron ore, coal, cement, steel, agricultural products, and lumber. These vessels are designed to carry large amounts of these materials and are a crucial part of the supply chain for industries such as construction, manufacturing, and agriculture.

The Company prioritizes cargo safety and timely delivery. The Company has implemented the following health and safety measures to ensure the safety of both the cargo and the crew members aboard the vessel:

- Crew health: Ensure that the crew is healthy and free from communicable diseases before they embark on a voyage to minimize the risk of transmission to other crew members and visitors.
- Cleanliness: Maintain high standards of cleanliness and hygiene on the ship to prevent the spread of disease.
- PPE: Provide personal protective equipment (PPE) to the crew and visitors as needed to minimize the risk of exposure to hazardous materials or conditions.
- Emergency response plan: Develop and implement an emergency response plan to ensure that the Company is prepared to respond quickly and effectively in the event of an incident.
- Communication: Maintain open and frequent communication with customers to keep them informed about the status of their cargo and to address any concerns.

- Risk assessment: Perform a thorough risk assessment to identify potential hazards and take proactive measures to minimize the risk of loss or damage.
- Vessel maintenance: Regularly maintaining and updating the vessels to meet safety standards, such as firefighting equipment, life rafts, and navigation systems.
- Safety training: Providing regular training to crew members on emergency procedures, evacuation plans, and the safe handling of hazardous cargo.
- Insurance coverage: Offer insurance coverage options to customers to provide them with financial protection in the event of loss or damage to their cargo.
- Customer feedback: Encourage customers to provide feedback on the company's services and take action to address any areas for improvement.

There were no significant complaints from our customers in 2023.

Customer Satisfaction Survey

The Company believes that customer satisfaction has a positive and direct effect on profitability and brand value. The Company has set a target to achieve at least 50% very satisfied customer satisfaction rates for both criteria. Customer satisfaction results in 2022 and 2023 are presented below.

Customer Satisfaction Results

Customer Satisfaction Results	Customer Satisfaction Rating for the Performance of the Master and Ship Staff		Customer Satisfaction Rating for the Performance of PSL's Operations Team	
	2022	2023	2022	2023
Very satisfied	56%	68%	59%	84%
Satisfied	44%	32%	33%	11%
Neutral	0%	0%	8%	5%
Dissatisfied	0%	0%	0%	0%
Very dissatisfied	0%	0%	0%	0%

The Company recognizes and promptly engages with customer feedback, demonstrating the value placed on their opinions. We collected feedback from various sources, including emails, customer surveys, social media, and other channels, and thoroughly analyzed this input to identify trends and gain insights into the strengths and areas for enhancement within the business. Continuous monitoring of customer feedback is carried out to evaluate the effectiveness of the implemented changes. By engaging in iterative feedback cycles, we ensure responsiveness and enhance our ability to adapt to evolving customer needs.

IT Security Policy and Practices

The Company has a policy on information technology security as part of its business ethics and code of conduct. This policy is in place to ensure that the use of technology in business is done in an ethical manner, following governance guidelines. The Company has established and implemented the 'Information Security Management System Policy' to ensure the protection and preservation of sensitive and confidential information through proper implementation of security measures and procedures. Employees ashore as well as aboard ships receive regular cybersecurity awareness training.

Cybersecurity

In response to the evolving landscape of modern maritime operations, we recognize the imperative need to fortify our cybersecurity not only at sea but also within our office environments. As ships become more interconnected and reliant on advanced software, the attention dedicated to cybersecurity becomes paramount to mitigate operational and safety risks. This heightened focus extends across the global shipping industry, where addressing cybersecurity concerns remains a significant challenge for companies worldwide.

Our commitment to enhancing cybersecurity encompasses a multifaceted approach. We continually evaluate and address emerging threats to elevate our overall security posture, cultivating an environment that fosters the organization's work while minimizing the potential for security breaches. The interconnected threads of the global risk environment converge in the realm of cybersecurity, presenting a growing scale and sophistication of risks. Geopolitical trends contribute to this dynamic, as the landscape is susceptible to state-sponsored cyber-attacks that could exacerbate the financially motivated cyber threats prevalent in our industry.

The surge in cyber exposure within companies is a consequence of the rapid proliferation of interconnected devices, the integration of emerging technologies onboard ships, and the utilization of artificial intelligence. To navigate this complex cybersecurity landscape, our industry's primary focus is shifting toward our capacity to respond effectively to the escalating frequency and sophistication of cyber-attacks.

Moreover, our commitment to cybersecurity is underscored by our attainment of ISO/IEC 27001 certification, a globally recognized standard for information security management systems. This certification not only validates our dedication to cybersecurity but also reinforces a holistic approach encompassing the vetting of individuals, establishment of robust policies, and the implementation of cutting-edge technologies.

As we fortify our defenses both at sea and in our offices, we strive to ensure the sustainability and resilience of our company in the face of ever-increasing cyber threats. Our proactive measures, strategic investments, and comprehensive cybersecurity practices position us to adapt and thrive in the digital age while safeguarding the integrity of our operations and the trust of our stakeholders.

Management Information System

As reported in previous years, the computer program implemented by the Company covers all the operations in the head office and links all the vessels in the fleet. This software gives real-time information on vessel operations, costs, etc., and keeps the head office in close contact with the master of each vessel; and assists in effective decision making on all issues. This system has enhanced the company's ability to serve its customers and to provide support to its employees serving onboard the ships. This system is now being upgraded to include additional data collection for new reporting requirements and monitoring of vessels' performance through increased digitalization.

Cyber Incident Response

The Company responds to cyber security hazards and threats through analyzing our cyber security gaps and closing all identified gaps within the organization. We have been working on firewall protection measures to prevent external attacks through applications, using a virtual private network (VPN), and inspecting emails from outside the organization. Furthermore, we have restricted access to unsafe sites, established measures to protect companies from viruses, and backed up organizational data to prevent damage from data theft or other incidents that might create impacts on the Company's data systems in the event of an emergency. In this respect, the Company has also conducted emergency response plan drills to maintain response readiness if an incident were to occur.

The IMO resolution MSC.428(98) on maritime cyber risk management in SMS has already come into effect from 1 January 2021. The resolution states that an approved SMS should consider cyber risk management in accordance with the objectives and functional requirements of the ISM Code. It encourages administrations to ensure that proper risk assessments and measures to protect ships from cyber incidents are included in the SMS. It also requires that these measures be implemented no later than the first annual verification of the Company's DOC after 1 January 2021. We have already completed this on all our vessels.

Although we have not had any cybercrime incidents to date, at PSL we constantly review and maintain our findings that:

- Our present systems incorporated in the office environment and onboard ships are “robust” enough with the understanding that both IT and OT systems may be involved in cyber security incidents.
- The sophistication of cyber threats is rapidly evolving, and it is important that our cyber security systems are able to meet these new and evolving challenges. We work with an external managed detection and response (MDR) provider who assists us with conducting regular vulnerability assessments as well as 24/7 monitoring and threat detection of our key IT infrastructure systems. A vulnerability assessment was also done on a vessel in the fleet. Based on the gap analysis report, we have acted and completed all the recommended measures onboard our ships to increase our cybersecurity posture.
- Additionally, the integrity and vulnerability of our financial and accounting related database is audited by EY once a year.
- We ensure that all network devices and servers have the latest updates installed.
- Although most ships are now connected to the internet, only permitted whitelisted websites can be accessed, minimizing the risk of malware and phishing. The OT systems in machinery spaces and the vital navigation equipment are segregated and not connected to the internet. That minimizes, if not eliminates, the risk due to cyber-attacks onboard ships.
- AIS, ECDIS and Vessel Data Recorders (VDR) etc. are part of the Integrated Bridge System (IBS). Our system setup on-board ensures that such equipment is not directly connected to the internet at any time and hence, no data from such equipment is available or transmitted directly online.

Nevertheless, to reduce vulnerability to both cyber accidents and cyber-attacks, as well as to ensure the safety and efficiency of our operations, the Company has implemented the following additional protocols and practices into its corporate operations and procedures:

- All members of the Company, ranging from senior management ashore to the crew on-board, are involved in the safety and security culture onboard each vessel and in the office environment.
- Incorporating cyber risks into company policies to ensure alignment with the security and safety risk management requirements outlined in the ISPS and ISM Codes.
- Incorporating new related requirements in in-house training programs, relevant onboard procedures, the day-to-day operations of the vessel, and the maintenance of critical cyber systems, if any, that may exist onboard.
- The Company conducts regular security awareness campaigns to educate its employees about the latest cyber threats and how to avoid them. This helps to create a culture of security within the organization.
- The Company ensures that all its systems are regularly updated and patched to protect against known vulnerabilities.
- The Company invests in advanced technology to enhance its cyber security measures. This includes the use of AI and machine learning to detect and prevent cyber threats.
- The Company conducts regular audits and inspections to ensure that all safety and security protocols are being adhered to. This includes checking the effectiveness of the cyber risk management system and making necessary adjustments.

Data Privacy Protection

The Company has already formalized its commitment to ensure personal data protection and privacy through its **"Personal Data Protection Policy"**. The purpose of this policy is to provide the appropriate framework for handling personal data and to ensure that there are sufficient security measures in place to protect and secure personal data which the Company is collecting, using, and disclosing in accordance with the PDPA and any related regulations thereof. The Company has also commenced certain specific implementations to fully comply with the law and to prevent any personal data breach or misuse. The Company has appointed a data protection officer primarily to oversee and ensure that the Company's collecting, processing, or disclosing of personal data of its individual stakeholders is following the law and/or other applicable laws and regulations.

Trading Partners and/or Suppliers

The Company has a policy of equitable and fair treatment of its trading partners and/or suppliers. Accordingly, the Company treats its trading partners and/or suppliers fairly, taking into consideration its own interest and on the basis of mutual benefit, and intends to avoid circumstances that may lead to a conflict of interest. The Company ensures that best practices are set for procurement from suppliers, and that the Company complies with all trade terms and conditions. In case the Company cannot comply with any conditions of a contract, the Company shall inform the trading partners and/or suppliers immediately to consider the ways to resolve the matter.

The following Company guidelines for the **selection of suppliers** shall be followed:

- Suppliers shall be selected based on their ability to service the needs of the Company in the most economical and efficient manner, taking into consideration their expertise and financial status. They should be in compliance with all applicable laws and related regulations.
- Considering the supplier ESG assessment results when selecting suppliers.
- When selecting suppliers, past performance and cooperation with the Company should be considered.
- The procurement department must conduct additional research and solicitation to increase its supplier base when the supplier base is not sufficient to meet the Company's needs.

Supply Chain Management [GRI 308-1, 414-1]

In order to promote sustainability and responsible practices in the supply chain, the Company established the supplier code of conduct as a guideline for suppliers to focus on the importance of conducting business with partners transparently, honestly, and fairly, along with sustainable business practices. The supplier code of conduct sets out minimum standards and practices for our suppliers relating to business ethics, labor practices, health and safety, and environmental protection.

The Company conducted the supplier ESG assessment to declare that they strictly adhere to all applicable laws, including anti-corruption; labor practice; and environmental protection laws and regulations relevant to their operations and industry.

A critical supplier refers to suppliers that are vital to business operations, such as major spares/engine suppliers, suppliers with high sales value (exceeding USD 1 million), and irreplaceble suppliers.

Description	2023 Performance	Target Year	Target
The percentage of critical suppliers who have received the supplier code of conduct	71%	2024	100%
The percentage of critical suppliers assessed for ESG factors	71%	2024	100%

Procurement Policy

The purpose of this procurement policy is to establish a centralized procedure for requesting the procurement of products or the purchase of services within the company. Furthermore, this policy seeks to enhance the efficiency of our purchasing and procurement process, ensuring that it aligns with and supports the goals and values of the company, while also maintaining the required level of scrutiny in vendor selection.

The process of selecting, contracting, overseeing, and evaluating suppliers or service providers must adhere to principles of efficiency, cost-effectiveness, transparency, and social sustainability to ensure value for money.

The normal credit term is 30 days after delivery of the product or service, with changes based on negotiations with particular suppliers. The credit term may be decreased or extended from the regular 30 days as considered suitable. The average credit term was 30 days in 2023.

Taking care of the Company's suppliers is an important aspect of supply chain management (SCM) as it helps to maintain strong relationships and ensure a consistent flow of goods. The following guidelines outline the measures to ensure proper management of our suppliers:

- **Clear Communication:** Maintain clear and open communication with suppliers to understand their needs and expectations, and to provide updates on changes in demand, schedules, and other relevant information.
- **Fair Treatment:** Treat suppliers fairly and with respect, and avoid unilateral changes to agreed terms and conditions.
- **Prompt Payments:** Make timely payments to suppliers to maintain good relations and avoid financial stress for the supplier.
- **Provide Feedback:** Provide constructive feedback to suppliers on their performance, and work with them to identify and implement improvements.
- **Collaborate:** Collaborate with suppliers on joint projects and initiatives to drive mutual benefits, and encourage innovation and continuous improvement.

Economic Performance [GRI 103-1]

The Company's senior management had set up goals for 2023 with targets that were both realistic and aggressive as follows:

- Daily earnings per vessel to be higher than the corresponding industry benchmark - Please refer to **"Market Segmentation/Benchmarking"** in the Board of Directors' report, for the Company's performance in 2023 as against this target; and
- Daily operating costs per vessel to be at least 10% lower than the industry average as published by Braemar - Please refer to "PSL OPEX comparison with Industry" in the Management Discussion and Analysis for the Company's performance in 2023 as against this target.

For 2024, the Company's senior management has set the same goals as for 2023.

The Company's operations contribute to national economies by generating economic benefits for different stakeholder groups. The related direct monetary flows indicate the extent of added value.

Direct Economic Value Generated and Distributed (Million USD) [GRI 201-1]

Description	2021	2022	2023
Direct Economic Value Generated			
Vessel operating income	265.61	259.85	146.41
Revenue from financial investments	0.06	0.41	1.27
Revenues from the sale of assets	0.02	0.00	0.00
Other income	6.41	0.19	1.56
Direct Economic Value Generated	**272.10**	**260.45**	**149.24**
Economic Value Distributed			
Operating costs (excluding crew costs)	28.70	21.63	23.94
Employee wages and benefits (including crew costs)	52.71	49.08	46.90
Finance costs (paid to lenders)	12.94	11.12	13.74
Dividend distribution	47.10	101.35	18.07
Tax payments to governments	0.14	0.09	0.14
Community investments	0.13	0.10	0.09
Other payments	3.29	2.17	3.20
Economic Value Distributed	**145.01**	**185.54**	**106.08**
Economic Value Retained as under	**127.09**	**74.91**	**43.16**
Depreciation, amortization, and impairment loss	37.79	37.57	41.06
Provisions	(0.28)	(0.01)	0.00
Transfer to (from) reserves	89.58	37.35	2.10

The above table is to provide transparency on the economic impact of the Company's activities. These figures are calculated after factoring in financial flows and tax payments. The Company does not implement any tax arrangements for the purpose of tax evasion. The payment, collection, and accounting of taxes comply with the country legislation in which the Company operates.

For financial performance: see the **Management Discussions and Analysis** sections in this annual report.

Sustainable Financing

PSL is committed to incorporating ESG principles as the Company recognizes that this is important for the long-term sustainability of the business. In 2021, we signed a USD 85m sustainable financing facility with International Finance Corporation (IFC), EXIM Bank of Thailand and TMB Thanachart Bank. In 2023, we signed another USD 105 million senior secured financing term loan agreement ("Agreement") with the International Finance Corporation, Crédit Agricole Corporate and Investment Bank and Export-Import Bank of Thailand. This financing agreement requires that we comply with various IFC performance standards, which are monitored and evaluated yearly by the lending institution. The performance standards encompass the evaluation and management of environmental and social risks and impacts, labor and working conditions, efficiency of resources and pollution prevention, health, safety, and security of the community, as well as biodiversity conservation and the sustainable handling of living natural resources. The Company is obligated to establish and enforce procedures concerning the disposal of final waste by subcontractors, ensuring the safety of workers and crew during shore leave, and maintaining health and safety standards for the community during these periods. This also includes managing labor conditions for contractors, addressing gender discrimination, along with gender-based violence and harassment, and implementing measures to mitigate the impact of its ships on delicate coastal and marine ecosystems. Additional stipulations are that newly financed vessels must surpass the fuel efficiency of the average ship in the Precious Shipping fleet and limits on the amount of coal cargo each vessel can transport.

Environmental Performance [GRI 103-1]

The Company recognizes that irresponsible shipping operations will inevitably lead to catastrophic environmental impacts, particularly in terms of air and/or water pollution. Therefore, the Company is firmly committed to the protection and conservation of the environment and ranks environmental considerations equally with commercial and operational factors.

However, over years of operations, the Company has realized that simply complying with regulations is not enough. What is needed is to go above and beyond the mandatory regulations by developing internal emergency response plans and quality control systems, constantly searching for new technologies to employ, to help reduce our environmental impact, and a firm commitment to reducing CO2 emissions and waste generation.

- Reduced CO2 emissions per ton DWT by 46.88% as compared with that in 2014.
- Formalized our Environment Protection Policy statement in line with the ISO 14001 requirement: It is the Company's policy to conduct its operations in an environmentally sustainable manner to protect the environment and planet earth for a better life for the present and future generations (please see details below in "ISO 14001 Certification"). We have achieved around 5% savings in energy/reduction in emissions per vessel by installing wake equalizing ducts on 20 vessels in the fleet.
- Environmental objectives and targets are set and assigned to all levels of employees in the Company, both ashore and afloat, with stipulated time frames and action plans. The Company recognizes that training and improving awareness at all levels is the key to achieving the environmental policy and seeks to accomplish these through the in-house training described hereunder.
- The Company has carried out an environmental impact analysis for all key shipboard and company activities and it has been found that the Company's existing procedures can effectively reduce the environmental impact of any incident.
- In-house training programs are conducted for all staff (serving at the shore office as well as on vessels) on the Environment Management System ("EMS") policy, objectives that have been set, and for general awareness. These training programs are conducted at the Company's training center and through internal audit visits to vessels.
- The Company uses the best endeavors to influence and encourage all vendors associated with the Company to comply with environmental standards/good practices. The Company completed IHM certification for all the vessels in the fleet.

Compliance with Regulations and Conventions [GRI 307-1]

To have the Company's ships sailing in international waters, the Company is legally required to be fully compliant with the regulations imposed by the International Maritime Organization (IMO) and other regulatory bodies.

Safety of Life at Sea (SOLAS), Maritime Regulations for Prevention of Pollution (MARPOL), Standards for Training Certification and Watchkeeping (STCW) and the Maritime Labour Convention (MLC) are the four pillars of the international maritime industry's regulatory framework.

IMO's latest regulations on GHG emissions – the introduction of EEXI and CII

In line with the IMO's initial strategy of achieving a reduction in the intensity of CO2 emissions of up to 40% per transport work by 2030 and up to 70% by 2050, to reduce GHG emissions from ships, in June 2021 the IMO introduced two measures a) The Energy Efficiency Design Index for existing ships (EEXI) and b) Carbon Intensity Indicator (CII) and corresponding regulations that will affect 80% of the global fleet. The regulations came into force on 1 January 2023. The introduction of these new regulations has had a very major effect on the shipping industry as a whole and has challenged ship owners like never before.

In July 2023 (MEPC 80), IMO adopted the IMO strategy on reducing GHG emissions from ships in accordance with the agreed program of follow-up actions.

The IMO's strategy envisages:

1. A reduction of the average carbon intensity (carbon dioxide (CO_2) emissions per transport work) of international shipping by at least 40% by 2030, pursuing efforts towards 70% by 2050, as compared to 2008 levels.

2. To reduce total annual GHG emissions from shipping by at least 50% by 2050 compared to 2008, while pursuing efforts towards phasing them out entirely within this century.

3. The uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources which must represent at least 5%, striving for 10% of the energy used by international shipping by 2023.

4. The 2023 IMO GHG strategy also introduces indicative check points to reach net-zero GHG emissions from international shipping, namely:

   a. to reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30%, by 2030, compared to 2008; and

   b. to reduce the total annual GHG emissions from international shipping by at least 70% striving for 80%, by 2040, compared to 2008.

5. To reduce GHG emissions from international shipping as soon as possible and to reach net-zero GHG emissions by or around 2050, considering different national circumstances, whilst pursing efforts towards phasing them out consistent with the long-term temperature goal set out in Article 2 of the Paris Agreement.

The EEXI regulation stipulates upper limits on the GHG emission levels permitted based on the design parameters of ships such as maximum engine power, ship speed, the type of ship and the cargo carrying capacity of ships. To comply with this regulation, nearly 80% of the global fleet will have to limit the maximum power developed by the main engines by varying degrees, typically by between 20 and 50%.

CII on the other hand measures the actual emission levels of each vessel and requires ships to reduce the same year-on-year starting from 2019 until 2026 by 1% for each year between 2019 and 2023 and thereafter by 2% each year until 2026.

PSL's fleet is well on course to achieving the required targets. Of the 38 vessels in PSL's fleet, EPL will be installed, and the maximum power of the main engine will be limited on 23 vessels by the first IAPP periodic/annual survey in 2023. A total of 23 vessels were required to implement the EPL. And 20 of these vessels have had EPL installed during the IAPP periodical/annual survey in the year 2023. The remaining three vessels will have EPL installed within the first quarter of 2024.

Some of the other regulatory instruments are:

- International Convention for the Control and Management of Ships' Ballast Water and Sediments 2004. This Convention entered into force on 8 September 2017
- International Maritime Dangerous Goods code (IMDG)
- International Maritime Solid Bulk Cargoes code (IMSBC)
- International Convention on the Control of Harmful Anti-Fouling Systems 2001
- International Code for Ships Operating in Polar Waters (Polar Code)
- International Convention on Civil Liability for Bunker Oil Pollution Damage 2001
- Nairobi International Convention on the removal of Wrecks 2007 (the Wrecks Convention)
- International Convention on Load Lines (CLL) – Entry into force on 21st July 1968

- International Convention on Civil Liability for Oil Pollution Damage (CLC) - Entry into force on 30th May 1996
- International Convention on Civil Liability for Bunker Oil Pollution Damage (BUNKER) - Entry into force on 21st November 2008
- The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships - Entry into force on 26th June 2025.
- National, Regional and Local regulations are more stringent than the international requirements like US environment protection acts, European Union air pollution directives etcetera

In addition to the above, the most significant regulations together with the Company's efforts to remain compliant are outlined below.

International Safety Management Code (ISM Code): Learning from various marine casualties over the years, ISM Code was introduced by the IMO, to enhance the safe operation of ships and pollution prevention. The ISM Code, which applies to passenger ships, oil tankers, chemical tankers, gas carriers and bulk carriers, became mandatory on 1 July 1998 however, the Company implemented the ISM code three years in advance of the deadline in 1995.

The Code is implemented on board the vessels and offices ashore to provide an international standard for the following objectives:

1. Ensure safety at sea.
2. Prevent human injury or loss of life.
3. Avoid damage to the environment.

Below is a summary of the Company's ISM Code violations viewed against vessel operating days from 2019 to 2023. For this analysis, violations are considered as any incident that results in a fire, explosion, serious injury or death to crew members, collisions, groundings, etc. root-cause of which is determined to be a systems-failure. The Company has analyzed each violation in detail to identify the root-cause and initiate appropriate corrective and preventive actions. The results are then conveyed to all senior employees as case-studies to avoid recurrence. We are happy to report that in 2023, we did not have any incident which can be described as an ISM violation.

Description	2019	2020	2021	2022	2023
Operating Days	13,140	13,176	13,140	13,502	13,870
ISM Violations	3	1	2	1	0

As per the ISM code requirements, annual internal audits are conducted on board by a dedicated team of qualified and experienced ship auditors reporting directly to the Managing Director. All incidents of non-compliances, accidents and near misses are thoroughly investigated and analyzed, after which procedures are reviewed immediately. Furthermore, all lessons learned from various accidents and near miss incidents are shared with organizations like Marine Accident Reporting Scheme (MARS) for the mutual benefit of the industry and to enhance maritime safety in general. The Nautical Institute, London, which publishes the MARS reports every month, has appreciated the Company's participation in MARS and for promotion and sharing "lessons to learn" incidents and case studies from its own fleet for the benefit of the industry. This follows the Company's highest ideals of quality management and social responsibility.

In addition to the above, the Company has undertaken the following initiatives to limit ISM Code violations through preventative action:

- **Enhanced staff training:** An increasing trend in the industry is that port state control inspectors are getting more stringent in their enforcement of the ISM Code. As such, the Company's ship staff are regularly tested on their ISM knowledge. They are also encouraged to share experiences from across the fleet, for everyone's benefit.

- **Enhanced maintenance of vessels:** The head office has stressed that all machinery checks, and inspections be carried out with greater frequency, and any differences observed by ship staff are immediately reported. Also, the Company's management has stressed that internal auditors enforce the Code more stringently than external inspectors, to achieve a higher level of compliance and safety for the Company's ships, cargoes, and crew.
- **Timely warnings and reminders to vessels:** Vessels entering North American and Australian waters often require additional certificates for compliance with local regulations. As a preventative measure, the head office gives instructions to the crew well in advance of the vessel's arrival in such waters to ensure that all documents are in order and the vessel is always in full compliance with regulations.
- In 2012, the Company also became a member of RightShip, an independent ship-vetting organization formed by BHP Billiton, Rio Tinto, and Cargill, three of the world's largest trans-national corporations and major users of sea transport services. RightShip's ship vetting model is known for its exacting and stringent standards and focuses on ship safety (including crew and cargo) and marine environmental protection; and the Company's membership is yet another affirmation towards sustainability.

The Company has set an internal target of zero ISM Code violations resulting in injury or death, fire, collisions or groundings or any vessel detention resulting from an ISM Code violation.

International Ship and Port Safety (ISPS) Code: Considering changing security circumstances across the globe, the International Ship and Port Safety Code was adopted in 2004. The code is an amendment to the SOLAS Convention that encompasses a greater level of security arrangements for ships and ports. The code assigns responsibilities to governments, shipping companies, shipboard personnel, and port/facility personnel to "detect security threats and take preventative measures against security incidents affecting ships or port facilities used in international trade" (ISPS Code Part A 1.2.1).

In implementing the ISPS Code, the Company has developed standard operating procedures for vessels entering ports prone to drug smuggling and stowaways. This includes employing sniffer dogs and armed guards where appropriate. Furthermore, standard policies are employed whenever vessels call European, British, American, Australian, or Canadian ports.

Annual internal reviews are conducted on preventative measures including the performance of the companies providing the sniffer dogs and guards. Like the ISM audits mentioned above, these are carried out by a dedicated team of qualified and experienced ship auditors reporting directly to the Managing Director. All incidents of non-compliance, accidents and near misses are thoroughly investigated and analyzed. In the event of any failures of the standard operating procedures, reviews are immediately conducted.

Below is a summary table showing the number of ISPS Code violations and the number of vessel operating days from 2019-2023. As in the case of ISM, the Company sets a target of zero violations in respect of ISPS Code. We are happy to report that there was no ISPS violation in 2023. As always, the Company will strive to have no ISPS violations in 2024 also.

Description	2019	2020	2021	2022	2023
Operating Days	13,140	13,176	13,140	13,502	13,870
ISPS Violations	0	1	1	0	0

MARPOL: is one of the most important environmental regulations in the maritime industry and aims to preserve the marine environment through the complete elimination of pollution by oil and other harmful substances and the minimization of accidental discharge of such substances. This convention is divided into 6 distinct sub-areas (IMO, 2011):

1. Regulations for the prevention of pollution by oil
2. Regulations for the control of pollution by noxious liquid substances in bulk
3. Regulations for the prevention of pollution by harmful substances carried by sea in packed forms, or in freight containers, portable tanks or road and rail tank wagons.

4. Regulations for the prevention of pollution by sewage from ships
5. Regulations for the prevention of pollution by garbage from ships
6. Regulations for the prevention of pollution by air from ships

There is a company-wide acknowledgment that the risk posed to the marine environment from a marine incident is severe. The Company has adopted a great deal of preventative measures to limit this risk factor. The first is to limit human error, and the second is to maintain the vessel's machinery to the highest possible standard.

To limit human error, the Company has developed an internal training program for all seagoing staff. This includes simulator exercises designed to improve navigational skills and awareness by putting officers through various weather, sea, and port conditions. Furthermore, the Company also ensures that all engineers employed on ships with new modern engines have undergone engine model specific rigorous training program aimed at enhancing their ability to maintain engines and avoid any fuel or sludge discharge or any breakdowns.

Description	2019	2020	2021	2022	2023
Operating Days	13,140	13,176	13,140	13,502	13,870
MARPOL Violations	0	0	0	0	0

The above summary shows the number of MARPOL violations and vessel operating days from 2019 to 2023. We are happy to report that there was no MARPOL violation in 2023. As always, the Company aims to have zero MARPOL violations in 2024.

Other regulations: Following are some of the regulations coming into force within the immediate future or regulations which have become recently effective:

- IMDG Code and IMSBC Code require more stringent requirements to be met for carriage of certain dangerous cargo.
- The International Code for Ships Operating in Polar Waters (Polar Code) requires vessels to have enhanced safety and pollution prevention measures while trading in the harsh and sensitive polar region.
- STCW 2010 (Manila amendments) - effective from 1 January 2017 - requires documentation for seafarers having undergone more stringent revised training requirements for competency and proficiency.
- MLC 2006 Amendment 2014 effective from 18 January 2017 - requires a certificate for financial security in respect of Seamen repatriation costs and other liabilities.
- Vide IMO resolution MEPC.280 (70), since 1 January 2020 all ships have been required to mandatorily use fuel oil with sulphur content no more than 0.50% m/m (however, in SOx Emission Control Areas – ECA zones – a lower limit of 0.1% m/m Sulphur applies). IMO resolution MEPC 73 prohibited the carriage of non-compliant fuel oil on board ships after 1 March 2020 - unless the ship uses an alternative compliance method (such as an exhaust gas cleaning system or "scrubber") accepted by the flag State as an alternative means to meet the sulphur limit requirement. Together, these are commonly referred to as the 'IMO 2020' regulations. The IMO 2020 regulations aim to significantly reduce the amount of sulphur oxides emanating from ships and should have major health and environmental benefits for the world, particularly for populations living close to ports and coasts.
- The Company fully complies with the IMO 2020 regulations, and all vessels in the Company's fleet have completed the required transition to the use of compliant low sulphur fuel oil for the engines and boilers.
- Regulations applicable at European Union (EU) ports.
- All vessels calling EU ports have an approved vessel specific CO2 Monitoring, Reporting and Verification Plan (MRV). A Document of Compliance is to be available on board.

All PSL ships meet this requirement

1. Amendments to MARPOL Annex VI that make the data collection system (DCS) for fuel oil consumption of ships mandatory were adopted at the 70th session of the MEPC 70 held in October 2016, and came into force from 1 March 2018 {IMO Resolution MEPC.278 (70)}. According to this regulation, for ships of 5,000 gross tonnage and above engaged in international voyages, the data collection was required from calendar year 2019, with first reporting to be made by early 2020. Upon verification of the submitted data, the flag administration, or the Recognized Organization (RO) issues to the ship a Statement of Compliance related to fuel oil consumption. Finally, the Flag Administration submits aggregate data to the IMO, which will maintain an anonymized IMO ship fuel oil consumption database.

   This requirement is in line with the EU CO2 MRV system above and forms a part of the existing Shipboard Energy Efficiency Management Plan (SEEMP – Part 2).

   All the vessels in PSL's fleet have already been issued with Statements of Compliance by a Recognized Organization (Class NK in our case) after verification of all the data that was compiled over the entire year and submitted.

2. With effect from 31 December 2020, EU regulation on ship recycling has been applicable to foreign ships in EU waters. Ships are to comply with the Inventory of Hazardous Material Code (IHM). The Company has obtained the IHM certification well in time for all the vessels in the fleet.

3. **Sanctions** impose partial or blanket prohibition on trading with certain countries, restrictions on the export or import of various goods, restrictions on the transfer of certain technologies and asset-freezes. The four principal sanctions regimes to consider are those of the UN, USA, EU, and UK.

   Sanctions significantly impact shipping and shipowners are particularly exposed to the risk of sanctions' violation. Ships trade worldwide, often with varying trading patterns. The contractual chain, from lenders or lessors through charterers and sub-charterers to cargo interests may be long and there is often no direct contractual nexus between all parties in the chain. So, sanctionable activities may be difficult to detect and may be disguised by illicit practices.

   Compliance with sanctions regime is not easy since sanction regulations are vague and complex. On the other hand, potential consequences of non-compliance even if inadvertent can be draconian, including criminal liability (and imprisonment), significant fines, exclusion from the US/UK/EU banking system and reputational damage. Insurers are also barred from offering any support in the event a vessel is trading in breach of sanctions and all insurance covers would be withdrawn.

   PSL has a clear policy to comply with all applicable sanctions regimes, set out as under:

   - All our ships are employed in lawful trades only.
   - PSL ships never switch off their Automatic Identification System ('AIS'), even while transiting piracy high-risk-areas, so our ships' trading areas can be verified at all times.
   - All the contracts with charterers pursuant to which our ships are employed include the BIMCO sanctions clause or equivalent, whereby the charterers warrant, at the date of this charter party and throughout its duration, they and any sub-charterers, shippers, receivers, and cargo interests are not a sanctioned party; and that charterers shall not give any orders for the employment of the vessel which involves a sanctioned party or a sanctioned activity.
   - In addition, the contracts also include a trading exclusion clause which lists out all areas/countries known to fall under sanctions.

4. Maritime Cyber Security Management

   In the 'Interim guidelines for implementation of maritime cyber risk' published by IMO, it has been agreed that, no later than the first annual verification of the Company's Document of Compliance after 1 January 2021, the cyber risk management system should be incorporated into the safety management system. We have already completed this process and a 'Cyber Security Manual' has been included in the Company's Shipboard Operating Procedure (SOP).

The following are the performance outcomes of environmental compliance: [GRI 307-1]

No. of cases brought through dispute resolution mechanisms for non-compliance	0
No. of non-monetary sanctions for non-compliance	0
Monetary value of significant fines for non-compliance	0

Having successfully outlined and explained the significant maritime regulations that safeguard the environment and those that will soon play a significant role, the next section details the Company's internal environmental control system.

Protection and conservation of the environment

ISO 14001 Certification

With an increasing demand for environmental conservation the Company has established an **"Environment Protection Policy"**. In addition to minimum requirements based on international conventions and regulations, the Company implements an Environment Management System (EMS) complying with the ISO 14001 standards. ISO 14001 provides a framework for a holistic, strategic approach to the Company's environmental policy, plans and actions, and demonstrates that the Company is an environmentally responsible organization. The Company first obtained the certificate of environment management systems registration, issued by Class NK, in the year 2009 as per the standards of ISO 14001:2004. The standards are being upgraded periodically and accordingly the Company's present certificate is as per ISO 14000:2015 standards. The EMS supplements the quality management system, meeting ISO 9001 standard, and the ISM code. This integrated management system is known as Safety Quality and Environment Management System (SQEMS). According to the SQEMS, the technical manager, who also heads the management company, is appointed as the "management representative" and is also the "designated person" for the purpose of the ISM code. Most dry bulk shipping companies do not obtain this certification which is the exclusive preserve of tanker companies where protection of the environment is the paramount issue. We, however, choose to hold ourselves to a much higher non-mandatory standard.

Objectives of the EMS

- Minimize pollution caused to the environment.
- Comply with all national, international legislations and other regulations pertaining to pollution of the environment.
- Establish procedures for the efficient use of natural resources.
- Improve environmental awareness of all employees.
- Ensure effective monitoring of the environmental performance of the Company is carried out.
- Ensure continual improvement of environmental performance and pollution prevention.

Through periodic review and continual improvement of our SQEMS, the Company hopes to elevate environmental performance over the coming years and make significant contributions to conservation of the environment and reducing the Company's carbon footprint. Another tangible effort being made by the Company to reduce the environmental impact of the business is the adoption of new environmentally friendly technology on new ships acquired.

Use of New Technology and Innovations

The Company's commitment to protection and conservation of the environment and prevention of pollution is reflected in the newbuilding vessels that the Company ordered and took delivery from various shipyards in China as explained in this annual report. These vessels were built to comply with all regulations presently in force and those which are known to become applicable in the foreseeable future. In addition, wherever practical, the vessel's specifications exceed those mandated by regulations, both for ease of operations as well as to enhance the vessels' ability to protect and conserve the environment.

"Green" features of the newbuilding ships that we took delivery of in the recent past are:

1. Double hull construction is utilized (for 38,500 DWT bulkers) to minimize environmental pollution in case of accidental hull damage.
2. The vessels' hull form was perfected after several rounds of careful design analysis using the latest technology, with a view to arrive at the most optimal combination of ship-size and shape to achieve the desired speed at minimum fuel consumption. The fuel consumption of these vessels is far less than comparable sized older ships. Such low fuel consumption is achieved by combining a highly fuel-efficient main engine with a new design of slow-speed, large diameter, and high-efficiency propeller on an optimized hull form.
3. To reduce carbon footprint and increase thermal efficiency of these ships, the exhaust of auxiliary engines is routed through the composite boiler. This improves waste-heat recovery and reduces the consumption of oil for the burner.
4. These ships were fitted with onboard treatment plants for ballast water which fully comply with IMO regulations enforced from 8 September 2017. These treatment plants are designed to remove, render harmless and thereby prevent the transfer of harmful bacteria and invasive species of micro-life through ballasting and de-ballasting operations between ports.
5. Engines fitted follow the required Nitrogen oxide (NOx) emission standards.
6. The 38,500 DWT ships have flush, box-type ship-sides for cargo holds. This reduces the accumulation of cargo residues in the holds, thereby reducing the need for harmful cleaning chemicals for removal of the same, since the holds can be cleaned using water only.
7. Deep-well sump pumps for main engine oil circulating system - this reduces the overall quantity of lubricating oil required for the main engines, which in due course reduces the quantities of waste oil.
8. The vessels were fitted with large incinerators, well above the requirements of MEPC 76 (40) standards, to burn waste and sludge. This ably supplements the Company's garbage and waste management system which is already in operation on all the Company's vessels.
9. Larger capacity bilge water/sludge storage tanks - these enable environmentally friendly waste disposal ashore by allowing more flexibility in selecting the best waste disposal facilities ashore separately for oily water and sludge.
10. Improved bio-based sewage treatment plants are installed on the ships.
11. Ships follow the IMO's "Ship Recycling Convention": The Hong Kong International Convention for the safe and environmentally sound recycling of ships, 2009, was adopted in May 2009. It is aimed at ensuring that ships, when recycled after reaching the end of their operational lives, do not pose any unnecessary risk to human health and safety or to the environment. Presently the Convention is open for accession by states. It will enter into force 24 months after the date on which 15 states, representing 40% of world merchant shipping by gross tonnage, have either signed it without reservation as to ratification, acceptance or approval or have deposited instruments of ratification, acceptance, approval, or accession with the secretary general. Furthermore, the combined maximum annual ship

recycling volume of those States must, during the preceding 10 years, constitute not less than 3 percent of their combined merchant shipping tonnage. Though the convention has not yet come into force, our fleet is already compliant with this requirement and all ships hold a International Certificate of Inventory of Hazardous Material (IHM).

A few significant developments in respect of new ship-design and construction are outlined below. As far as practically possible, the Company will take these into consideration while acquiring new ships in the future.

Eco-friendly ships

Shipping is one of the cleanest and greenest industries among all international transport industries. It is also an environmentally friendly and fuel-efficient industry. It is estimated that shipping carries roughly 90% of world trade, and yet, according to the latest figures published in 2022 following the 4th GHG study, international shipping is responsible for just 2.51% of global CO2 emissions. Nevertheless, the shipping industry continues to look for ways to reduce that figure further.

The shipping industry has not yet solved all its green issues. Present endeavors of the industry and the IMO are two-fold:

- For existing vessels: Reduce intensity of carbon emissions by imposing restrictions on design as well as operational parameters. The introduction of EEXI and CII regulations by the IMO in June 2021 – as described above- does just that.
- For new vessels: Use of improved hull designs and more fuel-efficient engines and technology.

Ballast Water Treatment

Ballast water, if discharged without treatment, could cause damage to the local ecosystem at the point of discharge. Ballast water treatment is a process used by ships to remove harmful organisms and pathogens from their ballast water before it is released into the ocean. This can help prevent the spread of invasive species and protect marine biodiversity. Presently, the Company's policy is to carry out mid ocean ballast water exchange, to prevent the transfer of harmful aquatic organisms at the point of discharge. This already serves to mitigate, if not totally cut out, the damage to the indigenous biodiversity of the ports the Company's vessels visit. The Ballast Water Management Convention came into force on 8 September 2017. All new vessels keel laid from this date are required to be fitted with IMO approved ballast treatment plants. All existing vessels are required to retrofit such plants in a phased manner along with surveys associated with the first renewal of IOPP (International Oil Pollution Prevention) certificate after 8 September 2019.

The Company has already fitted ballast water treatment plants on 38 vessels in our fleet as of December 2023.

Fresh Water

The Company recognizes that water resources are a critical component of the ecosystems where the Company conducts its business. The Company is committed to lowering fresh water obtained ashore.

To reduce the water received from shore-based sources, the Company produces water through the freshwater generators on board each vessel. A freshwater generator is a vital machinery system used onboard ships. This machine is used for the conversion of seawater into freshwater by vacuum distillation based on evaporation and condensation. However, the remaining fresh water for consumption is sourced from ashore. Arguably, this eats into the fresh water supply available for communities ashore, and so it is our endeavor to reduce water sourced from shore-based sources over time.

The Company has set a goal of reducing water purchased from shore-based sources by 25% by the year 2029 compared to a 2019 baseline year. In 2023, Fresh water quantity decreased by 16.50% compared to 2022 and by 26.47% compared to the base year of 2019.

The Company has taken measures to reduce water consumption on board by encouraging ships' crew to minimize wastage of fresh water and maintain fresh water generators on a regular basis so as to maximize production of fresh water on board.

Water purchase data from PSL's fleet

Description	2019	2020	2021	2022	2023
Water received by the whole fleet of the Company from onshore per annum (Tonnes)	23,349	21,882	20,175	20,580	17,167

Climate Change and Green House Gases Emissions [GRI 302-4, 305-5]

Green House gas emissions and sulphur dioxide pollution have reached hitherto unseen heights and focus on the environment has become even more important. Organization's world-over have become more environment-conscious, and shipping is no exception. The IMO has taken positive steps in this matter by effecting several legally binding regulations to be adopted by the shipping industry.

Apart from the existing emission control areas that require ships to burn fuels which contain no more than 0.1% sulphur, another global regulation that entered into force from 1 January 2020, requires that the sulphur content of marine fuel which is burnt in engines and boilers to be capped at 0.5%. the availability and quality of the low sulphur fuel oil, referred to as compliant fuel, is one of the challenges that was expected to be faced by the industry in the year 2020. The other option, being fitment of scrubber units on vessels, besides being both technically and financially challenging, is further in doubt as a suitable solution, as these are designed to remove sulphur pollution from the atmosphere and transfer the same as a pollutant to the seas. Many ports have banned the use of open-loop scrubbers because of the environmental risks associated with discharging the scrubber washwater into the ocean. The washwater from open-loop scrubbers contains high levels of pollutants, including toxic chemicals and heavy metals, which can harm marine life and the wider ecosystem.

The Company is committed to sustainable long-term measures to improve the environment and has therefore opted for operating the vessels with more expensive compliant fuels. The vessels had prepared to operate with this compliant fuel by cleaning all fuel tanks, sub-dividing large fuel tanks into smaller tanks capable of handling smaller parcels of fuel without mixing, using suitable additives and lubricants, and conducting pre-joining and on-board on the job training for the crew to meet these challenges.

In April 2018, the IMO adopted a resolution on the strategy of a 50% reduction of total GHG emissions by 2050, as compared to the levels of the year 2008. To achieve this, like the EU MRV which has been implemented from January 2018 for all vessels operating in the EU region, the IMO has made it mandatory from 1st January 2019, for all vessels to implement the IMO DCS. This requires vessels to report annual fuel oil consumption worldwide to IMO through the flag administration. The regulation also requires the existing SEEMP to be updated and certified by the flag authority or a recognized organization. This system is expected to generate reliable data to monitor and assess the progress of efforts to reduce the emission of GHGs.

The Company's vessels have implemented the SEEMP required by MARPOL Annex VI regulations, from January 2013. All vessels have implemented both the EU MRV and IMO DCS, and the data on fuel consumed and distances steamed during the year are reported to the IMO as well as the EU after verification by a recognized organization.

To formalize the Company's commitment towards preserving and conserving the environment and to reduce carbon footprint, the Company completed the transition audit for ISO 14001 on 30 August 2017 and received the new ISO 14001: 2015 certification from Class NK of Japan. Prior to this transition, the Company was holding the ISO 14001:2004 certification which was issued on 18 December 2009. The ISO 14001:2015 provides a framework for a holistic and strategic approach to the Company's environmental policy, plans and actions, and will demonstrate that the Company is an environmentally responsible organization, and that all operations are conducted in an environmentally sustainable manner.

From 2014, as part of the Company's commitment to the reduction of GHGs, all vessels have been maintaining records of carbon dioxide emissions, from burning fossil fuel in the engines and boilers. The average carbon intensity per transport, measured in grams CO2 emitted per tonne-nautical mile was 12.884 gm CO2 in 2014. Over the years this has improved and the figure for 2023 is **6.80 gm** of CO_2 per tonne-nautical mile. It is to be noted that this is the average for the entire fleet of 38 vessels. The Company also operates 8 highly fuel efficient 'Eco' ultramax vessels where in 2023 we have achieved **4.25 grams** of CO_2 per tonne –nautical mile.

Emissions Data from PSL Vessels [GRI 302-1, 305-1, 305-2, 305-4, 305-7]

Categories	Description	Unit of Measure	2021	2022	2023
CO2 Emissions	Total CO2 emitted by all the vessels in the fleet	metric tons (t)	521,648.64	491,824.02	525,591.79
	Average Carbon Intensity Index (CII)	grams/ tonne-mile	7.42	7.14	6.80
	Note: *Method for calculating the CII and after the figures for total fuel consumed and distances sailed by each vessel were verified by the Recognized Organization (ClassNK for PSL's fleet)*				
GHG Emissions	Direct GHG emissions (Scope 1) (The CO2 equivalent generated from the voyage charters*)	t-CO_2e	49,059	5,341	3,906
	Direct GHG emissions (Scope 1) (The CO2 equivalent generated by the Company's vehicles)	t-CO_2e	15	25	23
	Direct GHG emissions (Scope 1) (The CO2 equivalent generated by the refrigerant on board)**	t-CO_2e	-	5,661	6,886
	Total Direct GHG emissions (Scope 1)	t-CO_2e	49,074	11,027	10,815
	Indirect GHG emissions (Scope 2) (Purchased electricity - Onshore operations)	t-CO_2e	64	68	87
	Total GHG emissions (Scope 1 & Scope 2)	t-CO_2e	49,138	11,095	10,902
	GHG emissions (Scope 3) (The CO2 equivalent generated from the time charters***)	t-CO_2e	477,647	491,254	526,782
	Total GHG emissions (Scope 1, Scope 2 & Scope 3)	t-CO_2e	526,785	502,349	537,684
	Note: **Voyage charter is considered as Scope 1* ***Starting to report of refrigerant on board in 2022* ****Time charter is considered as Scope 3* *1. Scope 1 & 3 were calculated based on;* *- CO2 emission from mass-based EF per fuel type as given by the 2018 EEDI Guidelines (IMO, 2018a)* *- CH4 and N2O emission from default emission factor of water-borne navigation (IPCC2006, Volume2 Chapter3 Mobile Combustion)* *- Global Warming Potential (GWP) as per the IPCC Fifth Assessment Report (AR5, 2014)* *2. Scope 2 was calculated using the site-based method. Grid emission factor adopted from the latest Electricity Emission Factor published by Thailand Greenhouse Gases Management Organization (TGO); Thai National LCI Database (2016-2018), TIISMTEC-NSTDA, AR5* *3. The numbers and calculation methodology of GHG emission data from 2021 to 2023 have been verified by SGS (Thailand) Limited*				

Categories	Description	Unit of Measure	2021	2022	2023
Energy Consumed	(1) Total energy consumed (Total energy consumed by the fleet)	Gigajoules (GJ)	6,960,682.8 GJ	6,705,772.8 GJ	7,013,466 GJ
	(2) Percentage heavy fuel oil	Gigajoules (GJ),	6,259,806 GJ	5,814,816 GJ	6,291,810 GJ
		Percentage	from VLSFO; 89.90% of total energy generated was from VLSFO	from VLSFO; 86.70% of total energy generated was from VLSFO	from VLSFO; 89.71% of total energy generated was from VLSFO
Energy Efficiency Design Index (EEDI)	Average Energy Efficiency Design Index (EEDI) for new ships (Average for 10 vessels)	Grams of CO_2 per ton-nautical mile	4.062	4.062	4.062
Electricity	Electricity consumed (Purchased electricity - Onshore operations)	Kwh	126,106	135,025	173,193
Other Emissions to Air	(1) NOx (excluding N2O) (Based on accepted empirical values for emission factors)	Metric tonnes (t)	8,263 approx.	7,954 approx.	8,325 approx.
	(2) SOx (Assumption of 0.5% S in VLSFO consumed and 0.1% in LSMGO consumed)	Metric tonnes (t)	1,523	1,426	1,531
	(3) particulate matter (empirical)	Metric tonnes (t)	612 approx.	574 approx.	616 approx.
Implemented Ballast Water	(1) Exchange	Percentage	25% approx.	16% approx.	0%
	(2) Treatment	Percentage	75% approx.	84% approx.	100%
Spills and Releases to the Environment	(1) Number	Number	Nil	Nil	Nil
	(2) Aggregate Volume	Cubic meters (m^3)	Nil	Nil	Nil

This reduction of CO2 emissions is the result of several measures which have been adopted by the Company. Of these, a few important ones are as follows:

- Improved voyage planning with reduced ballast passages and port stays.
- Maintaining optimized speed so that the vessels are just in time for the required schedules.
- Weather routing to take advantage of ocean currents and optimized routes avoiding rough weather.
- Optimizing of speed and operating the vessels on eco-speeds wherever possible.
- Maintaining optimized trim to improve performance.
- Maintaining the external underwater hull and propeller in clean condition so that frictional losses through the water are kept to a minimum.
- Employing efficient hull coatings (anti-fouling paints) which ensure that the hull is maintained in clean condition.
- Avoiding wastage of electric power on board.
- Maintaining the diesel engines and other fuel-burning equipment in an efficient condition.
- Disposing waste sludge generated by Fuel purification to shore facilities, despite the costs, rather than using incinerators on board.
- The performance of some vessels has been improved by retrofitting fuel-saving devices like the mewis duct, pre-shrouded vanes and hub vortex absorbed fins.

Further, several older and less fuel-efficient vessels of the fleet were replaced between the years 2013 to 2017, with 'Eco' vessels. 'Eco' operation is made possible by larger cargo hauls, reduced fuel consumption on account of better hull lines, lower lightship and very efficient electronically controlled engines and optimized use of waste heat from the engines (even the exhaust gases from the auxiliary engines is diverted through the boiler to use the available heat). Our new eco vessels emit approximately 35% less CO2 per unit transport work as compared to the older vessels in the fleet. At the same time, the Company seriously evaluates all new developments carefully, as several builders' claims are often exaggerated to get fresh business and when technical parameters such as the calorific value of fuel, design and scantling draft and 'sea margins' are taken into consideration, the so-called benefits simply do not exist, or they are not cost-effective. In any event, the Company looks very closely at the machinery on all new acquisitions, whether new buildings or secondhand vessels, and monitors their performance very carefully to arrive at optimum speed and consumption variables, while ensuring that emissions are kept to a minimum.

We have made a substantial reduction in our carbon footprint and this is expected to improve further through optimization measures like shorter ballast passages and port stays, larger cargo hauls and slower steaming. In the year 2014, the average carbon intensity per transport work was estimated at 12.884 Grams CO2 per Tonne – Nautical Mile, and in the year 2023, it was estimated at 6.80 Grams CO2 per tonne – nautical mile; which equates to a reduction of 47.22%.

The Company is also a member of the Getting to Zero Coalition, which aims to place zero-emission vessels in operations by 2030. As a member of the coalition, the Company is carefully monitoring developments in technology in the marine field, which offers vessels that operate with zero emissions. The range of sources of power with zero emissions, is extensive, but largely in the research stage. The feverish pace of green technology aims to decarbonize marine transport by offering alternative low-carbon and zero-carbon fuels like biofuels, methanol, ammonia, hydrogen and innovative renewable energy options like wind power, solar power, and electric propulsion.

LNG is considered by many to be a transition fuel on the pathway to the zero-carbon future of the shipping industry. It has virtually no SOx and very low NOx emissions, and as compared to fuel oil has almost a 30% reduction is carbon dioxide emissions. However, LNG is mostly made up of methane, which is a highly potent GHG, far more harmful to the environment than CO2. The use of LNG from "well to wake" involves leakage of methane to the atmosphere, referred to as 'methane slip'. It is estimated that for the same amount of emission, methane warms the planet 30 times more in a short span of 12 years, as would CO2 in a hundred years. Hence, until a solution is found to address or substantially reduce 'methane slip', LNG cannot be considered a viable option to reduce GHGs.

The Company's commitment to the environment led to the early induction of 'ECO' vessels. Similarly, it is expected that as soon as commercially viable options of these next generation zero emission 'green' vessels become available, they will also form part of our fleet.

Carbon Neutral

Photo: Mr. Kiatchai Maitriwong, Director of TGO, presenting the carbon neutral certification to Mr. Khalid Hashim, Managing Director of Precious Shipping.

We are proud to announce that Precious Shipping's operations have been certified carbon neutral by the Thailand Greenhouse Gas Management Organization (TGO). As an autonomous government body responsible for greenhouse gas emissions reduction in Thailand, TGO has recognized our efforts in mitigating our environmental impact. We achieved carbon neutrality certification for our operations by:

- measuring the carbon footprint of our operations and receiving third-party validation for it
- offsetting our scope 1 and scope 2 emissions for the year 2022 by supporting a renewable energy project in Thailand

In addition to the carbon neutral certification, we have also achieved the Carbon Footprint for Organization certification, which acknowledges our comprehensive carbon reporting practices. This recognition highlights our dedication to transparently tracking and reporting our carbon emissions, reinforcing our commitment to environmental sustainability.

These certifications symbolize our unwavering commitment to minimizing our carbon footprint and aligning our business practices with a greener future. We take immense pride in this achievement and will continue to prioritize environmental stewardship as we strive to make a positive impact on our planet.

We are thrilled to announce that PSL has been recognized as an 'outstanding' Climate Action Leading Organization (CALO) in Thailand for our commitment to greenhouse gas management!

Photo: Police General Patcharawat Wongsuwan, Deputy Prime Minister and Minister of Natural Resources and Environment, Thailand presenting a plaque of honor to Mr. Gautam Khurana, Executive Director of Precious Shipping, in recognition of this achievement at a ceremony held at the Queen Sirikit National Convention Centre, Bangkok on 7 October 2023.

Companies classified as 'outstanding' attained gold-level evaluation results in at least two of the three evaluation criteria:

Measurement: We attained gold level in acknowledgment of our efforts to measure our Scope 1, 2, and 3 greenhouse gas emissions.

Emission Reductions: We attained gold level in recognition of our efforts to reduce our carbon footprint.

Compensation: We attained silver level in recognition of our efforts to offset our Scope 1 and 2 emissions and achieve carbon neutrality.

While we take pride in this moment, it serves as a reminder of the path that lies ahead. We are resolute in our dedication not just to maintain these accomplishments but to extend our efforts even more. Together, we are actively shaping a more sustainable future for Thailand and the world!

Waste Management [GRI 306-2]

Mitigation measures are used to manage planned waste, reduce its impact on the environment and ensure compliance with applicable laws, standards, and policies. The Company implemented the garbage management plan to treat waste generated onboard. It shall also designate the person or persons in charge of carrying out the plan. It is a requirement under the International Convention for the Prevention of Pollution from Ships (MARPOL) for all ships operating in international waters. This plan shall provide written procedures for minimizing, collecting, storing, processing and disposing of garbage, including the use of the equipment on board ships. The purpose of the plan is to minimize the amount of waste generated on board and to ensure that all waste is properly disposed of in order to reduce the risk of marine pollution and preserve the health of the oceans and coastal areas.

Food waste [GRI 306-1]

IMO defines food waste as any spoiled or unspoiled food substances and includes fruits, vegetables, dairy products, poultry, meat products, and food scraps generated onboard ship. Food waste on board can be disposed of either onshore or through the use of a food waste disposer, which grinds the waste into smaller pieces and then disposes of it at sea, beyond a distance of 3 or 12 nautical miles, depending on the type of waste and the area, away from the nearest land. The actual disposal route must be recorded in a Garbage Record Book. To reduce pollution, the Company continuously trains and updates crew members, as well as onshore personnel, on our policies and requirements for strict adherence to MARPOL and general environmental awareness.

The Company has set a goal of reducing food waste by 20% within the year 2029 compared to the 2020 baseline year.

Description	2020	2021	2022	2023
Food waste (Cubic metre:m3) [GRI 306-3]	239	209	235	233

Some practices have implemented to reduce food waste onboard a ship:

- Meal planning: Plan meals carefully, taking into account the number of crew members, their dietary needs, and the amount of food available.
- Portion control: Serve appropriate portions to avoid over-serving and reduce waste.
- Proper storage: Store food properly to extend its shelf life and reduce spoilage.
- Inventory management: Keep track of food inventory to avoid overstocking and reduce waste.
- Food waste digester: Use of a food waste digester can help to break down food waste and reduce its volume.

Sludge disposal [GRI 306-1]

Another source of harmful substances generated by our ship's consumption of fuel and diesel oil is sludge. Sludge is a product of 'on board' fuel oil purification and as an alternative to incinerating sludge and releasing even more harmful gases into the environment, the Company has made a substantial effort to dispose of such material to shore-based reception facilities. This is a much more expensive way of dealing with this issue, but the Company is committed to reducing its carbon footprint, which reflects the Company's efforts towards environmental conservation. Waste oil or sludge generated on each ship is about 1% of all fuel burnt. Empirical research suggests that every ton of oil burnt generates approximately 3 tons of CO2. By delivering sludge to a suitable reception facility, this waste can be recycled to make products like grease, which is a lubricant widely used in multiple industries. To reduce CO2 emissions from incinerators, the Company intends to deliver more sludge disposal ashore.

Description	2020	2021	2022	2023
Sludge disposed of ashore (Cubic metre:m3) [GRI 306-5]	1,685	1,849	1,590	1,876

Green Procurement and Using Resource Efficiency

Green procurement refers to the process of acquiring goods and services in an environmentally responsible manner. Following are the practices we adopted to promote green procurement:

- Promote the use of products made from recycled materials, products with energy-efficient features, or products with certifications for environmental sustainability.
- Assessing suppliers based on their environmental practices and selecting suppliers that have a strong commitment to sustainability.
- Reducing packaging waste and reusing or recycling products and materials.
- Promote digitalization - Moving from a paper-based process to a digital workflow.

- Educate our crew members on board and staff on shore about the importance of green procurement and best practices for reducing environmental impact.
- Monitor and evaluate the performance of suppliers and the impact of procurement decisions on the environment, and continuously improve practices to reduce environmental impact.

The Company encourages optimal use of resources at the office by:

- using by-products and eco-friendly materials, i.e., recycled paper
- reusing paper that has only been printed on one side
- encouraging the use of reusable bags and containers to avoid the use of single use plastic
- supporting our staff to learn and understand how to optimize resource consumption to promote environmental preservation and proper consumption behavior

Revolutionizing Recycling for a Sustainable Future

The Future is Green! In 2023, Precious Shipping Public Company Limited launched an innovative project, epitomizing its commitment to the principles of the circular economy. As the demand for paper products escalates across various sectors in Thailand, where individuals annually consume an average of 34 kilograms of paper, a figure increasing by 15% each year, according to data from the Pollution Control Department, the urgency for sustainable resource management becomes increasingly evident.

This initiative heralds a strategic collaboration with SCG Packaging Public Company Limited (SCGP) through the innovative "Providing Used Paper for Recycling" program. Embracing the ethos of environmental stewardship, our workforce, spanning departments, actively participates in collecting used paper, championing responsible consumption, and nurturing a culture of sustainability within our organization. In partnership with SCGP, we orchestrate the comprehensive recycling of used paper, diverting significant volumes—1,560 kilograms precisely—from the waste stream. This project not only conserves precious natural resources but also mitigates deforestation, addresses urban waste challenges, and notably curtails carbon dioxide emissions—an imperative intervention in the global fight against climate change.

Moreover, this endeavor stands as a testament to our unwavering commitment to the principles of sustainable development, particularly in advancing the SDGs. By promoting the circular economy and resource efficiency, this project directly contributes to SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action), exemplifying our dedication to creating a more equitable and sustainable future for all.

The following table illustrates the program's performance in 2023:

Information	2023
Reduce Tree Cutting	27 trees
Reduced Carbon Dioxide Emissions	1,061 kilograms
Reduced Water Usage	40,560 liters
Reduced Fuel Usage	2,184 liters
Reduced Energy Usage	6,240 kilowatts

We are pleased to report that the Company presents this Annual Report in a digital form, and if at all, a printed version is required, it is printed on recycled paper. This is our token contribution to the conservation of the natural environment and is in line with our stated desire to reduce our carbon footprint.

Empowering Oceans Through Marine Life Guardianship

Precious Shipping Public Company Limited is taking proactive steps toward environmental stewardship. The Company's ESG campaign, "Empowering Oceans Through Marine Life Guardianship" stands out for our innovative approach to marine conservation. One notable aspect of this campaign involves nurturing and protecting sea turtle habitats, emphasizing the interconnectedness of marine life.

In keeping with our commitment to a sustainable environment, we have boosted the gulf of Thailand's blue swimming crab population by releasing them into the sea. The release of blue swimming crabs into the sea, a crucial element of the initiative, directly addresses the overfishing crisis faced by the iconic blue swimmer crab in Thailand. The company recognizes that the overexploitation of these crabs not only poses a threat to their population but also disrupts the marine ecosystem's delicate balance, with far-reaching consequences for both the environment and the economy.

This conservation effort resonates with the theme of this year's World Maritime Day celebration, "MARPOL at 50 – Our commitment goes on." Precious Shipping Public Company Limited's dedication to safeguarding the marine environment aligns seamlessly with the goals of MARPOL, emphasizing the ongoing commitment to responsible maritime practices. The release of blue swimming crabs on September 21, 2023, at the Sea Turtle Conservation Center, Royal Thai Navy, serves as a tangible manifestation of this commitment.

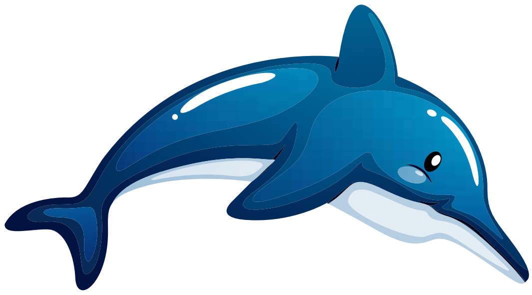
Importantly, this initiative contributes significantly to the SDGs. By addressing the overfishing issue and promoting sustainable practices, PSL's campaign directly aligns with SDG 14 (Life Below Water). Furthermore, it raises awareness about the critical importance of preserving marine ecosystems, indirectly supporting other SDGs, such as SDG 12 (Responsible Consumption and Production) and SDG 14 (Life Below Water).

Our holistic approach to marine conservation, encompassing the well-being of sea turtles and the restoration of blue crab resources, serves as a beacon for responsible corporate practices. This initiative not only safeguards marine life but also makes a positive impact on society, aligning perfectly with the global vision of sustainable development and environmental preservation.

Marine Mammals Protection [GRI 304-1, 304-2]

(A) What dangers do marine mammals face from international shipping?

Life for a marine mammal in today's world is tough. Many of the struggles that marine mammals face is sadly due to human negligence and interference.



The three biggest threats marine mammals face from international shipping are:

Ship Strikes

Fast-moving ships can collide with marine mammals, causing injury or death. To illustrate, ship strikes have been identified as the number one reason for the disappearance of the North Atlantic right whale. The right whale is only one of many marine mammal species that are at risk of being hit by high-speed ships. It is estimated that over 90 manatees die prematurely due to ship strikes every year in Florida.

Acoustic Pollution

Loud noises from ships, sonar, drilling rigs, and other human sources can interfere with the ability of marine mammals to communicate, find food, mate and navigate. Scientists believe that acoustic noise pollution prevents these mammals from being able to detect approaching ships or fishing nets, adding to the risk of being killed.

Oil Spills

Oil spills have both short-term and long-term effects on marine mammals. Animals like seals and otters that are exposed to oil will automatically try and lick the oil off their fur. Toxic chemicals in oil cause serious damage to the digestive system and internal organs. Thick, sticky oil has also been shown to clog the blowholes of dolphins and whales, causing them to suffocate. In the long term, exposure to petroleum can cause reproductive damage, making it difficult for populations to repopulate in the wake of oil spills. Otter populations are only just starting to come back after the Exxon-Valdez spill.

(B) What species are most in danger?

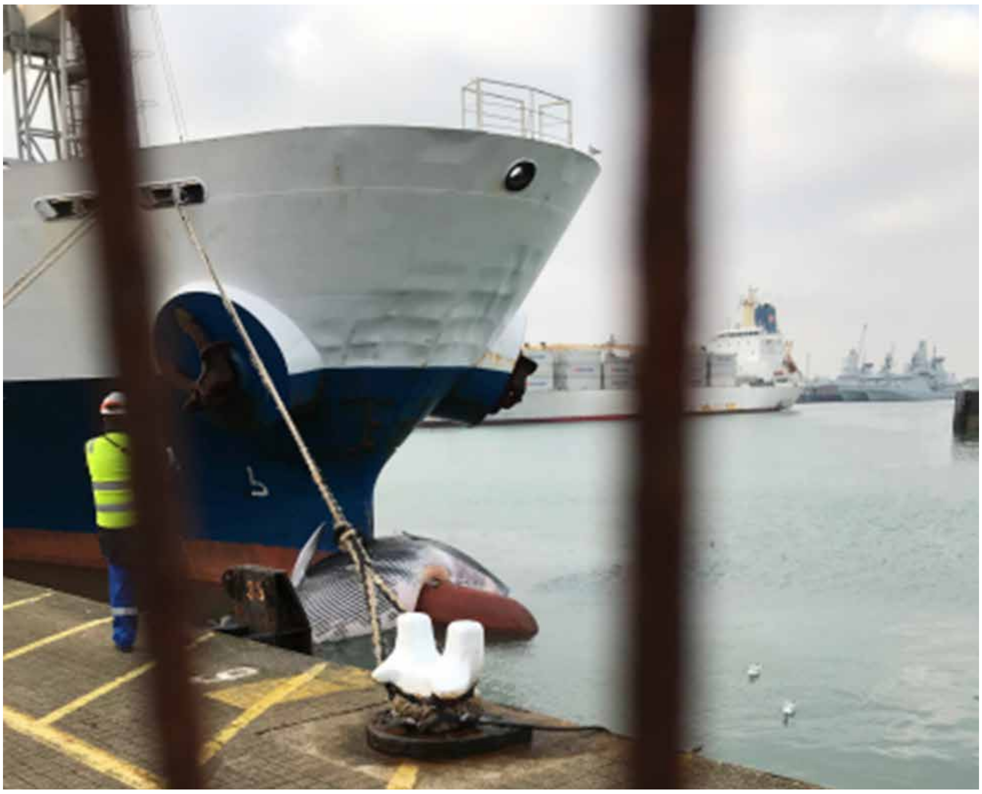
An 'At-risk species' is one in which the population viability is at risk due to ship strikes. Viability may be influenced by a number of single or interacting factors including: the proportion of a population in high risk areas, populations that are prone to ship strikes, for species that swim slowly or remain at surface for long periods of time (sperm whales, humpback whales, bowhead whales and right whales), or for populations that have a small number of reproductively mature females (e.g. western gray whales, eastern north pacific right whales, Arabian sea humpbacks and Chile-Peru right whales).

At-risk species

1. Fin whale
2. Humpback whale
3. North Atlantic right whale
4. Sperm whale

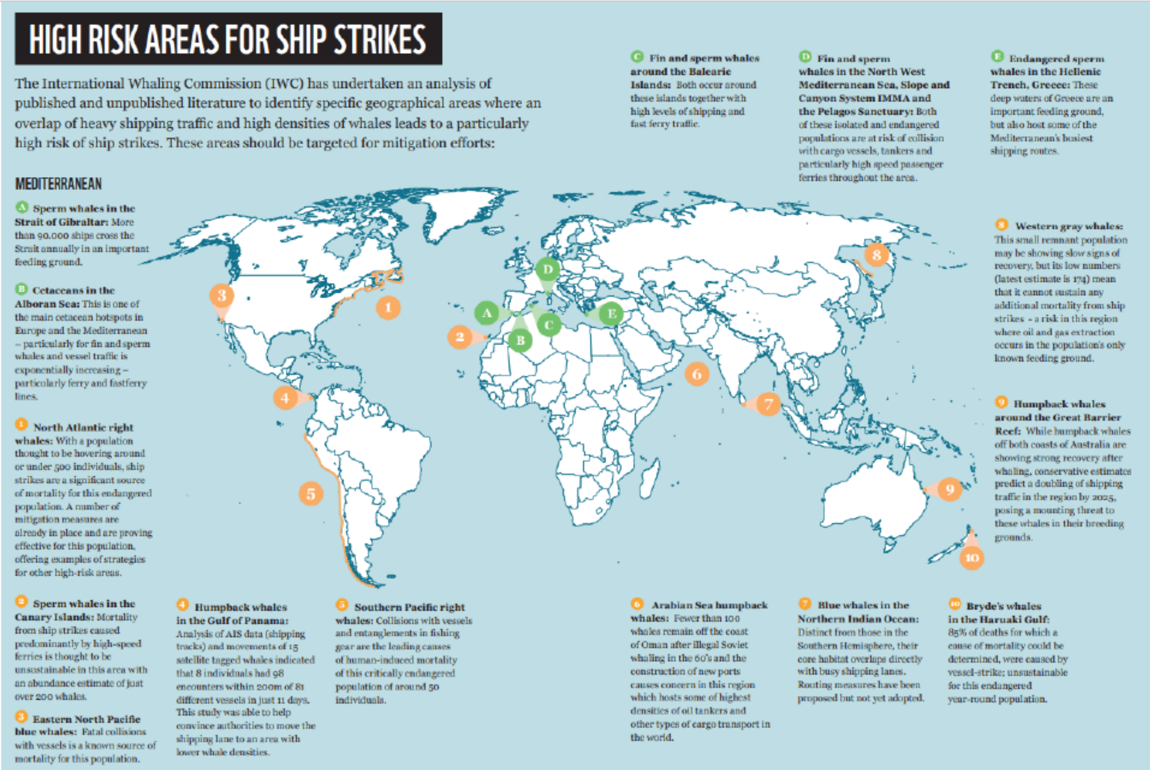
They account for 69% of reported collisions.

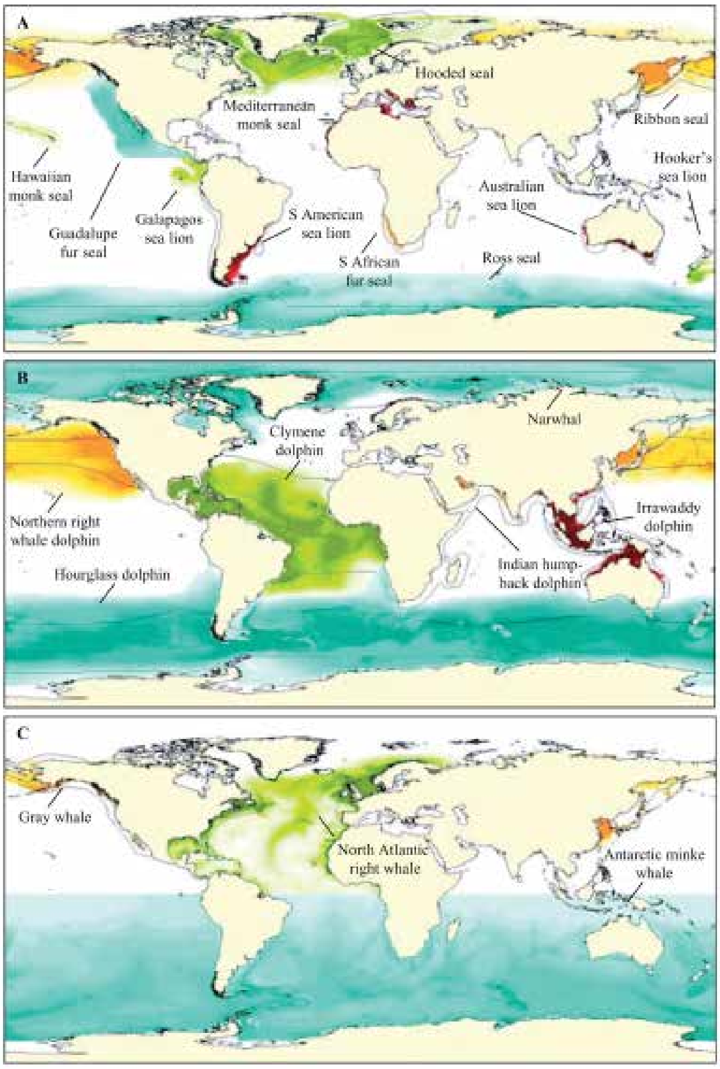
(C) Result of ship strikes



(D) Near Miss

(E) High risk areas





(F) Our commitment

In order to achieve our objectives, we have had one of the UK's leading whale and dolphin conservation charities ORCA, train and certify six of our in-house master mariners and one technical superintendent on 'Ship Strike Mitigation and Understanding Important Marine Mammal Areas'.

The Navigational officers on board the Apiradee Naree have been trained on the subject and are successfully submitting survey information into the ORCA portal while at sea. The vessel has been provided with a dedicated tablet with the ORCA ocean watchers app installed, and reticle binoculars (rangefinder binoculars), which estimate the distance at which the mammal is spotted.

We have set the following KPIs for the Apiradee Naree, this aligns with our corporate objectives.

a) ZERO disposal of food waste in areas identified as important for marine mammal population (IMMAs) and particularly sensitive sea areas (PSSAs).

b) ZERO incidents of the vessel entering the Sindhudurg-Karwar IMMA, we have achieved this by clearly marking the IMMA and setting it as a 'NO-GO Area' on the passage plan.

(G) What are we trying to accomplish through this exercise?

- Reduce mortalities and injuries to marine mammals as a result of ship strikes.
- Anticipating the likelihood of whale interaction, rather than attempting to react to its presence.
- Increase measures that reduce collision probability, such as re-routing and speed reduction/limits.
- Adhere to mandatory and voluntary mitigation measures.
- Improve reporting of incidents that do occur to ORCA and the IWC ship strike database.
- Collect data and record sightings in the ORCA Oceanwatchers app.
- Identify geographical hotspots
- Increase awareness about the issue and measures used to reduce this threat.

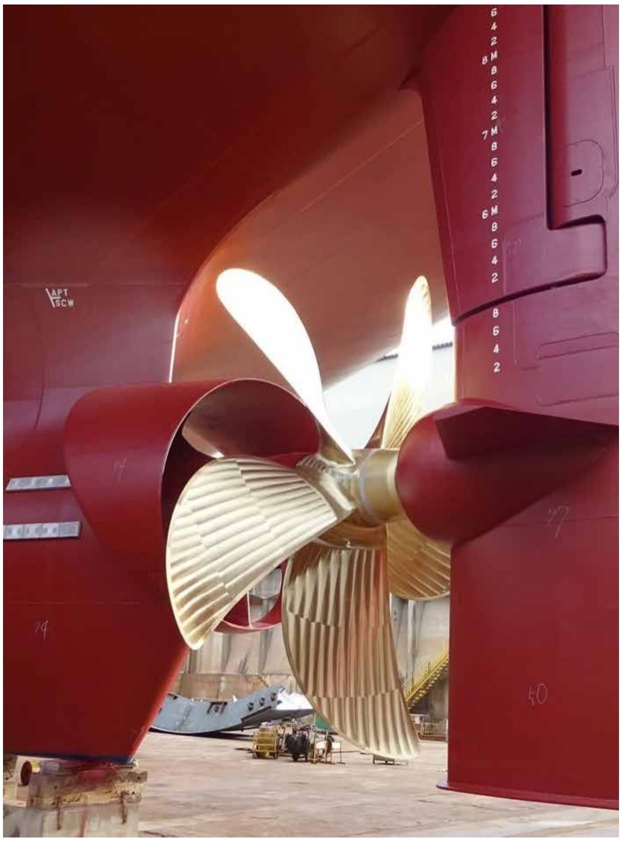
Energy Saving Devices

A cost-effective solution to meet the regulations and improve ship efficiency can be to equip them with energy saving devices (ESDs) or highly efficient propellers and rudders.

ESDs provide a direct increase in vessel propulsion efficiency by reducing hull resistance and improving propeller thrust. ESDs may include a range of devices. Many kinds of ESDs have been developed, which can be retrofitted to existing vessels or installed in newbuildings.

There are many ESDs, such as ducts, pre-swirl fins, fin on hulls, rudders, etc. These devices reduce fuel consumption by improving the flow around the hull or propeller. Modifications must be done either in front of the propeller or behind the propeller.

In the next few pages, we provide a description of some of the key energy-saving devices installed on our vessels.



Pre-Swirl Devices (Ducts & Stators)

Pre-swirl devices aim to improve the propeller inflow conditions; ducts may improve propulsion efficiency by improving the propeller inflow.

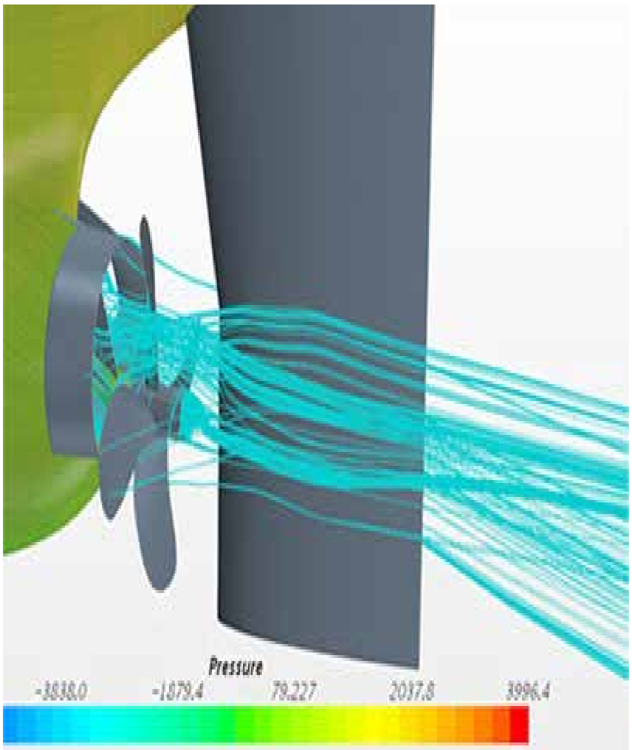
Energy Saving Devices
CMES Tech PSV (Pre-Shrouded Vanes)

Post-Swirl Devices

Post-swirl devices are used to recover parts of the rotational energy in the propeller slip stream.

Energy Saving Devices
PBCF (Propeller Boss Cap Fins) / HVAF (Hub Vortex Absorbed Fins)
Grim Vane Wheel

What is a PSV (Pre-shrouded Vanes)?



Source – CMES Tech

PSV consists of a wake improving duct combined with several pre-swirl vanes positioned ahead of propeller; PSV can correct the flow into the propeller which essentially reduces the rotational losses in the propeller slipstream and increase the flow velocity towards the inner radius of the propeller. It is an energy-saving device developed for full-form slower ships enabling either significant power savings at a given speed or, alternatively, the vessel to travel faster at a given power level.

Source – CMES Tech

Benefits of PSV

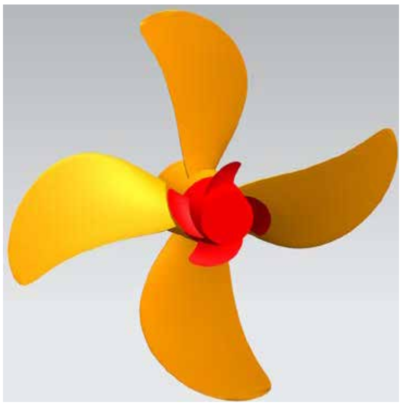
- Improved efficiency: The pre-shrouded design helps reduce turbulence and increase water flow efficiency, which can lead to improved performance and energy savings.
- Increased durability: The shrouding protects the vanes from damage and wear, helping to extend their lifespan.
- Enhanced safety: The shrouding can prevent accidental contact with the spinning vanes, reducing the risk of injury to marine life.
- Reduced noise: The shrouding can help to reduce noise levels.

Power Savings

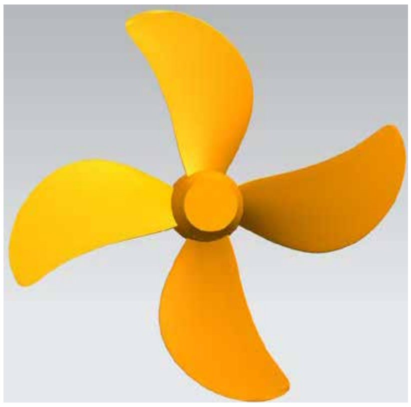
No.	Vessel Type	DWT	Energy Saving
1	Oil Tanker	320,000DWT	7.0%
2	Bulk Carrier	53,000DWT	5.1%
3	Bulk Carrier	57,000DWT	5.4%
4	Chemical Tanker	33,000DWT	5.0%

What is a HVAF (Hub Vortex Absorbed Fins)?

HVAF (Hub Vortex Absorbed Fins) or PBCF (Propeller Boss Cap Fins) is attached, with small fins on the boss cap, at the hub of the ship propeller, which generates countering swirls that offset the swirls (Hub Vortex) generated by the propeller, and thus improves propulsion efficiency. It is installed as the original boss cap, which rotates together with the propeller.



With HVAF

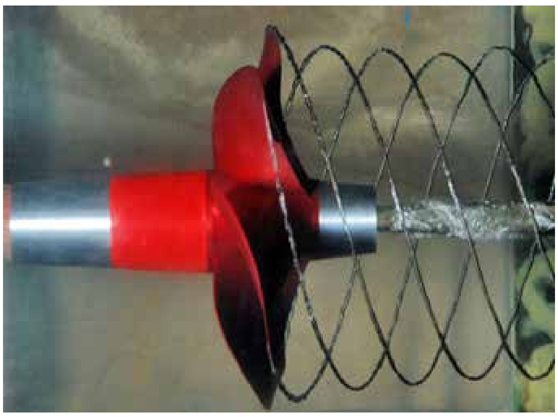


Without HVAF

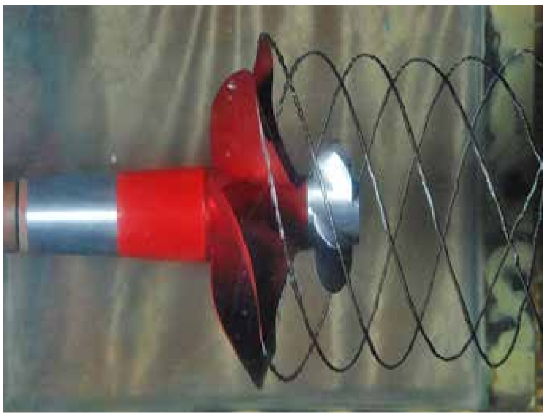
Source – CSSRC

Mechanism

The HVAF or PBCF is an energy-saving device attached to the propellers of a vessel. It breaks up the hub vortex or swirls generated behind the rotating propeller, resulting in a reduction in fuel consumption.



Before installation of HVAF



After installation of HVAF

Source – CMES Tech

Power Savings

Pre-shrouded vanes	Hub Vortex Absorbed Fins
The expected power reduction of PSV is in the range of 3% to 7%.	The efficiency gain by the HVAF is between 1.9% and 2.4%.

Summary

No.	Device Name	Energy Saving Device Type	Energy Saving Effect for 30K DWT Bulk Carrier
1	PSV	Pre-Swirl Duct	3 - 5%
2	HVAF/PBCF	Post-Swirl	1.9 - 2.4%
3	PSV+HVAF	Combined ESD	5 - 7%

Saving Analysis

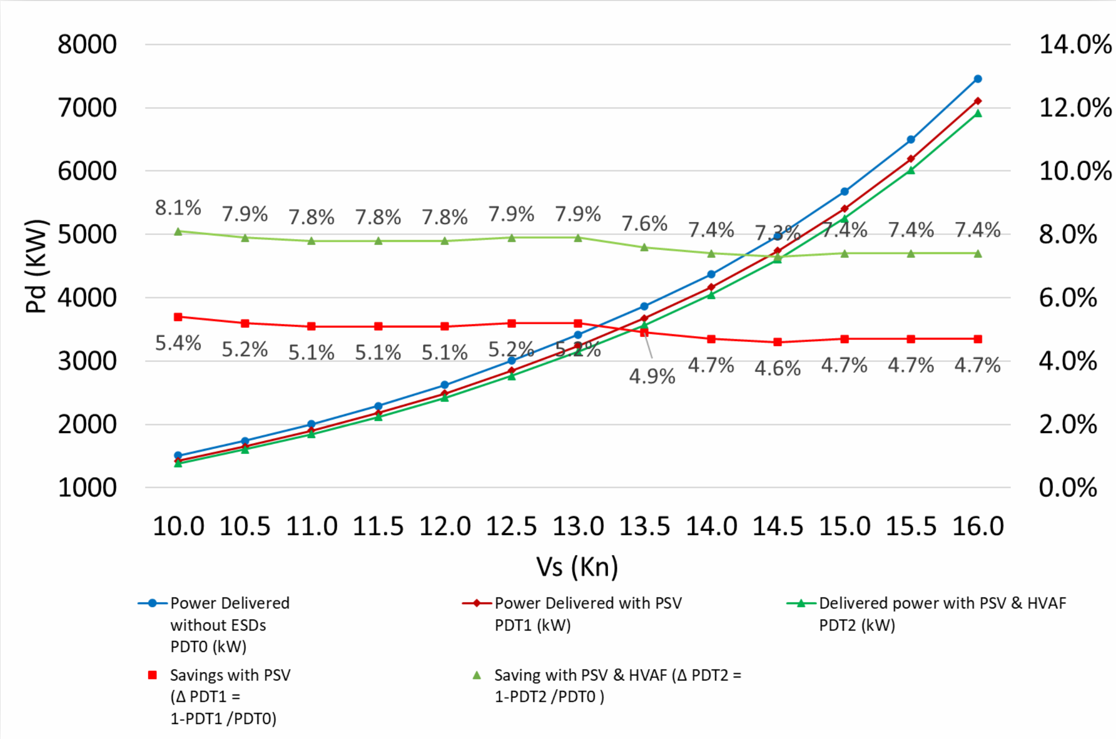
Based on the assumption that a 30,000DWT bulk carrier vessel always operates 350 days a year, and consumes about 21tons of fuel oil per day, i.e., about 7,350 tons/year, the savings are as shown in the table below.

Particulars	PSV+HVAF
Energy saving %	6%
Reduction in fuel consumption (tons/year)	441
Low sulfur fuel cost saving ($/year)	308,700

Power prediction for a 30k dwt bulk carrier under given ship speeds

Load Condition	Speed V_s (kn)	Delivered power without ESDs P_{DT0} (kW)	Delivered power with PSV P_{DT1} (kW)	Savings with PSV ($\Delta P_{DT1} = 1-P_{DT1}/P_{DT0}$)	Delivered power with PSV&HVAF P_{DT2} (kW)	Savings with PSV & HVAF ($\Delta P_{DT2} = 1-P_{DT2}/P_{DT0}$)
Scantling Draft	10.50	1506	1425	5.4%	1384	8.1%
	11.00	1742	1651	5.2%	1604	7.9%
	11.50	2003	1900	5.1%	1846	7.8%
	12.00	2294	2177	5.1%	2115	7.8%
	12.50	2625	2490	5.1%	2419	7.8%
	13.00	3004	2847	5.2%	2766	7.9%
	13.50	3418	3241	5.2%	3149	7.9%
	14.00	3866	3675	4.9%	3571	7.6%
	14.50	4372	4166	4.7%	4048	7.4%
	15.00	4970	4739	4.6%	4605	7.3%
	15.50	5674	5408	4.7%	5255	7.4%
	16.00	6497	6192	4.7%	6017	7.4%
	16.50	7462	7114	4.7%	6913	7.4%

Source – CSSRC Model Test Report



Source – CSSRC Model Test Report

At PSL, the management understood its business implications, evaluated the efficiency of potential designs, and took a leap forward. As part of the strategy, it was decided to retrofit some of the vessels with hydrodynamic Energy Saving Devices (ESDs), such as the mewis duct, PSV, and HVAFs, analysis indicates energy savings in the range of 3% to 6%. Older vessel's, which were considered less-fuel efficient were replaced with 'Eco' vessels between the years 2013 and 2017. The "Eco" vessels have offered more economical machinery, very efficient electronically controlled engines, lower lightship, better hull-form, and optimized use of waste heat from the engines.

Target

By installing these energy-saving devices on 18 vessels, we were able to achieve energy savings of 3-5%. Future technological developments will be monitored and studied to assess their feasibility and viability for further reducing our emissions.

Conclusion, Environmental Objectives and Goals

Having explained all facets of the Company's efforts to protect the environment this section concludes with a summary of all objectives put forward and how each will be monitored. Compliance with the ISM, ISPS and MARPOL codes will be monitored by the Company's internal audit team, and all initiatives subsequently employed to minimize violations will be subject to half-yearly reviews by the Company's senior management and technical team. As previously stated, the target set by the Company's management is to have zero violations in 2023. Additionally, the Company will maintain our SQEMS ISO certification. The Company will constantly look for ways to improve the SQEMS and look to incorporate all new regulations into the initiative even before they become effective. Likewise, the Company will also constantly be on the lookout for newer technology that can be employed on its ships to reduce its environmental impact.

The Company additionally uses environmental compliance as one of the major criteria In the screening process of each of its numerous suppliers of spares etc.

Social Performance [GRI103-1]

The Company treats Corporate Social Responsibility (CSR) as one of its highest priorities and has built it into the Company's vision and mission statement and core values. The Company allocates an amount of 0.50% of net profit every year to CSR reserve, which is subject to a minimum of Baht 1.75 million and a maximum of Baht 25 million per year. Such allocation is decided annually by the Company's shareholders. The actual utilization out of this reserve is decided by the Company's senior management and/or the Board of Directors, and is periodically, or at least once a year, reviewed by the Board of Directors.

Human Rights [GRI 412-1, 412-2]

The Company is dedicated to following its human rights policy and maintaining ethical labor practices to prevent violations of the rights of all stakeholders in its supply chain. The Company has determined guidelines in accordance with the UN Guiding Principles (UNGP) on business and human rights and the declaration on fundamental principles and rights of the International Labour Organization (ILO), and the Company follows the local labor laws of the countries in which it operates. The Company also has a strong commitment to inclusion and diversity, offering equal career opportunities and genuine concern for the welfare of its employees.

Human Rights Due Diligence: The Company recognizes the importance of human and labor rights in its business operations and is committed to mitigating the risks of violating these rights. The Company is aware of the current international attention on the responsible conduct of business in accordance with the international human rights framework and the need to protect rights such as labor rights, privacy, freedom of expression, and promoting gender and social equality. The Company aims to internalize these values and prevent potential violations through risk mitigation strategies throughout its value chain.

The human rights evaluation was conducted through questionnaires provided to our main stakeholders, i.e. employees, seafarers, and suppliers in the value chain. There has been no violation of human rights for our stakeholders, and there has been no report of a human rights incident.

The process of human rights due diligence involves the following steps:

- Identifying potential human rights risks and impacts associated with the Company's operation.
- Assessing the severity of these risks and impacts.
- Developing and implementing a plan to manage and mitigate these risks and impacts.
- Monitoring and evaluating the effectiveness of the plan over time.
- Reporting on progress and performance.

The Company has carried out measures to mitigate the risks related to human rights violations, aiming to foster a positive corporate image and enhance the Company's reliability. The risk issues, the mitigation measures, and the actions taken are as follows:

Issue #1) Health and safety of crew members onboard the vessels

Potential human rights risk: Inadequate safety measures, lack of protective equipment, long working hours, and exposure to hazardous substances can jeopardize the health and safety of crew members. This can lead to injuries, illnesses, or even fatalities.

Scope: Operations of the Company and its subsidiaries

Stakeholders affected: Crew members

The mitigation measures for the health and safety of our crew members are as follows:

- **Safety Training:** Provide comprehensive safety training programs to ensure that crew members are well-informed about potential hazards, emergency procedures, and safe operating practices specific to the Company's operations. This can include training in cargo handling, lifting and rigging, personal protective equipment (PPE) usage, and the use of firefighting equipment.

- **Training and Awareness:** Employees are also provided with comprehensive awareness programs that cover various aspects of workplace safety, health, and well-being. This includes training on proper equipment usage, emergency procedures, ergonomics, and stress management. Regular awareness campaigns are also conducted to reinforce safe working practices and promote a culture of well-being.
- **Risk Assessments:** Conduct regular risk assessments to identify and evaluate potential safety hazards onboard ships, such as the handling of machinery and equipment, cargo, and operational risks. This facilitates the implementation of appropriate preventive measures and controls to minimize risks and maintain a safe working environment.
- **Emergency Response Planning:** Develop and regularly update emergency response plans that outline procedures for various scenarios, including accidents, medical emergencies, fires, and man-overboard incidents. Ensuring crew members are familiar with these plans and conducting drills and exercises to practice emergency response actions.
- **Safety Equipment and Maintenance:** Provide and maintain essential safety equipment and systems on board, including personal protective equipment (PPE), fire detection and suppression systems, lifesaving appliances, and safety signage. Regular inspections and maintenance of these types of equipment are scheduled to ensure that they are in proper working condition.
- **Fatigue Management:** Implement policies and practices to manage crew fatigue, such as adhering to regulated work and rest hours, establishing proper watchkeeping schedules, and providing facilities for rest and relaxation. Ensuring crew members have sufficient rest helps prevent accidents and maintain alertness during critical operations.
- **Health and Medical Support:** Provide access to adequate medical facilities, equipment, and trained medical personnel onboard ships. Conducting regular health checks, promoting hygiene practices, and providing necessary vaccinations to minimize health risks and ensure prompt medical assistance when needed.
- **Reporting and Investigation:** Establish a reporting system where crew members can confidentially report safety concerns, near-miss incidents, and accidents. Conducting thorough investigations into incidents to identify root causes and implementing corrective actions to prevent their recurrence.
- **Safety Culture and Communication:** Promote a safety culture onboard by fostering open communication, encouraging crew members to actively participate in safety discussions, and recognizing and rewarding safety-conscious behavior. Regular safety meetings, toolbox talks, and safety campaigns can help raise awareness and reinforce safety practices.
- **Compliance with Regulations:** Ensure compliance with applicable international and national regulations, industry standards, and codes related to health, safety, and environmental protection. Staying up-to-date with regulatory changes and actively implementing measures to meet or exceed these standards.

Issue #2) Climate change issues

Potential human rights risk: The Company’s carbon emissions and contribution to climate change may exacerbate the risk of displacement and other human rights impacts on vulnerable communities due to rising sea levels or extreme weather events.

Scope: The Company’s operations

Stakeholders affected: Crew members, customers, community, and vulnerable groups e.g., indigenous peoples

The mitigation measures to protect the environment are as follows:

- **Environmental Management Systems:** Implement environmental management systems that incorporate policies, procedures, and guidelines for minimizing the environmental impact of shipping operations. This includes establishing clear roles and responsibilities, conducting regular environmental risk assessments, and setting objectives for improvement.

- **Emission Reduction Measures:** Take steps to reduce greenhouse gas emissions and air pollution from ships. This can involve implementing energy-efficient technologies, optimizing vessel speed and smart routing, utilizing low-sulfur fuels, and exploring alternative fuels or propulsion systems with lower emissions.
- **Ballast Water Management:** Implement effective ballast water management practices to prevent the introduction of invasive species into marine ecosystems. This includes complying with international ballast water management regulations, using approved treatment systems, and adhering to proper ballast water exchange procedures.
- **Waste Management:** Develop and implement comprehensive waste management plans to minimize and properly handle different types of waste generated during shipping operations. This includes segregating, recycling, and disposing of waste following local and international regulations.
- **Fuel Efficiency Measures:** Promote fuel efficiency practices to minimize fuel consumption and reduce the environmental impact of shipping operations. This can include optimizing voyage planning, maintaining vessel hulls and propellers, implementing efficient engine and machinery maintenance, and providing crew training on fuel-efficient operation techniques.
- **Collaboration with Stakeholders:** Engage with relevant stakeholders, including local communities, environmental organizations, and regulatory authorities, to foster dialogue, share best practices, and incorporate their input in environmental decision-making processes. This collaboration can help identify and address specific environmental concerns and build trust with stakeholders.
- **Research and Innovation:** Explore innovative solutions and technologies that can further minimize the environmental impact of business. This can include exploring alternative fuels, developing more efficient vessel designs, and adopting advanced pollution prevention technologies.
- **Compliance with Regulations:** Ensure compliance with international and local environmental regulations, including those related to air emissions, ballast water management, waste disposal, and noise pollution. Staying updated on regulatory developments and proactively implementing measures to meet or exceed these requirements.

Remediation and Corrective Actions

In cases where human rights violations are substantiated, the company takes immediate remedial actions to address the impact on affected individuals or communities. These actions may include providing compensation, implementing corrective measures, facilitating access to justice, or collaborating with relevant authorities to ensure accountability.

Additionally, the Company has promoted employees' awareness and understanding of human rights by organizing a training program on "Gender Equity" for employees who are directly concerned with the organization's human rights risks.

The Company conducted human rights due diligence in order to prevent any involvement in or causing of human rights abuses and to uphold human rights in its operations and business relationships.

Performance

The following are the performance outcomes of human rights compliance:

Compliance with child labour incident risk	
Operations and suppliers are considered to have significant risk for incidents of child labour	0
Operations and suppliers are considered to have significant risk for incidents of young workers exposed to hazardous work	0
Risk for incidents of forced or compulsory labour	
Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour	0
Compliance with non-discrimination	
Total number of incidents of discrimination	0
The right to freedom of association and collective bargaining	
Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk	No such operations
Measures taken by the organization intended to support rights to exercise freedom of association and collective bargaining [GRI 102-41]	Paid USD 345K in annual membership fees, for 430 crew members, to SMOU and SOS in 2023

Empowering Women at Sea

In a groundbreaking move, Precious Shipping Public Company Limited, in 2023, took a significant step towards gender equity by providing scholarships to female cadets for the first time in its long history. This initiative reflects the Company's unwavering commitment to promoting gender equality in the maritime industry and fostering an inclusive work environment. The Company's scholarship program not only breaks gender barriers but also paves the way for female cadets to undertake sea trials on board Precious Shipping vessels as part of their graduation requirements. This progressive approach signifies the company's dedication to creating equal opportunities for both men and women in traditionally male-dominated fields.

Precious Shipping has established comprehensive policies and guidelines to address safety concerns and prevent sexual harassment both at its shore office and onboard the Company's vessels. The Company recognizes the importance of fostering a safe and respectful working environment for all employees, irrespective of gender. To ensure the effective implementation of these policies, the Company conducts training sessions for shore-based employees and seafarers at all levels, emphasizing the significance of taking a proactive stance against safety hazards and harassment. Precious Shipping is committed to creating awareness and instilling a sense of responsibility among its workforce to eradicate inequality and harassment.

The Company's commitment aligns with the SDGs particularly Goal 5 (gender equality) and Goal 8 (decent work and economic growth). We recognize that achieving gender equality is not only a moral imperative but also crucial for sustainable development. By empowering women in the maritime sector, the company contributes to a more inclusive and equal society. We firmly believe that every step towards gender equity matters. By initiating scholarship programs, enforcing strict safety policies, and actively encouraging women to pursue maritime careers, the company is making a tangible impact on the lives of female professionals in the industry.

Employees

Human Rights and Labor Practices

The Company recognizes that employees are one more key success factor for the Company's operations. The Company has committed to be a fair and caring employer, offering its staff equitable opportunities to develop and grow. The Company has a policy to provide equal opportunities in employment, job security, and career advancement, as well as adhering to other good principles related to employees and employment. The Company supports good relationships between all employees including the management. The Company also gives importance to anti-discrimination throughout its operations and promotes diversity in its workforce at both the management and staff levels. The Company ensures its employee management complies with national labor laws and related regulations. In addition, the Company ensures that the process of employee termination is fair and is proceeded in accordance with the Company's working regulations and the relevant laws.

Employment of Disabled People: The Company ensures that it complies with national labor laws and related regulations. The provisions outlined in sections 33 and 35 of Persons with Disabilities Empowerment Act B.E. 2550, require companies to hire one disabled individual for every 100 non-disabled employees. Our current workforce does not meet the required ratio and therefore, the Company currently has no disabled employee on its staff. However, the Company is glad to support disabled people by donating to disability-focused organizations i.e. department of empowerment of persons with disabilities.

Employees Benefits

The Company has a policy to provide all employees access to equal remuneration for work of equal or comparable value. The Company provides remuneration to office employees as salary, bonus, and other benefits like provident fund on a voluntary basis, and health insurance, although the same is not required by law; it also provides welfare for employees as required by law, i.e. social security. The Company has established a Welfare Committee consisting of five employees from various departments to oversee employee well-being, consult with the management on employees' welfare issues, provide advice and make recommendations to the Company regarding employee welfare. The Company ensures that it meets all labour protection law requirements in terms of leaves, holidays, working hours, severance pay, etc.

Provident Fund: The Company encourages its employees to save for their retirement, and therefore, commencing from 2017, the maximum allowable contribution to the provident fund from employees has been increased from 5% to 15%. The Company also arranges annual internal training on investment planning, saving, and financial management held by an asset management company to promote long-term savings and to assist the employees in their investment planning. Details of employees joining the employee provident fund are as follows:

Description	2021	2022	2023
Percentage of employees joining employee provident fund (%)	94%	99%	97%
Total amount of provident fund contributed by the Company (Baht)	5,329,633	5,580,208	5,735,013
Percentage of the total amount of provident fund contributed by the Company to total employee remuneration (%)	5%	5%	5%

Remuneration is based on their performance, roles, and duties, and incentives/increments/bonuses are also based on the financial status/performance of the individual and the Company. As a long-term incentive, the Company does not have an ESOP plan in place since the Senior Management feels that to a large extent, the share price of the Company depends on several factors beyond the employees' direct control like the state of the international freight markets and therefore, the Company's share price may not adequately reflect the better performance of the employees. The Company has implemented a profit-sharing scheme, which ensures that the employees are paid bonuses based on the performance of the Company against specified quantitative targets, which are laid down annually in advance. During the year, the Company announced a long-term bonus that will be paid out over three years to all executives and employees. These long-term bonuses can be used to reward employees for their long-term loyalty, dedication, and hard work. Furthermore, these long-term bonuses can be used to attract and retain top talent within the organization.

In line with its commitment to maintain high ethical standards and good corporate governance practices, the Company has in place a group-wide whistle-blowing policy and encourages all employees to report any possible improprieties on a confidential basis without fear of recrimination. The employees are free to express their opinions and concerns and provide feedback via email or mail. In 2023, there were zero cases of discrimination and zero human rights violations.

The COVID-19 pandemic has caused a huge number of seafarers on merchant ships to be unable to disembark once their contracts have ended, facing excessive times at sea away from family and their homes. This has been due to tight restrictions on international travel and the movement of personnel through ports, which make crew changes impossible in many places. At PSL, we have put in our best efforts to ensure that our crew members are disembarked and sent to their respective homes safely even though this would mean that we divert our ships to either Thai and/or Indian ports to disembark/embark our Thai or Indian seafarers, despite no financial or economic benefits to the Company.

During the COVID-19 pandemic, the Company initiated work-from-home arrangements for office employees to minimize their health risks. The Company continues to monitor the situation closely, particularly in Thailand, to ensure that appropriate measures can be taken in a timely manner. Additional measures such as social distancing, temperature screening, mandatory mask requirement, virtual meetings etc. have also been implemented. Strict protocols have been implemented on board our ships to minimize the number of visitors going on board at all ports, screen all visitors such as port officials, surveyors, etc., who need to go on board, and ensure that all visitors follow norms such as wearing PPE, maintaining minimum distances from crew members, etc.

Employee Engagement Evaluation through Employee Satisfaction Survey

The Company recognises that employee satisfaction is core to the long-term success of the Company. An employee survey is conducted to gauge employee satisfaction, identify areas of strength and find opportunities for improvement. The Company conducts an annual employee satisfaction survey, thereby providing employees with an opportunity to provide constructive feedback for the betterment of the organization.

In 2023, online employee satisfaction surveys were conducted for onshore personnel as well as crew members onboard vessels. The employee satisfaction survey results have been presented in the below table:

Description	Percentage of employee satisfied rate				
	Target	Onshore staff members		Floating staff members	
	2023/2024	2022	2023	2022	2023
Percentage of employee engagement	80%	94%	91%	56%	84%
Employee satisfaction rate results:					
Are you satisfied working for the Company?	80%	78%	88%	84%	89%
Employees agreed to recommend the Company as a good place to work.	80%	63%	78%	61%	98%
I feel like I am a part of the Company.	80%	83%	86%	74%	79%

To improve the employee satisfaction survey, the Company has promptly responded to feedback collected through the surveys, addressing concerns and implementing necessary improvements as a testament to its dedication to employee well-being.

Social Data of shore-based employees [GRI 102-8, 202-2, 401-1, 401-3, 403-9, 403-10, 405-2]

Below table shows information about the employees of the Company including its subsidiary, i.e., Great Circle Shipping Agency Limited ("GCSA").

Number and proportion of the employees of the Company and its subsidiary GCSA at its shore-based offices, by gender, age, nationality, and position

Description	Unit	31-Dec-21	31-Dec-22	31-Dec-23
Employees				
Total number of employees	Person	129	133	138
Total number of male employees	Person	57	59	64
Percentage of male employees	%	44%	44%	46%
Total number of female employees	Person	72	74	74
Percentage of female employees	%	56%	56%	54%
Total number of employees with disabilities	Person	0	0	0
Percentage of number of employees with disabilities	%	0%	0%	0%
Employees by age group				
Total number of employees under 30 years old	Person	12	9	8
Percentage of employees under 30 years old	%	9%	7%	6%
Total number of employees 30-50 years old	Person	77	84	81
Percentage of employees 30-50 years old	%	60%	63%	59%
Total number of employees 51-60 years old	Person	32	30	38
Percentage of employees 51-60 years old	%	25%	22%	27%
Total number of employees over 60 years old	Person	8	10	11
Percentage of employees over 60 years old	%	6%	8%	8%
Male employees by age group				
Total number of male employees under 30 years old	Person	5	4	3
Percentage of male employees under 30 years old	%	4%	3%	2%
Total number of male employees 30-50 years old	Person	29	31	32
Percentage of male employees 30-50 years old	%	22%	23%	23%

Description	Unit	31-Dec-21	31-Dec-22	31-Dec-23
Total number of male employees 51-60 years old	Person	15	14	18
Percentage of male employees 51-60 years old	%	12%	10%	13%
Total number of male employees over 60 years old	Person	8	10	11
Percentage of male employees over 60 years old	%	6%	8%	8%
Female employees by age group				
Total number of female employees under 30 years old	Person	7	5	5
Percentage of female employees under 30 years old	%	5%	4%	4%
Total number of female employees 30-50 years old	Person	48	53	49
Percentage of female employees 30-50 years old	%	37%	40%	36%
Total number of female employees 51-60 years old	Person	17	16	20
Percentage of female employees 51-60 years old	%	13%	12%	14%
Total number of female employees over 60 years old	Person	0	0	0
Percentage of female employees over 60 years old	%	0%	0%	0%
Employees by nationality group				
Total number of Thai employees	Person	107	113	117
Percentage of Thai employees	%	83%	85%	85%
Total number of Indian employees	Person	21	19	20
Percentage of Indian employees	%	16%	14%	14%
Total number of Singaporean employees	Person	1	1	1
Percentage of Singaporean employees	%	1%	1%	1%
Male employees by nationality group				
Total number of Thai male employees	Person	35	39	43
Percentage of Thai male employees	%	27%	29%	31%
Total number of Indian male employees	Person	21	19	20
Percentage of Indian male employees	%	16%	14%	14%
Total number of Singaporean male employees	Person	1	1	1
Percentage of Singaporean male employees	%	1%	1%	1%
Female employees by nationality group				
Total number of Thai female employees	Person	72	74	74
Percentage of Thai female employees	%	56%	56%	54%
Total number of Indian female employees	Person	0	0	0
Percentage of Indian female employees	%	0%	0%	0%
Total number of Singaporean female employees	Person	0	0	0
Percentage of Singaporean female employees	%	0%	0%	0%
Employees by employee category				
Total number of employees in operational level	Person	70	75	76
Percentage of employees in operational level	%	54%	56%	55%
Total number of employees in management level	Person	45	44	49
Percentage of employees in management level	%	35%	33%	36%
Total number of employees in executive level	Person	14	14	13
Percentage of employees in executive level	%	11%	11%	9%
Male employees by employee category				
Total number of male employees in operational level	Person	14	17	18
Percentage of male employees in operational level	%	11%	13%	13%
Total number of male employees in management level	Person	33	32	37

Description	Unit	31-Dec-21	31-Dec-22	31-Dec-23
Percentage of male employees in management level	%	25%	24%	27%
Total number of male employees in executive level	Person	10	10	9
Percentage of male employees in executive level	%	8%	7%	6%
Female employees by employee category				
Total number of female employees in operational level	Person	56	58	58
Percentage of female employees in operational level	%	44%	44%	42%
Total number of female employees in management level	Person	12	12	12
Percentage of female employees in management level	%	9%	9%	9%
Total number of female employees in executive level	Person	4	4	4
Percentage of female employees in executive level	%	3%	3%	3%
Employee relation and engagement				
Total number of employees voluntarily resigned in the year	Person	2	2	2
Percentage of total number of employees voluntarily resigned in the year to total number of employees	%	2%	2%	1%
Total number of male employees voluntarily resigned in the year	Person	0	2	2
Percentage of total male employees voluntarily resigned in the year compared to total number of employees	%	0%	2%	1%
Total number of female employees voluntarily resigned in the year	Person	2	0	0
Percentage of total female employees voluntarily resigned in the year compared to total number of employees	%	2%	0%	0%
Total number of newly hired employees in the year	Person	7	4	6
Percentage of total number of newly-hired employees in the year compared to total number of employees	%	5%	3%	4%
Total number of newly-hired male employees in the year	Person	4	1	6
Percentage of newly-hired male employees in the year compared to total number of employees	%	3%	1%	4%
Total number of newly-hired female employees in the year	Person	3	3	0
Percentage of newly-hired female employees in the year compared to total number of employees	%	2%	2%	0%
Total number of employees that were entitled to parental leave	Person	72	74	74
Total number of employees that took parental leave	Person	0	2	0
Total number of Employees who returned to work after parental leave ended	Person	0	2	0
Total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work	Person	0	2	0

Safety & Occupational Health [GRI 403-1, 403-2, 403-5, 403-6]

The Company recognizes that respect for human rights is the foundation of human resources' improvement, which adds value to the business. Moreover, human resource is a key success factor for business and adds value to the Company in all aspects. It is the Company's policy to conduct its activities in a manner that promotes the health and safety of its employees so that the actions of the Company, and its employees, promote the health and safety of others too. The Company accords the same weightage to health and safety factors as it does to Commercial and Operational factors. To this end, the health and safety responsibilities of all personnel have been defined and allocated.

Target: The Company aims to achieve a zero-frequency rate for lost time injuries (LTIFR) among employees.

Performance:

Safety, occupational health, and environment at work	Unit	31-Dec-21	31-Dec-22	31-Dec-23
Total number of hours worked by employees	Hours	236,160	245,385	254,610
Total number of lost-time injury accidents by employees	Case	0	0	0
Total number of employees that lost time injuries exceeding 1 day	Person	0	0	0
Percentage of employees that lost time injuries exceeding 1 day	%	0%	0%	0%
Loss time injury frequency rate (LTIFR)	Times	0	0	0
The number of fatalities as a result of work-related injury of employee	Person	0	0	0
Percentage of employees that fatalities as a result of work-related injury	%	0%	0%	0%

Basic Fire Fighting Training

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

As safety and well-being take precedence at Precious Shipping Public Company Limited, the conclusion of the basic fire fighting training program in 2023 stands as a testament to our strong commitment to employee safety. The initiative was born out of a recognition that equipping our workforce with essential knowledge about fire behavior and propagation is paramount in fostering a secure working environment. The comprehensive training program ensured that participants gained hands-on experience with various fire extinguishing methods, providing them with the confidence and skills needed to respond adeptly to fire accidents.

Throughout the training sessions, employees not only acquired practical firefighting skills but also heightened their awareness of workplace fire hazards and safety protocols. The initiative aimed not just to create responders but to cultivate a proactive mindset that prevents incidents before they occur. The commitment and enthusiasm displayed by participants underscored the value they placed on ensuring the safety of themselves and their colleagues. The impact of the basic fire fighting training program goes beyond the immediate acquisition of skills, it sets the stage for a lasting shift in our company's safety culture. Participants now possess a deeper understanding of fire dynamics, allowing them to act swiftly and decisively during emergencies. As we look to the future, the ripple effects of this training are poised to create a resilient foundation upon which we continue to build and innovate in our approach to safety.

In line with the SDGs, programs like the basic fire fighting training at Precious Shipping contribute to safer workplaces and support goals such as good health and well-being (SDG 3), decent work and economic growth (SDG 8), and sustainable cities and communities (SDG 11). By giving precedence to the safety of their employees and cultivating robust working conditions, we contribute to the advancement of global sustainability endeavors.

Our commitment to safety extends beyond compliance; it is a reflection of our values and an investment in the well-being of our employees. The skills acquired during the basic fire fighting training program empower our workforce to respond effectively to fires, minimizing potential harm and contributing to a safer working environment for all. As we celebrate the successful completion of this training initiative, we do so with the confidence that our dedication to safety remains steadfast, propelling us towards a future where employee well-being is non-negotiable, and a safety-conscious mindset permeates every aspect of our organization.

Safety Management System Onboard Vessels

The Company's Safety Management System (SMS) is intended to affirm that the Company achieves its purpose in this area and is based on the philosophy that accidents can be prevented by the identification and management of risk. The Quality & Safety Policy Manual contains the Company policies in compliance with the standards of ISO 9001 and requirements of IMO's ISM Code. The quality procedures contain a summary of the procedures that the Company operates and maintains.

General practices for safety on the vessel are as follows:

- Regularly develop and implement a Safety Management System (SMS) that covers all aspects of shipboard safety and provides guidelines and procedures for crew members to follow in case of an emergency.
- Inspect and maintain all shipboard equipment, including fire-fighting equipment, lifesaving appliances, and navigation systems.
- Identify potential hazards and assess the associated risks to minimize the likelihood of an accident or incident.
- Established a reporting system for incidents, accidents, and near-misses to help identify areas for improvement and prevent future incidents.
- Provide regular training and drills to your crew to ensure they are familiar with emergency procedures and know how to respond in case of an accident or incident.

Our crew members receive training in using emergency breathing devices, such as the Emergency Escape Breathing Device (EEBD) and the Self-Contained Breathing Apparatus (SCBA), to protect against inadequate oxygen, dust, gases, and vapors on ships including fire drills which are held onboard vessels twice a month.

The Company also has a Drug and Alcohol Abuse Policy. It is based on the recommendations contained in OCIMF's "Guidelines for the Control of Drugs and Alcohol On board Ship". They are detailed in the safety management system available on all vessels and displayed for all crew members.

Ensuring that each crew member gets enough rest is a necessity. To avoid fatigue and stress related accidents on board, minimum rest periods have been recommended by STCW 95 convention and ILO Convention 180. Both these conventions have undergone considerable amendments. As a result, the requirements have become more stringent. STCW 2010 Manila amendments are effective from January 2012 whereas ILO 2006, which is known as MLC (Maritime Labor Convention) 2006, was ratified in August 2012 and became effective in August 2013. Both Thailand and Singapore, the flag states of the vessels in our fleet, have ratified the Maritime Labour Convention. All the Company's vessels are fully compliant with the MLC requirements.

The Company's medical fitness requirements are higher than the standards set by International Labour Organization (ILO) and other regulatory bodies. As a result, the Company finds very few cases of fitness or sickness related problems amongst its seafarers.

Piracy: The Company's ships are exposed to the threat of piracy when sailing through high-risk areas, and the officers/crew sailing onboard are under tremendous pressure when sailing through such areas where armed pirates are known to attack. This is especially true of the Indian Ocean/ Arabian Sea area, extending from the mouth of the Persian Gulf in the north to Madagascar in the south. The Company takes this threat very seriously and ensures all ships are routed outside these areas and closer to the Indian coast. Where this is not possible for any reason, the Company engages security guards to sail with the vessel for the passage through these high-risk areas. In any case, all ships transiting through the high-risk areas are 'hardened', amongst other things, by rigging barbed razor wire around the ship thereby making it harder for the pirates to climb onboard the Company's ships. The Company is committed to doing everything possible to ensure safety of the ship and officers/crew.

Automated Mutual assistance Vessel Rescue System" (AMVER): Sponsored by the United States Coast Guard (USCG), AMVER is a unique, computer-based, and voluntary global ship reporting system used worldwide by search and rescue authorities to arrange for assistance to persons in distress at sea. The Company continues to be involved in the AMVER program and its good performance is recognized by the USCG in the form of AMVER awards given to the Company every year through their representative at the United States Embassy in Bangkok. A quote from the USCG citation letter would perhaps reflect what this award is all about: "you can take pride in the voluntary commitment of your officers and crew to the safety of life at sea".

Teamwork: Unlike several ship owning Company's, which outsource the technical management of its ships, the Company's ship-management company, viz. Great Circle Shipping Agency Limited (GCSHIP) is a wholly-owned subsidiary of the Company. The staff of the ship-management company work as one team under the same roof. Regular weekly meetings are also conducted between the ship management and commercial teams to sort out all operational issues and discuss the status of future plans. Good co-ordination is achieved in all areas of ship operation by this arrangement. Besides ISM code certification, GCSHIP is also certified for Quality Management System "ISO 9001: 2015" and has obtained certification for their Environment Management System "ISO 14001:2015".

Knowledge and Development

Directors and Management Training

The Board of Directors continues to try and enhance their value by participation in activities, courses and events which add to their knowledge base in the continually changing business environment to ensure that they are updated and possess full knowledge. All the Company's Directors have attended important training courses that are available such as the Director Certification Program (DCP) or the Director Accreditation Program (DAP) held by the Thai Institute of Directors Association (IOD).

Directors' Orientation

The Company secretary provides any newly appointed director with the background of the Company's business, profile, and industry along with all the relevant documents for new directors, such as the director's handbook, the Company's corporate documents, CG policy manual, business ethics and code of conduct manual, anti-corruption policy, laws, regulations, and practices which are related to the trading of Company's shares.

Employee Development

The Company ensures that employees are adequately knowledgeable and skilled to perform their jobs for the Company's business. The Company has a policy of promoting employee development by supporting them in developing their skills, abilities, and knowledge, keeping them updated following industry trends, as well as understanding the relevant code of conduct and practice. The Company provides in-house and external training for officers of the Company both at Head Office as well as on the vessels. Moreover, the Company allows special leave and flexible working hours for employees who are undergoing longer term professional or degree courses.

The Company has an 18-month young leadership program which provides recent graduates an opportunity to acquire on-the-job training in the commercial, technical and finance departments before embarking on a long-term career with the Company. This serves to ensure that the experience and skills of the current generation of managers are transferred to the next generation.

Training and development for office staff [GRI 404-2, 404-3]: The employees are encouraged to express their training needs and/or interests, so that the Company can provide suitable training to them as one of the tools for their career development. The costs of such training are borne by the Company.

In 2023, the training and development are classified as follows

Training Type	Objectives and Benefits	Target Groups	Participants	Training Hours
Functional Training	Expand work knowledge to help employees reach their goals, inspire self-confidence, and progress to work.	All employees in each function i.e. accounts, finance, technical, legal & compliance, commercial, insurance, etc.	54	1,980
General Trainings	General knowledge that can improve working and daily life includes software usage, business ethics training, fire-fighting safety training, etc.	All employees	138	602
Smart Money Management Planning	To empower employees with the knowledge and skills needed to make informed financial decisions and achieve financial well-being.	All employees	138	173
Cybersecurity Awareness Training	Educate employees on cybersecurity best practices to protect company data and systems.	All employees	138	294
Total man-hours for training in 2023: 3,048 man-hrs **Total participants average hours training per year per person = 22.09 hrs**				

Cybersecurity Awareness Training

Cybersecurity awareness training is conducted through an online platform for employees every month to enhance the understanding of potential cyber threats and risks, empowering employees to adopt secure practices to mitigate the likelihood of security breaches, safeguard sensitive information, and contribute to the overall resilience of the organization against cyber threats.

Target: Maintain a 95% attendance rate for cybersecurity awareness training sessions.

Performance results: All employees (100%) have accessed and completed the cybersecurity learning platform test. The results of the training have been reported to senior management.

Training and Development for seafarers [GRI 404-2, 404-3]: Over the years, the Company has not only acquired expertise in the field of ship management, but in the process, has developed a pool of highly qualified and competent staff, both, on-board and ashore. It is through this dedicated and loyal work force of floating staff, technical superintendents, and internal auditors that the Company has been able to achieve high standards of safety and quality in all aspects of ship operations. It is the Company's policy to encourage and support competent and efficient seafarers and give them the opportunity to grow within the organization.

All ship officers are required to visit the head office for briefing before being assigned to vessels. Here, they are briefed and updated about new developments and practices in the industry. Regular updates are also sent to the vessels. Officers are often sent to attend value addition courses to enhance their skills. The costs for these courses are borne by the Company.

The Company has introduced a mechanism whereby the officers and crew serving onboard our ships can send in their suggestions to the office. This will encourage the ship-staff to make effective contribution to the shipboard operations and help further improve the Company's performance.

The Company has provided, on board the vessels, selected video training programs from the best available in the market.

To motivate the junior officers and to keep up with the process of learning while on board, senior officers are asked to actively interact with them. To measure their levels of competency, computer-based competency test facility is provided on board. Based on the results of these tests, officers can determine their weaknesses and work to improve upon on weak areas.

Maritime Training Center & Bridge Navigation Simulator: The Company has set up a full-fledged maritime training center at its head office in Bangkok which includes a state-of-the-art bridge navigation simulator. The PSL training center, which commenced operations in March 2008, has given a solid foundation to the Company's training activities and has enabled its officers and crew to keep abreast of the latest developments in ship operations. The bridge navigation simulator recreates the actual bridge on a ship as it enters a major port and provides ideal conditions in which to train officers and crew in ship-handling and navigation. In the last quarter of 2019, work was commenced to completely upgrade and revamp the bridge navigation simulator including a total renewal of all projectors, panels, consoles, hardware, and the software updated as per the requirements for our fleet. The upgraded bridge navigation simulator was available in the first quarter of 2020 for resumption of training courses.

The training center has developed and continuously improves all training courses, including English courses for marine engineers, navigating officers and crew at all levels. New courses are also being introduced to equip the navigation and engineer officers with the necessary knowledge to deal with new regulations like the global sulphur cap from January 2020 and new data collection and reporting requirements. To equip the officers with knowledge of new developments, the Company has taken the step of organizing specialized courses conducted by experienced and proficient guest teachers. For instance, a specialized 'Hydraulics Machinery' course, customized for our fleet was conducted at the training centre in January 2020.

Courses conducted by PSL Training:

The PSL training center offers a variety of courses and training programs both licensing and tailored programs. The content of the following courses is tailored for ship officers to promote safety and efficient ship operations of deck and engine departments.

Courses	Course objectives and benefits
Maritime Resource Management Course (MRM)	The MRM course is generally accepted to be one of the most effective learning approaches to improving crew cooperation and minimizing the risk of accidents caused by human errors as well as failures in effective teamwork and resource management.
Bridge Team Management and Competency Course (BTMC) includes Vessel Traffic Service (VTS) and Standard Marine Communication Phrases (SMCP)	This training course aims to train the ship's masters and officers in effective bridge teamwork and resource management in various situations as well as bridge operations in emergencies. The course also develops our officers' communication skills in communicating with a vessel traffic service (VTS) using various SMCPs through the VHF and GMDSS communication equipment in our bridge simulator.
Electronic Chart Display and Information Systems (ECDIS)	This course aims to enhance navigational safety with the safe operation of ECDIS equipment, proper use of ECDIS-related information, and knowledge of the limitations of ECDIS equipment.
Bridge Team Management and Competency (BTMC)	This course aims to improve various competency skills and knowledge of navigating officers, ensuring the secure execution of voyages.
Chief Mate Course (CMC)	To strengthen the professionalism and competence of chief officers and prepare experienced second officers for the chief mate rank.
Command Course (Command)	The purpose of this course is for senior ship officers in all necessary skills and topics for the command. It includes modules for leadership, business and law, international sale of goods and related rules/codes/conventions, time charter and voyage charter, cargo matters and ship's certificates, documentation, ship handling/ anchoring techniques, etc.
Shipboard Safety Course (SSC)	This course is designed to equip ship's crew, including both deck and engine personnel, as well as cadets, with the essential knowledge and skills needed to proficiently manage safety and emergency procedures aboard vessels.
Maritime Professional Briefing (MPB)	This course aims to keep senior officers and engineers updated on new regulations and information.
Maritime English training (divided into 5-course levels) programs	This course aims to improve all crew members' English skills - speaking, listening, reading and writing.

In response to the needs of the trained engineers to serve on vessels fitted with new generation main engines from MAN Diesel & Turbo and Wartsila, the PSL training center liaises very closely with the technical department and the engine manufacturers to continuously upgrade the training courses which were first introduced even before the vessels were delivered. Furthermore, the Company reinforces the training courses that our engineers undergo before embarking on their assignments aboard ships.

Courses	Course objectives and benefits
Wartsila RT-Flex Engine Familiarization	To familiarize the engineers with the Company's new type of engine "Wartsila RT-Flex Electronic Engine" before they join a ship equipped with this type of engine. This course focuses mainly on the practice part.
Engine RT-Flex Operation and Practical Advanced	This course aims to train all engineers for the operation and practice of the RT-Flex engine at a higher level to familiarize the engineers with the utmost operational function of the engine RT-Flex.
MAN Diesel Engine ME-B & ME-C Basic Control System	To familiarize the engineers with the company's new "MAN Diesel Engine" (ME) before they join a ship equipped with this type of engine. This course focuses mainly on the practice part.
MAN Diesel Engine ME-C Advanced Troubleshooting	The purpose of this course is to familiarize the engineers with all possible problems which may arise from the operation of the ME engine with the most effective troubleshooting.
Engine Room Management and Competency Enhancement (EMC)	This course aims to train senior engineers (chief engineers and 2nd engineers) in various management and competency knowledge and skills that are required for the safe and efficient running of the ship.
Engineer on Watch (EOW)	This course aims to train junior engineers in watch-keeping duties, engine parameters monitoring, operation and maintenance, safety and pollution prevention, and record-keeping.
EMS Awareness and Shipboard Safety	This training course is designed to keep senior officers and engineers updated on policy and incidents relating to environmental and safety onboard, with an emphasis on environmental awareness as well as an improvement in all duties' safety working.

What has changed comparing between the previous year and the year 2023:

1. The training contents of BTC – II, and BTM are quite similar and so from this year onward we decided to combine both courses into the new course so-called "Bridge Team Management and Competency (BTMC)".
2. The vessel inspection course has been replaced with the 'It's My Ship' course. While the vessel inspection course was originally designed to prepare the vessel for inspection by third parties, 'It's My Ship' now emphasizes the continuous maintenance of the vessel to uphold high standards at all times.

What is new in 2023:

Rise of Seafarer Mental Health Programs. As the maritime industry acknowledges the crucial role of mental well-being for seafarers, a pioneering company is set to dominate by prioritizing mental health. Recognizing the unique challenges faced at sea, this forward-thinking organization will conduct mental health awareness training courses tailored for maritime professionals. By fostering resilience and providing coping strategies, the company aims to create a healthier and more supportive environment for seafarers, ensuring their psychological well-being on long voyages. The initiative not only addresses a critical aspect of maritime safety but also contributes to a more sustainable and compassionate industry.

Mental health training will be conducted by two lecturers who specialize in mental health from the Royal Thai Navy College of Nursing. A mental health survey is administered before joining the vessels, utilizing the questionnaire set out by the Department of Mental Health, Ministry of Public Health, Government of Thailand.

PSL Training Centre Training Matrix

- **Deck Department**

Course	Rank				
	Capt.	C/O	2/O	3/O	J/O
Maritime Resource Management	√	√	√	√	√
Bridge Team Management & Competency	√	√	√	√	√
Bridge Team Competency I	X	X	√	√	√
Operation of ECDIS	√	√	√	√	√
Officer of the Watch	X	X	X	√	√
Chief Mate Course	X	√	√	√	X
Command Course	√	√	X	X	X
ME-C Advanced Troubleshooting	X	X	X	X	X
ME-B&C Control System Basic	X	X	X	X	X
RT-Flex Operation & Practice	X	X	X	X	X
Wartsila RT-Flex Familiarization	X	X	X	X	X
Basic English*	√	√	√	√	√
Elementary English*	√	√	√	√	√
Intermediate English*	√	√	√	√	√
Maritime Professional Briefing	√	√	X	X	X
It's my ship	√	√	X	X	X
Shipboard Safety Course	X	X	X	X	X
Mental Health Awareness	√	√	√	√	√

* Attendance in English classes is mandatory for all officers and engineers; however, the English proficiency level is determined based on individual test scores.

- **Engine Department**

Course	Rank				
	C/E	2/E	3/E	4/E	J/E
Maritime Resource Management	√	√	√	√	√
Bridge Team Management & Competency	X	X	X	X	X
Bridge Team Competency I	X	X	X	X	X
Operation of ECDIS	X	X	X	X	X
Officer of the Watch	X	X	X	X	X
Chief Mate Course	X	X	X	X	X
Command Course	X	X	X	X	X
ME-C Advanced Troubleshooting	√	√	X	X	X
ME-B&C Control System Basic	√	√	√	√	√
RT-Flex Operation & Practice	√	√	X	X	X
Wartsila RT-Flex Familiarization	X	X	√	√	√
Basic English*	√	√	√	√	√
Elementary English*	√	√	√	√	√

Course	Rank				
	C/E	2/E	3/E	4/E	J/E
Intermediate English*	√	√	√	√	√
Maritime Professional Briefing	√	√	X	X	X
It's my ship	√	√	X	X	X
Shipboard Safety Course	X	X	X	X	X
Mental Health Awareness	√	√	√	√	√

* Attendance in English classes is mandatory for all officers and engineers; however, the English proficiency level is determined based on individual test scores.

The performance results of skill development:

In 2023, most training courses were conducted online, and only a few courses were combined both online and onsite at the inhouse bridge simulator. A total of 1,330 sea-going officers and crew members attended a total of 30 courses that were conducted, which is a testament to the Company's commitment to training our crew members and emphasizes the significant value we attribute to it.

Performance	2021	2022	2023
Total participants (persons)	1,444	1,021	1,330
Total training hours (hours)	24,268	22,455	37,002
Average training hours (hours/ person/ year)	16.81	21.99	27.82

The outcomes from the skills development of ship officers

Skills development leads to increased proficiency in ship handling, equipment operation, and cargo management, resulting in more efficient and streamlined day-to-day operations. Additionally, improved skills in navigation, communication, and emergency response contribute to a safer maritime environment, reducing the risk of accidents and incidents at sea. As a result, the Company achieved a zero-frequency rate for lost time injuries (LTIFR) among employees. There were no instances of work-related deaths within the Company's operational areas.

What will happen in 2024 at PSL Training?

The following new courses are to be introduced in 2024:

1. Shipboard Safety Course for Chief Engineer: This course is designed to enhance the awareness of the responsibilities and duties of chief engineers who serve as safety officers on board.
2. Handling Hazardous Substances in Bulk and Packed: This course is designed for all deck staff and will focus on the safe handling of hazardous substances loaded on board, whether in solid or packed form.
3. Hatch Cover Maintenance: This course emphasizes the importance for the master and chief officer to understand the correct way to inspect and maintain hatch covers.
4. Log Lashing Training Course: To ensure that all deck staff are fully aware of how to do lashing log on deck.

Social and Community Development

The Company recognizes that a solid community and society are significant factors which support the Company's business. Therefore, the Company supports and gets involved in many community and society-based activities on a regular basis. The Company fully recognizes its responsibility to the community and is attentive to the consequences of the Company's conduct that affect the people around more than what the laws require, including making efforts to gradually absorb social accountability. The creation and expansion of the Company's CSR fund will provide a permanent and formal framework to enhance the Company's CSR activities.

Scholarships to Students of Merchant Marine Training Centre ("MMTC"), Thailand

Strategy: In pursuit of fostering job opportunities and career advancement within the maritime sector, our company is committed to supporting the education of merchant marine students. By doing so, we aim to address the escalating demand for proficient mariners in the shipping industry, thereby ensuring the smooth and secure facilitation of global trade operations.

Our endeavors extend beyond the mere preservation and promotion of maritime culture, history, and tradition. We actively contribute to the growth of both local and national economies by supplying skilled labor to the shipping industry and its ancillary services. This strategic investment not only bolsters economic vitality but also fortifies the safety and efficiency of maritime transportation. Through the cultivation of well-trained and educated mariners, we endeavor to uphold responsible and sustainable ship operations, thereby enhancing the safety and security of maritime trade routes.

Our company maintains a proactive involvement with the Merchant Marine Training Center, Thailand (MMTC), having recognized and honored outstanding graduates with gold medals since 1998. Additionally, we regularly extend support by donating textbooks to MMTC, thereby enriching the educational resources available to aspiring mariners.

Our unwavering dedication is emphasized through the initiation of a scholarship program designed exclusively for students enrolled at MMTC. Over the preceding years, we have allocated substantial financial support to meritorious students, with a cumulative contribution amounting to 24,563,476 Baht from 2009 to 2022. This proactive initiative is aimed at mitigating financial challenges and fostering academic brilliance among ambitious maritime professionals.

Moreover, our company actively recruits a significant portion of MMTC cadets, contributing substantially to the cultivation of qualified Thai officers. It's noteworthy that this pool of proficient officers remains accessible to all Thai shipowners, underscoring our commitment to industry-wide growth and development.

Performance results: Our efforts have yielded commendable results. In the year 2023 alone, we awarded a total of 18 scholarships amounting to Baht 1,233,000 to MMTC students. To date, the Company has supported 215 MMTC students through scholarships, with an impressive 79% of them opting to pursue careers within our organization upon completing their studies. Through these concerted efforts, the Company remains steadfast in its commitment to advancing opportunities within the maritime industry while nurturing a skilled and competent workforce for the future.

The photograph shows MMTC scholarship students along with Captain Pattana Sriroon, Head of our Fleet Personnel Department.

Donation to Mechai Pattana School

In continuing its unwavering commitment to education and community development, Precious Shipping Public Company Limited proudly reaffirms its support for Mechai Pattana school with a generous donation of 1 million THB this year. This decision reflects the Company's deep-rooted belief in the transformative power of education and its dedication to promoting environments where students can thrive academically, socially, and emotionally. As Mechai Pattana school grapples with the aftermath of last year's devastating floods, which submerged the premises and disrupted learning for an extended period, the Company recognizes the urgent need to bolster the school's resilience and fortify its infrastructure against future natural disasters.

The toll of the floods on the school's facilities, including critical outdoor spaces like the student garden, craft area, and Sustainable Development Goals (SDGs) board, underscores the pivotal role these environments play in facilitating hands-on learning and cultivating essential life skills among students. Recognizing the profound impact of these facilities on students' holistic development, the school has embarked on a proactive initiative to secure funding for the construction of dams at the back of the premises. This visionary project aims not only to safeguard the school against the ravages of future floods but also to create a secure and nurturing environment where students can learn, explore, and grow without interruptions.

The ongoing partnership between the Company and Mechai Pattana school epitomizes a shared commitment to sustainable education and community empowerment. Through initiatives like the educational funding program, the Company endeavors to support equitable access to quality education and foster a culture of lifelong learning within communities. By extending its support to initiatives that promote innovation, excellence, sustainability, and gender equality, the Company underscores its belief in education as a catalyst for individual fulfillment and societal progress. As Mechai Pattana school embarks on its mission to rebuild and revitalize its infrastructure, the Company stands steadfast in its commitment to standing alongside the school, empowering communities, and nurturing the next generation of leaders and changemakers through the transformative power of education.

In the heart of the Company's mission lies a firm commitment to education as the cornerstone of empowerment and progress. As we renew our pledge to support Mechai Pattana school with a generous donation, we stand united in our belief that education is the most powerful tool for shaping a brighter future. In the wake of last year's floods, the resilience of the school and its community serves as a testament to the transformative power of education. Let us rally together, inspired by their unwavering spirit, to build not just dams and facilities, but a foundation of hope and opportunity for every child. In our collective efforts, we sow the seeds of change, nurturing a legacy of learning and empowerment that will endure for generations to come.

The photographs show Mechai Pattana school amidst a flooding incident

Building Brighter Tomorrows: Scholarship programs for the children of our valued employees and crew members

At PSL, we believe in investing not just in our business, but also in the future. That's why we are thrilled to announce that in 2023 we initiated a scholarship program to support the children of our valued employees and crew members. This program was aimed at supporting young individuals in pursuing their academic aspirations and awarding financial assistance to the deserving children of our employees.

This year, we had the privilege of reviewing applications from talented and deserving children of our valued employees. Selecting the recipients was a difficult but rewarding task, and we are excited to support these exceptional young individuals on their educational journeys. A total of 21 Academic and need-based scholarships were awarded. Extending our warmest congratulations to our inspiring scholarship recipients.

We are honored to play a role in their exciting educational journey.

Empowering Lives: Blood Donation Camp

For several years, the Company has proudly partnered with the Thai Red Cross to organize blood donation drives, contributing to the local healthcare system and saving lives. However, due to the unforeseen circumstances brought about by the COVID-19 pandemic, these drives had to be temporarily suspended. Now the Company is pleased to announce the resumption of blood donation camps, marking a return to this vital mission. In 2023, two successful blood donation camps were held in June and October, resulting in a total collection of 40,500 cc of blood.




The blood donation event organized emerged as a resounding success, underscoring the collective strength of our employees and the local community. Through this initiative, we have not only saved lives but also strengthened our bonds with the community, embodying our commitment to making a positive impact beyond the workplace.

The Annual PSL Maritime Day Run

Good health is essential for individuals working on ships because it directly impacts their safety and overall effectiveness in performing their duties. While working on board a ship, seafarers face challenging and physically demanding tasks, often in remote or hazardous environments. Maintaining good health ensures they have the stamina, alertness, and resilience to handle the demands of the job, reduce the risk of accidents, and respond effectively to emergencies. Additionally, a healthy crew is vital for the successful operation of the ship, as illnesses can lead to manpower shortages and resulting disruptions in critical tasks, potentially compromising the safety and efficiency of maritime operations.

Running or brisk walking is well-known to be a beneficial exercise. Besides the physical health benefits, this activity helps to lift one's mood and spirits due to the release of endorphins. It relieves stress and helps manage negative feelings like anger and depression. The act of committing to the completion of a stretch of running induces motivation, discipline, and feelings of personal achievement. It is also believed to increase energy and creativity as a natural outcome of the peace, sound sleep, and healthy diet induced by this exercise. For many years, including 2023, PSL has embraced the opportunity to organize ' The Annual PSL Maritime Day Run' at the beautiful Lumphini Park in the heart of Bangkok's central business district. This event is extremely popular and attracts lots of participants from within the organization in addition to students from the Merchant Marine Training Center. Besides raising awareness about the shipping industry, PSL uses this opportunity to highlight health-related issues and promote fitness. However, in the years leading up to 2022, the Company was unable to organize this run due to procedural constraints and Covid-19. Nonetheless, the Company intends to resume holding this event annually starting from 2023, as the situation returns to normalcy.

Photos: Mr. Gautam Khurana, Executive Director, graciously delivered the opening speech, officially inaugurating the event prior to the commencement of the race. Participants who completed two laps covered a distance of 5 kilometers, while those who opted for a single lap covered 2.5 kilometers. The first individual to complete the 5-kilometer distance was presented with a trophy by the director.

Some of the Social and Community activities undertaken by the Company are as follows:

- The World Maritime Day celebration for the year 2022 is linked to the United Nations Sustainable Development Goals (SDGs) 13 and 14 on climate action and sustainable use of the ocean, seas, and marine resources. To mark this day and to affirm our commitment to preserving the marine ecosystem, 42 employees of Precious Shipping volunteered to “TEAM UP TO CLEAN UP” Ban Amphur beach. We were able to clean up almost 90 kilograms of marine debris. We are proud to continue playing our part, even if it’s in a small way, in protecting the oceans, which are precious and vulnerable.
- In 2022, the Company made a donation of Baht 1,000,000 to Mechai Pattana school as part of its efforts to enhance education for children in communities. The donation aimed to support the school’s dedication to innovation, excellence, sustainability, and gender equality which are some of the Company’s values.

- The Company donated 20 working computers to Wat Thong Thua (Ekarapanich) school, a primary school in Chanthaburi province in the year 2021. This is in continuation of the Company's tradition to assist in the education of needy children, particularly in the case of distance learning during ongoing the Covid-19 pandemic.
- Food Distribution: Bangkok is experienced a surge of Covid-19 infections in the year 2020, dealing a huge blow to some of the most vulnerable communities in the city. In order to lend a helping hand to those most in need, the Company donated 60,000 meals prepared by the Avani Atrium Hotel, to communities in the Huaykhwang and Khlongtoey districts from August to October 2020.
- The Company contributed to a fund to assist in securing freedom of Thai fishermen (not Company employees) held hostage for over 4 years in Somalia for their eventual return to Thailand.
- In 2019 the Company donated Baht 246,000 to the 21st Hom Bah Hai Nong project by cadets of MMTC to create a multi-purpose yard, renovate all restrooms, first aid room, a kitchen, a canteen, landscape improvements, repaint the playground, fence and sports area, main entrance and bus stop roof for the students and community at Bann Thung Pong School, Nong Prue District in Kanchanaburi Province. This is further to the donation made by the Company in the previous years of: 1) In 2018 the Company donated Baht 211,790 to the 20th Hom Bah Hai Nong project by cadets of MMTC to create a multi-purpose field, renovate restrooms, kitchen, canteen, a playground, and surrounding areas, repaint the kindergarten building at Soi 19 Sai 2 Khwa School in Lopburi Province. 2) In 2017 the Company donated Baht 232,000 to the 19th Hom Bah Hai Nong project by cadets of MMTC to renovate activities room, school infirmary, a playground, and surrounding areas at Ban Thammarat School in Chachoengsao Province. 3) In 2016 the Company donated Baht 346,600 to the 18th Hom Bah Hai Nong project by cadets of MMTC to renovate the canteen, school infirmary, a playground, and surrounding areas, improve the road, provide books to the library for development of children and first aid kits for the school infirmary at Ban Sab Din Dam School in Saraburi Province. 4) In 2015 the Company donated Baht 223,000 to the 17th Hom Bah Hai Nong project by cadets of MMTC to improve roads, renovate a playground and surrounding areas, provide books to the library for development of young children and first aid kits for the school infirmary at Ban Klong Rakam School in Prachinburi Province. 5) In 2013, the Company donated Baht 137,000 to the 15th Hom Bah Hai Nong project by cadets of MMTC to build toilet facilities, repair the building, renovate school infirmary and surrounding areas at Ban Nong Kaie School in Sakaew Province. 6) In 2011, the Company donated Baht 113,160 to the 14th Hom Bha Hai Nong project by cadets of MMTC to build a canteen for Wat Ta Phang Klee school, Chachoengsao province. 7) In 2010, Baht 139,000 to the 13th Hom Bha Hai Nong project by cadets of MMTC to build toilet facilities at Bann Non Pha Suk School, Sa Kaew province. 8) In 2009, Baht 80,466 to the 12th Hom Bha Hai Nong project by cadets of MMTC to buy a projector and build an activities stage for Wat Bang Kra Jao School in Samut Sakorn province; and 9) In 2008, Baht 100,000 to the 11th Hom Bha Hai Nong project by cadets of MMTC to repair classrooms and renovate the library for Ban Bhai See Thong School in Suphanburi province.
- As reported in the past, the Company had signed a MOU with the Vocational Education Commission to implement knowledge and promote teaching and learning for Nakhon Si Thammarat Industrial and Shipbuilding College (NASIC). Pursuant to this MOU, the Company built and handed over a 96-bed student dormitory at NASIC, at a total cost of about Baht 25.40 million. The Company continues to provide financial assistance to the students by purchasing books & other materials for their library. For their part, NASIC has introduced new courses and curriculum under consultation with the Company to develop/train Engineering Officer graduates for a career in shipping, thus developing a new career option for Thai youth. The Ministry of Education, Vocational Education Department, awarded an Honor Shield to the Company in recognition of its participation with NASIC.
- The Company awarded Baht 165,000 Scholarship to a student of the International Maritime College, Kasetsart University, Si Racha campus to support his entire Maritime Science degree course at the university. The final installment of this scholarship award was paid in April 2010.

- On 8 June 2015, the Company donated Baht 500,000 to the Thai Medical Device Development Foundation (TMDD) to promote and support the research and development of medical devices.
- In January 2013, The Company donated Baht 5,000 to the Department of Labour Protection and Welfare for gifts to children on Children's Day at Suapa Field, Dusit Palace.
- During the year 2010, the Company donated 46 computers to Mathayom Warichpoom school, Sukhothai school, Bann Koh school, Sathya Sai school and to Pak-Kret community administration office.
- In January 2009, the Company donated Baht 40,000 for Muslim youth center Bann Pak Lad at Prapadaeng, Samutprakarn to support educational equipment and scholarships for Children.
- The Company makes regular donations to the needy and poor and for various causes. For instance, the Company, in collaboration with employees, donated over Baht 1 million to the Thai Red Cross for those affected by the Tsunami in Thailand, and in early 2004, donated computers to four primary/secondary schools in Rayong province for use by 877 students studying in these schools.
- In 2001, the Company helped build a school for children affected by the earthquake which hit western India in 2001. The "Indo-Thai Friendship School" is now fully operational and can accommodate 700 students in the elementary, middle and high school levels. This has been greatly appreciated by all concerned and projects a very favorable impression of Thailand.
- The Company readily responded to the needs of the people living in South Thailand affected by the deadly Tsunami of December 2004. The Company and its employees contributed Baht 590,000 to the villagers of Talay Nok in Ranong province, to renew/repair their fishing boats and resume their livelihood. The Company also adopted the Talay Nok village and Company representatives paid regular visits there to ascertain the needs of the villagers.
- The Company along with the staff and crew donated Baht 1,325,867 in year 2008 to construct a new building for housing the Physics, Chemistry and Computer laboratories at a school in Semmangudi, Tamil Nadu, India. This school is in a very poor village and was seriously affected by the Tsunami of December 2004.
- The Company is one of the sponsors of the annual sports day function at the MMTC. The co-operation with MMTC thus extends to Sports, besides academics (as outlined above), and helps in all-round development of Officer Cadets.
- The Company is setting up aid schemes by way of annual scholarships or otherwise, to our own staff members who are not able to afford school admission and/or tuition fees for their children.
- The Company donated money and equipment to make a scientific laboratory that supported study activities at Ban Koh School in Surin province in September 2006. The Company donated Baht 100,000 and books to cadets of Merchant Marine Training Centre to repair classrooms and build up the library for Bannwangsanuan School in Nakornratchasrima province in September 2007.
- The Company contributed Baht 100,000 to The Council for Social Welfare of Thailand under The Patronage of His Majesty the King to develop knowledge and foster career skills of disabled people, supporting them to seek their own income, on the 43rd Cripple Day in November 2007.
- The Company donated Baht 68,000 to Ban Koh School in Surin province in year 2008 to support the "Student Field Trip" to Skaerat Environmental Research Station in Nakhon Ratchasrima province.

MANAGEMENT DISCUSSION AND ANALYSIS

1. OPERATIONS AND FINANCIAL ANALYSIS

1.1 GLOSSARY OF TERMS:

The Financial Analysis part of this Management Discussion and Analysis (MD&A) is based on the Company's consolidated financial statements prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the US Dollar (Functional Currency) Financial Statements (presented in note 34 to the financial statements "Functional Currency Financial Statements"). A variety of financial and operational terms has been used in the MD&A and some of these terms are explained below:

Average Daily Vessel Operating Expenses in USD (Opex) - Average Vessel Operating Expenses per day per vessel are computed over a 365 days operating cycle. These exclude depreciation but include amounts amortised per accounting policy (note 4.5 of audited financial statements) for Dry-docking and Special Survey (DD/SS) expenses and the amortisation is included as "depreciation" in the financial statements. Vessel operating expenses generally represent fixed costs which include crewing, repairs and maintenance, insurance, stores, lube oils, management cost and amortised portion of Dry-docking and Special survey expenses.

Vessel Running Expenses - Vessel running expenses in the Financial Statements refer to vessel operating expenses excluding amortised Dry-docking and Special Survey expenses.

Voyage Expenses - Voyage expenses mean all expenses related to a particular voyage including bunker fuels and voyage disbursements at the ports of call. Voyage disbursements include port fees, cargo loading and unloading expenses, canal tolls, agency fees and other expenses at the ports of call. Voyage costs are typically paid by the client (charterer) under Time Charter and by the Company under Voyage Charter. However, when the Company pays the voyage expenses, the Company typically adds them while calculating freight rate so that the desired Time Charter rate is achieved had the Company negotiated the Voyage as a Time charter.

Total Vessel Operating Costs - Total Vessel Operating Costs in the Financial Statements means the aggregate of vessel running expenses and voyage expenses.

Average Daily Vessel Earnings in USD (TC Rate) - Average time-charter equivalent earnings per day per vessel computed over a 350 days cycle. The TC rate is calculated by dividing net Vessel Operating Income by 350 days per vessel.

Vessel Operating Income - Vessel Operating Income in the Financial Statements means total of Time charter income and Voyage charter income received. In other words, this is total income earned through Time and Voyage Charters.

Net Vessel Operating Income - Net Vessel Operating Income means Vessel Operating Income less Voyage expenses, and is also known as Net Time Charter Equivalent Revenue.

Dry-docking and Special survey - The Company must periodically dry-dock each of its vessels for inspection, repairs and maintenance and any modifications to comply with industry certification and or various regulations applicable to the Company's vessels. Generally, each vessel is dry-docked every 2.5 years and 5 years to carry out intermediate and special survey, respectively. The Company capitalizes these costs and depreciates them over a period of 2 years for dry-docking cost related to an Intermediate survey and 4 years for dry-docking cost related to a special survey. The depreciation amount of dry-docking and special survey costs is included in Depreciation and do not form part of vessel operating costs in the Financial Statements. However, while calculating average Vessel Operating expenses per day per vessel (Opex), the Company includes amortised portion of dry-dock and special survey cost for ascertaining complete Opex.

Depreciation - The main component of depreciation cost is depreciation on Vessels. It also includes amortisation of Dry-docking and Special survey cost as explained above, in the Financial Statements.

Ship Idle /Down Time - Ship idle time refers to downtime (in days) due to technical reasons only and it means the vessel was "off-hire" at dry-dock or at sea or port for repairs of a routine nature or in case of a breakdown.

Gross Profit - Gross Profit means Vessel operating income less Vessel operating costs.

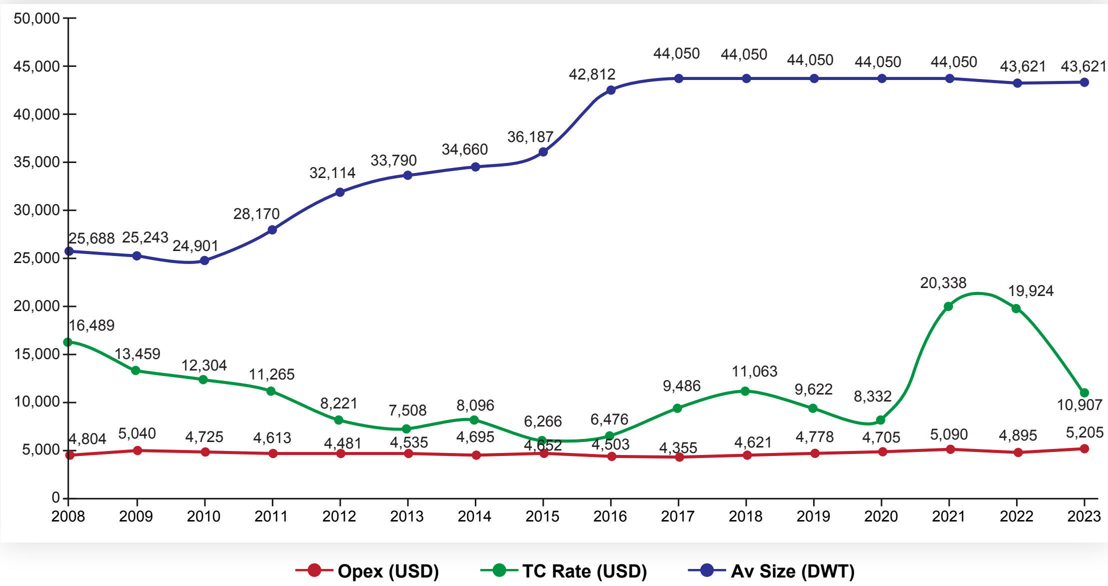
Gross Profit Margin - Gross Profit margin means gross profit divided by Vessel operating income denominated in percentage.

Administrative Expenses - Administrative expenses include onshore (office) personnel payroll costs, office rent, legal and professional expenses and other expenses of an administrative nature. Administrative expenses in the Financial Statements also include cost of personnel employed for technical management of vessels. However, for calculating average Vessel operating expenses per day per vessel (Opex), such relevant portion of administrative expenses is considered and included in the Opex as Management Fees.

1.2 VESSEL EARNINGS AND VESSEL OPERATING EXPENSES

AVERAGE OPEX / TC RATES (2008 - 2023)

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Avg Age	20.59	17.08	15.43	14.20	11.36	11.35	10.45	9.78	5.83	6.28	7.28	8.28	9.28	10.28	10.97	11.97



The average earning per day per vessel (TC Rate) was USD 10,907 in 2023, while the average daily operating expense per vessel (Opex) was USD 5,205.

PSL's Handysize and Supramax/Ultramax Vessels Earnings comparison with Market (Source from Clarksons)

Index	2023 Average Index	Market Average Time Charter Rate USD (Per Day)	PSL Average Time Charter Rate USD (Per Day)	Performance Over (Under) vs Benchmark
Baltic Handy Size Index (BHSI)	579	10,420	10,280	(1.34%)
Baltic Supramax Index (BSI)	1,022	11,240	11,682	3.93%

During the year 2023, the Baltic Handy Size Index (BHSI) averaged 579 points derived from the average Time Charter (TC) rate of USD 10,420 per day and as compared to that, PSL's Handysize fleet (including its cement carriers) earned USD 10,280 per day underperforming the BHSI TC rate by 1.34%. The Baltic Supramax Index (BSI) averaged 1,022 points derived from the average Time Charter (TC) rate of USD 11,240 per day and as compared to that, PSL's Supramax/Ultramax vessels earned USD 11,682 per day, outperforming the BSI TC rate by 3.93%.

PSL OPEX comparison with Industry (industry report compiled by Braemar)

For years Particulars	Industry * 2023 USD (Per Day)	PSL 2022 USD (Per Day)	PSL 2023 USD (Per Day)
Crew Cost	3,129	2,741	2,754
Insurance	388	378	404
Technical	1,468	1,323	1,455
Total Operating Costs	**4,985**	**4,442**	**4,613**

* OPEX industry is calculated by taking the simple average OPEX of Handysize and Handymax vessels

PSL's daily vessel operating expenses per vessel (Opex) have increased from USD 4,442 per day (excluding USD 453 per day on account of dry-dock and special survey costs) in 2022 to USD 4,613 per day (excluding USD 592 per day on account of dry-dock and special survey costs) in 2023 which is, as always, far below the industry average as per table above.

1.3 CREDIT/LOAN FACILITIES

The details of loan facilities are summarized as follows:

Facility	Lender's Bank(s)	Borrower(s)	Tenor (Years)	Interest Rate	Repayment Term	Drawdown in 2023 Million USD	Repayment/ Prepayment in 2023 Million USD	Outstanding Loan Balance as on 31 Dec 2023 Million USD
1	Export-Import Bank of Thailand	The Company, Precious Rubies Ltd., Precious Opals Ltd., Precious Venus Ltd., and Precious Neptune Ltd.	10.0	SOFR + margin	39 equal quarterly installments of 1/55th of each loan drawdown amount, commenced 3 months after delivery of each respective vessel and a balloon repayment of the remaining balance at the end of the 40th quarter	-	5.69	31.58
2	Export-Import Bank of Thailand	The Company, and Precious Forests Ltd.	10.0	SOFR + margin	39 equal quarterly installments of 1/55th of loan drawdown amount, commencing from the end of the quarter after loan drawdown and a balloon repayment of the remaining balance at the end of the 40th quarter	-	1.18	11.48
3	Export-Import Bank of Thailand	The Company, Precious Lands Ltd., Precious Lakes Ltd, Precious Ponds Ltd., Precious Comets Ltd., and Precious Ornaments Ltd.	7.0	SOFR + margin	27 equal quarterly installments commencing 3 months after the first drawdown and a balloon repayment of the remaining balance at the end of the term	-	2.80	18.90
4	SinoPac Capital International (HK) Limited	Precious Visions Pte. Ltd.	5.0	SOFR + margin	20 equal quarterly installments of USD 211,250 commencing 3 months after loan drawdown and a balloon repayment of USD 1,775,000 together with the last installment at the end of the term.	-	4.31	-
5	Export-Import Bank of Thailand	The Company, Precious Pearls Ltd., and Precious Thoughts Pte. Ltd.	2.5	SOFR + margin	The loan shall be repaid in 10 quarterly installments of USD 1,010,000, beginning from the end of the next quarter after drawdown date with balance amount repayable at the end of the 10th quarter.	-	4.04	-
6	Crédit Agricole Corporate and Investment Bank	Precious Forests Pte. Ltd., Precious Fragrance Pte. Ltd., Precious Glories Pte Ltd., Precious Wisdom Pte Ltd., Precious Sparks Pte. Ltd., and Precious Bridges Pte. Ltd	5.0	SOFR(1) + margin	The loan which comprises 5 vessel tranches, shall be repaid over 5 years, in 20 equal quarterly installments beginning three calendar months after the drawdown date together with a balloon (except Tranche F) payable on maturity of the loan. (Details in note 18 to the financial statements)	-	31.50	-

Facility	Lender's Bank(s)	Borrower(s)	Tenor (Years)	Interest Rate	Repayment Term	Drawdown in 2023 Million USD	Repayment/ Prepayment in 2023 Million USD	Outstanding Loan Balance as on 31 Dec 2023 Million USD
7	International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Plc.	Precious Comforts Pte. Ltd., ABC One Pte. Ltd., ABC Two Pte. Ltd., ABC Three Pte. Ltd., and ABC Four Pte. Ltd.	8.0	SOFR(1) + margin	The Loan, which comprises 5 vessel tranches, shall be repaid over a maximum tenor of 8 years, in 32 quarterly installments as the amounts stipulated in the agreement beginning on 30 December 2021 together with a balloon payment payable on final maturity of the Loan.	-	13.35	54.81
8	Bangkok Bank Plc, Singapore Branch (Amended Loan)	Precious Grace Pte. Ltd., Precious Skies Pte. Ltd., and Precious Tides Pte. Ltd.,	6.0	SOFR + margin	The loan shall be repaid in 24 quarterly installments, beginning three calendar months after the drawdown date	15.90	4.18	27.40
9	IYO Bank Bank, Ltd. Singapore Branch	Precious Visions Pte. Ltd.	5.0	SOFR + margin	The loan shall be repaid in 20 quarterly installments, beginning three calendar months after the drawdown date with a balloon payment payable on final maturity of the Loan.	9.00	0.69	8.31
10	Export-Import Bank of Thailand	Precious Stones Shipping Ltd., and Precious Metals Ltd.	7.0	SOFR + margin	The loan, which comprises 2 tranches. Tranche A shall be repaid over a maximum tenor of 7 years, in 28 quarterly installments as the amounts stipulated in the agreement beginning three calendar months after the drawdown date with a balloon payment payable on final maturity of the Loan. Tranche B shall be repaid over a maximum tenor of 6 years, in 24 quarterly installments as the amounts stipulated in the agreement beginning three calendar months after the drawdown date with a balloon payment payable on final maturity of the Loan	26.25	-	26.25
11	International Finance Corporation, Crédit Agricole Corporate and Investment Bank, and Export-Import Bank of Thailand	Precious Waves Pte. Ltd., Precoius Breeze Pte. Ltd., Precious Topaz Pte. Ltd., Precious Jade Pte. Ltd., Precious Violets Pte. Ltd., and Precious Tulips Pte. Ltd.	10.0	SOFR + margin	The loan, which comprises 6 vessel tranches, shall be repaid in 40 quarterly installments, with a balloon payment payable on final maturity of the Loan	-	-	-
12	Crédit Agricole Corporate and Investment Bank	Precious Glories Pte. Ltd., Precious Wisdom Pte. Ltd., Precious Bridges Pte. Ltd., and Precious Sparks Pte. Ltd.	5.0	SOFR + margin	The loan, which comprises 4 tranches. Each Tranche shall be repaid in 20 quarterly installments, together with a balloon payment payable on final maturity of the Loan	36.90	-	36.90
13	SinoPac Capital International (HK) Limited	Precious Daisies Pte. Ltd., and Precious Marigold Pte. Ltd.	5.0	SOFR + margin	The loan, which comprises 2 tranches. Senior Tranche shall be repaid in 20 quarterly installments, together with a balloon payment payable on the final maturity of the Loan. Junior Tranche shall be repaid in 12 quarterly installments	-	-	-

(1) SOFR margin was swapped to fixed rate as mentioned in note 16 to the financial statements.

As of 31 December 2023, the Company complied with all financial covenants for all loan facilities. The details of financial covenants for each loan facility are also disclosed in note 16 to the financial statements.

1.4 FINANCIAL PERFORMANCE BASED ON US DOLLAR (FUNCTIONAL CURRENCY)

The following table summarises the financial performance of the Company for the last 2 years. All figures quoted are from the US Dollar (Functional Currency) Financial Statements per note 34 to Audited Consolidated Financial Statements.

For the year ended / as at	31-Dec-2022	31-Dec-2023	Increase (Decrease) %
	Million USD	Million USD	
Income Statement			
Total revenues	260.45	149.24	(42.70)
Net vessel operating income	257.41	144.51	(43.86)
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) *	**180.33**	**63.81**	**(64.61)**
Depreciation *	31.45	32.85	4.45
EBIT	148.88	30.96	(79.20)
Finance cost	11.12	13.80	24.10
Operating profit (loss)	137.77	17.16	(87.54)
Non-operating profit (loss)	1.27	3.29	159.06
Net Profit (loss) before Tax	**139.04**	**20.45**	**(85.29)**
Income tax expense	0.43	0.10	(76.74)
Net Profit (loss) **	**138.61**	**20.35**	**(85.32)**
Financial Position			
Cash and cash equivalents	30.54	67.64	121.48
Total current assets	45.06	84.46	87.44
Restricted bank deposits	2.90	3.01	3.79
Property, plant and equipment	637.92	608.81	(4.56)
Total Assets	**703.19**	**711.38**	**1.16**
Advances received from charterers	1.58	1.29	(18.35)
Current portion of long-term loans	33.61	52.11	55.04
Total current liabilities	54.03	66.58	23.23
Long-term loans - net of current portion	160.50	161.97	0.92
Total Liabilities	**226.87**	**236.68**	**4.32**
Equity share capital	51.06	51.06	-
Premium on ordinary shares	63.29	63.29	-
Total Shareholder's Equity	**476.32**	**474.70**	**(0.34)**
Net Book Value per share (USD)	**0.31**	**0.30**	**(3.23)**

* EBITDA and Depreciation are considered after depreciation on dry-docking and special survey expenses. These expenses are included in vessel operating cost for the purpose of computing EBITDA, which is in line with Company's policy of disclosing average daily vessel operating expenses (Opex) after including dry docking and special survey expenses.

** Net profit (loss) represents net profit (loss) attributable to equity holders of the Company.

- **Revenues and Profitability**

Total revenues have decreased from USD 260.45 million in 2022 to USD 149.24 million in 2023. The net vessel operating income has decreased from USD 257.41 million in 2022 to USD 144.51 million in 2023, with the average vessel earnings per day per vessel (TC Rate) decreasing from USD 19,924 in 2022 to USD 10,907 in 2023. The Company operated 38 vessels at the end of 2022 and 2023. The average daily vessel operating expenses (Opex) have increased from USD 4,895 in 2022 to USD 5,205 in 2023 (including depreciation/amortisation of the drydocking/special survey expenses in both years). Operating cash flows or Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) has decreased from USD 180.33 million in 2022 to USD 63.81 million in 2023.

The average daily vessel operating expenses have increased, but it remains far below the Industry average as explained in Section 1.2 above.

Depreciation (excluding depreciation of dry-dock and special survey cost) has increased marginally from USD 31.45 million in 2022 to USD 32.85 million in 2023.

Finance costs have increased from USD 11.12 million in 2022 to USD 13.80 million in 2023 mainly due to an increase in the SOFR benchmark rate .

The Company earned an operating profit of USD 17.16 million in 2023, compared to an operating profit of USD 137.77 million in 2022. The Company also has a non-operating profit of USD 3.29 million in 2023 compared to USD 1.27 million in 2022.

Income Tax at USD 0.10 million in 2023 and USD 0.43 million in 2022 is the income-tax on non-shipping income.

As a result of the above factors, the Company has earned a net profit of USD 20.35 million in 2023 compared to a net profit of USD 138.61 million in 2022.

- **Assets, Liabilities and Shareholders' Equity**

Current Assets

As compared to the end of the previous year, there is an increase of USD 39.40 million in current assets, driven by an increase in cash and cash equivalents of USD 37.10 million due to stronger than expected earnings in the last quarter of 2023 and because of a loan drawdown. The Company collects almost all its income in advance (95% of Freight in case of a Voyage Charter and 15 days' hire in case of Time Charter) and as such, there is usually no concern in respect of collection of receivables and consequently, the amount presented as receivables is largely on account of miscellaneous dues from Agents, Charterers and accrual of income based on the percentage of voyage completed. The Company policy has set up an allowance for expected credit losses (ECLs) by applying the simplified approach as described in Note 4.17 to the financial statements. As of 31 December 2023, only USD 0.002 million was set up for ECLs.

Restricted Bank Deposits

Restricted bank deposits increased by USD 0.11 million, following the terms of a loan agreement as mentioned under Note 9 to the financial statements.

Property, Plant and Equipment

The value of Property, Plant and Equipment has decreased from the previous year's levels due to depreciation. As of 31 December 2023, the Company owned 38 vessels, details of which have been provided under the Fleet List section of this Report.

Total Liabilities

The Company had USD 194.11 million of loans outstanding at the beginning of 2023. During the year, total loans drawn were in the amount of USD 88.05 million while total loan repayments and prepayments were in the amount of USD 67.74 million. On 31 December 2023, the Company's secured outstanding loans (net of current portion) figure was USD 161.97 million while the aggregate secured outstanding loan figure was USD 214.08 million.

The total liabilities have increased from USD 226.87 million in 2022 to USD 236.68 million in 2023.

Shareholders' Equity

In 2023, the Company earned a net profit of USD 20.35 million and paid dividends of USD 18.07 million. After the change in CSR Reserve, other components of shareholders' equity and minority interest, the Shareholders' Equity stands at USD 474.70 million which is down from USD 476.32 million at the end of 2022. The net book value per share is USD 0.30 at the end of 2023.

- **Leverage, Liquidity and Coverage**

For the year ended / as at	31-Dec-2022	31-Dec-2023
Ratios (times)		
Current Ratio	0.83	1.27
Total Liabilities/Equity	0.48	0.50
Debt Service Coverage ***	3.52	1.59
EBITDA/Interest	17.82	4.95

*** The ratios are calculated in compliance with the financial covenants stated in the credit facility agreements.

As of 31 December 2023, the Company's gearing (Total Liabilities/Total Shareholder's Equity) stands at 0.50X, up from 0.48X on 31 December 2022. The ratio increased due to an increase in total liabilities from loans.

The Company's current ratio for 2023 is 1.27X which increased from 0.83X in 2022, due to the increase in cash and cash equivalents.

As of 31 December 2023, the Company's debt service coverage ratio is 1.59X while the interest coverage ratio is 4.95X.

1.5 REVIEW AND ANALYSIS OF AUDITED CONSOLIDATED THAI BAHT FINANCIAL STATEMENTS

- **Analysis of Income Statements**

The net vessel operating income for the year 2023 (net of voyage disbursements and bunker consumption) decreased by about 44% as compared to the figure in 2022 due to the decrease in TC rates. Vessel running expenses for 2023 have increased about 6% as compared to 2022 due to an increase in stores and spares expenses. In 2023, the total vessel operating costs which comprise of vessel running expenses, voyage disbursements and bunker consumption, increased by about 4%, compared to total vessel operating costs for the previous year. In 2023, vessel disbursements and bunker consumption decreased, as voyage charters decreased from 0.8% in 2022 to 0.5% in 2023.

The average daily TC rate per vessel was lower than the previous year while the average daily OPEX was higher than the previous year. The Gross Profit decreased by 58% compared to the previous year while the Gross Profit Margin decreased from 77% to 58%.

Interest income in 2023 increased by Baht 29.78 million as compared to 2022.

The Company recorded exchange gains in the amount of Baht 11.94 million in 2023 compared to Baht 0.5 million in 2022. In 2023, exchange gains were mainly on account of changes in the US Dollar equivalent figure of our Thai Baht liabilities.

Administrative expenses (including management remuneration) for 2023 have decreased by Baht 91.13 million as compared to 2022 mainly due to a decrease in variable compensation expenses.

Gain on derivatives Baht 35.90 million in 2023 was mainly due to the unwinding of several interest rate swap agreements compared to the loss on derivatives of Baht 1.41 million in 2022.

Corporate income tax was Baht 3.58 million for the year 2023 compared to Baht 15.35 million for the year 2022.

The total expenses (excluding depreciation) in 2023, as compared to the previous year (excluding depreciation), are lower mainly due to a decrease in variable compensation expenses.

Depreciation has increased from Baht 1,324.37 million in 2022 to Baht 1,428.68 million in 2023.

Finance costs have increased by Baht 88.25 million mainly due to an increase in the SOFR benchmark rate.

As a result of the above factors, the Company has reported a profit of Baht 709.60 million for 2023 as compared to a profit of Baht 4,850.79 million in the previous year.

- **Analysis of Statements of Comprehensive Income**

The Company reported Baht 303.00 million as other comprehensive loss for the year 2023 as compared to a gain of Baht 754.54 million for the year 2022. The movement was mainly from exchange differences on translation of the functional currency to the presentation currency financial statements.

- **Analysis of Statements of Financial Position**

As compared to the end of 2022, there is a Baht 1,332.95 million increase in current assets, due to a Baht 1,259.32 million increase in cash and cash equivalent and increase in the current financial assets as mentioned in note 10 to the financial statements.

Restricted bank deposits increased by Baht 2.58 million, in accordance with the terms of a loan agreement as is mentioned in note 9 to the financial statements.

Derivative assets decreased by Baht 148.94 million due to the decrease in fair value of interest rate swap agreements as is mentioned in note 31 to the financial statements.

Property, Plant and Equipment decreased by Baht 1,212.55 million, mainly from depreciation.

Total assets increased by Baht 41.86 million from Baht 24,303.96 million in 2022 to Baht 24,345.82 million in 2023 as per mentioned above.

Total current liabilities increased by Baht 411.04 million as compared to the previous year due to an increased in the current portion of long-term loans offsetting with the decrease in total trade and other payables.

As at the end of 2023, the Company's long-term loans (net of current portion) figure was Baht 5,543.00 million while aggregate long term loans figure was Baht 7,326.36 million. During the year 2023, the Company had aggregate loan drawdowns in the amount of Baht 3,080.87 million and aggregate loan repayments and prepayments in the amount of Baht 2,363.73 million.

Total Liabilities increased from Baht 7,841.16 million at the end of 2022 to Baht 8,100.07 million at the end of 2023.

Total shareholders' Equity decreased from Baht 16,462.81 million at the end of 2022 to Baht 16,245.75 million at the end of 2023. The movement was due to a net profit of Baht 709.60 million, dividend of Baht 623.66 million and other comprehensive income of Baht 303.00 million.

- **Analysis of Statements of Cash flows**

During the year under review, Baht 2,555.91 million of cash was generated from operations. This is about 61.13% lower than the cash generated from operations in the previous year.

After adjusting for Working Capital Changes, the net cash generated from operations and available for use in investing and financing activities was Baht 2,219.86 million.

During the year, the Company paid Baht 409.53 million for vessel equipment and dry docking/special survey expenses and paid Baht 152.94 million for investments in equity instruments. The Company received a dividend in the amount of Baht 21.16 million from an investment in an associate company. After adjustments, the net cash flow used in investing activities was Baht 540.62 million.

During the year, the Company had aggregate loan drawdowns in the amount of Baht 3,080.87 million and aggregate loan repayments and prepayments in the amount of Baht 2,363.73 million. The Company paid Baht 507.67 million as interest expenses and deferred financial fees. The Company paid dividends amounting to Baht 623.66 million. The Company received a gain of Baht 56.08 million from derivatives. After adjustments, the net cash flow used in financing activities was Baht 368.20 million.

2. FACTORS THAT MAY IMPACT FUTURE BUSINESS OPERATIONS (TO BE READ WITH THE SUSTAINABLE DEVELOPMENT PRESENTED SEPARATELY IN THIS REPORT)

2.1 SUSTAINABILITY MANAGEMENT IN BUSINESS

The Company identified material sustainability issues covering the environmental, social, and governance that may have an impact on the Company's business operations, as well as communicated the business strategies to respond to the stakeholders' expectations which is an important factor for creating long-term value for the organization and supporting sustainable business operations.

- **Environment**

We take our obligation to reduce the environmental impact of our business very seriously. We have measurably reduced emissions by replacing our fleet of older vessels with modern fuel-efficient vessels. We committed to operating environmentally friendly ships and implemented a number of fuel-saving measures such as

- Achieved around 5% savings in energy/reduction in emissions per vessel by installing wake equalizing ducts on 18 vessels in the fleet.
- Regular cleaning of the external underwater hull and propeller so that frictional losses are kept to a minimum
- Usage of efficient hull coatings (anti-fouling paints)
- Avoiding wastage of electric power on board
- Implementation of active weather routing on voyages to increase efficiency
- Using low sulphur fuel oil rather than installing scrubbers that cause acidification of the ocean.
- Ballast water treatment plants have insofar been installed on all vessels of PSL's fleet. These treatment plants are designed to remove, render harmless, and thereby prevent transfer of harmful bacteria and invasive species of microlife through ballasting and de-ballasting operations between ports.

To continue improvement in emission related performance and reduce its carbon footprint, PSL has specific emission reduction targets in line with IMO's goal to achieve net zero greenhouse gas emission by 2050.

- **Social**

PSL recognizes the importance of human capital in the growth and success of its business. Therefore, we strive to enhance the competence and skills of our employees by conducting a range of in-house training and development programs for employees across the organization. In 2023, the Company spent a total of Baht 2.26 million on training to develop the workforce's skills and knowledge of staff onshore and onboard.

PSL is committed to continuous advancement and automation of its operations to ensure the highest level of operational efficiency. Further, we are committed to implementing the latest technologies to improve operational efficiencies and reduce our environmental impact.

Over the years, we have made significant donations to community schools as well as provided scholarships to deserving students at the Merchant Marine Training Centre and various such activities since 1995.

Summary social activities included donations and scholarships in 2023 as follows.

- Provided scholarships to 42 students of the Merchant Marine Training Centre, Baht 1.23 million.
- Provided a Baht 1.00 million donation to Mechai Pattana School in the rural Lamplaimat District of Buriram Province.
- PSL awarded academic and need-based scholarships to 21 school and college students, Baht 0.48 million.
- PSL employees made contributions to marine conservation at Chonburi by cleaning the habitat of endangered sea turtles and by facilitating the release of blue swimmer crabs into their natural ocean environment.

- **Governance**

The Company recognizes that good Corporate Governance is important and necessary for sustainable growth in business and long-term shareholder value, and accordingly, the Board of Directors has reinforced corporate governance by including policies and directions on operating the business, set up adequate internal controls and internal audit systems and monitoring management to perform effectively under the policy to ensure long term interests of shareholders under applicable laws with full transparency and correct business ethics.

Awards and Recognitions for Good Corporate Governance in 2023

- We conferred the “Best Investor Relations Awards” for Companies with a market capitalization between Baht 10,000 million to Bath 30,000 million at the SET Awards 2023.
- We have been included in the Stock Exchange of Thailand’s Thailand Sustainability Investment (THSI) list for 2022 and 2023.
- We were classified as a company with “Excellent” Corporate Governance for 14 consecutive years from 2010 to 2023, by IOD & National CG Committee.
- We earned 100 full AGM assessment scores for the sixth consecutive years from 2018 to 2023, by Thai Investors Association (TIA)

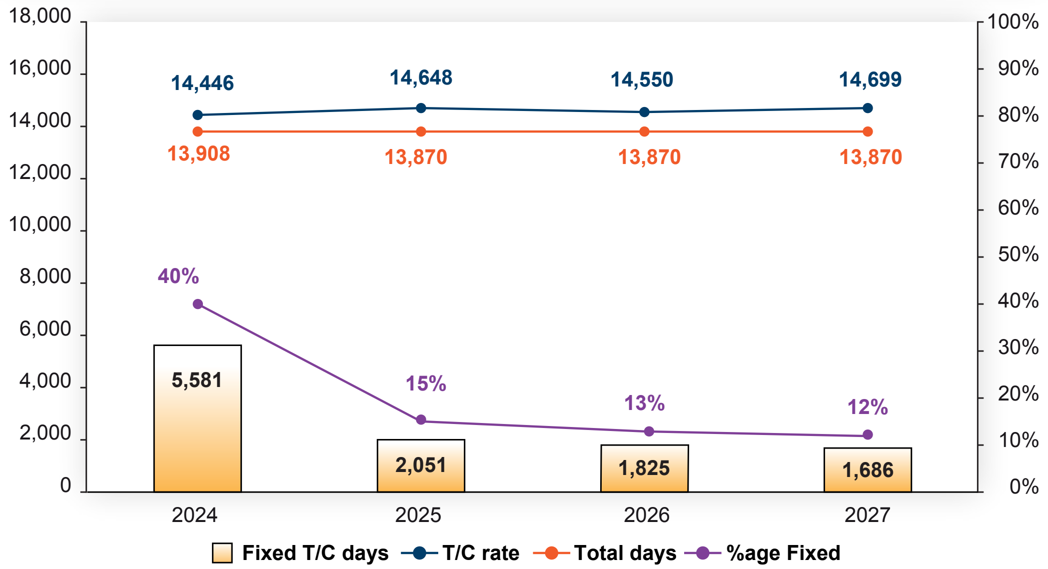
2.2 MARKET CONDITIONS (TO BE READ WITH THE BOARD OF DIRECTORS’ REPORT PRESENTED SEPARATELY IN THIS REPORT)

Precious Shipping PCL (hereinafter referred to as PSL or the Company) continues to own and operate its vessels on a tramp-shipping basis in the geared sector of the Dry Bulk International Shipping market. The Company started business in the handy-sized sector of the industry. In late 2011, the Company expanded into the larger Supramax sector and acquired nine vessels over a period of two years. In 2014 and 2015, the Company took delivery of four newbuilding double hull cement carriers, which were custom-built for a customer and chartered to them for the long-term. From 2014 to 2017, the Company took delivery of eight newbuilding Ultramax vessels and these are currently the largest vessels in the fleet. In 2022, the Company took delivery of two secondhand handysize vessels. Starting from the year 2004, PSL had put in place its business strategy to enter into long-term time charters (Period Charters) at reasonably high freight rates, whenever possible, for periods ranging from 3 months to 5 years or longer at opportune times. This policy was successfully applied right until the third quarter of 2008 after which the market dropped and remained depressed for about a decade, during which time it was not possible to renew or enter into new period charters at attractive rates. PSL’s intention is to continue to charter out our vessels on long-term time charters whenever practical and economically viable. In

2021, dry-bulk freight markets strengthened to a level not seen since 2008 and so the Company was to a limited extent, able to implement its strategy of entering into long term time charters. In 2022 - 2023, the Company continued its strategy by entering into long term time charters contracts at levels linked to the underlying index for vessels of that size. The rolling 4-year forward book of long-term time charters over 1 year is presented below:

ROLLING 4-YEAR FORWARD BOOK

Contract Value	USD 80.62 m	USD 30.04 m	USD 26.55 m	USD 24.78 m



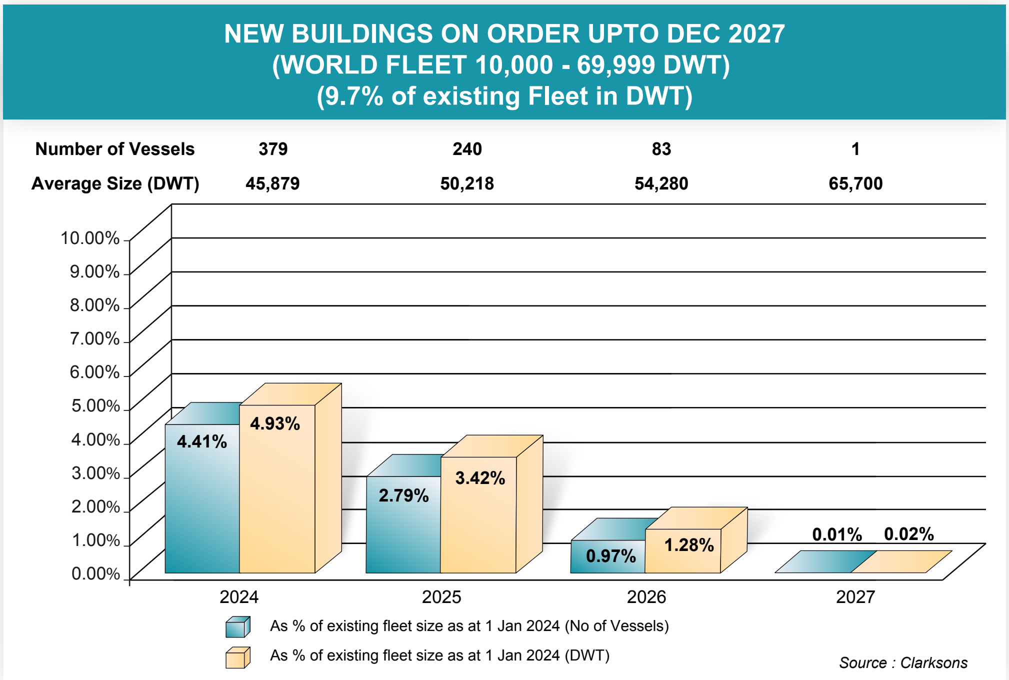
- *This comprises charters on 5 ships on fixed rate charter and 15 ships on variable rate charters.*
- *Average T/C Rate/Day for the variable rate charters is estimated based on rates prevailing in January 2024 for future earnings and actual earnings for past earnings.*

Total Days in the above chart is based on our existing fleet of 38 vessels as at the end of the year 2023.

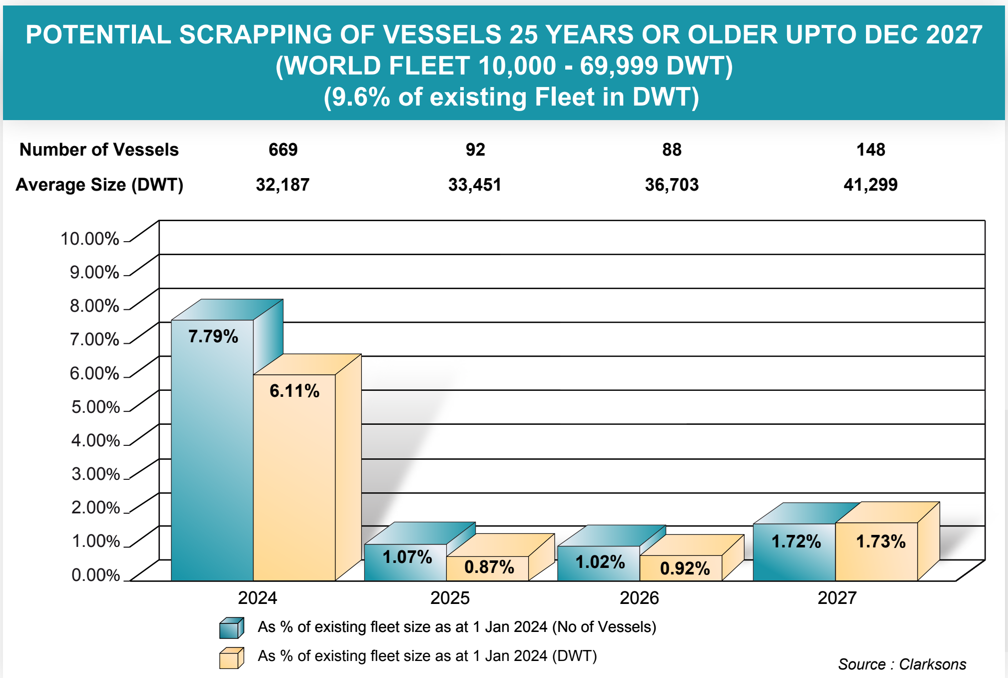
For further discussions and analysis of the market conditions, please refer to the Board of Directors' Report presented separately in this Report.

2.3 INDUSTRY OVERVIEW - WORLD DEMAND-SUPPLY OUTLOOK (TO BE READ WITH THE BOARD OF DIRECTORS' REPORT PRESENTED SEPARATELY IN THIS REPORT)

2.3.1 World Fleet (10,000 - 69,999 DWT) – 8,593 vessels of 352.36 million DWT

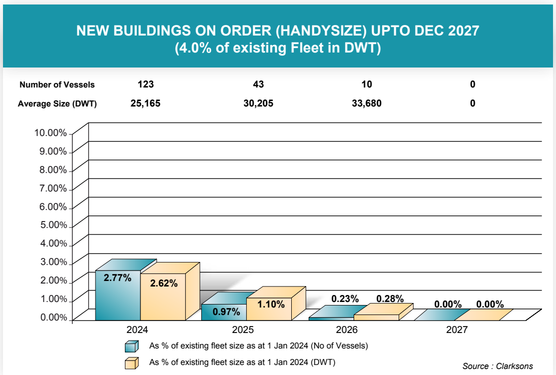


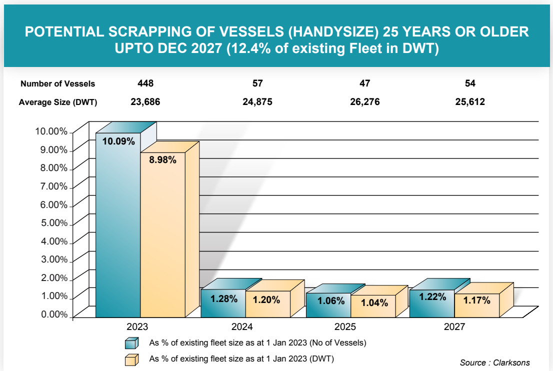
As of 31 December 2023, the world fleet in the 10,000 - 69,999 DWT size range comprises 8,593 vessels of 352.36 million DWT. It is evident from the charts above and below that during the next 4 years, 703 vessels have been contracted to be delivered against 997 vessels which are aged over 25 years old and likely to be recycled, representing a net decrease of 0.1% of existing world fleet in terms of DWT. The effect of ballast water management convention together with regulations for EEXI and CII could force shipowners to recycle old vessels earlier, and therefore, we can expect fleet growth to stay at or around these low levels that should bring about demand-supply balance in the market.



The details of new buildings on order and potential recycling of vessels by fleet size are as follows

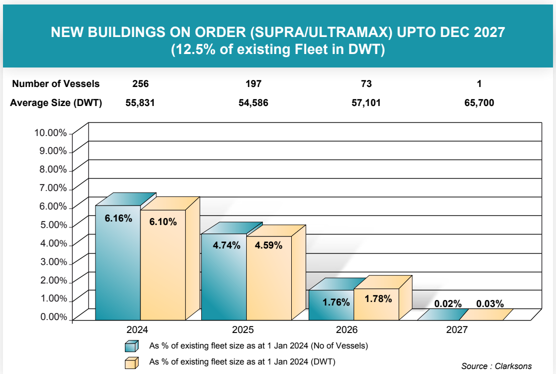
2.3.2 Handysize Fleet (10,000 - 39,999 DWT) - 4,439 vessels of 118.20 million DWT

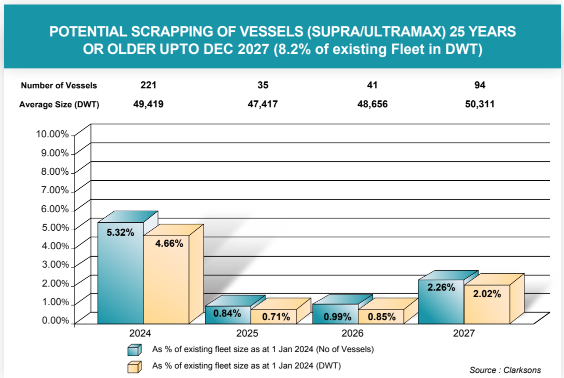




From the above charts, it is evident that over the next 4 years, there are 176 Handysize vessels to be delivered, against 606 Handysize vessels which are aged over 25 years old and likely to be recycled, representing a net decrease of 8.4% of the existing Handysize Fleet in DWT terms.

2.3.3 Supramax/Ultramax Fleet (40,000 - 69,999 DWT) – 4,154 vessels of 234.16 million DWT





From the above chart, it is evident that over the next 4 years, there are 527 Supramax/Ultramax vessels to be delivered, against 391 Supramax/Ultramax vessels which are aged over 25 years old and likely to be recycled, representing a net increase of only 4.3% of existing Supramax/Ultramax Fleet in DWT terms. However, it may be noted that the figures above include old ungeared ships which are of this size range and therefore cannot be considered strictly as Supramax/Ultramax vessels.

3. SIGNIFICANT FINANCIAL INFORMATION

3.1 Statement of Financial Position

	Consolidated Financial Statements		
	2021	2022	2023
Assets			
Current assets			
Cash and cash equivalents	2,468,209,354	1,055,667,444	2,314,984,719
Trade and other receivables	175,329,039	279,149,273	295,394,486
Bunker oil	21,575,202	41,819,267	30,141,521
Other current financial assets	-	-	95,110,384
Other current assets			
Advances to vessel masters	30,065,102	37,007,863	35,762,134
Claim recoverables	8,120,546	12,799,390	-
Lube oil stock on board	76,348,181	91,046,628	84,761,164
Others	29,861,416	39,966,968	34,252,853
Total other current assets	144,395,245	180,820,849	154,776,151
Total current assets	2,809,508,840	1,557,456,833	2,890,407,261
Non-current assets			
Restricted bank deposits	119,999,498	100,382,755	102,960,837
Derivative assets	8,452,494	274,862,486	125,921,407
Investment in associate held by a subsidiary	91,237,864	80,644,761	81,747,003
Other non-current financial assets	14,705,103	18,100,095	76,769,537
Property, plant and equipment	20,284,980,785	22,048,146,324	20,835,595,355
Right-of-use assets	20,997,859	15,633,143	9,456,886
Intangible assets	6,371,093	5,583,982	4,110,568
Other non-current assets			
Claim recoverables - maritime claims	27,707,403	70,777,229	59,914,320
Deferred contract costs	143,370,720	129,143,691	108,935,971
Deferred financial fees			46,952,561
Others	3,169,593	3,233,389	3,047,351
Total other non-current assets	174,247,716	203,154,309	218,850,203
Total non-current assets	20,720,992,412	22,746,507,855	21,455,411,796
Total assets	23,530,501,252	24,303,964,688	24,345,819,057

3.1 Statement of Financial Position (continued)

	Consolidated Financial Statements		
	2021	2022	2023
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables			
Trade and other payables	105,315,282	229,485,798	62,278,105
Accrued crew accounts	88,778,986	100,996,598	97,825,564
Accrued expenses	62,205,894	81,591,681	73,831,159
Current portion of accrued employee benefits	98,012,687	172,309,065	169,261,020
Total trade and other payables	354,312,849	584,383,142	403,195,848
Advances received from charterers	86,911,294	54,695,861	44,046,078
Current portion of long-term loans	1,408,602,518	1,161,783,910	1,783,362,689
Current portion of lease liabilities	5,418,838	5,704,577	4,421,980
Derivative liabilities	3,995,773	-	19,514,126
Income tax payable	13,676	1,767,934	2,217,005
Other current liabilities	57,341,601	59,130,566	21,748,806
Total current liabilities	1,916,596,549	1,867,465,990	2,278,506,532
Non-current liabilities			
Accrued employee benefits - net of current portion	196,025,373	230,257,126	95,673,939
Long-term loans - net of current portion	6,809,259,448	5,547,288,752	5,542,998,761
Lease liabilities - net of current portion	14,377,261	9,065,079	4,936,837
Derivative liabilities	11,237,536	-	-
Deferred tax liabilities	3,470,971	1,532,803	1,801,784
Provision for maritime claims	39,225,204	55,433,804	42,037,472
Provision for long-term employee benefits	175,293,042	130,111,971	134,113,787
Total non-current liabilities	7,248,888,835	5,973,689,535	5,821,562,580
Total liabilities	9,165,485,384	7,841,155,525	8,100,069,112
Shareholders' equity			
Share capital			
Registered share capital			
1,559,291,862 ordinary shares of Baht 1 each	1,559,291,862	1,559,291,862	1,559,291,862
Issued and paid-up share capital			
1,559,291,862 ordinary shares of Baht 1 each	1,559,291,862	1,559,291,862	1,559,291,862
Paid-in capital			
Premium on ordinary shares	1,967,897,516	1,967,897,516	1,967,897,516
Premium on treasury stock	172,445,812	172,445,812	172,445,812
Retained earnings			
Appropriated			
Statutory reserve - the Company	155,929,186	155,929,186	155,929,186
- subsidiaries	420,420,000	571,500,000	479,260,000
Corporate social responsibility reserve	36,261,237	57,162,181	57,652,601
Unappropriated	10,471,445,662	11,690,107,761	11,867,802,602
Other components of shareholders' equity	(418,712,005)	288,433,916	(14,570,564)
Equity attributable to owners of the Company	14,364,979,270	16,462,768,234	16,245,709,015
Non-controlling interests of the subsidiaries	36,598	40,929	40,930
Total shareholders' equity	14,365,015,868	16,462,809,163	16,245,749,945
Total liabilities and shareholders' equity	23,530,501,252	24,303,964,688	24,345,819,057

3.2 Statement of Income

	Consolidated Financial Statements		
	2021	2022	2023
Revenues			
Vessel operating income			
Time charter income	7,722,877,287	8,992,495,651	5,016,037,638
Voyage charter income	888,876,146	132,297,244	78,618,622
Total vessel operating income	8,611,753,433	9,124,792,895	5,094,656,260
Service income	3,632,948	3,941,486	4,853,326
Interest income	1,870,185	14,593,731	44,376,870
Dividend income	509,281	-	507,490
Exchange gains	194,370,139	497,429	11,937,908
Gains on ineffective portion of cash flow hedge			
on fair value adjustment of hedging instruments	1,041,074	-	-
Gain on derivatives	-	-	35,900,388
Other income	1,117,433	2,815,371	743,944
Total revenues	8,814,294,493	9,146,640,912	5,192,976,186
Expenses			
Vessel operating costs			
Vessel running expenses	1,774,511,844	1,983,300,244	2,095,286,314
Voyage disbursements	110,688,544	38,938,735	35,193,709
Bunker consumption	200,298,325	48,438,189	30,288,679
Total vessel operating costs	2,085,498,713	2,070,677,168	2,160,768,702
Depreciation	1,213,654,309	1,324,374,022	1,428,684,321
Cost of services	5,358,997	5,647,373	5,576,636
Administrative expenses	407,870,640	370,616,540	334,132,630
Management remuneration including perquisites	172,977,473	145,901,550	91,258,156
Reversal expected credit losses	(8,776,627)	(1,348,625)	-
Losses on derivatives	68,667,974	1,414,309	-
Total expenses	3,945,251,479	3,917,282,337	4,020,420,445
Operating profit	4,869,043,014	5,229,358,575	1,172,555,741
Share of profit from investment in			
associate held by a subsidiary	22,798,670	29,131,662	21,218,259
Finance cost	(415,226,947)	(392,348,870)	(480,596,627)
Profit before income tax expenses	4,476,614,737	4,866,141,367	713,177,373
Income tax expenses	(1,682,458)	(15,352,015)	(3,575,091)
Profit for the year	4,474,932,279	4,850,789,352	709,602,282
Profit attributable to:			
Equity holders of the Company	4,474,929,926	4,850,786,205	709,601,871
Non-controlling interests of the subsidiaries	2,353	3,147	411
Profit for the year	4,474,932,279	4,850,789,352	709,602,282
Basic earnings per share			
Profit attributable to equity holders of the Company	2.87	3.11	0.46

3.3 Statement of comprehensive income

	Consolidated Financial Statements		
	2021	2022	2023
Profit for the year	4,474,932,279	4,850,789,352	709,602,282
Other comprehensive income:			
Other comprehensive income to be reclassified			
to profit or loss in subsequent periods:			
Exchange differences on translation of			
financial statements in foreign currency	(4,121,925)	(637,931)	2,029,317
Gains (losses) on cash flow hedges	84,294,806	276,341,014	(141,966,249)
Changes in cost of hedging	(1,511,483)	(1,317,873)	-
Other comprehensive income to be reclassified			
to profit or loss in subsequent periods	78,661,398	274,385,210	(139,936,932)
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods:			
Gains(Losses) on measurement of fair value of financial assets	(3,425,444)	2,892,281	4,739,108
Actuarial gains	-	47,395,540	-
Exchange differences on translation of functional			
currency to presentation currency financial statements	1,239,666,691	429,869,614	(167,807,066)
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods	1,236,241,247	480,157,435	(163,067,958)
Other comprehensive income for the year	1,314,902,645	754,542,645	(303,004,890)
Total comprehensive income for the year	5,789,834,924	5,605,331,997	406,597,392
Total comprehensive income attributable to:			
Equity holders of the Company	5,789,829,061	5,605,327,666	406,597,391
Non-controlling interests of the subsidiaries	5,863	4,331	1
	5,789,834,924	5,605,331,997	406,597,392

3.4 Cash flow statement

	Consolidated Financial Statements		
	2021	2022	2023
Cash flows from operating activities			
Profit before tax	4,476,614,737	4,866,141,367	713,177,373
Adjustments to reconcile profit before tax			
to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	1,214,915,813	1,325,783,590	1,430,126,361
Reversal expected credit losses	(8,776,627)	(1,348,625)	-
Amortisation of deferred contract costs	17,780,093	19,490,323	19,253,234
Write-off equipment	26,378	21,547	6,726
Gains on sales of motor vehicle and equipment	(734,380)	(359,118)	(700,502)
Share of profit from investment in associate			
held by a subsidiary	(22,798,670)	(29,131,662)	(21,218,259)
Reversal of provision for maritime claims	(11,763,717)	(25,828,686)	(2,844,033)
Provision for long-term employee benefits	12,329,100	11,605,983	10,081,690
Unrealised exchange losses (gains)	(15,210,775)	19,772,200	(10,692,690)
Amortised financial fees to interest expenses	14,839,208	23,334,423	18,910,927
Finance cost	389,687,738	362,220,539	436,083,294
Amortisation of deferred debentures issuing cost	217,819	-	-
Dividend income	(509,281)	-	(507,490)
(Gains) losses on derivatives	68,667,974	1,414,309	(35,900,388)
(Gains) losses on ineffective portion of cash flow hedge			
on fair value adjustment of hedging instruments	(1,041,074)	-	-
Write-off withholding tax deducted at source	1,680,297	3,133,175	132,684
Profit from operating activities before			
changes in operating assets and liabilities	6,135,924,633	6,576,249,365	2,555,908,927
Operating assets (increase) decrease			
Trade and other receivables	15,506,027	(101,263,570)	(22,503,076)
Bunker oil	18,830,573	(23,426,715)	11,554,043
Other current assets	(10,372,746)	(25,503,936)	28,612,660
Other non-current assets	-	(60,048)	186,136
Operating liabilities increase (decrease)			
Trade and other payables	70,978,907	214,079,889	(173,306,168)
Advances received from charterers	(563,441,815)	(40,155,707)	(10,279,516)
Other current liabilities	41,263,982	(2,729,860)	(36,288,818)
Non-current liabilities	194,207,543	19,455,150	(123,074,294)
Cash flows from operating activities	5,902,897,104	6,616,644,568	2,230,809,894
Cash paid for long-term employee benefits	(3,079,425)	(9,441,060)	(6,027,952)
Cash paid for corporate income tax and			
withholding tax deducted at source	(4,388,883)	(3,150,552)	(4,919,058)
Net cash flows from operating activities	5,895,428,796	6,604,052,956	2,219,862,884

3.4 Cash flow statement (continued)

	Consolidated Financial Statements		
	2021	2022	2023
Cash flows from investing activities			
Acquisitions of condominium unit, equipment and payment			
of dry-dock and special survey expenses	(255,979,214)	(2,446,160,135)	(409,532,237)
Cash received from sales of motor vehicle and equipment	734,388	359,551	700,504
Acquisitions of computer software	-	(400,706)	-
Cash paid for investments in equity instruments	-	-	(152,944,526)
Dividend received	19,890,961	30,282,716	21,157,323
Net cash flows from (used in) investing activities	(235,353,865)	(2,415,918,574)	(540,618,936)
Cash flows from financing activities			
Decrease (increase) in restricted bank deposits	(119,999,498)	22,711,824	(2,912,290)
Cash paid for interest expense	(415,463,566)	(371,819,680)	(428,274,141)
Cash paid for deferred financial fees	(74,172,066)	(6,539,484)	(79,398,076)
Cash paid for lease liabilities	(6,435,368)	(7,071,527)	(7,171,542)
Cash paid for derivatives	(61,397,576)	(1,352,892)	56,077,298
Cash received from long-term loans	4,397,359,535	591,824,160	3,080,865,240
Repayment of long-term loans	(1,429,562,520)	(1,345,752,868)	(1,225,303,062)
Prepayment of long-term loans	(1,584,605,203)	(1,079,688,540)	(1,138,431,793)
Repayment of debentures - net	(3,569,217,818)	-	-
Dividend paid	(1,559,109,632)	(3,507,538,702)	(623,656,610)
Net cash flows used in financing activities	(4,422,603,712)	(5,705,227,709)	(368,204,976)
Increase (decrease) in translation adjustments	130,247,931	104,551,417	(51,721,697)
Net increase (decrease) in cash and cash equivalents	1,367,719,150	(1,412,541,910)	1,259,317,275
Cash and cash equivalents at beginning of year	1,100,490,204	2,468,209,354	1,055,667,444
Cash and cash equivalents at end of year	2,468,209,354	1,055,667,444	2,314,984,719

3.5 Financial Ratios

	Consolidated Financial Statements		
	2021	2022	2023
Liquidity			
Current ratio (times)	1.47	0.83	1.27
Quick ratio (times)	1.38	0.71	1.15
Profitability			
EBITDA margin (%)	69.28	71.97	50.53
Gross profit margin (%)	75.73	77.26	57.52
Operating margin (%)	68.99	71.60	49.18
Net profit margin (%)	50.77	53.03	13.66
Return on equity (ROE) (Average) (%)	36.53	31.47	4.36
Financial Policy			
Debt service coverage ratio (times)	4.34	5.67	1.47
Total debts to total equity (times)	0.64	0.48	0.50
Interest-bearing debt to equity ratio (times)	0.57	0.41	0.45
Dividend per shares (baht/share)	1.75	1.75	0.25
Dividend payout ratio (%)	61	56	54
Efficiency			
Return on asset (ROA) (Average) (%)	19.92	20.28	2.91
Return On Fixed Assets (%)	22.71	22.92	3.40

LEGAL DISPUTES

As of 31 December 2023, apart from the Chayanee Naree case as explained below, there are no material Legal Disputes which the Company and/or its Subsidiaries are involved in.

Please see the following details of the Chayanee Naree case:

- On 5 August 2021, Precious Visions Pte. Ltd. which is a subsidiary of the Company and the owner of M.V. Chayanee Naree (the "Vessel") signed a voyage charter contract to load 46,000 metric tons of bulk sugar from Santos, Brazil for discharge in Lagos, Nigeria.
- On 18 September 2021, drugs were found inside one of the cargo holds of the Vessel while she was at the loading port in Santos, Brazil. The Brazilian authorities conducted a thorough investigation at the time after which they were satisfied that none of our crew members were involved in or assisted in the smuggling of drugs. The Brazilian authorities permitted the Vessel to sail out of Brazil on 19 September 2021 without pressing any charges on any crew members, and/or the ship, or the owning company.
- Upon arriving at the discharge berth in Lagos on 9 October 2021, the Nigerian authorities conducted an extensive search of the Vessel; however, no suspicious objects were uncovered. The Vessel then commenced discharge of her cargo on the same day (9 October 2021).
- On 13 October 2021, drugs were found in a hold of the Vessel.
- On 29 October 2021, discharge was completed, and the National Drug Law Enforcement Agency (NDLEA) obtained an ex-parte order from a Nigerian court for an interim attachment of the Vessel and a remand of the 22 crew members for 14 days. On the same day, we received a claim of about USD 3.9 million from the cargo receivers. We are working with our lawyers to defend this claim.
- On 8 December 2021, the NDLEA filed a charge in the Federal High Court of Nigeria against the Vessel and 3 crew members (and 9 unrelated persons who are not working for the Company) for alleged unlawful transport of drugs. On 31 January 2022, the NDLEA filed an amended charge-sheet to include another 7 crew members of the Vessel, making a total of 10 crew members who have been charged.
- The insurers of the Company issued two Letters of Undertaking ("LOU") to the NDLEA, as security for the release of the Vessel and the 12 crew members that have not been charged.
- The ten crew members who have been charged, are required to remain in Nigeria until legal proceedings are completed.
- After obtaining departure clearances for the Vessel from the Nigerian Navy and other government agencies, the Vessel, along with her crew, sailed out of Lagos port in Nigeria on 17 May 2022.
- The trial against the Vessel and the 10 crew members commenced in the Federal High Court of Nigeria in July 2022. The subsequent hearings occurred in November 2022, January 2023 and July 2023.
- During the July hearing, the prosecution witness testimony was concluded. Subsequently, on 27 July 2023, the Company's lawyers filed 'no-case' submissions, contending that the prosecution has not presented sufficient evidence against the crew and the Vessel, and therefore, the charges should be dismissed without the defense having to present its own case.
- On 4 December 2023, there was a hearing for oral arguments on our no-case submissions. The Court ruling on our no-case submission has been scheduled for 13 February 2024.
- The Company is working closely with its insurance company and legal counsel to ensure that the case is fully resolved as early as possible.

Part

2 CORPORATE GOVERNANCE

CORPORATE GOVERNANCE POLICY

Definition

Corporate governance is a set of structures and processes of relationships between a Company's management, its board and its shareholders to enhance its competitiveness towards business prosperity and long-term shareholder value taking into consideration the interests of other stakeholders.

The above definition is as recommended by the SEC and the Company has endeavored to follow the same completely in letter and spirit.

Corporate Governance Policy

Precious Shipping Public Company Limited ("the Company") recognizes that good corporate governance is important and necessary for sustainable growth in business and long term shareholder value, and accordingly, the Board of Directors has reinforced corporate governance by including policies and directions on operating the business, set up adequate internal controls and internal audit systems and monitoring management to perform effectively under the policy to ensure long term interests of shareholders under applicable laws with full transparency and correct business ethics. The Board has set up a corporate governance policy manual, a business ethics and code of conduct manual and an anti-corruption policy manual which have been circulated to all the Company's employees in a hard copy form and via email and disclosed on the Company's website under the subject of **"Corporate Governance"**. The Company reviews and updates these manuals regularly in order to ensure that these manuals meet the present requirements and are suitable for the current circumstances.

The Company's corporate governance policy manual consists of:

- Right and equitable treatment of shareholders and various groups of stakeholders
- Structure, rules, duties, responsibilities, and independence of the Board of Directors
- Information disclosure and transparency
- Supervision of subsidiaries and associated companies
- Controlling system and risk management
- Business ethics

The Board of Directors regularly monitors its corporate governance compliance, through the Audit and Corporate Governance Committee, which annually reviews and provides its opinions to the Board of Directors regarding the implementation of the CG Code within the Company, in order to ensure that good corporate governance is followed within the Company for the sustainability of the Company. The Company has adopted the terms of the CG code which are suitable for its business.

1. Overview of Corporate Governance Policy and the Relevant Guidelines

1.1 Corporate governance policy and guidelines in relation to the directors

1.1.1 Nomination of directors and top executives

The Nomination and Remuneration Committee has been appointed by the Board of Directors in order to set up a mechanism to assist the Board to independently propose criteria and set guidelines for the nomination of new directors and recruitment and selection of top executives, and thereafter propose to the Board of Directors who could then consider the proposal and decide to accept or reject the same or amend it for further approval by shareholders if required (for the appointment of directors).

Board diversity policy

The Nomination and Remuneration Committee shall review the structure and composition of the Board of Directors, and search for candidates with qualifications appropriate for the Company's situation and needs.

The Nomination and Remuneration Committee evaluates the range of skills, experience, expertise and diversity of the existing directors, and identifies other appropriate qualifications giving consideration in line with the Company's strategic direction, and gaps that need to be filled. Consideration is given to the balance of independent directors on the Board and the best practice recommendations as set out in the SET corporate governance principles.

Policy on succession plan

The Board of Directors shall ensure a systematic nomination for the proper candidate to replace a director or top executive position suitably in line with the succession planning policy. The Nomination and Remuneration Committee is appointed to propose the appointments of new directors and key executives (Managing Director and executive directors) to the Board by considering the proper candidate both from internal and external candidates. The Nomination and Remuneration Committee is responsible for considering candidates' skills, experience, and specific qualifications for the best interest of the Company.

Criteria to nominate/appoint directors

The Company recognises that diversity at the board level is an essential element in supporting the attainment of its strategic objectives and its sustainable development. All board appointments are based on merit. Candidates are considered against appropriate criteria which are as follows:

- Utilizing the board skill matrix ensures that the entire Board of Directors possesses the necessary qualifications and expertise.
- Consideration is based on a range of diverse perspectives, including gender, age and educational background, skills, knowledge, professional experience, and devotion of potential candidates expected to enhance the Board.
- Consideration of the qualities of leadership, vision, ethics, and honesty to uphold the highest principles of good corporate governance.
- The candidate must not be a person blacklisted by any organization (including the SEC) or convicted of any crime.
- The candidate as an independent director must be qualified in accordance with the independent director's qualification.
- Consider other qualifications as may be advisable.

Criteria to nominate/appoint top executives including the Managing Director

The Nomination and Remuneration Committee considers the following criteria below when determining whether to nominate/appoint a top executive, including the Managing Director.

- Skills, knowledge, relevant qualification, and professional experience in business operations.
- Leadership potential, integrity, and vision.
- Specific requirements for the position of Managing Director: substantial experience in the related industries and international trade as well as industries knowledge.
- No blacklisting by any organization (including the SEC) or criminal conviction.
- After review, the Nomination and Remuneration Committee submits its recommendations to the Board of Directors for consideration and approval.

Procedure for nominating/appointing top executives including the Managing Director

The Company follows the following procedure when selecting and appointing new executives including the Managing Director:

- The Nomination and Remuneration Committee identifies the qualifications, skills, knowledge, experience, and expertise of candidates for any top executive position that the Company needs which should be in line with the Company's strategic direction.
- The Nomination and Remuneration Committee screens the profiles of the applicants, interviews them, and shortlists the preferred candidates who fit the criteria. The Nomination and Remuneration Committee then proposes such suitable candidate for the Board's consideration by way of submitting its recommendations to the Board.
- The Board may interview such candidate as the Board deems fit before the Board concludes its decision.

1.1.2 Directors and management remuneration

Directors' remuneration

The Board of Directors has designated the Nomination and Remuneration Committee to recommend guidelines for setting directors and top executive remuneration in accordance with international standards and comparable with other equivalent listed companies including companies in the related industries. The remuneration given shall be appropriate with the position, duty, responsibility and performance of each director and key executive. Directors' remuneration will be subject to approval at shareholder meeting.

Remuneration criteria

- The directors' remuneration must be agreed by the Board of Directors and recommended to the shareholders for their approval.
- The directors' remuneration shall be a fixed amount per annum.
- Depending on the quantity and scope of the subcommittee's roles and responsibilities, only a member who is not an executive director of any subcommittee may receive additional compensation, subject to the shareholders' approval.
- The remuneration criterion shall include consideration of financial status and performance of the Company and in accordance with international standards and comparable with other listed companies in general and should also be comparable with listed companies in the same sector in Thailand and abroad.

Management remuneration

The management remuneration is fixed in accordance with the principles and policies set by the Board of Directors. The Board of Directors directly and specifically approves the remuneration of the Executive Board and the director employed in an executive capacity in the Company's subsidiary based on the remuneration in the industry for equivalent positions, financial status/performance of the Company and their respective individual performances.

The remuneration of the top executives included their salary, bonus, and other benefits. In addition, remuneration shall be considered or evaluated by others who supervise the given person and shall not be done by the one who receives the remuneration. The remuneration of management has been disclosed hereinabove under **"Organization Structure"**.

1.1.3 Segregation of positions between the Board of Directors and the top executive

The Board of Directors plays an important role in corporate governance for the maximum benefit of the Company and the shareholders. The role of the Chairman is distinct from the role of the Managing Director in that the Chairman is the chief representative of the shareholders whereas the Managing Director is the leader of the managers. Combining the two roles creates an inherent conflict of interest.

To avoid this conflict of interest, the Company ensures that the Chairman of the Board of Directors and the Managing Director are not the same individual. The Chairman of the Board of Directors is an independent director, as defined by the SET and does not have any relationship with the management.

The Chairman of the Board shall not be Chairman or member of the other subcommittees.

The Board of Directors will evaluate the performance of the Managing Director annually, whilst the Managing Director will evaluate the performance of top executives who report to him. Each evaluation will be based on targets relating to the Company's strategic and annual plan, to help appropriately determine the remuneration and other fringe benefits.

The roles and responsibilities of the Chairman of the Board of Directors and the Managing Director are provided hereunder **"Organization Structure"** of the annual report.

1.1.4 Other committees

The Board of Directors appointed several committees as part of the good corporate governance policy of the Company viz. the Audit and Corporate Governance Committee, Executive Board of Directors, Sustainability and Risk Management Committee, Nomination and Remuneration Committee.

The Audit and Corporate Governance Committee comprises entirely of independent directors.

The details of these committees such as names and number of members, qualifications, duties, and responsibilities are disclosed on the website of the Company and under the subject **"Organization Structure"** of this annual report.

1.1.5 Board's and sub-committees' self-assessment

The Board and its sub-committees shall perform an annual self-assessment to be used as a framework for reviewing their performance. The result will be reported to the Board by the Company secretary and disclosed in corporate governance report section in the annual report.

1.1.6 Director and management development

The Board of Directors continues to enhance its value by participating in activities, courses and events which add to their knowledge base in the continually changing business environment to ensure that they are updated and possess full knowledge.

Director's orientation

If someone is newly appointed on the Board of Directors by the shareholders, the Company secretary informs and provides relevant documents such as director's handbook, the Company's corporate documents, corporate governance policy manual, business ethics and code of conduct manual, anti-corruption policy, laws, regulations and practices which are related to the trading of Company's shares.

1.2 Corporate governance policy and guidelines in relation to the shareholders' rights and equitable treatment of shareholders

1.2.1 Rights of shareholders

The Company is responsible to the shareholders in terms of information disclosure, accounting methods, internal information usage and conflict of interests. The Board of Directors and management are expected to be honest and any decision must be based on honesty and fairness to both major and minor shareholders, and for the collective benefit of all. Some of the policies and procedures followed to protect the rights of the Company's shareholders are as follows:

Appointment of board members

The Company regularly updates the information pertaining to candidates'/existing directors', so that all stakeholders can make an informed decision in respect of their appointment. This information is in the Company's annual report and is also presented to the Company's shareholders in the annual general meeting of shareholders ("AGM"). The information is provided so that the Company's shareholders can get correct and complete information, which is relevant and required for their appointment, and includes the following:

- Candidate's/director's profile: name, position, age, education, relevant knowledge, occupation, working experience and illegal acts (if any).
- Candidate's/director's positions in any materially connected business.
- Number of shares held by the candidate/director in the Company.
- Nomination procedures (in case of the directors who retire by rotation).
- Directors' previous performance as director in terms of meeting attendance.

Consideration of the policy on directors' remuneration

The Company follows the policy of obtaining the approval of the policy on directors' remuneration from the shareholders in the AGM and has also disclosed guidelines/procedures for determining directors' remuneration in the **'Corporate Governance Policy'** of this report.

Appointment of auditors

The Company follows the policy of obtaining the approval of appointment of auditors from the shareholders in the AGM and has improved the information disclosure for the correctness and completeness of the information required for the decision on the appointment of auditors. The information provided in the AGM includes details as follows:

- Auditor's firm
- Auditor's name
- Auditor's remuneration for approval including separate disclosure for audit and non-audit related remuneration
- Auditor's remuneration for the previous year
- Relationship with the Company such as being the Company's advisor
- Number of years as the Company's auditor (in case of reappointment of the present auditor)
- Auditor's performance
- The reasons for changing the auditor (in case the Company appoints a new auditor)

Consideration of the dividend policy

The Company obtained the approval of its current dividend policy in the shareholders' meeting in the year 2004 and will continue to obtain such approvals in case of any changes in the future.

Shareholders' meetings

The Board of Directors approved and resolved that the 2023 annual general meeting of the shareholders be held by electronic means due to the Company's concern over its shareholders' safety and health during the COVID-19 pandemic situation. The Company held the AGM on 10 April 2023 by electronic means ("E-AGM"). This E-AGM was held in accordance with relevant laws and regulations concerning electronic meetings such as the Emergency Decree on Electronic Meetings, B.E. 2563 (2020), the Announcement of Ministry of Digital Economy and Society on the Security Standard for the Meeting through Electronic mean B.E. 2563 (2020), and the security standard of the monitoring system of the meeting.

The Company has adhered to the recommendations of SET/SEC for holding a shareholders' meeting, which is as follows:

Before the date of 2023 annual general meeting of shareholders (AGM)

- The Company provided an opportunity for the shareholders to propose agenda items for the AGM and nominate suitable candidates to be members of the Board of Directors of the Company. This practice will be continued for AGM 2024 as well. Shareholders with a combined holding of at least 2,000,000 shares can propose agenda items or nominate qualified directors. In 2023, the Company invited shareholders to propose agenda items and to nominate a candidate to be elected as director through the Company's website. The invitation period was from 1 October 2022 to 31 December 2022. This exceeds the privileges required to be provided to shareholders by law. The Company set up communication channels through its website and made an announcement through the SET, based on which, a shareholder or a group of shareholders could propose an agenda item and/or nominate candidates to be directors for consideration in the AGM.
- For AGM 2023, the Company disclosed the AGM schedule and the AGM agenda through the SET on 10 February 2023 (59 days before the AGM date) to enable shareholders to plan their schedule for the meeting.
- Providing an opportunity to the shareholders to post questions in advance, to be addressed at the AGM 2023. This practice will be continued for AGM 2024 as well.
- Providing a complete and correct notice with full information to call each shareholders' meeting is the normal policy of the Company. The notice includes the objective and reasons for each agenda item apart from the Board of Directors' comments/opinion, which have always been included. The Company does not amend the agenda of the shareholders' meeting without giving notice to shareholders.
- For AGM 2023, the Company disclosed the notice of shareholders' AGM on the Company's website on 7 March 2023 (34 days before the AGM date). The Company also assigned the Thailand Securities Depository Co., Ltd. which is the Company's registrar to send the AGM notice to shareholders on 13 March 2023 (28 days in advance of the AGM).
- The Company publishes the notice of shareholders' meeting in newspapers for three consecutive days and at least 14 days prior to shareholders' meeting.
- Facilitating proxy voting: clearly specifying the documents required to give proxy and by sending out the notice to the extent possible, to the Company's shareholders at least 4 weeks prior to the meeting date. For shareholders who are unable to attend each meeting, the Company designated the Chairman and/or an independent director to attend and to vote on their behalf in each meeting. Full details for this purpose are provided in the notice of shareholders' meetings. Moreover, the notice, including proxy (Form B), was disclosed on the Company's website to facilitate its download by shareholders.
- The Company provided detailed guidelines for attending the E-AGM which was held on 10 April 2023.
- The Company sent an E-AGM registration form together with a list of required documents for shareholders who wish to attend the E-AGM by themselves and for shareholders who wish to appoint a proxy to attend the E-AGM.
- After the Company received the requisite documents, the Company sent an email containing the username and password along with the weblink to attend the E-AGM.

On the date of the E-AGM

- On the meeting date, the Company allowed shareholders to access the E-AGM system one hour before the meeting.

- One share would have one vote. For each agenda item, the shareholders had the option to vote “Approve”, “Disapprove” or “Abstain”. For the agenda item in relation to the nomination of directors, the voting options were provided for the selection of each director in order to increase transparency for the voting process.
- The Company ensured that the E-AGM system which had been selected for the shareholders’ meeting was secure, reliable and user-friendly. The technical team was also on standby in case any shareholders face any technical problems with the E-AGM system before or during the meeting.
- A question function was provided on the E-AGM system, so that the shareholders can send their questions/comments to the directors and/or the Company secretary during the meeting, and the questions were answered at the meeting.
- The shareholders were able to log in to the E-AGM system for registration even after the meeting started in order to ensure the participation of all shareholders who attended the meeting.
- The Company appointed independent legal counselors to be inspectors of the vote-counting process.
- To enable shareholders to make decisions, the Company provided adequate information in the notice to the meeting on the agenda items.
- The Chairman of the Board of Directors, the Chairman of the Remuneration Committee, the Chairman of the Audit and Corporate Governance Committee, the Chairperson of the Sustainability and Risk Management Committee, the Chairperson of the Nomination Committee, all independent directors, Managing Director and Director (Finance) attended the AGM of 2023. The auditors also attended the AGM to answer any questions raised by shareholders in respect of the accounts or the conduct of the audit.
- At every shareholder meeting, the Company secretary explains the voting procedures to shareholders at the start of the meeting.
- Equal opportunity is provided to all shareholders to examine the Company’s operations, to ask questions and express their opinions and advice. It is ensured that all items and resolutions including questions and answers are properly recorded in the minutes of the meeting.
- At the meeting, the Company provides simultaneously English and Thai translation of the questions, replies and comments for the benefit of all attendees.
- The Company arranges a video recording of the entire meeting and posts this on the Company website.

<u>After the date of AGM</u>

- The Company prepares comprehensive minutes of shareholders’ meetings, which include the names of board members’ who attended the meeting. The minutes also include a correct and complete record of questions/answers, voting method, vote counting procedure and voting results. Thereafter, the minutes of shareholders’ meetings was sent to the SET and disclosed on the website of the Company under the subject of **“Investor Relations”** within 14 days after the meeting. A video recording of the proceedings is also provided on the Company website.

1.2.2 Equitable treatment of shareholders

The Company ensures the equitable treatment of all shareholders, regardless of whether they are minor or major shareholders, Thai or foreign shareholders, retail or institutional shareholders. Also, all shareholders are treated on a fair and equal basis in terms of calling and holding shareholders meetings and for protecting the rights of shareholders for other matters by taking the following steps:

- Ascertaining that the date, time, venue of the meeting is convenient to attend.
- Ensuring a reliable electronic meeting platform (in case of an EGM).
- Offering one-share-one vote.
- The registration process commences at least 1-2 hours (as the case may be) in advance to keep adequate time for completion of registration.
- Providing ballot papers/electronic voting system for each agenda item.
- Arranging barcode system/electronic system for registration and vote counting for shareholders' convenience and accuracy of the vote-count.
- Providing an opportunity to shareholders to propose agenda items and to nominate candidates to be director in advance for the annual general meeting of shareholders (AGM) through various channels including the Company's website.
- Providing an opportunity for shareholders to elect directors by voting on the given ballot papers/ electronic voting system for each of the directors separately.
- Not adding any new agenda item without notice to shareholders in advance.
- The Company provides full opportunity for shareholders to participate in the meetings and encourages the shareholders to ask relevant questions which are answered by top executives and/or related persons.
- The Company has always followed practices and policies for the protection of shareholders rights and has always complied with all laws pertaining to the protection of the rights of shareholders, including obtaining shareholders' approval for any major event and in case of any serious situation that affects the Company's operations and provided correct and complete information required for their decision. Some examples of this are i) the acquisition of 15 ships during the year 2004, ii) the signing of contracts for 12 new buildings during the year 2007 and 3 new buildings during the year 2008, and iii) the signing of contracts for 12 new buildings during the year 2014. In all instances, the Company also appointed an independent financial advisor to advise the shareholders.
- The Company follows the policy of regularly reviewing the outstanding unpaid dividends and tries to contact all the shareholders who may have, for some reason, not received their dividends. Thereafter, the Company helps shareholders in terms of reminding and advising them on the required procedures to collect the dividends.
- Directors disclosing their interests and those of their related parties to the Board.
- Directors reporting their ownership of Company's shares and warrants to the Board regularly.
- The Board of Directors has established a system to prohibit a director/management, who has a conflict of interest on a particular issue, from participating in the decision-making process related to that issue. Normally a director/management, who has a conflict of interest in an issue, will leave the meeting and join back once the issue has been discussed and a decision on the same is made.
- Providing detailed explanation of related-party transactions characterizing names, relationship, policy and value of each transaction as explained under the **"Connected Transactions"** section of this annual report. No non-compliance cases involving related-party transactions have been detected.
- Following an appropriate policy and laying down procedures for monitoring the use of insider information as explained under the **"Insider Trading Controls"** section of this annual report. No cases of insider trading involving the directors and/or the management have been detected.

2. Business Ethics

The Company has set up a code of ethics for directors, management and employees as a guideline to carry out their respective work for the Company in a transparent, honest, faithful, and justifiable manner. It is also disclosed on the Company's website.

The following policies and practices are included in the Company's business ethics and code of conduct manual

- Policy on compliance with the law and relevant rules and regulations
- Policy on conflict of interests
- Policy on confidentiality of information
- Policy on safeguarding company property
- Policy on information technology security
- Cyber security management
- Ethics for intellectual properties rights
- Policy on preventing corruption and offering a bribe
- Policy on giving and accepting gifts and excessive or undue hospitality
- Tax policy
- Anti-money laundering & counter terrorism financing (AML/CTF)
- Anti-trust policy
- Procurement
- Transactions with government
- Policy on safety, occupational health and environment
- Diversity and inclusion policy
- Whistleblowing policy
- Policy and practices toward stakeholders

The business ethics and code of conduct manual was distributed to all directors, management, and employees (100%) and posted on the Company's website.

The Board regularly reviews and updates the business ethics and code of conduct manual to ensure that it meets current requirements and is appropriate for the current circumstances.

All management and employees are required to attend an annual training session covering topics such as business ethics, code of conduct, anti-corruption, human rights, conflict of interest, and information security awareness. This is done to ensure a proper understanding of the guidelines, raise awareness, and cultivate a commitment to maintain high operating standards within the organization.

For 2023, 100% of management and employees participated in the annual business ethics training and completed a quiz on the online platform. The Board of Directors monitors compliance with the business ethics and code of conduct manual. If misconduct is identified, disciplinary action or legal action will be taken. Additionally, recommendations will be communicated to relevant parties to enhance the process or establish preventive measures to avoid a recurrence.

In 2023, there were no significant violations in respect of the Company's business ethics and code of conduct policies. Further, there were zero whistleblowing incidents.

Guideline and enforcement of the corporate governance policy and business ethics and code of conduct

The Board of Directors defines the duties and responsibilities for the directors, management, and employees to acknowledge and comply with the policies and terms indicated in the Company's corporate governance policy and business ethics and code of conduct. Moreover, the Company put in place a whistleblowing policy and the internal audit processes as mechanisms to monitor compliance to assure that all operations abide by such policy and principles. If the directors, management, and employees violate these principles, they will face strict disciplinary punishment.

3. Major Developments in Corporate Governance Policy, Guidelines, and Systems

3.1 Major developments on corporate governance policy, guidelines and systems in 2023

The Board of Directors regularly reviews and updates the Company's corporate governance policy to ensure that it reflects the latest best practices and standards. During 2023 - early 2024, the following significant activities related to the review of its corporate governance policy, guidelines, and systems were carried out by the Board, as detailed below:

- Reviewed the Company's corporate governance policy which covers the duties and obligations of the Board of Directors.
- Reviewed the board diversity policy, the board skill matrix, and the succession plan policy.
- Reviewed the business ethics and code of conduct manual, the anti-corruption policy, the human rights policy, the sustainability policy, and the risk management policy.
- Combined the Nomination Committee and the Remuneration Committee into one committee, namely the Nomination and Remuneration Committee.

3.2 Implementation of the CG code issued by the SEC

In the Board of Directors' meeting held on 10 November 2023, the Board reviewed the appropriate principles and practices of the SEC's corporate governance code for applying to the Company, and also conducted a corporate governance self-assessment through a questionnaire following the SET and IOD guidelines. The scores of corporate governance self-assessment fall in the level of "Very Good". The Board of Directors intends to use this result to further improve its corporate governance. The Company intends for the corporate governance self-assessment to be done every year in order to comply with good corporate governance practices and accordingly, this exercise will be conducted again in the year 2024.

The following principles below from the corporate governance code 2017 published by the SEC are the principles which the Company has not yet adopted within the year 2023:

Principle	Opinion from the Board of Directors
• The Board should establish the policy that the tenure of an independent director should not exceed a cumulative term of nine years from the first day of joining. Upon completing nine years, an independent director may continue to serve on the board, subject to the board's rigorous review of his/her continued independence.	The Board is of the view that the independence of the independent directors is well maintained, despite the fact that some of them have been on the Board for an aggregate period of more than nine years. Additionally, the Board also strives to find a new independent director who will be put forth for the shareholders' consideration. The shareholders appointed the most recent independent directors in 2020 and 2023. When deciding what to put up for approval at the annual meeting of shareholders, the Board takes a number of issues into account, including the independence of any independent directors who are retiring by rotation.

Principle	Opinion from the Board of Directors
• The Company should establish a long-term incentive and remuneration policy for its top executives and directors.	The Company provides adequate incentives and remuneration to attract and retain top executives and directors. However, the Company may consider providing additional long-term incentives and structuring a plan based on advice from an external expert in the future.

3.3 Awards and recognitions for good corporate governance

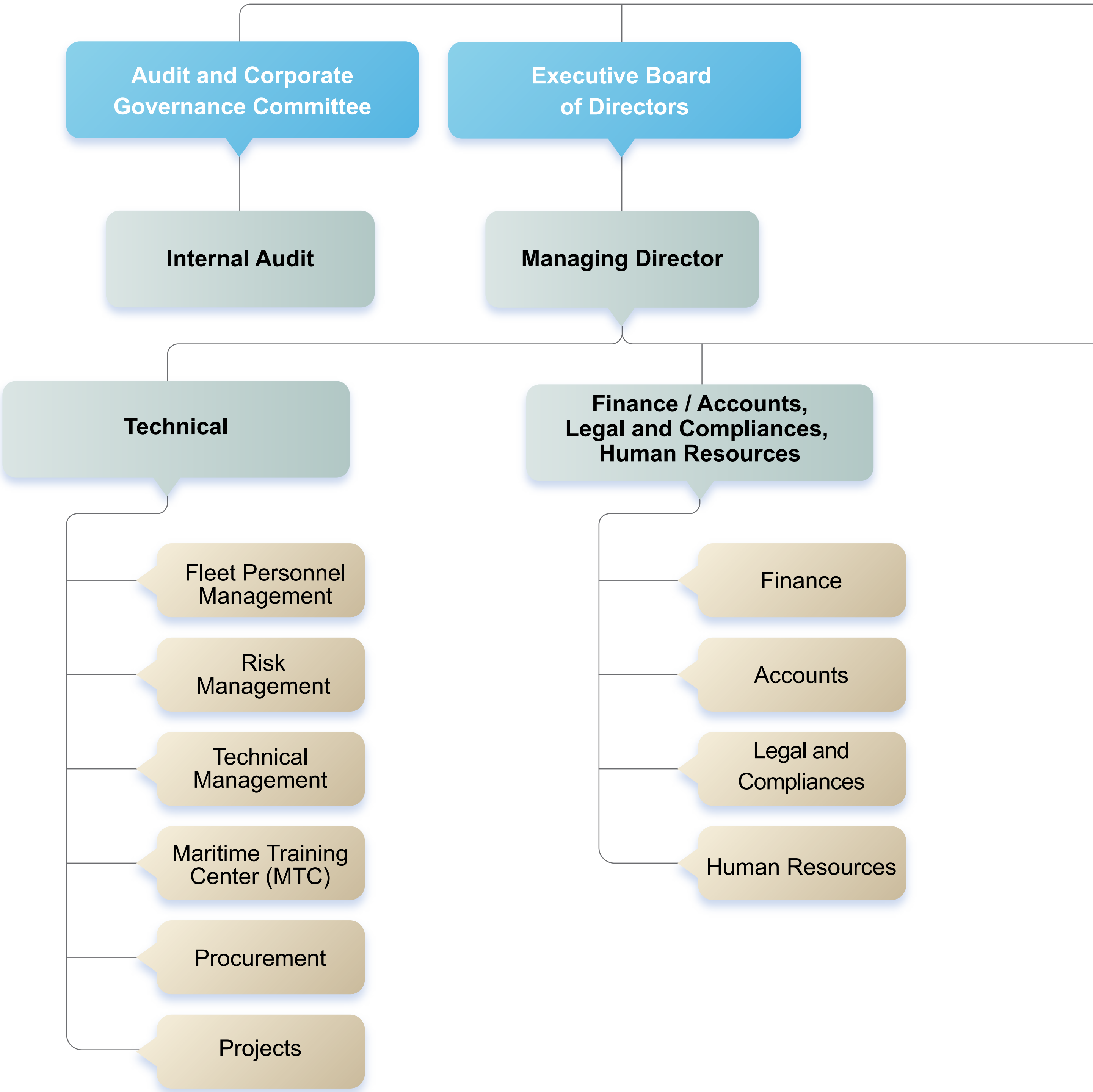
The Company has won (or was nominated for) the following awards including awards for good corporate governance:

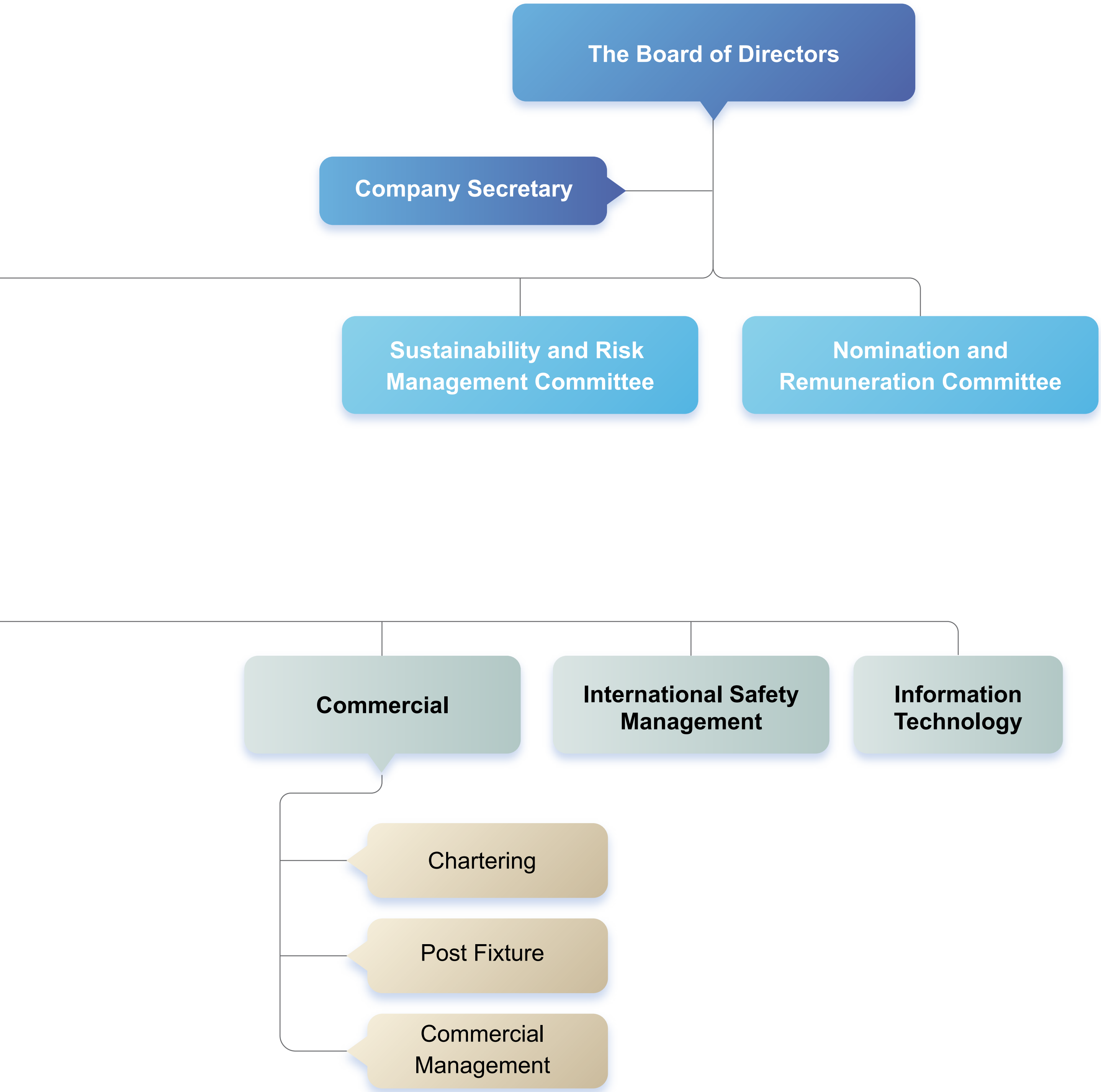
- Conferred the "Best Investor Relations Awards" for companies with a market capitalization between Baht 10,000 million to Bath 30,000 million at the SET Awards 2023.
- Adjudged as a Company with "Outstanding Investor Relations" for companies with a market capitalization between Baht 10,000 million to Bath 30,000 million for the years 2021 and 2022, respectively.
- PSL is the highest-ranked global dry-bulk shipping company in the S&P corporate sustainability assessment (CSA) rankings for 2021 and in the top 12 percentile of global listed transportation companies for the year 2022.
- Obtained the "ASEAN Asset Class PLCs" award, an accolade granted to companies with an ASEAN CG score of at least 97.5 in the 2021 ASEAN Corporate Governance Scorecard. The ASEAN Corporate Governance Scorecard has been developed by the ASEAN Capital Markets Forum (ACMF) in partnership with the Asian Development Bank (ADB) to raise corporate governance standards and practices of ASEAN publicly listed companies.
- Classified as a company with "Excellent" Corporate Governance for fourteen consecutive years from 2010 to 2023, by Thailand's National CG Committee.

- Received a score of 100 percent in respect of the conduct at the Annual General Meetings for six consecutive years from 2018 to 2023, by Thai Investors Association.
- Only Shipping Company in the ASEAN region to receive the Asset Class Award, in recognition of our having attained a score of above 97.5 in the 2019 ASEAN Corporate Governance Scorecard. The ASEAN Corporate Governance Scorecard has been developed by the ASEAN Capital Markets Forum (ACMF) in partnership with the Asian Development Bank (ADB) Development Bank to raise corporate governance standards and practices of ASEAN publicly listed companies.
- Nominated as one of the 10 finalists for the Board of the Year Award 2018 instituted by the Thai Institute of Directors and the Stock Exchange of Thailand, in the category for companies with a market capitalization below Baht 30,000 million.
- Nominated as a finalist for the “Ship Owner/Operator of the year” award at the Seatrade Maritime Awards Asia in 2010, 2012, 2013, 2014, 2017 and 2018.
- Nominated as a finalist for “The ClassNK Dry Bulk Operator of the Year” award at the Lloyd’s List Asia Pacific Awards 2014, 2015, 2016, 2017 and 2018.
- The Company’s wholly owned subsidiary, Great Circle Shipping Agency Limited, was nominated as a finalist for the “Ship Manager of the year” award at the Seatrade Maritime Awards Asia in 2014, 2015, 2017, and 2018.
- Great Circle Shipping Agency Limited was nominated as a finalist for “Ship Manager of the Year” award at the Lloyd’s List Asia Pacific Awards in 2012, 2014, 2017 and 2018.
- Nominated as a finalist for “The Bulk Ship Operator of the Year Award” at the IBJ (International Bulk Journal) Awards in 2012, 2013, 2014, 2016, 2017 and 2018.
- Adjudged 3rd placed winner in the “Best in Sector: Industrials” category for Investor Relations Awards at the IR Magazine Awards & Conference - Southeast Asia 2017.
- Nominated as a finalist for the “Deal of the Year” award at the 10th Seatrade Maritime Awards Asia 2017 for the Company’s THB 3.59 billion unsubordinated unsecured bonds issued in Thailand in 2016.
- The Company’s cement carrier, M.V. APINYA NAREE, was nominated as a finalist for the “Bulk Ship of the Year” award at the IBJ Awards 2017.
- Adjudged as a Company with “Outstanding Investor Relations” for Companies with a market capitalization between Baht 3,000 million to Bath 9,999 million at the SET Awards 2016.
- Winner of “the Public Debt Deal of the Year” award for 2016 from Marine Money, New York, for the Company’s THB 3.59 billion unsubordinated unsecured bonds issued in Thailand in 2016.
- Winner of the “ASIA BEST EMPLOYER BRAND AWARD” at the Asia Best Employer Brand Awards, 7th edition, 2016.

ORGANIZATION STRUCTURE

ORGANIZATION CHART




The Board of Directors
Company Secretary
Sustainability and Risk Management Committee
Nomination and Remuneration Committee
Commercial
International Safety Management
Information Technology
Chartering
Post Fixture
Commercial Management

The Company has five (5) boards/committees

1. The Board of Directors
2. The Executive Board of Directors
3. The Audit and Corporate Governance Committee
4. The Nomination and Remuneration Committee
5. The Sustainability and Risk Management Committee

ELECTION OF THE BOARD OF DIRECTORS

The election of directors is conducted by the meeting of shareholders. Each shareholder has one vote per share and each shareholder exercises all votes applicable in appointing one or more persons to be a director. The candidates are ranked in descending order from the highest number of votes to the lowest and are appointed as directors in that order until the director positions are filled. Where the votes for candidates are tied, resulting in a number of directors that would exceed the stipulated amount, the Chairman has the casting vote.

1. THE BOARD OF DIRECTORS

1.1 Board composition

The number of members on the Board of Directors is commensurate with the size and complexity of the Company's business. As of 31 December 2023, there are twelve (12) directors on the Board of Directors of the Company which comprises three (3) directors who hold executive roles and are full-time employees of the Company and nine (9) non-executive directors, five of whom are independent (42% of the board of directors).

The Board is of the view that gender is an important aspect of diversity and will strive to ensure that female candidates are included for shareholders' consideration. Currently, the Board comprises seven (7) male directors and five (5) female directors (42% of the board of directors). Three of the female directors are independent directors.

To ensure that the board members can devote their time to performing their duties for the greatest benefit of the Company, directors are not permitted to hold board positions in more than five (5) listed companies (including the Company).

The Board Skills Matrix

The following matrix was created to assist board members to recognise the key skills and experience that are aligned with the Company's business strategy. As part of coordinated succession planning, these skills and experience are prioritized when identifying potential future director candidates.

No.	Directors	Marine industry	Business strategy	Accounting knowledge	Financial/Investment	Risk and compliance oversight	Corporate governance	Legal and compliance	Information technology and innovation	People and culture management	Sustainability and investor engagement	Fuels of the future and decarbonization	Geo-economics and international business trends
1	Mr. Chaipatr Srivisarvacha	x	x	x	x	x	x	x		x	x		x
2	Mr. Kamtorn Sila-On	x	x	x	x	x	x	x	x		x		x
3	Ms. Pensri Suteerasarn	x	x	x	x	x	x	x	x	x	x		x
4	Prof.Dr. Pavida Pananond	x	x	x		x	x		x	x	x		x
5	Ms. Qiyu (Jackie) Wang		x	x	x	x	x		x	x	x		x
6	Mr. Kirit Shah	x	x	x	x	x	x	x	x	x	x		x
7	Mr. Khushroo Kali Wadia	x	x	x	x	x	x	x	x	x	x		x
8	Ms. Nishita Shah		x				x			x			x
9	Mr. Ishaan Shah	x	x	x	x	x	x	x	x	x	x		x
10	Mr. Khalid Moinuddin Hashim	x	x	x	x	x	x	x	x	x	x	x	x
11	Mr. Gautam Khurana	x	x	x	x	x	x	x	x	x	x	x	x
12	Ms. Sirasa Supawasin	x				x	x	x		x	x		x
Summary of directors for each skill		**10**	**11**	**10**	**9**	**11**	**12**	**9**	**9**	**11**	**11**	**2**	**12**

1.2 The Board of Directors

Members of the Board of Directors as of 31 December 2023 are as follows:

	Director's name	Position	The last re-appointment date
1.	Mr. Chaipatr Srivisarvacha	The Chairman of the Board of Directors Independent Director	19 April 2021
2.	Mr. Kamtorn Sila-On	The Chairman of the Audit and Corporate Governance Committee Independent Director	4 April 2022
3.	Ms. Pensri Suteerasarn	The Chairperson of the Nomination and Remuneration Committee Independent Director	4 April 2022
4.	Professor Dr. Pavida Pananond	The Chairperson of the Sustainability and Risk Management Committee Independent Director	19 April 2021
5.	Ms. Qiyu (Jackie) Wang*	Independent Director	10 April 2023
6.	Mr. Kirit Shah	Director	19 April 2021
7.	Ms. Nishita Shah	Director	19 April 2021
8.	Mr. Ishaan Shah	Director	4 April 2022
9.	Mr. Khushroo Kali Wadia	Director	10 April 2023
10.	Mr. Khalid Moinuddin Hashim	Managing Director Executive Director	10 April 2023
11.	Mr. Gautam Khurana	Executive Director	10 April 2023
12.	Ms. Sirasa Supawasin	Executive Director	10 April 2023

* The new director who was appointed by shareholders' resolution in the Annual General Meeting of the Shareholders (AGM) No. 1/2023 held on 10 April 2023.

The Chairman of the Board of Directors and the Managing Director

The Chairman of the Board of Directors is an independent director and has no relationship with the management, as defined by the SET. The Chairman is not the same person as the Managing Director of the Company nor is he related in any way to the Managing Director of the Company. These roles are deliberately disaggregated so that there is a clear differentiation between the duties of the policy maker and the policy manager.

The Chairman of the Board is the leader of the Board and performs the role of chairman for both board and shareholders' meetings. The Chairman's role includes promoting corporate governance and compliance and ensuring its effectiveness. He engages directly with the Managing Director to monitor performance and oversees the implementation of the Company strategies.

The Managing Director is the head and leader of the Company's executives and is responsible to the Board for managing the Company in order to achieve all planned objectives.

The roles and duties of the Chairman of the Board of Directors

- Provides leadership to the Board of Directors;
- Presides over the Board of Directors meetings, non-executive directors meetings and shareholders meetings;
- Oversee and monitor to ensure that the Board of Directors carries out its duties in an efficient and effective manner in order to achieve its objectives and main goal;
- Facilitates open and constructive communication between members of the Board and encourages their contribution to board discussions;
- Promotes the highest standards of corporate governance, ethics and corporate social responsibilities;
- Consult with the Managing Director and Company secretary to arrange the schedule and agendas of the Board of Directors' meetings;
- Ensure that the Company has effective communication with its shareholders and relevant stakeholders.

The roles and duties of the Managing Director

- The day-to-day management of the Company and its business is the responsibility of the Managing Director who is supported by the executive team;
- Develops and recommends the Company's vision, mission, strategy and business plan for the Board's approval;
- Manages the Company in accordance with strategy, business plans and policies approved by the Board of Directors;
- Reports on the Company's operational results to the Board of Directors as well as other work in progress to achieve the Company's objectives;
- Ensures that all directors are properly informed and that sufficient information is provided to enable the directors to form appropriate judgments;
- Builds and maintains effective top executives capable of delivering the Company's strategy and objectives, and identifies and recruits new talent to ensure effective succession to top management positions;
- Ensures communication with shareholders and relevant stakeholders;
- Undertakes any other roles and duties assigned by the Board of Directors.

The duties and responsibilities of the Board of Directors are as follows:

1. The Board of Directors performs its duties in conformity with applicable laws and carries on the business of the Company in accordance with the law, the Company's objectives and the articles of association as well as the resolutions of the shareholders' meetings. The Board of Directors is authorized to carry out the Company's activities as prescribed in the memorandum or those related thereto under the Public Limited Companies Act B.E. 2535. The Board of Directors is responsible to the Company's shareholders. Each director represents all shareholders and takes part in supervisory and regulatory functions in the Company's operations, independently and impartially, for the benefit of all shareholders and other stakeholders.
2. The directors, in their business conduct, are expected to generally act with care to preserve the interest of the Company.
3. According to the corporate governance policy of the Company, the quorum for a Board of Directors meeting is at least two-thirds of the board size.
4. The Board of Directors or the shareholders at their meeting is entitled to designate the authorized directors to bind the Company and accordingly, any two (2) of the following with the Company's seal are presently the authorized signatories:
   1) Mr. Khalid Moinuddin Hashim
   2) Mr. Kirit Shah
   3) Mr. Ishaan Shah
   4) Mr. Gautam Khurana
5. The Board of Directors is inter alia authorized to sell or mortgage any of the Company's immovable properties, to let any of the Company's immovable properties for a period of more than three (3) years, to make a gift, to compromise, to file complaints to the court and to submit a dispute to the arbitration.
6. Annually review and approve the vision and mission statement, core values, and business ethics and code of conduct.
7. Review and discuss management's proposed strategies and options and approve major decisions in respect of the Company's business direction and policies. The Board of Directors also reviews and approves the business and performance goals proposed by the management.
8. Monitor the implementation of the Company's strategies including monitoring the Company's performance and progress toward achieving set objectives as well as compliance with the laws, regulations and related policies.
9. Ensure the establishment and communication of the policy and program related to anti-corruption.
10. Ensure the existence of an effective internal control system and appropriate risk management framework.
11. Ensure an effective audit system executed by both internal and external auditors.
12. Approve quarterly and annual financial reports to ensure that the reports are prepared under generally accepted accounting standards.
13. Ensure that the Company has a system in place to communicate effectively with all stakeholders.
14. Define policy and guidelines for risk management and monitor the management to ensure the efficiency of risk management system.
15. Define policy and guidelines for good corporate governance and ensure that the duties and responsibilities of directors and the management comply with corporate governance principles.
16. Define policy and guidelines to implement corporate social responsibility.

2. SUB-COMMITTEES

The Board has appointed the following four (4) sub-committees. All subcommittee members' terms will be concurrent with their terms on the Company's Board of Directors, by resolution of the Board of Directors in the Board of Directors meeting no.3/2022 held on 4 April 2022.

2.1 THE AUDIT AND CORPORATE GOVERNANCE COMMITTEE

The Audit and Corporate Governance Committee has been appointed by the Board of Directors with the objective of having a mechanism to assist the Board independently in accordance with the regulations and the recommendations in respect of good corporate governance, to give an opinion on the accuracy of the Company's financial statements and their credibility and transparency, to encourage good corporate governance including coordination with the Board of Directors for risk management and internal control systems in the Company. This is expected to create efficiencies in operations and provide for an independent check on the functioning of the management of the Company including checks on conflict-of-interest issues and connected party transactions, if any.

The Board of Directors appointed the Audit Committee since 24 August 1998. Thereafter on 3 February 2012, the Board resolved to change the name of the Audit Committee from "Audit Committee" to "Audit and Corporate Governance Committee" to reflect the fact that the role and responsibility of the Audit Committee of the Company also included corporate governance. Additionally, it was to ensure that the Audit and Corporate Governance Committee places due emphasis on compliance with relevant regulations and continues the development of corporate governance of the Company. The current Audit and Corporate Governance Committee members are as follows:

Name	Position	Status
1. Mr. Kamtorn Sila-On*	Chairman of the Audit and Corporate Governance Committee	Independent Director
2. Professor Dr. Pavida Pananond*	Audit and Corporate Governance Committee member	Independent Director
3. Ms. Pensri Suteerasarn*	Audit and Corporate Governance Committee member	Independent Director

* Each of the Audit and Corporate Governance Committee members has knowledge and experience in the field of accounting and finance. Details of their experience have been presented in Enclosure 1 **"Information of relevant persons in the organization"** of this annual report.

The duties and responsibilities of the Audit and Corporate Governance Committee are summarized hereunder:

1. To review the Company's financial reporting process to ensure accuracy with adequate and complete disclosure.
2. To ensure that the Company has an appropriate and efficient internal control system subject to internal audit and to also ensure that there is an efficient internal audit system in place and to ensure the independence of internal audit department, including approval of the selection, promotion, rotation or termination process of the internal audit head.
3. Review risk management systems of the Company and recommend improvements on a regular basis.
4. Review guidelines for the Company's corporate governance and benchmark them with other domestic and international organizations and present its recommendations to the Board of Directors.
5. To review the performance of the Company to ensure compliance with the securities and exchange law, regulations of the exchange and other laws relating to the business of the Company.

6. To select and nominate for the shareholders' approval or discharge, the external auditor of the Company, including a recommendation on the remuneration paid to the external auditor after considering the independence of the external auditor and to freely discuss significant matters, the Audit and Corporate Governance Committee shall meet privately with the external auditor at least once a year, without the management team being present.
7. To review connected party transactions that may lead to a conflict of interest to comply with all related rules and to ensure the transactions are reasonable and for the full benefit of the Company and to ensure accurate and complete disclosure of the same.
8. To oversee the anti-corruption policy and annually review the Company's anti-corruption procedures to ensure effective compliance with the guidelines of the Collective Action Coalition Against Corruption (CAC).
9. To review the Company's compliance with its whistleblowing policy and procedures for reporting and investigation of misconduct and/or fraud and consider all instances (if any) of misconduct or fraud and the final investigation report.
10. To prepare a report on the monitoring activities of the audit and corporate governance committee, in accordance with the required details per SET regulations, and disclose it in the annual report. Such report is to be signed by the Chairman of the Audit and Corporate Governance Committee.
11. To perform any other acts as delegated by the Board of Directors and accepted by the Audit and Corporate Governance Committee.

2.2 THE EXECUTIVE BOARD OF DIRECTORS

The following three (3) persons are appointed by the Board of Directors as the executive directors on the Executive Board of Directors.

Name	Position
1. Mr. Khalid Moinuddin Hashim	Managing Director
2. Mr. Gautam Khurana	Director (Finance)
3. Mr. Chandrasekhar Sivaraman Venkatraman	Director (Technical)

The duties and responsibilities of the Executive Board of Directors are summarized hereunder:

1. To manage the Company's business under the resolutions/regulations of the Board of Directors.
2. To execute any agreements/contracts binding the Company the terms and conditions of which must be in their scope of authority vested by the Board of Directors. Such agreements/contracts must be affixed with signatures of any two executive directors together with the Company's seal.
3. To generally act on behalf and in the interest of the Company and its subsidiaries as may be required to carry on the business.
4. The Executive Board of Directors shall report on the business operations conducted by the Executive Board to the Board of Directors for acknowledgment and discussions. However, policy-related issues, or issues likely to have a significant impact on the Company's business, or issues requiring action by the Board of Directors in compliance with laws, or the Company's articles of association, must be approved by the Board of Directors. This also includes issues for which the Executive Board of Directors considers it appropriate to seek the approval of the Board of Directors on a case-by-case basis, or per the criteria designated by the Board of Directors.
5. Prepare and review strategic objectives, financial plans, and key policies of the Company, to be submitted to the Board of Directors for approval.

6. Review management authority in various aspects stipulated in the approval authority hierarchy, to be submitted for approval to the Board of Directors.
7. Appoint, monitor and evaluate the performance of employees from the level of department head down to middle managers.
8. Monitor and report on the Company's operating results to the Board of Directors as well as on other work in progress to achieve the Company's objectives.
9. Communicate with external stakeholders, per designated authority, and as deemed appropriate.
10. Prepare and review policy and guidelines for risk management and monitor the management to ensure the efficiency of risk management system.
11. Prepare and review policy and guidelines for good corporate governance and guidelines to implement corporate social responsibility.
12. Develop and implement anti-corruption systems, as well as encourage employees at all levels and related parties to follow the anti-corruption policy in order to create a culture free of graft.

2.3 THE SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

The Sustainability and Risk Management Committee has been appointed by the Board of Directors as a mechanism to assist the Board in fulfilling its responsibility for oversight of sustainability and corporate social responsibility policies, strategies, and programs of the Company, prescribing a risk management policy that covers the entire organization with the objective to identify and monitor risks on an on-going basis as well as to put in place effective mitigation measures.

The Board of Directors appointed the Risk Management Committee in Board meeting no.1/2020 held on 11 February 2020. Thereafter, on 4 April 2022, the Board resolved to change the name of the Risk Management Committee from "Risk Management Committee" to "Sustainability and Risk Management Committee" to reflect the fact that the role and responsibility of the Risk Management Committee of the Company also included oversight of sustainability of the Company. The current Sustainability and Risk Management Committee members are as follows:

Name	Position	Status
1. Professor Dr. Pavida Pananond	Chairperson of the Sustainability and Risk Management Committee	Independent Director
2. Mr. Kamtorn Sila-On	Sustainability and Risk Management Committee member	Independent Director
3. Ms. Pensri Suteerasarn	Sustainability and Risk Management Committee member	Independent Director
4. Ms. Qiyu (Jackie) Wang	Sustainability and Risk Management Committee member	Independent Director
5. Mr. Khalid Moinuddin Hashim	Sustainability and Risk Management Committee member	Executive Director/ Managing Director

In 2023, the Sustainability and Risk Management Committee was changed by resolution of the Board of Directors in the Board meeting No. 3/2023 held on 15 May 2023, summarized as follows:
1. Professor Dr. Pavida Pananond, was nominated as the Chairperson of the Sustainability and Risk Management Committee.
2. Ms. Qiyu (Jackie) Wang, a new director who was appointed by shareholders' resolution in the Annual General Meeting of the Shareholders (AGM) No. 1/2023 held on 10 April 2023, was nominated as the committee member.

The duties and responsibilities of the Sustainability and Risk Management Committee are summarized hereunder:

1. Establish a sustainability policy framework according to the Company's operations to ensure alignment between the management and the Board on the Company's sustainability goals and strategy.

2. Review and update the sustainability policy of the Company.
3. Monitor the Company's performance related to sustainable development to increase efficiency and balance while creating the most value to the Company and stakeholders.
4. Prescribing the risk management policy.
5. Setting out procedures to mitigate and manage major risks that could impact the organization.
6. Oversee the risk management process to ensure that both internal and external risk factors which may impede the achievement of Company objectives are considered during risk identification.
7. Ensure that impact assessment of risk factors is properly carried out and that appropriate risk mitigation methods are identified.
8. Annually review the risk management policies and procedures.
9. Follow up on, and evaluate, the performance in accordance with the organization-wide risk management framework, including a recommendation for an internal control framework.
10. Regularly report the Company's major risks as well as the progress of measures taken to mitigate these risks, to the Board of Directors.

2.4 THE NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors has appointed the Nomination and Remuneration Committee as a mechanism to independently propose criteria, establish guidelines for the nomination of new directors, the recruitment and selection of top executives, and determine remuneration for directors and top executives. Subsequently, the committee proposes its recommendations to the Board of Directors for consideration and to the shareholders for approval.

The Board of Directors appointed the Nomination Committee and the Remuneration Committee in the Board meeting held on 15 November 2007. Thereafter, on 15 May 2023, the Board resolved to combine the Nomination Committee and Remuneration Committee into one committee, namely the "Nomination and Remuneration Committee". The current Nomination and Remuneration Committee members are as follows:

Name	Position	Status
1. Ms. Pensri Suteerasarn	Chairperson of Nomination and Remuneration Committee	Independent Director
2. Ms. Qiyu (Jackie) Wang	Nomination and Remuneration Committee member	Independent Director
3. Mr. Kirit Shah	Nomination and Remuneration Committee member	Director

The duties and responsibilities of the Nomination and Remuneration Committee are summarized hereunder:

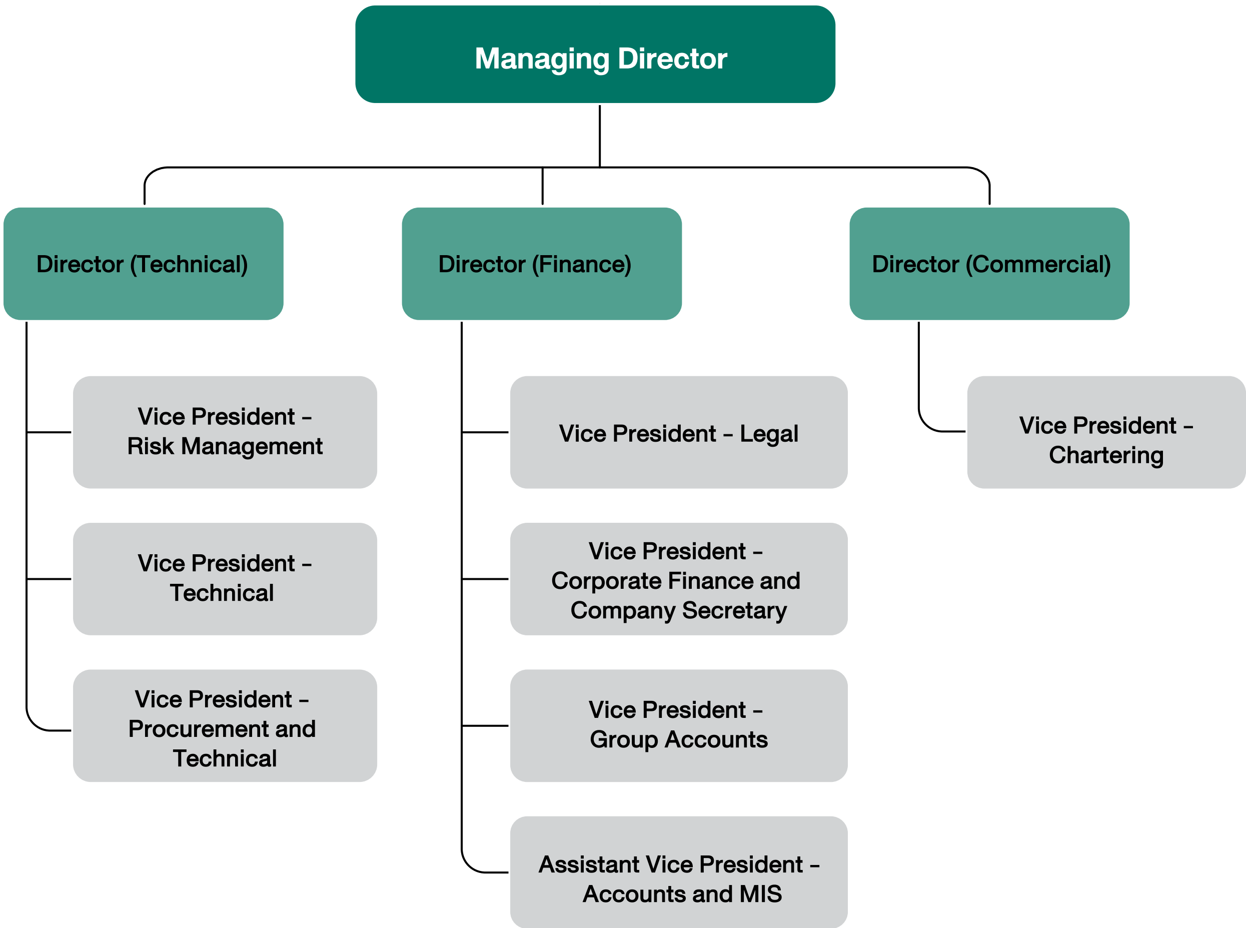
The Nomination and Remuneration Committee is responsible for duties assigned by the Board of Directors as follows:

1. Set out compensation guidelines for directors and top executives and propose the same to the Board of Directors.
2. Propose the directors' remuneration for the Board to make its recommendations and express its opinion for approval at the shareholders' meeting.
3. Update the Board of Directors about compensation norms being followed by companies in Thailand and abroad.

4. Set out selection and nomination guidelines of appropriate persons and propose the same to the Board of Directors.
5. Review the board structure and propose a succession plan for directors and top executives.
6. Propose to the Board, the names of potential candidates for appointment as directors for the Board's approval, in case of a casual vacancy, or the Board's recommendations for approval in shareholders' meeting.
7. If requested by the Board of Directors, assist in the process of review of the performance of directors.
8. Prepare specific reports on the latest trends and practices in the appointment of the directors and top executives for consideration by the Board of Directors.
9. Other specific jobs assigned by the Board of Directors.

3. MANAGEMENT

3.1 Management team



The following persons have been appointed by the Board of Directors as the executive directors of the Company and constitute the Executive Board of Directors as of 31 December 2023

Name	Position
1. Mr. Khalid Moinuddin Hashim	Managing Director
2. Mr. Gautam Khurana	Director (Finance)
3. Mr. Chandrasekhar Sivaraman Venkatraman	Director (Technical)

Management team of the Company and its subsidiaries in 2023 comprises of the following:

Name	Position
1. Mr. Khalid Moinuddin Hashim	Managing Director
2. Mr. Gautam Khurana	Director (Finance)
3. Mr. Chandrasekhar Sivaraman Venkatraman	Director (Technical)
4. Mr. Shrilal Gopinathan	Director (Commercial)
5. Mr. Neelakantan Vasudevan	Vice President (Risk Management)
6. Mr. Shankar Giri Shankar	Vice President (Chartering)
7. Mr. Minhaj Zafar	Vice President (Procurement and Technical)
8. Mr. Narit Likkasittiphan	Vice President (Technical)
9. Ms. Sirasa Supawasin	Vice President (Legal)
10. Ms. Somprathana Thepnapaplern	Vice President (Corporate Finance) and Company Secretary
11. Ms. Wimonwan Jaysrichai	Vice President (Group Accounts)
12. Ms. Nalinthip Santinanon	Assistant Vice President (Accounts and MIS)

3.2 Management remuneration

The Board appointed and assigned the Nomination and Remuneration Committee to set procedures for consideration of the remuneration of the directors and top executives in accordance with international standards and comparable with other equivalent listed companies including companies in the transportation industry.

The management remuneration is fixed in accordance with the principles and policies set by the Board of Directors. The Board of Directors directly and specifically approves the remuneration of the executive board and the director employed in an executive capacity in the Company's subsidiary based on the remuneration in the industry for equivalent positions, financial status/performance of the Company and their respective individual performances.

The remuneration of the executive directors and management team includes their salary, bonus, and other benefits including severance payments as retirement compensation.

The total remuneration to the Managing Director and management team for 2023, 2022 and 2021 is as follows

Description	Y2021 Total amount (Million Baht)	Y2022 Total amount (Million Baht)	Y2023 Total amount (Million Baht)
Remuneration for the Managing Director:			
• Salary	7.77	8.16	8.33
• Bonus	-	4.17	7.08
• Income Tax	3.74	6.03	7.36
• Director fee	0.55	0.55	0.55
• Other remuneration	0.61	0.62	0.62
Total remuneration for Managing Director	**12.67**	**19.53**	**23.94**
Remuneration for management team (excluding Managing Director) - 12 persons (2022: 13 persons and 2021: 13 persons)	**56.05**	**94.84**	**102.46**

3.3 Employee information

Information for the employees of the Company including its subsidiary, i.e., Great Circle Shipping Agency Limited ("GCSA") as of 31 December 2023, 2022 and 2021.

Description	31 December 2021	31 December 2022	31 December 2023
Total employees (persons)	129	133	138
Total employee compensation (million baht)	217.68	315.37	389.09
Total male employee compensation (million baht)	166.35	238.71	290.68
Total female employee compensation (million baht)	51.34	76.66	98.41
The ratio of female employee compensation to male employee compensation	0.31:1	0.32:1	0.34:1
Average employee compensation (million baht) – excluding Managing Director's remuneration	1.60	2.24	2.67
Average male employee compensation (million baht)	2.92	4.05	4.54
Average female employee compensation (million baht)	0.71	1.04	1.33
The ratio of Managing Director compensation to average all employee compensation	7.92:1	8.71:1	8.98:1

Remuneration to office employees is comprised of salary, bonus, and other benefits like provident fund on a voluntary basis, and severance payments as retirement compensation.

4. Other important information

4.1 Information of relevant persons in the organization

The names, biographies, experience and number of shares held by members of the Board of Directors and management including the Company secretary, the person taking the highest responsibility in finance and accounting, the person supervising accounting, the head of internal audit, and the head of legal and compliance are provided in Enclosure 1 **"Information of relevant persons in the organization"** of this annual report as well as on the corporate website.

4.2 Investor relations

The Board of Directors recognizes the importance of accurate, complete and transparent disclosure of financial information and general information, which may affect the Company's share price. The Company provides the information through the SET, the Company's website, social media and through regular newsletters and communications from the Managing Director. All investors can send an email to ir@preciousshipping.com or reach out to the following persons who have been designated as contact points for investors, shareholders, analysts and the general public:

Mr. Khalid Moinuddin Hashim	Managing Director Telephone 66 2696 8801 Email: kh@preciousshipping.com
Mr. Gautam Khurana	Executive Director Telephone 66 2696 8858 Email: gk@preciousshipping.com
Ms. Sirasa Supawasin	Vice President – Legal Telephone 66 2696 8854 Email: sirasa@preciousshipping.com
Ms. Somprathana Thepnapaplern	Vice President - Corporate Finance and Company Secretary Telephone 66 2696 8856 Email: som@preciousshipping.com

4.3 Company secretary

In keeping with good corporate governance, the Company designated a company secretary viz. Ms. Somprathana Thepnapaplern, having duties and responsibilities in accordance with the Securities and Exchange Act and to be responsible for overseeing and advising the Board and the management regarding applicable laws, rules, regulations and good corporate governance, and responsible for holding the Board and shareholders' meetings. The additional tasks include assisting the Board to comply with resolutions and safeguard the Company's documents and information.

4.4 Audit fee

The total audit fee and non-audit fee paid in 2023 and 2022 for the Company, all its subsidiaries, and associates were as following:

Details	Y2022 (Million Baht)	Y2023 (Million Baht)
Audit fee and non-audit fee - paid to EY Office Limited:-		
Audit fee for the Company	2.15	2.15
Audit fee for Thai subsidiaries and 1 foreign subsidiary	2.42	2.32
Total audit fee	**4.57**	**4.47**
Non-audit fee services - paid to EY Office Limited:-		
• Fee for certification purposes by BOI	0.15	0.13
• Fee for reviewing the accounts of certain foreign subsidiaries (for consolidation purpose)	0.91	0.91
Total non-audit fee services for the Company and its subsidiaries	**1.06**	**1.04**
Total audit fee and non-audit fee - paid to EY Office Limited	**5.63**	**5.51**
Audit fee for foreign subsidiaries - paid to other audit firms	4.23	4.92
Non-audit fee for foreign subsidiaries - paid to other audit firms	1.25	1.67
Total audit fee and non-audit fee for the year	**11.11**	**12.10**

CORPORATE GOVERNANCE REPORT

The Board of Directors is the main driver in defining the direction of the Company's performance, achieving its goals and objectives and defining the Company mission, vision, core values, strategic business plan, appointment of competent and effective management and managing the Company's affairs with good corporate governance. The Board of Directors is responsible for overseeing the strategic direction of the Company and ensuring compliance with the business plans. The Executive Board is delegated to manage the day-to-day operations of the Company and reports the results thereof to the Board. These reports are typically given at quarterly board meetings, with the goal of achieving company objectives and staying within legal guidelines.

At the Board of Directors' meeting held on 10 November 2023, the Board reviewed the Company's vision and mission statement and core values and found that they are in line with the Company's strategic objectives and the principles of sustainable development.

This corporate governance report not only captures the relevant principles of corporate governance that the Company follows, but also the key performance of the Board in respect of corporate governance for the year 2023.

1. Nomination, Development and Performance Assessment of the Board

The Nomination and Remuneration Committee shall recommend candidates to the Board of Directors to replace retiring directors or to fill any other vacancy.

Independent director

The independent directors are independent from the management and have no business or activities with the Company and must not be involved in the day-to-day management of the Company or an affiliated company which may compromise the interests of the Company and/or the shareholders.

Qualifications of independent directors of the Company

The following qualifications of independent director of the Company are more rigorous than the requirements set by the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC").

- The independent director must not hold shares exceeding 0.5 percent each, including shares held by a related person, of paid-up capital of the Company, a subsidiary or of an affiliated, associated or a related company.
- The independent director must not be involved in the day-to-day management and must not be an executive director, employee or advisor who receives salary or other kinds of compensation from the Company, its subsidiaries, or affiliated companies, associated companies or related companies or with the major shareholders of the Company during the period of two (2) years before the date of appointment as independent director.
- The independent director must not have any business relationship pursuant to the regulations of the SEC and also must be free of any present, direct or indirect, financial or other interest in the management and business of the Company, its subsidiaries, associated companies, or its major shareholders during the period of two (2) years before the date of appointment as independent director.

  The term 'business relationship' under the above paragraph, such as any normal business transaction, rental, or lease of immovable properties, transaction relating to assets or services, or grant or receipt of financial support through receiving or extending loans, guarantee, providing assets as collateral, including any other similar action whose value exceeds THB 20 million or more than 3% of the net tangible assets, whichever is lower.
- The independent director must not be the external auditor of the Company, its subsidiaries, or affiliated companies, associated companies or related companies, or with its major shareholders nor be a significant shareholder, a controlling person or a partner of such audit firm which employs external auditors of the Company, its subsidiaries, or affiliated companies, associated companies or

related companies, or with its major shareholders during the period of two (2) years from the date of appointment as independent director.

- The independent director must not be a provider of any professional services, such as legal advisor, financial advisor or asset appraisal who receives service fees exceeding Baht 2,000,000 per year from the Company, its subsidiaries or affiliated companies, associated companies or related companies, or with its major shareholders during the period of two (2) years from the date of appointment as independent director.
- The independent director must not be a blood relative or legal relative of any executive director, management team, major shareholder or significantly influential person in/of the Company.
- The independent director must not be acting as a nominee or representative of any director, major shareholder or shareholders, who are a relative of any major shareholders of the Company.
- The independent director must be able to carry out their duties, exercise their judgment, and report the committee's performances, which are assigned by the Board of Directors without being influenced by executive directors or major shareholders of the Company, including related persons or relatives.

Independent director's roles and duties

- Independent directors should have access to adequate financial and other business information for them to perform their duties effectively.
- They should regularly attend every board meeting, including committee meetings, and raise questions to ensure the interests of Company's shareholders' and the protection of rights of other stakeholders', and that the Company complies with best practices.
- Independent directors should possess abilities and display willingness to learn the Company's businesses, and express their views independently, as well as dedicate time and attention to the Company as needed.
- Independent directors should regularly hold meetings among themselves and try in every way possible to look for opportunities in which they can discuss business management issues with the management.
- Independent directors are expected to submit a confirmation letter to the Company verifying their independence in accordance with the Company's definition, on the date they accept the appointment and every subsequent year if required.
- It is expected that there should be specific terms given to independent directors, and no director is expected to stay on beyond a certain time limit. Nonetheless, the difficulties of searching an appropriate replacement and the benefits of the working relationship built up over the years within the independent directors and their understanding of the business must also be taken into account. Accordingly, at present no time limit has been set up for the independent directors apart from the statutory limits placed under applicable law.

Nomination and selection of directors and top executives

The Nomination and Remuneration Committee shall review the structure and composition of the Board of Directors, set nomination criteria and search for candidates with qualifications appropriate for the Company's situation and needs.

Board diversity policy

The Company considers increasing diversity at the board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. The board members represent diversity from a range of perspectives including gender, age, educational background, skills, knowledge, and professional experience. This diversity is important to ensure that the Company has a well-rounded and balanced perspective on the issues and opportunities it faces. A diverse Board with a significant number of female directors, can lead to better decision-making which provides a competitive advantage for the Company. Accordingly, it is recommended that at least 30% of the board be composed of female directors, as it is a good practice for diversity and inclusivity.

Furthermore, having a diverse Board of Directors with members who possess a range of skills and experiences is important for the Company. This diversity can bring valuable insights and perspectives to the table, particularly in areas such as shipping, financial management, technology, risk management, law and compliance. These sets of skills are referred to as a 'board skill matrix', which can help the Company make well-informed decisions and navigate potential challenges in these areas.

A board skill matrix is used annually for the Nomination and Remuneration Committee to identify gaps in the current composition of the Board of Directors, to assess the overall skills and qualifications of present directors, and to set criteria for the suitable profile of newly nominated directors.

When selecting new directors, the Board of Directors evaluates candidates based on their qualifications and the mix of skills they bring to the table. They also take into account diversity and how the candidate aligns with the Company's strategic direction.

Criteria and procedure for selection and appointment of new directors

The criteria and procedure when selecting and appointing new directors varies depending upon the circumstances of the Company at the particular time. In general, when the Board of Directors intends to appoint a new director (as a vacancy occurs or as an additional member on the Board), the following criteria and procedure are followed in selecting and appointing a new director to the Board of Directors:

- The Nomination and Remuneration Committee evaluates the range of skills, experience, expertise, and diversity of the existing directors using the board skills matrix. Additionally, the committee identifies other appropriate qualifications giving consideration in line with the Company's strategic direction, and gaps which need to be filled. Consideration is given to the balance of independent directors on the Board and the best practice recommendations as set out in the SET corporate governance principles.
- For seeking suitable candidates, the Nomination and Remuneration Committee may utilize the personal network of the board members and top executives of the Company and may consider the proposals from the shareholders or may engage an external search firm or may use director pool information from the Thai Institute of Directors (IOD).
- The Nomination and Remuneration Committee screens the director candidates, and then interviews each interested preferred candidate to identify those individuals who best fit the target candidate profile. Once the Nomination and Remuneration Committee has identified an appropriate candidate for the Board to consider, it may also arrange the board members to meet with the candidate.
- The Nomination and Remuneration Committee submits its recommendations to the Board of Directors, which is proposed for the shareholders' approval at the shareholders' meeting or which is proposed for the Board's approval as a temporary replacement if a director resigns during his or her term in office and a casual vacancy is created.

Criteria and procedure for the re-election of directors who retire by rotation

In accordance with section 71 of the Public Limited Companies Act B.E. 2535 and Article No.17 of the articles of association of the Company, at every annual general meeting, at least one-third of the directors, or, if their number is not a multiple of three, then the number nearest to one-third, must retire from office. In every subsequent year, the director who has been longest in office shall retire. A retiring director is eligible for re-election. The following criteria and procedure are followed for the re-election of a director who retires by rotation:

- The Nomination and Remuneration Committee considers the past performance of the retiring directors e.g. attendance, participation in meetings, and other contributions to the activities undertaken by the Board of Directors.
- After reviewing, the Nomination and Remuneration Committee submits its recommendations to the Board of Directors, which is proposed for the shareholders' approval at the shareholders' meeting.

Nomination of directors for the year 2023

The Company invited the shareholders to nominate a candidate to be elected as a member of the Board of Directors in the Annual General Meeting of Shareholders (AGM) No. 1/2023 through the Company's website from 1 October 2022 to 31 December 2022. However, there were no proposals from the shareholders.

The Board of Directors proposed the re-election of the following four (4) directors who retired by rotation at the AGM No. 1/2023 for the shareholders' consideration and approval:

1. Mr. Khalid Moinuddin Hashim	Executive Director / Managing Director / Sustainability and Risk Management Committee member
2. Mr. Khushroo Kali Wadia	Director
3. Mr. Gautam Khurana	Executive Director / Director (Finance) / Director
4. Ms. Sirasa Supawasin	Director

The Board of Directors, on the recommendation of the Nomination Committee, was of the opinion that the above four (4) directors were eligible to be and should be nominated for re-election. They were mature, highly qualified, and widely experienced in international business and have vast experience, in international trading, finance, and shipping which will enable them to provide valuable inputs to the existing operations as well as give direction for the future growth and sustainability of the Company. It was expected that the Company would benefit immensely from their knowledge, ideas, and suggestions that they would bring to the Board of Directors.

The shareholders approved the re-election of the four (4) directors who retired by rotation, with the majority votes cast by all shareholders who were present and eligible to vote. The shareholders who were eligible to vote had one vote for each share they held.

2. Directors' Development

The Board of Directors continues to try and enhance their value by participation in activities, courses and events which add to their knowledge base in the continually changing business environment to ensure that they are updated and possess full knowledge. All board members (100% of the Board of Directors) have attended the Director Certification Program (DCP) and/or the Director Accreditation Program (DAP) held by the Thai Institute of Directors Association (IOD).

The Company encourages every director to acquire further knowledge through training imparted by the Thai Institute of Directors Association (IOD), Thai listed Companies Association (TLCA) and other leading organizations as well as attend seminars to enhance their ability to perform their roles.

In 2023, the Company's management attended a "Strategy Review" session together with the Board of Directors. Besides presentations by members of the management, there was also a presentation on the outlook of the shipping market, by an industry expert.

Details of directors who attended training programs/seminars in 2023

Director's name	Seminar/Training course	Conducted by
Ms. Pensri Suteerasarn	Refreshment Program (RFP 9/2023)	Thai Institute of Directors (IOD)
Professor Dr. Pavida Pananond	Director Leadership Certification Program (DLCP 12/2023)	Thai Institute of Directors (IOD)
Ms. Qiyu (Jakie) Wang	Director Certificate Program (DCP 351/2023)	Thai Institute of Directors (IOD)

Director's name	Seminar/Training course	Conducted by
Mr. Gautam Khurana	TLCA CFO professional development program on the topic 'Debt securities for environmental conservation'	Thai Listed Companies Association (TLCA)
	TLCA CFO professional development program on the topic 'Economic update for CFO'	Thai Listed Companies Association (TLCA)
	Speaker at Capital Link International Shipping China Forum	Capital Link
	Speaker at Commodity Trading Week APAC	Commodities People
	TLCA CFO Professional Development Program (TLCA CFO CPD) No. 5/2023 Topic "RPA (Robotic Process Automation) in finance and accounting"	Thai Listed Companies Association (TLCA)
	The Board's Role in Mergers and Acquisitions (BMA) Class 5/2023	Institute of Directors (IOD)
	Speaker at Marine Money, Hong Kong	Marine Money
Ms. Sirasa Supawasin	Thailand Data Protection Officer (T-DPO) certificate	The Digital Council of Thailand
	The Board's Role in Mergers and Acquisitions (BMA) Class 5/2023	Institute of Directors (IOD)

Directors' orientation

The Company secretary provides any newly appointed director with the background of the Company's business, profile and industry along with all the relevant documents such as the director's handbook, the Company's corporate documents, CG policy manual, business ethics and code of conduct manual, anti-corruption policy, laws, regulations and practices which are related to the trading of Company's shares.

The Company arranged such a directors' orientation program for the new director who was appointed in 2023.

3. Performance Evaluation of the Board, the Sub-committees and the Managing Director

Criteria

The Company conducts an evaluation of the performance of the Board of Directors, the sub-committees, and the Managing Director at least once a year.

Procedures

- The Company secretary is responsible for distributing evaluation forms to the directors of the Company, which include forms for evaluating the Board as a group and on an individual basis, as well as forms for evaluating sub-committees. The Managing Director's evaluation form is specifically distributed to the non-executive directors.
- The performance evaluation results of the Board of Directors, sub-committees, and the Managing Director are presented for discussion at the non-executive directors' meeting.
- In the Board meeting, a summary of the recommendations from the performance evaluations of the Board of Directors, the sub-committees, and the Managing Director is presented to the Board for consideration.

Board self-assessment

Board members conducted a self-assessment as a group through a questionnaire following the IOD guidelines which covered the subjects as follows:

- Structure and characteristics of the Board
- Roles and responsibilities of the Board
- Board of Directors' meetings
- The Board's performance of duties
- Relationship with management
- Self-development of directors and executive development

In addition to the performance evaluations mentioned previously, the board members also conduct a self-assessment on an individual basis through a questionnaire following the IOD guidelines, which covered the subjects as follows:

- Personal qualifications
- Readiness to perform duties
- Participation in Board of Directors' meetings
- Roles, duties and responsibilities
- Relationship between the Board and management

At the Board of Directors Meeting held on 10 November 2023, the board members acknowledged the scores of the board's self-assessment as a group and as individuals. Both assessments fell in the level of "Excellent". The Board of Directors intends to use this result to further improve its performance. The Company intends that the self-assessment be done every year in order to comply with the good corporate governance practice and accordingly this exercise will be conducted again in the year 2024.

The board committees' self-assessment

The Company has four (4) board committees i.e., the Audit and Corporate Governance Committee, the Sustainability and Risk Management Committee, the Executive Board of Directors, and the Nomination and Remuneration Committee. In the Board of Directors meeting held on 10 November 2023, the Board of Directors acknowledged the results of each board committee self-assessment conducted by members of each board committee through a questionnaire following the IOD guidelines which covered the subjects as follows:

- Structure and characteristics of the board committees
- Board committees meeting
- Roles and responsibilities of the board committees in each particular committee

The scores of each board committee self-assessment are summarized as follows

Board committees	2023 results of self-assessment
Audit and Corporate Governance Committee	Excellent
Sustainability and Risk Management Committee	Excellent
The Executive Board of Directors	Excellent
Nomination and Remuneration Committee	Very Good

Each board committee intends to use this result to further improve its performance. The Company intends that the self-assessment be done every year in order to comply with good corporate governance practice and accordingly, this exercise will be conducted again in the year 2024.

Managing Director evaluation

In the Board of Directors meeting held on 10 November 2023, the Board of Directors acknowledged the results of Managing Director evaluation conducted by non-executive directors through a questionnaire following the SET guidelines which covered the subjects as follows:

- Leadership
- Strategy formulation
- Strategy execution
- Financial planning/performance
- Relationships with the Board
- External relations
- Human resources management/relations
- Succession
- Product/service knowledge
- Personal qualities

The score of Managing Director evaluation fell in the level of "Excellent". The Company intends that the Managing Director evaluation be done every year in order to comply with good corporate governance practice and accordingly this exercise will be conducted again in the year 2024.

4. Meeting Attendance and Remuneration of Directors

4.1 Board of Directors' meetings

The Board of Directors meetings for the coming year are scheduled and informed the board members in advance by the end of each year.

For each meeting, through the year, an agenda is predetermined by the Chairman of the Board of Directors and Managing Director. The meeting has a specific agenda, which would include a review of the Company's operations.

The Company secretary sends the notice of the meeting and relevant documents to all directors, at least seven (7) days prior to the meeting date, so as to allow sufficient time for them to review the information before joining the meeting.

Board of Directors' meetings are held after the Audit and Corporate Governance Committee meeting so that the minutes of the Audit and Corporate Governance Committee meeting can be sent to the Board of Directors for their consideration and discussion during the Board meeting. Directors are free to contact an executive director directly, should they feel the need to obtain any additional clarification.

Unless there is reasonable ground or necessity, each director must attend at least 75% of all board meetings held in a year.

In every meeting, the minutes of the meeting are recorded, reviewed and adopted by the Board of Directors. The minutes of the meeting are kept with the Company secretary for ready reference and review by other concerned parties.

A Board meeting via electronic means is held in accordance with relevant laws and regulations concerning electronic meetings.

Details of directors' attendance for Board of Directors and sub committee meetings held in 2023 are set out in the following table

Director's name	Board of Directors and Sub Committee meetings – Attendance / Total meetings (times)																Annual General Meeting of the Shareholders (E-AGM)
	Board of Directors		Audit and CG Committee		Sustainability and Risk Management Committee		Executive Board of Directors		Nomination Committee		Remuneration Committee		Nomination and Remuneration Committee*		
	In-person	By electronic means	In-person	By electronic means	In-person	By electronic means	In-person	By electronic means	In-person	By electronic means	In-person	By electronic means	In-person	By electronic means	
1. Mr. Chaipatr Srivisarvacha	3/3	3/3													1/1
2. Mr. Kamtorn Sila-On	5/5	1/1	4/4		4/4				1/1		1/1				1/1
3. Ms. Pensri Suteerasarn	4/4	2/2	3/3	1/1	3/3	1/1			1/1				1/1		1/1
4. Professor Dr. Pavida Pananond	5/5	1/1	4/4		4/4				1/1		1/1				1/1
5. Ms. Qiyu (Jackie) Wang **, ***	4/4				1/1	1/1							1/1		
6. Mr. Khushroo Kali Wadia	5/5	1/1													1/1
7. Ms. Nishita Shah	1/1	3/5													1/1
8. Mr. Kirit Shah	5/5	1/1									1/1		1/1		1/1
9. Mr. Ishaan Shah	4/4	2/2													0/1
10. Mr. Khalid Moinuddin Hashim	5/5	1/1			4/4		10/10								1/1
11. Mr. Gautam Khurana	5/5	1/1					10/10								1/1
12. Ms. Sirasa Supawasin	5/5	1/1													1/1
13. Mr. Chandrasekhar Sivaraman Venkatraman							10/10								
Total meetings	**6 times**		**4 times**		**4 times**		**10 times**		**1 time**		**1 time**		**1 time**		**1 time**
Percentage of meeting attendance	**97%**		**100%**		**100%**		**100%**		**100%**		**100%**		**100%**		**91%**

* Reorganizing by combining the Nomination Committee and the Remuneration Committee into the Nomination and Remuneration Committee by a resolution of the Board of Directors in the Board meeting no. 3/2023 held on 15 May 2023

** New director appointed by shareholders' resolution in the Annual General Meeting of the Shareholders (AGM) No. 1/2023 held on 10 April 2023

*** Appointed by the Board of Directors as the Sustainability and Risk Management Committee member and the Nomination and Remuneration Committee member during the Board meeting no. 3/2023 held on 15 May 2023

For the year 2023, all resolutions of the Board of Directors were passed by the vote of the directors present at the Board of Directors' meetings with a quorum of more than two-thirds of all the board members.

On 10 November 2023, the non-executive directors held a meeting among themselves to discuss the business management issues and performance of the executive directors. The results from the meeting were reported to the Board of Directors.

On 22 December 2023, a meeting was held between the independent directors and executive directors to discuss the business strategies of the Company.

4.2 Directors' remuneration

The Board of Directors appointed the Remuneration Committee in its meeting held on 15 November 2007. Subsequently, the Board restructured the committees by combining the Remuneration Committee and the Nomination Committee into one committee, namely the "Nomination and Remuneration Committee" by the resolution of the Board of Directors in the Board meeting No. 3/2023 held on 15 May 2023. The Nomination and Remuneration Committee is responsible for overseeing the remuneration of directors. The details of Nomination and Remuneration Committee such as members, qualification, duties and responsibilities are disclosed on the website of the Company and under the subject **"Organization Structure"** of this annual report.

The proposal of the directors' remuneration and the recommendations and opinion of the Board of Directors regarding the directors' remuneration would be presented for approval in shareholders' meeting. Any recommendations on directors' remuneration must meet the criteria specified by the Board of Directors. The criteria are clearly laid out in the corporate governance policy of the Company.

In the years 2023 and 2022, the Company proposed the directors' remuneration for the year as a fixed retainer fee without any other compensation which was paid quarterly in equal installments for each respective quarter, which was approved in the shareholders' meeting as follows:

(In million baht)

Name of directors		Amount								
		2023					2022			
		Position	Board of Directors	Audit and Corporate Governance Committee	Sustainability and Risk Management Committee	Total	Board of Directors	Audit and Corporate Governance Committee	Sustainability and Risk Management Committee	Total
1	Mr. Chaipatr Srivisarvacha	Chairman of the Board of Directors, Independent Director	1.20			1.20	1.20			1.20
2	Mr. Kamtorn Sila-On	Chairman of the Audit and CG Committee, Member of the Sustainability and Risk Management Committee, Independent Director	0.55	0.40	0.13	1.08	0.55	0.40	0.11	1.06
3	Ms. Pensri Suteerasarn	Member of the Audit and CG Committee, Member of the Sustainability and Risk Management Committee, Independent Director	0.55	0.20	0.10	0.85	0.55	0.15	0.08	0.78
4	Professor Dr. Pavida Pananond	Chairperson of the Sustainability and Risk Management Committee, Member of the Audit and CG Committee, Independent Director	0.55	0.20	0.13	0.88	0.55	0.20	0.08	0.83
5	Ms. Qiyu (Jackie) Wang**	Member of the Sustainability and Risk Management Committee, Independent Director	0.41		0.05	0.46				-
6	Ms. Lyn Yen Kok*	Member of the Audit and CG Committee, Member of the Sustainability and Risk Management Committee, Independent Director	-	-	-	-	0.14	0.05		0.19
7	Mr. Khushroo Kali Wadia	Director	0.55			0.55	0.55			0.55
8	Ms. Nishita Shah	Director	0.55			0.55	0.55			0.55
9	Mr. Kirit Shah	Director	0.55			0.55	0.55			0.55
10	Mr. Ishaan Shah	Director	0.55			0.55	0.55			0.55
11	Mr. Khalid Moinuddin Hashim	Managing Director, Executive Director	0.55			0.55	0.55			0.55
12	Mr. Gautam Khurana	Executive Director	0.55			0.55	0.55			0.55
13	Ms. Sirasa Supawasin	Executive Director	0.55			0.55	0.55			0.55
Total annual remuneration* **			**7.11**	**0.80**	**0.41**	**8.32**	**6.84**	**0.80**	**0.27**	**7.91**

* Retired by rotation from the Board of Directors on 4 April 2022

** New director appointed by shareholders' resolution in the Annual General Meeting of the Shareholders (AGM) No. 1/2023 held on 10 April 2023

*** Paid quarterly to the Chairman of the Board of Directors Baht 300,000 per quarter, each board member Baht 137,500 per quarter, the Chairman of Audit and CG Committee an additional Baht 100,000 per quarter, each Audit and CG Committee member an additional Baht 50,000 per quarter, the Chairperson of Sustainability and Risk Management Committee an additional Baht 37,500 per quarter and each Sustainability and Risk Management Committee member (only a member who is an independent director) an additional Baht 25,000 per quarter

The comparison of remuneration of the Chairman, directors, the Chairman of Audit and Corporate Governance Committee, Audit and Corporate Governance Committee members, the Chairperson of Sustainability and Risk Management Committee, Sustainability and Risk Management Committee members and management between the Company and other listed companies and listed companies in the service sector is as follows:

(In million baht/person/year)

Description	* PSL		** Service sector							
			Mean		Median		Min		Max	
	2023	2022	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus
Chairman of the BOD	1.20	1.20	0.97	1.95	0.77	1.24	0.22	0.27	4.04	9.29
Executive Directors	0.55	0.55	0.50	1.17	0.38	0.70	0.16	0.22	2.01	4.63
Non-Executive Directors	0.55	0.55	0.54	1.07	0.43	0.73	0.16	0.21	2.67	5.29
Management	9.72	8.17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chairman of Audit and CG Committee ***	0.40	0.40	0.62	1.91	0.44	1.73	0.14	0.26	2.03	4.48
Audit and CG Committee members ***	0.20	0.20	0.41	1.49	0.26	1.34	0.07	0.19	1.58	3.63
Chairperson of Sustainability and Risk Management Committee ****	0.15	0.11	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Sustainability and Risk Management Committee members ****	0.10	0.08	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* PSL's figures are actuals of respective years
** From IOD's Thai Directors Compensation Survey 2022 (latest available survey results) – No survey was conducted in the year 2023
*** Additional Remuneration as Chairman of Audit and CG Committee/Audit and CG Committee member
**** Additional Remuneration as Chairperson of Sustainability and Risk Management Committee/Sustainability and Risk Management Committee member
N.A. Not available since not reported

(In million baht/person/year)

Description	* PSL		** All listed companies with revenue 5,001 - 10,000 MB							
			Mean		Median		Min		Max	
	2023	2022	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus
Chairman of the BOD	1.20	1.20	0.81	1.47	0.69	1.19	0.29	0.35	3.15	5.49
Executive Directors	0.55	0.55	0.50	0.91	0.44	0.77	0.19	0.24	1.72	2.59
Non-Executive Directors	0.55	0.55	0.51	0.93	0.44	0.76	0.19	0.24	1.93	3.14
Management	9.72	8.17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chairman of Audit and CG Committee ***	0.40	0.40	0.48	0.68	0.37	0.57	0.14	0.34	1.38	1.58
Audit and CG Committee members ***	0.20	0.20	0.35	0.50	0.25	0.40	0.08	0.23	1.10	1.25
Chairperson of Sustainability and Risk Management Committee ****	0.15	0.11	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Sustainability and Risk Management Committee members ****	0.10	0.08	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* PSL's figures are actuals of respective years
** From IOD's Thai Directors Compensation Survey 2022 (latest available survey results) – No survey was conducted in the year 2023
*** Additional Remuneration as Chairman of Audit and CG Committee/Audit and CG Committee member
**** Additional Remuneration as Chairperson of Sustainability and Risk Management Committee/Sustainability and Risk Management Committee member
N.A. Not available since not reported

(In million baht/person/year)

Description	* PSL		** All listed companies with the market capital 10,001 - 50,000 MB							
			Mean		Median		Min		Max	
	2023	2022	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus
Chairman of the BOD	1.20	1.20	1.13	2.24	0.80	1.45	0.23	0.28	7.34	13.63
Executive Directors	0.55	0.55	0.63	1.36	0.51	0.90	0.19	0.24	3.49	6.64
Non-Executive Directors	0.55	0.55	0.68	1.39	0.54	0.94	0.19	0.24	4.05	7.20
Management	9.72	8.17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chairman of Audit and CG Committee ***	0.40	0.40	0.62	0.62	0.53	0.53	0.09	0.09	2.56	2.56
Audit and CG Committee members ***	0.20	0.20	0.43	0.43	0.44	0.44	0.07	0.07	1.84	1.84
Chairperson of Sustainability and Risk Management Committee ****	0.15	0.11	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Sustainability and Risk Management Committee members ****	0.10	0.08	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* PSL's figures are actuals of respective years
** From IOD's Thai Directors Compensation Survey 2022 (latest available survey results) – No survey was conducted in the year 2023
*** Additional Remuneration as Chairman of Audit and CG Committee/Audit and CG Committee member
**** Additional Remuneration as Chairperson of Sustainability and Risk Management Committee/Sustainability and Risk Management Committee member
N.A. Not available since not reported

5. Supervision of Subsidiaries and Associated Companies[1]

The Company shall at all times, ensure that all the subsidiaries' and associated companies[1] are in compliance with applicable laws and regulations.

The Board has set up the following mechanism in order to supervise and monitor corporate governance of the Company's subsidiaries and associated companies[1].

- The Company shall nominate directors in each subsidiary as appropriate for the business operations of such subsidiary and the governing laws and regulations. For associated companies[1], director appointment shall be as per an investment agreement (if any).
- The Board of Directors considers proposed candidates for executive directors on the Executive Board of Directors of the Company. The executive directors are generally appointed as directors in the Company's subsidiaries. However, the number of directors in each subsidiary depends on business requirements and governing laws.
- Directors of the subsidiaries perform their duties in conformity with applicable laws and ensure that the business of the subsidiaries operates in accordance with applicable laws. The directors, in their business conduct, are expected to generally act with care to preserve the interest of the Company.
- Financial performance of the subsidiaries shall also be reported to and considered by the Company's Board of Directors on a regular basis.
- The executive directors shall ensure that the Company and its subsidiaries comply with the disclosure requirements of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). They shall also ensure that all material information is disclosed in a timely and accurate manner.
- The internal control systems and policies of the Company shall extend to its subsidiaries. The internal audit department will monitor the implementation of these policies and procedures at the subsidiaries and report any issues to the Audit and Corporate Governance Committee. The committee will then review the findings and take appropriate action to address any issues identified.

[1] "associated company" means:
(a) a company whose shares are held by the parent company or the subsidiary company in an aggregate number of more than twenty percent but not exceeding fifty percent of the total number of shares with voting rights of the company being held;
(b) a company in which the parent company or the subsidiary company has the power to participate in making decisions on financial policies and operational matters of the company but not insomuch as to have control over such policies and not deemed as a subsidiary company or joint venture.

The Company's implementation of good corporate governance principles is outlined hereunder:

1. Rights of shareholders and equitable treatment of shareholders

The Company recognizes the rights of shareholders as well as its fiduciary duty to ensure equitable treatment of all shareholders and to safeguard the interests of all shareholders. The basic legal rights comprise the right to buy/sell or to transfer securities held, the right to share in profits of the Company, the right to receive dividend, the right to attend the shareholders meetings, the right to propose agenda in the shareholders meetings, the right to vote for the appointment of directors and fixing of director remunerations, the right to vote for the appointment of auditors and fixing of auditors' fees and the right to take part in decision-making of the Company's material issues, such as approval of key activities affecting business direction.

Apart from the basic rights of shareholders above, the shareholders have the right to receive information on operating performance, newsletters from management and other key information via the Company's website. In accordance with good corporate governance guidelines, the Company has conducted its affairs with a view to protecting shareholders' rights and also encouraging all shareholders to exercise their rights. The policy for maintaining rights of shareholders is part of the Company's corporate governance policy manual which is disclosed on the Company's website.

The Board of Directors respects the rights of shareholders by way of facilitating the following for them to attend the annual general meetings of shareholders.

- All shareholders including the institutional shareholders are continuously encouraged to participate and vote in the shareholders' meetings.
- Proxy forms for attending the shareholders' meetings, and proxy delegation process are enclosed with the meeting invitations.
- Duty stamps are available to facilitate the proxies.
- In case of face-to-face meetings, the Company arranges the shareholders' meetings at the center of town, where it is convenient for the shareholders to get to the venue. In case of electronic meetings, the Company ensures that the selected e-meeting platform for the shareholders' meetings is secure, reliable, and user-friendly.
- The Board is committed to not adding any new agenda item without notice to shareholders in advance.

The Company takes care and treats all shareholders, both major shareholders and minority shareholders as well as foreign shareholders on a fair and equal basis. The Board ensures that all shareholder rights are protected and that they all get fair treatment.

2. Role of stakeholders

The Company recognizes the importance of all stakeholder groups whether it is the internal stakeholders such as shareholders, employees and management of the Company and subsidiaries or external stakeholders such as creditors, suppliers, customers, communities, government agencies and other related organizations. The Company is aware that the support from each stakeholder would help establish the Company's competitive advantages and profitability, which would contribute greatly to the Company's long-term success and prosperity. The Company has also amended the Company's website to include, under the subject of "Stakeholder Activities", the policy and code of conduct towards stakeholders in business ethics and code of conduct manual and included therein a way whereby the website can be used as one of the intended channels for any stakeholder to express his/her opinion and contact the Board of Directors in case they wish to contact the Board of Directors directly without going through the management. The Board will treat such information seriously and will maintain utmost confidentiality. If the complaints are not unfounded, the Board would take all remedial action that may be necessary.

- **Management:** The Company recognizes that management is one of the key determinants of success for the Company's operations and accordingly, management remuneration is appropriately structured and comparable with the industry norms and other equivalent listed companies in Thailand. The management is also allowed to work independently without interference as defined in their duties and responsibilities, which are approved by the Board of Directors.

- **Employees:** The Company recognizes that employees are key drivers for smooth and successful operations. The Company provides equal opportunities in employment and career advancement without prejudice to race, gender, religion and age. The Company emphasizes its recognition and commitment towards gender equality by way of including a separate diversity and inclusion policy in its business ethics and code of conduct to ensure that all job applicants and employees are treated with fairness and dignity at the workplace, regardless of their gender and background. In October 2021, the Company has also become a signatory to the women's empowerment principles established by UN Global Compact and UN Women, which are a set of principles offering guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community. Human resource policies conform to local labor law regulations. The Company ensures that employees possess adequate knowledge and skills to perform their jobs for the Company's business and understand relevant code of conduct and practice and are encouraged to gain knowledge and ability and keep them updated following industry trends. The subject of safety and occupational health of all seafarers serving onboard the Company's ships has been explained under the subject of **"Sustainable Development"** of this annual report.

  The Company provides remuneration to office employees as salary, bonus, and other benefits, like provident fund on a voluntary basis, although such other benefits are not required by law. Remuneration is based on their performance, roles and duties and incentives/ increments/ bonuses are also based on financial status/performance and future plans of the Company. As a long-term incentive, the Company does not have an employee stock option plan in place since the Company feels that to a large extent, the share price of the Company depends on a number of factors beyond the employees' direct control like the state of the international freight markets and therefore, the Company's share price may not adequately reflect the better performance of the employees. Therefore, the Company has implemented a profit-sharing scheme, which ensures that the employees are paid bonuses annually based on the performance of the Company against specified quantitative targets, which are laid down annually in advance.

  The Company provides in-house and external training for officers of the Company both at head office as well as on the ships. The costs of such training are borne by the Company. Moreover, the Company allows special leave and flexible working hours for employees who are undergoing longer term professional or degree courses. Moreover, the Company supports a good relationship between all employees including the management.

  The Company has appointed the welfare committee consisting of five (5) employees from various departments to oversee employee well-being, consult with the management on employees' welfare issues, provide advice, and make recommendations to the Company regarding employee welfare.

- **Brokers:** The Company recognizes that shipbrokers with whom the Company regularly deals with for obtaining business for Company's ships are one of the Company's key success factors. Accordingly, terms are negotiated with a view to ensuring fairness and in keeping with industry norms so as to ensure a mutually beneficial long-term working relationship.

- **Creditors:** The Company recognizes that financial creditors are an important determinant of the success for the Company, given the Company's highly capital-intensive business. The Company values its relationship with and its commitment towards all of its lenders and therefore, the Company generally complies with all terms in borrowings including compliance with the objectives of using the borrowed funds, repayment, collateral, and other conditions as may be agreed. Moreover, if there is any covenant in any of the loan agreements with which the Company is unable to comply, the Company proactively approaches the lenders to seek a waiver or achieve other mutually acceptable solutions.

- **Suppliers:** The Company recognizes the importance of satisfied suppliers and so the Company always ensures that suppliers are provided with equal information. Terms and conditions for suppliers are based on industry norms and practices and thereafter, agreed terms and conditions are strictly followed by the Company. Furthermore, the Company keeps the suppliers' information confidential and does not use such information for any inappropriate benefit.

- **Customers:** The Company recognizes that its customers are a key driver of success. The Company always protects customers' interests, is attentive and ultimately responsible for the needs of the customers with regard to service, and in setting and maintaining steady standards of service. The customers' confidential information is used exclusively for concerned business, without revealing it unless required by laws, regulations, or with consent from the information owners, including issues related to marketing, market power exercises, price setting, and details of services, quality and safety.
- **Competitors:** The Company acts within the rules of fair trade and refrains from making any attempt to damage trade competitors' reputations with false allegations against their companies. The Company does not make any attempt to access competitors' confidential information or use dishonest or inappropriate means for any purpose. The Company is proactive in sharing information that can benefit the shipping industry as a whole and contribute to sustainable economic, social, and environmental development of society.

  In 2023, there were no disputes or lawsuits between the Company and its competitors.
- **Social responsibility to the community:** The Company recognizes its responsibility to the community and is often involved in supporting community activities and being attentive to the consequences of the Company's conduct that affect the people more than what the laws require, including making efforts to absorb social accountability. The Company has provided a separate detailed report under the subject of **"Sustainable Development"** of this annual report.
- **Regulators:** Apart from the various regulations which the Company's ships are subjected to and explained hereunder in this report, on a corporate level, the Company recognizes that the government is a regulator who is in control of the Company's operations in respect of the fairness and transparency of trading. The Company recognizes the significance of compliance with related laws and regulations and has included its review of compliance as one of the duties of the internal audit department headed by a qualified internal auditor. The internal audit department provides an annual compliance review report of related laws and regulation and directly report to the Audit and Corporate Governance Committee as explained under the **"Audit and Corporate Governance Committee Report"** of this annual report.
- **Environment:** The Company recognizes that shipping operations if conducted irresponsibly may affect the environment, particularly in terms of air and/ or water pollution.

  As part of its environmental protection policy, the Company is committed to the protection and conservation of the environment and ranks environmental considerations equally with commercial and operational factors in managing its operations and implements this policy. The Company has provided a separate detailed report under the subject of **"Sustainable Development"** of this annual report detailing the steps taken by the Company and its compliance with various regulations/norms.
- **Respect for human rights principles:** The Company requires that all of its directors, management, and employees strictly respect human rights laws including those that relate to forced labor or child labor. The Company does not tolerate any violations thereof. All stakeholders are treated fairly and in a dignified manner, without any discrimination on the basis of national origin, race, gender, age, skin color, religion, physical condition, status, or birth. The Company also promotes the monitoring of human rights compliance within the Company and encourages business partners, suppliers, and other relevant parties in the supply chain of the Company and its controlled entities in Thailand and overseas to conduct business in a manner that respects human rights.

  In 2023, the Company did not receive any complaints or reports on human rights issues.
- **Ethics for intellectual property rights:** The Company requires that all of its directors, the management, and employees respect the intellectual property rights of others, whether in relation to trademarks, patents, copyrights, classified commercial information, or other stipulated categories of intellectual property, such as using only licensed software that has been inspected and installed by the Company's information technology department, and encouraging our employees to ensure that the application of research findings or other data in their work does not constitute a violation of other people's intellectual property rights.

3. Disclosure and transparency

The Company has tightened procedures to take care of important information to be disclosed, including both financial and non-financial statements and reports. The information is disclosed correctly, accurately, on a timely basis and transparently through the proper channels that users can conveniently access.

3.1 Board of Directors' report

The Board of Directors is responsible for the Company and its subsidiaries' financial statements and financial information presented in this annual report. The report on the Board of Directors' responsibilities for financial statements is presented along with the report of independent auditor and audited financial statements in this annual report.

3.2 Relations with investors

The Board of Directors recognizes the importance of accurate, complete and transparent disclosure of financial information and general information, which may affect the Company's share price. The Company provides the information through the SET, the Company's website and through regular newsletters and communications from the Managing Director. The Company has established an investor relations division to disseminate information to shareholders and other stakeholders including investors and analysts so as to foster a deep understanding of the Company and its business. The corporate information and performance data is posted in both Thai and English on the Company's website and through various media.

The following three channels to contact investor relations

- By email: ir@preciousshipping.com
- By fax: +662-236-7654
- By contact IR persons: information of IR persons is hereabove in **"Organization Structure"** of this report

The Company has joined many events for press/analyst briefings, which are attended personally by the Managing Director and/or the executive directors. Some of the major events in which the Company participated in the last three (3) years are enumerated herein as under:

Year / Times	Analyst meetings / Communications	Investor meetings / Communications	Presentations Roadshows	Press and TV interview	Total
2023	25	25	15	2	67
2022	29	15	9	11	64
2021	69	19	11	14	113

4. Responsibilities of the Board

4.1 Explicit responsibilities of the Board of Directors

The Board of Directors performs its duties and carries on the business of the Company in conformity with applicable laws, the Company's objectives and the memorandum and articles of association, as well as the resolutions of the shareholders' meetings. The Board shall be involved in any matters that may have a significant impact on the Company's business. The following matters require decision or approval from the Board:

- Designation of the authorized directors to bind the Company.
- Appointment of executive directors and members of the sub committees, in the manner prescribed by law.
- Authorizing the sale or mortgage any of the Company's immovable properties, to let any of the Company's immovable properties for the period more than three (3) years, to make a gift, to compromise, to file complaints to the court and to submit the dispute to the arbitration.
- Approval of annual and quarterly financial results.

- Approval of the vision and mission statement, core values and code of business conduct.
- Approval of major decisions in respect of the Company's business direction and policies.
- Decision on major investments and contracts with significant impact to the Company.
- Any matters and/or transactions within the ambit of the Board pursuant to the memorandum and articles of association of the Company, the Public Limited Companies Act B.E. 2535, and other relevant laws and regulations.

The Board of Directors has clearly defined and demarcated duties and responsibilities between each committee as mentioned under the **"Organization Structure"** section of this annual report.

4.2 Board diversity

The Company developed board skill matrix in order to create a wide range of expertise in line with the Company's business operations. The Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. The Board members represent diversity from a range of perspectives including gender, age, educational background, skills, knowledge, and professional experience. And for the selection of new directors, the Board of Directors will consider the candidate's qualifications, having regard to the mix of skills, diversity and in line with the Company's strategic direction.

The number of members on the Board of Directors is commensurate with the size and complexity of the Company's business. As of 31 December 2023, there are twelve (12) directors on the Board of Directors of the Company which consists of three (3) executive directors who hold executive roles and are full-time employees of the Company and nine (9) non-executive directors, five of whom are independent directors (42% of the Board). Moreover, the Board consists of five (5) female directors (42% of the Board).

4.3 Succession plan

The Board of Directors shall ensure a systematic nomination for the proper candidate to replace a director or top executive position suitably in line with the succession planning policy. The Nomination and Remuneration Committee is appointed to propose the appointments of new directors and key executives (Managing Directors and executive directors) to the Board by considering the proper candidate both from internal and external candidates. The Nomination and Remuneration Committee is responsible for considering candidates' skills, experience, and specific qualifications for the best interest of the Company. To support its succession planning process, in 2023 the Company has hitherto been quite successful in sourcing and retaining such highly skilled and qualified personnel. The Company continues to take a number of initiatives including establishing a detailed succession plan to attract and retain talent. Moreover, the Company has prepared and enhanced critical mechanisms, for instance, knowledge management, succession plan management and leadership development program as part of our management development and succession planning cycle.

4.4 Controlling system and internal audit

The Company recognizes the importance of internal control systems on an operational level to ensure that the operations are conducted efficiently. Duties of operations and management level personnel are laid down clearly. There is a proper level of control maintained on the utilization of the Company's property/assets for the highest benefit of the Company and there is clear segregation between the operations units, control units and assessment units for the purpose of maintaining appropriate checks and balances. Moreover, an internal control system for the financial and accounting functions of the Company is clearly set up which allows adequate reporting to the relevant management.

The Company has a robust internal audit department in order to ensure that the key operations and financial activities are conducted efficiently under the guidelines and relevant laws. Moreover, to ensure that the Company has complied with laws and regulations relating to the business of the Company, the internal audit department conducts regular checks. Internal auditors report directly to the Audit and Corporate Governance Committee on all matters, in order to make the internal audit department completely independent of the management.

Moreover, an internal control system for the financial and accounting functions of the Company is clearly set up which allows adequate reporting to the relevant managers to achieve the following objectives:

1. Efficient and effective operations, including skillful use of resources for the best benefit of the Company.
2. Accurate, reliable and prompt financial reporting.
3. Full compliance with the Company's policies, laws and regulations.

The Board of Directors recognizes the importance of risk management and is responsible directly for the risk management of the organization with the objectives to support the work performance of the management of the Company to be efficient and effective and to achieve the business objectives. The Board of Directors has specified the Company's policy on risk management and internal control on the website of the Company and under the topic **"Internal Controls"** of this annual report.

The Company also established the legal and compliance department to review and evaluate compliance issues/concerns within the organization in order to mitigate legal risk and to ensure the Board of Directors, management, and employees are in compliance with the rules and regulations of regulatory agencies, that Company policies and procedures are being followed, and that behavior in the organization meets the Company's standards of conduct.

Monitoring the compliance with policies and guidelines of corporate governance

The Board of Directors defines the duties and responsibilities for the directors, management, and employees to acknowledge and comply with the policies and terms indicated in the Company's corporate governance policy and business ethics and code of conduct. Moreover, the Company put in place a whistleblowing policy and the internal audit processes as mechanisms to monitor compliance to assure that all operations abide by such policy and principles. If the directors, management, and employees violate these principles, they will face strict disciplinary punishment.

1. Conflict of interest

The Board of Directors, through the Audit and Corporate Governance Committee, has stipulated a policy outlining the process through which transactions with a potential conflict of interest are approved.

Policy on conflict of interest

The Company has set up an important policy concerning the conflict of interests and related transactions for directors, management, and employees as laid down under the following guidelines:

- Avoid any transaction related to oneself, which may lead to a conflict of interest with the Company.
- If it is necessary to carry out such transaction for the Company's benefit, conduct it as if it is a transaction done with a third party. However, any such transaction must be fully disclosed and approved by the relevant authority within the Company in advance.
- Furthermore, directors and management, or employees having an interest in a transaction must not be involved in its approval process.
- If a transaction is considered as a related party transaction under the SET notification, director, management, and employees must strictly comply with the rules and procedures regarding information disclosure by listed companies for such transactions.
- If a director, management, employee or a member of their family is involved with or becomes a shareholder in a business in competition with the Company or any other business that may cause a conflict of interest with the Company, he/she must inform the Board in writing.
- If a director, management, and employee become a director, partner, advisor or participant in any other capacity in another company or business organization, such position must not conflict with the Company's business or that person's direct responsibilities in the Company.

The Company has implemented measures to prevent conflicts of interest as follows:

- Directors disclosing their interests and those of their related parties to the Board.
- Directors report their ownership of Company's shares and warrants to the Board regularly.
- Director/top executive, who has a conflict of interest on a particular issue, is prohibited from participating in the decision-making process related to that issue. Normally a director/top executive, who has a conflict of interest on an issue, will leave the meeting and join back once the issue has been discussed and a decision on the same is made.
- Directors and management team disclose and report their conflict of interests, including dealings with their relatives, if any, to the Company for the Company's use in complying with the regulation about connected transactions. Such report on interest is also useful in monitoring their adherence to their duties, by the following practices;
  - A new director/management submits the "Report on Conflict of Interest Transaction" form within thirty (30) days after appointment.
  - Thereafter, if there is a change, director/management submits the updated "Report on Conflict of Interest Transaction" form immediately or no later than seven (7) working days from the transaction date.
  - The Company secretary submits a copy of the report on interest to the Chairman of the Board of Directors and the Chairman of Audit and Corporate Governance Committee within seven (7) working days from the date on which the Company has received such a report.
- All management and employees are required to report potential conflicts of interest on an annual basis. If a conflict of interest occurs, the person must promptly inform their supervisor using the electronic form for acknowledgment and further action.
- In 2023, 100% of management and employees submitted their annual conflict of interest disclosure reports through electronic forms.

Potential conflict of interest transactions

Any transaction which could lead to a potential conflict of interest and/or a related party transaction is considered very carefully by the Board of Directors with a view to full compliance with the relevant rules and regulations of the SET and the SEC, apart from compliance with the internal policies and guidelines set up by the Company. Moreover, such transactions are entered into strictly on an "Arms-Length" basis. The terms and conditions of such transactions are always in compliance with generally acceptable, standard commercial terms and conditions and appropriate disclosure regarding the details of the transactions viz. value, counter-party, reason and necessity of the transaction is made in this annual report.

In addition to the above, the Audit and Corporate Governance Committee and the internal audit department prepared the annual audit plan to review transactions that may cause conflict of interest. For the year 2023, the internal auditors audited the aforesaid transactions and reported the results thereof to the Audit and Corporate Governance Committee in the Audit and Corporate Governance Committee's meeting No. 1/2024 held in February 2024. The Audit and Corporate Governance Committee found that the Company has a proper policy for approval and prevention of abuse in such transactions. The existing conflict of interest transactions are made only on the basis of proper comparison of market prices and for the benefit of the Company. Adequate disclosures of all such material transactions have been made in this annual report.

Moreover, the internal audit department has reviewed the compliance of the Company in respect of the Notifications of the SET Re: The Disclosure of Information and Acts of Listed Companies Concerning Connected Transactions 2003 as amended from time to time and Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions as amended from time to time including the circular of the SEC about the recommended practice to be followed under section 89/12 (1) of the Securities and

Exchange Act (No.4) B.E.2551. The details of the connected transactions have been explained under the topic **"Connected Transactions"** of this annual report. The results of the review have been reported to the Board of Directors of the Company. The Board of Directors of the Company is of the opinion that such transactions are fair and for the full benefit of the Company.

2. Reporting changes in holding of the Company's shares/warrants

To prevent abuse of inside information, all directors and management team must report any changes in their (and that of their spouses and minor children) holding of the Company's shares and/or warrants to the Company and the office of the SEC within three (3) business days from the date of trading/transfer of the Company's shares and/or warrants (as the case may be). The changes in Company's shares and warrants of the directors are reported to the Board of Directors meeting every quarter.

3. Insider trading controls

Precious Shipping Public Company Limited has a policy of disseminating all significant information (both financial and non-financial) to shareholders, investors and the general public on a timely basis. Strong internal controls are in place to ensure that information released is comprehensive and accurate.

The Board is committed to comply with rules and regulations in relation to the disclosure of significant information in a timely manner and with full transparency. Monitoring the use of insider information is the responsibility of the directors, and management team who are obliged to strictly monitor and prevent any leaks of the Company's confidential and privileged information including information not yet revealed to the public or any data that might affect the Company's operations or share price. This includes the prohibition on use of Company's information obtained from directorships or employment for personal benefit or conducting business or other activities in competition with the Company. The Company has documented these principles and provided guidelines in the business ethics and code of conduct manual which is disclosed on the website of the Company under the corporate governance section.

Pursuant to section 59 of the Securities and Exchange Act B.E. 2535, all directors and management team members have signed and acknowledged that they are required to report the changes in their shareholding to the Company secretary and the office of the Securities and Exchange Commission within three (3) business days from the date of trading/transfer of the Company's shares and/or warrants (as the case may be). Such reporting shall extend to any change in shareholding of any director/management team member's: (i) spouse, (ii) cohabiting partner, (iii) minor children, and (iv) any juristic person in which such director/management team member holds more than 30% of the total voting rights of such juristic person (including that of his/her spouse, cohabiting partner and minor children), ((i) to (iv) referred to as "relevant persons").

The Company secretary reports to the Board of Directors at the Board of Directors meetings every quarter on any changes in the shareholding of board members and top executives.

In accordance with the Company's corporate governance policy, the Company does not allow the following persons to trade/transfer the Company's shares/warrants (as the case may be) during the period of one (1) month before and two (2) days after any financial announcement of the Company and also at least five (5) days before the Company makes any significant announcement (known as the "silent period").

- All directors and management team members (including their relevant persons); and
- The Company's personnel in the finance and accounts department, the legal department, the internal audit department, the information system department and the investor relations department who are close to the relevant inside information of the Company.

The head of legal and compliance regularly notifies the above personnel of the silent period in advance by email and monitors compliance therewith.

According to the Company's corporate governance policy, all directors and management team members are encouraged to inform the Company secretary their intention (including that of their relevant persons) to trade/transfer the Company shares/warrants (as the case may be) at least a day in advance.

In addition to the above, the Company's corporate governance policy sets out an investor relation policy which stipulates that for a period of two (2) weeks prior to the planned release of financial reports (known as the "silent" or "quiet" period), the spokesperson as a representative of the Company will not discuss matters related to the Company's future financial performance or expectations with financial media, analysts and investors.

During the year, the above policy has been fully complied with and no non-compliance cases have been observed.

4. Anti-corruption

Policy on preventing corruption and bribery

The Company has a policy prohibiting all forms of bribery or corruption, either directly or indirectly to advance its business interests or those of its associates. The Company has a zero-tolerance policy for fraudulent and/or corrupt behavior and takes corruption and bribery transactions, if any, very seriously. Any violation of this policy is regarded as a serious matter by the Company and will result in disciplinary action, including termination, consistent with local law.

To affirm its resolve to combat corruption, the Company signed a Declaration of Intent of the Thai Institute of Directors' Private Sector Collective Action Coalition Against Corruption (CAC) in 2018, whereby the Company vowed to adhere to the coalition's aim to fight corruption in all forms. On 5 August 2019, the Company was officially certified as a member of the CAC.

The Company implemented the "No Gift Policy" in accordance with the suggestion from the CAC, whereby the Company requested all business partners to not give any gifts for any occasion to any of its personnel, including its directors, management, and employees at all levels. The Company continued with this practice in 2023. This no gift policy reinforces the Company's compliance with the anti-corruption policy and good corporate governance principles.

In 2023, the Company continued to maintain high ethical standards, with a view to upholding its position against any form of bribery and corruption. The continual activities throughout the year are as follows:

- Provided a training program for all directors, management, and employees in line with its code of conduct and corporate governance policy and anti-corruption policy.
- A regular bribery and corruption risk assessment to review the mitigation measures and ensure they are appropriate.
- Prescribes strict guidelines for preventing corruption and bribery such as the guideline for giving and receiving gifts and gratuities, transactions with government, etc. Details of this policy and guidelines are presented in the Company's business ethics and code of conduct and anti-corruption policy which are informed to all the employees and posted on the Company's website.
- A regular review of the internal control systems and procedures to ensure they are effective in countering bribery and corruption.
- A monitoring system to ensure that the policies and procedures are effective.

Moreover, the Company has established channels for reporting any misconduct, fraudulent act or corruption and provides protection and remedies for any person who files a complaint or cooperates in the investigation of the charge.

5. Whistleblowing policy

To ensure fair treatment of all stakeholders under the code of conduct, the Company has set up a channel to contact the Board of Directors directly (without passing through the management of the Company) for any business suggestions, complaints, or recommendations indicating impact or risks of impact on stakeholders arising from its business or from wrongful action, or violation of the code of conduct, and complaints for special cases like immoral/dishonest acts of management, breach of code of conduct, illegal acts, etc. Any employee or any other stakeholder is accordingly welcome to send a message by email or mail a letter to Khun Chaipatr Srivisarvacha, independent director and Chairman of the Board of Directors, at the following address:

By mail:
Mr. Chaipatr Srivisarvacha
217/79 Crystal Garden Condominium, Soi Sukhumvit 4, Sukhumvit Road, Klongtoey Bangkok 10110 Thailand
By e-mail:
chaipatr@capmaxx.co.th

The complaint handling procedure

When the whistle is blown or a complaint is filed, the Company will collect evidence, evaluate and formulate measures to relieve damages caused to the affected person(s) by considering the overall impact. Afterward, the person responsible for the case will follow up results of the relief and report to the appropriate staff and the filer of the complaint. Results of action will be reported to the Chairman of the Board of Directors, the Chairman of Audit and Corporate Governance Committee and/or all relevant directors, respectively, depending on each case.

Confidentiality

The Company recognizes that some individuals who observe a breach and wish to report it will seek to do so in confidence under this policy. In principle, the Company will handle all reports confidentially and equally expects employees reporting a breach keeping this confidential. Confidentiality will always be maintained to the largest extent possible. Therefore, the Company will protect the identity of an employee who discloses a breach according to this policy.

The Company does, however, acknowledge that in some circumstances the investigation process may reach a point where the employee who reported the breach is required to make a statement or provide evidence. In such circumstances, where finding the truth would be hindered by maintaining complete confidentiality, the Company cannot guarantee complete confidentiality to the reporting employee. The Company will maintain confidentiality as much as possible in such situations. Finally, the Company will not disclose employees' identities without his/her knowledge and consent.

Protection of whistleblower

In order to protect the rights of whistleblowers, the Company will not reveal the name, address, picture or other information of the whistleblower or those who participated in the investigation. No whistleblower who in good faith reports a violation of the code of conduct or files a complaint or expresses concern involving matters covered by the whistleblowing policy shall suffer harassment, retaliation or adverse employment consequences as a result of such a report. Persons affected by the damage will be relieved with procedures that are appropriate and fair. An employee who retaliates against someone who has reported a violation, complaint or concern in good faith is subject to disciplinary action up to and including termination of employment.

The Complaint handling procedure and guidelines to protect whistleblowers have been presented in the **"Business Ethics and Code of Conduct"** which is informed to all employees and posted on the Company's website.

To prevent all forms of corruption from occurring, a risk assessment was conducted to identify potential corruption risks. The Company communicated with its employees and business partners about the Company's business ethics and code of conduct and practice to raise awareness and encourage the prevention of corruption.

Penalties for offenses

Penalties for offenses shall be in accordance with the Company regulations and/or applicable laws.

Monitoring the implementation of anti-corruption measures

The Board of Directors has assigned the Audit and Corporate Governance Committee to monitor actions concerning anti-corruption measures. The Company secretary, as this committee's secretary, gathers such outcomes to annually report to the committee and the Board of Directors and summarized for the shareholders in the annual report of violation.

In 2023, the Company did not engage any significant dispute with any stakeholders. There were zero whistleblowing incidents and zero violations of our ethical principles.

AUDIT AND CORPORATE GOVERNANCE COMMITTEE'S REPORT

TO THE SHAREHOLDERS

The Audit and Corporate Governance Committee of Precious Shipping Public Company Limited comprises three independent directors. Mr. Kamtorn Sila-On is the Chairman of the committee which also includes Professor Dr. Pavida Pananond and Ms. Pensri Suteerasarn.

The Audit and Corporate Governance Committee has performed its duties and responsibilities with prudence, transparency, independence, and adhering to the audit and corporate governance committee charter ("Charter") approved by the Board of Directors, as well as meeting the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), which are summarized as follows:

Review of financial reports

In the year 2023, meetings of the Audit and Corporate Governance Committee were held throughout the year to review the consolidated financial statements of the Company and its subsidiaries. Meetings with the external auditor were also held every quarter for discussions of the auditor's report, financial statements, and recommendations of the relevant accounting standards.

The Audit and Corporate Governance Committee is of the opinion that the Company has a proper financial reporting process to disclose its financial information, in which the financial statements are correct, sufficient, and credible.

Internal audit and internal control systems

The Audit and Corporate Governance Committee has considered the independence of the internal audit department, including the chain of command, to ensure the credibility and independence of the internal audit department. The committee has engaged in discussions with internal auditors regarding the scope of internal auditing, their responsibilities, and functions. The committee has approved the internal audit plan for the internal audit department. In the year 2023, the internal audit department reviewed:

- the risk assessment covering commercial, financial, technical, and operational risks;
- the self-evaluation tool for countering bribery following the guidelines published by the Private Sector Collective Action Coalition Against Corruption (CAC);
- the corruption risk assessment;
- internal control activities of all departments;
- the operations of some departments;
- conflict of interest transactions; and
- compliance with regulations and laws relating to the business of the Company, such as Public Limited Companies Act, Revenue Code, Thai Vessels Act, Securities and Exchange Act, including regulations and notifications of the SET and the SEC.

Internal auditors also followed up on the results of the aforesaid review. The results of the review and the recommendations were discussed with the relevant staff and management and reported to the Audit and Corporate Governance Committee.

The Audit and Corporate Governance Committee is of the opinion that the Company has proper and adequate internal control systems and there are no significant deficiencies.

Compliance with laws and regulations

The Audit and Corporate Governance Committee is of the opinion that the Company has been in compliance with laws and regulations to which the operations of the Company are subject. Principally, these laws are the Public Limited Companies Act, Revenue Code, Thai Vessels Act, Securities and Exchange Act including regulations and notifications of the SET and the SEC.

Review of connected transactions

The Audit and Corporate Governance Committee recognizes the importance of reviewing connected transactions as well as those transactions potentially involving conflicts of interest, in accordance with the laws and regulations of the SET and the SEC, and any applicable laws, including compliance with the internal policies and guidelines set up by the Company. Adequate disclosures have also been provided in the financial statements and in the section on **"Connected transactions"** in this annual report.

Internal auditors and external auditors have reviewed the connected transactions and reported the results of their review to the Audit and Corporate Governance Committee. Subsequently, the committee discussed and reviewed these transactions during their meeting no. 1/2024 held on 8 February 2024. The result of the review for the year 2023 was further deliberated in the Board of Directors meeting no. 1/2024 held on 12 February 2024. The Audit and Corporate Governance Committee and the Board of Directors are of the opinion that the transactions were entered into solely based on the market prices, are fair, and are in the best interest of the Company.

Review of the Company's corporate governance

The Audit and Corporate Governance Committee reviews and compares guidelines for the Company's corporate governance with best practices followed by international organizations and presents its recommendations to the Board of Directors. The Audit and Corporate Governance Committee also conducts an annual review of corporate governance self-assessment through a questionnaire following the SET and the Thai Institute of Directors (IOD) guidelines. The scores of corporate governance self-assessment fall in the level of "Very Good".

For the year 2023, the Company has been classified by the IOD in conjunction with the SET and the SEC as a company with an "Excellent 5 stars" rating in corporate governance, based on the Corporate Governance Committee Report (CGR). Additionally, the Company received an 'A' rating level and was among 193 listed companies receiving the SET ESG ratings announcement (formerly, Stock Exchange of Thailand's list of Thailand Sustainability Investment (THSI) stocks), which among other things, is a recognition that the Company manages its business with transparency, in line with good corporate governance principles.

Meetings of the Audit and Corporate Governance Committee

Normally, each Audit and Corporate Governance Committee meeting is held before a Board of Directors' meeting, so that discussions with internal auditors and external auditors can be carried out without management's presence in such discussions and the minutes of the Audit and Corporate Governance Committee can also be sent to the Board of Directors for acknowledgment, discussions and receiving suggestions from the board.

The members of the Audit and Corporate Governance Committee regularly have formal and informal discussions with internal auditors in connection with the results of the various areas of review undertaken by internal auditors. In 2023, the Audit and Corporate Governance Committee held four meetings (compared to four meetings in 2022). The attendance records of the committee members are summarized as follows:

Name	Number of attendance/total meeting (times)	
	2023	2022
1. Mr. Kamtorn Sila-On	4/4	4/4
2. Professor Dr. Pavida Pananond	4/4	4/4
3. Ms. Pensri Suteerasarn	4/4	3/3
4. Ms. Lyn Yen Kok*	-	1/1

* The Audit and Corporate Governance Committee member who retired by rotation in 2022

Selection and proposal for appointment of the Company's external auditors

The Audit and Corporate Governance Committee meeting no.1/2024 held on 8 February 2024 considered the appointment of auditors and resolved to propose for shareholders' approval, the appointment of any one of the following auditors of EY Office Limited as the auditor of the Company for the year 2024.

1. Mr. Vorapoj Amnauypanit (Certified Public Accountant (Thailand) No. 4640)
2. Mr. Termphong Opanaphan (Certified Public Accountant (Thailand) No. 4501)
3. Mr. Khitsada Lerdwana (Certified Public Accountant (Thailand) No. 4958)
4. Mrs. Poonnard Paocharoen (Certified Public Accountant (Thailand) No.5238)

All the above auditors are qualified to conduct the audit and express an opinion on the financial statements of the Company. None of the above auditors has any relationship with or is an interested party in the Company and its subsidiaries, management, major shareholders or related persons of such persons. In the event that any of the above auditors is not available, EY Office Limited is authorized to nominate a qualified and competent auditor from EY Office Limited to conduct the audit.

The Audit and Corporate Governance Committee is of the opinion that EY Office Limited is a reputable independent audit firm and has shown satisfactory performance according to past records. EY Office Limited has been the auditor of the Company and Thai subsidiaries since 2001.

The meeting also approved to propose for shareholders' approval, details of the audit fees and fees for other services (non-audit related) of the Company and subsidiaries for the year 2024 charged by EY Office Limited are as follows:

Details	Proposed for 2024	2023
Audit fees for the Company	Baht 2.17 million	Baht 2.15 million
Audit fees for Thai subsidiaries and 1 foreign subsidiary	Baht 2.20 million	Baht 2.32 million
Fees for other services:		
• Fee for certification purposes by BOI	Baht 0.07 million	Baht 0.13 million
• Fees for reviewing the accounts of certain foreign subsidiaries (for consolidation purposes)	Baht 1.10 million	Baht 0.91 million
Total	**Baht 5.54 million**	**Baht 5.51 million**

The Audit and Corporate Governance Committee self-assessment

The Audit and Corporate Governance Committee conducted a self-assessment for 2023 as per IOD guidelines, the score of which fell within the "Excellent" level. The Audit and Corporate Governance Committee intends to use this result as an indicator to further improve its performance.

Concluding remark: Throughout 2023, the Audit and Corporate Governance Committee received full cooperation from all the directors, management team, and employees of the Company, as well as from the external auditors, to fulfill its roles and responsibilities as assigned by the Board of Directors and in compliance with its charter and the relevant laws and regulations.

The Audit and Corporate Governance Committee is of the opinion that the Company's financial statements of 2023 and the disclosure of information therein are complete, reliable, and consistent with generally accepted accounting principles and financial reporting standards. The Company maintains adequate risk management, appropriate internal audit and internal control systems. The Company adheres to its internal policies, practices good corporate governance, and complies with relevant laws and regulations.

For and on behalf of the Audit and Corporate Governance Committee of
Precious Shipping Public Company Limited

Mr. Kamtorn Sila-On
Chairman of the Audit and Corporate Governance Committee
12 February 2024

THE EXECUTIVE BOARD OF DIRECTORS' REPORT

TO THE SHAREHOLDERS

In 2023, the Executive Board of Directors of Precious Shipping Public Company Limited, comprised of three members appointed by the Board of Directors: Mr. Khalid Moinuddin Hashim as the Managing Director, Mr. Gautam Khurana as the Director (Finance) and Mr. Chandrasekhar Sivaraman Venkatraman as the Director (Technical). On 1 January 2023, Mr. Chandrasekhar Sivaraman Venkatraman assumed the role of Director (Technical), succeeding Mr. Prashant Mahalingam, who retired from the Company.

The Executive Board of Directors held 10 meetings during the year 2023 with 100% attendance. The Executive Board of Directors has put in its best efforts with due care, prudence, independence and thoroughness in compliance with its mandate to perform its role as assigned by the Board of Directors, which is summarized as follows:

The Executive Board of Directors has monitored and reviewed strategic objectives, financial plans and key policies of the Company which were submitted to the Board of Directors for approval. The Executive Board of Directors has managed the Company's business and has also reported on the Company's operating results as well as on other work in progress to achieve the Company's objectives.

The Executive Board of Directors conducted a self-assessment for 2023 as per the Stock Exchange of Thailand (SET) guidelines, the score of which fell within the "Excellent" level. The Executive Board of Directors intends to use this result as an indicator to further improve its performance.

For and on behalf of the Executive Board of Directors of

Precious Shipping Public Company Limited

Mr. Khalid Moinuddin Hashim
Managing Director

Mr. Gautam Khurana
Director (Finance)

12 February 2024

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE'S REPORT

TO THE SHAREHOLDERS

The Sustainability and Risk Management Committee of Precious Shipping Public Company Limited comprises four independent directors and the Managing Director. The committee was reconstituted following a resolution of the Board of Directors in the Board meeting No. 3/2023 held on 15 May 2023, with Professor Dr. Pavida Pananond, independent director, appointed as Chairperson of the committee, and Ms. Qiyu (Jackie) Wang appointed as a new committee member. The other members of the committee include Mr. Kamtorn Sila-On, Ms. Pensri Suteerasarn, and Mr. Khalid Moinuddin Hashim.

In 2023, the Sustainability and Risk Management Committee held four meetings, each with 100% attendance. The Sustainability and Risk Management Committee put in its best efforts with due care, prudence, and thoroughness in compliance with its mandate to perform its roles as assigned by the Board of Directors, which is summarized as follows:

- The committee reviewed the sustainability policy and strategy to ensure that the Company is moving in the right direction to achieve sustainable and resilient operations.
- The committee monitored the Company's performance and sustainable development activities to drive the Company's operations to deliver tangible results under the Company's sustainability strategy. In addition, they reviewed the Company's preparedness to respond to global sustainability trends while maintaining the Company's competitiveness.
- The committee reviewed the risk management policy and oversaw the risk management process to ensure that the risk mitigation strategies in place are adequate to support the Company's operating strategies and are appropriate for the current situation.
- The committee monitored core business activities and the shipping industry on a regular basis to identify risk factors including business risks, financial risks, operational risks, cybersecurity risks, and ESG risks that could affect the Company's operations.
- The committee evaluated the potential impact on the Company as well as the mitigation measures that are in place, to minimize the likelihood and impact of an adverse event. Measures that are put in place as well as adverse events, if any, are reported to the Board of Directors.
- The committee conducted a self-assessment for 2023 as per the Thai Institute of Directors Association (IOD) guidelines, the score of which fell within the "Excellent" category. The committee intends to use these results to further improve its performance.

The Sustainability and Risk Management Committee strives to perform its duties by developing a comprehensive corporate risk management system to enhance the efficiency and effectiveness of the Company's operations.

For and on behalf of the Sustainability and Risk Management Committee of

Precious Shipping Public Company Limited

Professor Dr. Pavida Pananond

Chairperson of the Sustainability and Risk Management Committee

12 February 2024

NOMINATION AND REMUNERATION COMMITTEE'S REPORT

TO THE SHAREHOLDERS

The Nomination and Remuneration Committee of Precious Shipping Public Company Limited comprises two independent directors and one non-executive director. To enhance efficiency and foster a more cohesive approach to matters of the appointment and compensation of key individuals, as well as to establish a more integrated approach to governance, the Nomination Committee and the Remuneration Committee, which were previously two separate sub-committees, have been consolidated into a single committee by the resolution of the Board of Directors in the Board meeting No. 3/2023, held on 15 May 2023. This combined committee is now known as 'the Nomination and Remuneration Committee'. Ms. Pensri Suteerasarn, an independent director, serves as the Chairperson of the Nomination and Remuneration Committee, with Ms. Qiyu (Jackie) Wang and Mr. Kirit Shah as committee members.

In 2023, the Nomination and Remuneration Committee, functioning either as separate committees before consolidation or as a combined committee thereafter, dedicated itself to performing its duties with due care, prudence, independence, and thoroughness. This was in compliance with its mandate to perform the roles assigned by the Board. The key activities of the committee are summarized as follows:

- The committee is responsible for selecting and proposing candidates for director positions, either to succeed rotating directors or to fill vacant positions (as the case may be). This involves a rigorous selection process, considering the board skills matrix which highlights qualifications and diversity in terms of knowledge, competencies, experience, and education. This ensures that the board composition aligns effectively with the Company's business strategies. Recommendations are then provided to the Board for subsequent endorsement at the shareholders' meeting for approval. In 2023, the Nomination Committee recommended the re-election of four directors viz. Mr. Khalid Moinuddin Hashim, Mr. Khushroo Kali Wadia, Mr. Gautam Khurana, and Ms. Sirasa Supawasin, who retired by rotation at the Annual General Meeting of the Shareholders No. 1/2023, held on 10 April 2023 (the "AGM"). Additionally, the committee recommended the appointment of Ms. Qiyu (Jackie) Wang as a new independent director on the Board of Directors for approval at the AGM.
- The committee supervised the development of an effective succession plan to ensure the availability and readiness of successors for critical roles, contributing to smooth business operations.
- The committee reviews director remunerations to ensure that they align with their responsibilities and performance, benchmarked against industry standards. Recommendations are then provided to the Board for subsequent endorsement at the shareholders' meeting for approval. In 2023, the Remuneration Committee made a recommendation on director remuneration to the Board for approval at the AGM.

The Nomination and Remuneration Committee conducted a self-assessment for 2023 as per the Thai Institute of Directors Association (IOD) guidelines, the score of which fell within the "Very Good" level. The Nomination and Remuneration Committee intends to use this result as an indicator for further enhancing performance.

For and on behalf of the Nomination and Remuneration Committee of
Precious Shipping Public Company Limited

Ms. Pensri Suteerasarn
Chairperson of the Nomination and Remuneration Committee
12 February 2024

INTERNAL CONTROLS

Precious Shipping Public Company Limited recognizes the importance of internal control systems on an operational level to ensure that the operations are conducted efficiently within risk parameters acceptable to the Company and prevailing business circumstances for the activities of each of the individual departments. To ensure suitable control measures in keeping with prevailing circumstances, environment, and risks, the internal audit department regularly monitors the internal controls in place and the internal control practices. The Company has implemented internal control systems in accordance with the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission 2013 (COSO 2013) to achieve all three objectives of internal control: efficient and effective operations, credible financial and other reports, and compliance with laws and regulations, consisting of five key components as follows:

1. CONTROL ENVIRONMENT

The Company has set up a proper control environment and has accordingly put in place a corporate governance policy, a business ethics manual and an anti-corruption policy. These are recognized by the staff of the Company as the basis of working. In addition, the Company has established the alignment of the organization structure with the Company's goals and business direction, including a clear definition of functions, roles/responsibilities, and reporting lines of each business division. The Company recognizes that a controlled environment increases the productivity and efficacy of work carried out by the staff of the Company.

2. RISK ASSESSMENT

The Company recognizes the importance of risk assessment as a tool to provide an early warning of a danger that could result in loss and therefore, the Company annually assesses prominent risks by dividing them into two categories 1) Organization level that is managed by management and published in the section **"Risk Management"** of this annual report 2) Activities level for which both, the internal audit department as an independent entity and each specific department (having sound knowledge and skills required for operations), are responsible. Such assessments bring out the risks that affect the Company's operations which are then required to be managed through a set-up of correct and appropriate control systems. The results of risk assessment for various activities are reported periodically to the management, the Sustainability and Risk Management Committee and the Board of Directors for review and action.

3. CONTROL ACTIVITIES

The risk assessment process also involves an assessment of control activities. The objective of the assessment is to ensure that the Company has good control systems and conforms to the related risks to decrease/distribute all risks of the Company to ensure the sustainability of operations. In terms of the Company's functional management, the Managing Director delegates authority to the Company's functional management, resulting in practical and easily tracked courses of action. All departments have to verify, control and supervise their functional responsibilities to ensure strict compliance with laws and regulations.

4. INFORMATION AND COMMUNICATION

The Company recognizes the importance of maintaining reliable information and communication systems. To ensure this, the Company invests in the continuous development of its IT and communication systems both ashore as well on-board vessels. This ensures the availability of accurate and timely data for decision-making purposes. The Company uses encrypted software for internal communications. The Company is certified under ISO/IEC 27001:2013 for Information Security Management System. Important external communications are disseminated through the SET, the Company's website and the Company's social media channels. In addition, the Company's top management is very prompt in answering any queries, which may be raised by investors or other stakeholders.

5. MONITORING AND EVALUATION

Performance monitoring and evaluation of employees is as follows:

Level	Evaluation by	Frequency of evaluation
Staff	Head of department / Line manager	At least once a year
Head of department	Management	At least once a year
Management	Board of Directors	At least once a year

The results of the evaluation exercise are taken into consideration while determining the Company's future strategy. In addition, the internal audit department monitors and assesses internal control procedures and outcomes and reports its findings to the Audit and Corporate Governance Committee. The findings of the internal control assessment for 2023 have been provided in the **"Audit and Corporate Governance Committee Report"** section of the annual report.

The Board of Directors opinion of the Company's internal control system

At the Board of Directors' meeting no.1/2024 on 12 February 2024, which the Audit and Corporate Governance Committee also attended, the Board agreed with the Audit and Corporate Governance Committee's opinion about internal control evaluation results. It was concluded that the Company and its subsidiaries have proper internal control systems and have effectively adapted control measures to correspond with changing situations. Moreover, the results of the year 2023 audit of the Company by EY Office Limited, the independent and external auditors, did not identify any significant audit findings, including any significant deficiencies in internal controls relevant to the audit.

Head of internal audit and head of legal and compliance

The Company established an internal audit department in order to ensure that key operations and financial activities are conducted in compliance with Company guidelines and statutory laws. Internal auditors report directly to the Audit and Corporate Governance Committee on all matters in order to make the internal audit department completely independent of management. The Audit and Corporate Governance Committee has the authority to approve the appointment, transfer and dismiss the head of internal audit. A detailed profile of the head of internal audit, Ms. Panida Satjadeachachai, is provided in Enclosure 1 **"Information on relevant persons in the organisation**" of this annual report.

The Company also established the legal and compliance department to review and evaluate compliance issues/concerns within the organization to mitigate legal risk and to ensure that the Board of Directors, management and employees are in compliance with the rules and regulations of regulatory agencies, that company policies and procedures are being followed and that behavior in the organization is in line with the Company's code of conduct. A detailed profile of the head of legal and compliance department, Ms. Sirasa Supawasin, is provided in Enclosure 1 **"Information on relevant persons in the organisation"** of this annual report.

CONNECTED TRANSACTIONS

The Company and its subsidiaries have entered into certain transactions with connected persons. All of these transactions are made in the ordinary course of business and with arm's length terms.

Internal auditors have reviewed the connected transactions according to the Notifications of the Stock Exchange of Thailand Re: The Disclosure of Information and Acts of Listed Companies Concerning Connected Transactions 2003, as amended from time to time and the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551 Re: Rules on Connected Transactions as amended from time to time, including the circular of the SEC about the recommended practice to be followed under section 89/12 (1) of the Securities and Exchange Act (No.4) B.E.2551.

The summary of related party transactions entered into by the Company and/or its subsidiaries with related parties are as follows:

Connected party	Relationship	Type of transaction	Amount (Million Baht)		
			2021	2022	2023
Unistretch Limited	• Mr. Ishaan Shah, a director of the Company, is a director and shareholder of Unistretch Limited. • Mr. Kirit Shah, a director of the Company, is a director of Unistretch Limited. • Mr. Ishaan Shah and Ms. Nishita Shah, directors of the Company, are shareholders of Globex Corporation Limited, which is a major shareholder of Unistretch Limited. • Total direct/indirect shareholding (%) in Unistretch Limited of Ms. Nishita Shah and Mr. Ishaan Shah as of 31 December 2023: 67.44% of total paid-up shares.	Office lease	2.05	2.83	2.54
		Property management services	0.30	0.30	0.30
Maestro Controls Limited	• Mr. Ishaan Shah, a director of the Company, is a director and shareholder of Maestro Controls Limited. • Mr. Kirit Shah, a director of the Company, is a director of Maestro Controls Limited. • Total direct/indirect shareholding (%) in Maestro Controls Limited of Mr. Ishaan Shah as of 31 December 2023: 99.85% of total paid-up shares.	Maintenance of the air conditioning systems	0.09	0.23	0.27
		Supply of air conditioners and air purifiers	1.35	1.96	0.28
Maxwin Builders Limited	• Mr. Ishaan Shah, a director of the Company, is a director and shareholder of Maxwin Builders Limited. • Mr. Khushroo Kali Wadia and Mr. Kirit Shah, directors of the Company, are directors of Maxwin Builders Limited. • Mr. Ishaan Shah and Ms. Nishita Shah, directors of the Company, are shareholders of Globex Corporation Limited, which is a major shareholder of Maxwin Builders Limited. • Total direct/indirect shareholding (%) in Maxwin Builders Limited of Ms. Nishita Shah and Mr. Ishaan Shah as of 31 December 2023: 85.31% of total paid-up shares.	Hotel and management services	25.40	4.50	0.59

Connected party	Relationship	Type of transaction	Amount (Million Baht)		
			2021	2022	2023
InsurExcellence Insurance Brokers Limited and InsurExcellence Life Insurance Brokers Limited	• Mr. Ishaan Shah, a director of the Company, is a director of InsurExcellence Insurance Brokers Limited and InsurExcellence Life Insurance Brokers Limited. • Ms. Sameera Shah, who is a director and shareholder of InsurExcellence Insurance Brokers Limited and InsurExcellence Life Insurance Brokers Limited, is the daughter of Mr. Kirit Shah and is a blood sister of Ms. Nishita Shah and Mr. Ishaan Shah, who are directors of the Company. • Total direct/indirect shareholding (%) in InsurExcellence Insurance Brokers Limited of Ms. Sameera Shah as of 31 December 2023: 48.66% of total paid-up shares. • Total direct/indirect shareholding (%) in InsurExcellence Life Insurance Brokers Limited of Ms. Sameera Shah as of 31 December 2023: 48.66% of total paid-up shares.	Insurances	2.67	2.78	2.56
Eka Software Solutions Pte Ltd.	• Mr. Ishaan Shah, a director of the Company, is a shareholder of Sybex Pte Ltd, the Singapore parent company (shareholding 99.99%) of Eka Software Solutions Pte Ltd., Singapore. • Mr. Ishaan Shah's aggregate direct/indirect shareholding (%) in Sybex Pte Ltd. as of 31 December 2023: 26.44% of total paid up shares. • Mr. Kirit Shah, director of the Company, is a director of Eka Software Solutions Pte Ltd. and Sybex Pte Ltd.	Software expenses	0.17	0.25	-
RZHA GmbH	• Mr. Khalid Moinuddin Hashim, the Managing Director of the Company and a shareholder of the Company, is the father of Mr. Rizwan Hashim who is a director and shareholder of RZHA GmbH.	Consultancy services for ship chartering	-	3.73	5.98
Christiani & Nielsen Energy Solutions Company Limited*	• Mr. Khushroo Kali Wadia and Mr. Kirit Shah, directors of the Company, are directors of Christiani & Nielsen Energy Solutions Company Limited. • Mr. Khushroo Kali Wadia, Mr. Kirit Shah, and Mr. Ishaan Shah, directors of the Company, are directors of Christiani & Nielsen (Thai) Public Company Limited, the parent company (shareholding 85%) of Christiani & Nielsen Energy Solutions Company Limited. • Ms. Nishita Shah and Mr. Ishaan Shah, directors of the Company, are shareholders of Globex Corporation Limited, which is a major shareholder of Christiani & Nielsen (Thai) Public Company Limited. * Note: The Company is unlikely to engage in similar transactions with this provider in the future.	Purchase of solar panels for ships	-	0.06	-
Mega Lifesciences Nigeria Limited*	• Mr. Ishaan Shah and Mr. Kirit Shah, directors of the Company, are directors of Mega Lifesciences Public Company Limited, the parent company (shareholding 99.99%) of Mega Lifesciences Nigeria Ltd., Nigeria. • Mr. Ishaan Shah, a director of the Company, is shareholder of Mega Lifesciences Public Company Limited. * Note: The Company is unlikely to engage in similar transactions with this provider in the future.	Service fee for handling all local payments to vendors in Lagos, Nigeria	-	0.64	-
		Accommodation, provision, and miscellaneous expenses for crews in Lagos, Nigeria	-	6.00	-

<table>
<tr><th rowspan="2">Connected party</th><th rowspan="2">Relationship</th><th rowspan="2">Type of transaction</th><th colspan="3">Amount (Million Baht)</th></tr>
<tr><th>2021</th><th>2022</th><th>2023</th></tr>
<tr><td>Great Circle Shipping Agency Limited* ("Subsidiary"), a wholly owned Thai subsidiary of the Company</td><td>• Mr. Khalid Moinuddin Hashim, Managing Director and director of the Company, and director of the subsidiary. Mr. Khalid Moinuddin Hashim currently holds 121,526,275 shares (7.79%) in the Company and 2 shares (0.001%) in the subsidiary; and
• Mr. Munir Moinuddin Hashim is the brother of Mr. Khalid Moinuddin Hashim.
• Mr. Khalid Moinuddin Hashim and Mr. Munir Moinuddin Hashim are the sellers under this transaction.
* Note: A transaction of this nature is unlikely to recur in the future.</td><td>Purchase of one condominium unit at Prestige Towers Condominium located at 168/21, Tower A, Soi Sukhumvit 23, Klongtoey Nue Sub-district, Wattana District, Bangkok for foreign employees</td><td>-</td><td>7.50</td><td>-</td></tr>
<tr><td>MJets Limited*</td><td>• Mr. Ishaan Shah and Mr. Kirit Shah, directors of the Company, are directors of MJets Limited.
• Mr. Ishaan Shah, a director of the Company, is a shareholder of MJets Limited.
• Total direct/indirect shareholding (%) in MJets Limited of Mr. Ishaan Shah as of 31 December 2023: 17.00% of total paid-up shares.
* Note: The Company is unlikely to engage in similar transactions with this provider in the future.</td><td>Transportation service</td><td>0.47</td><td>-</td><td>-</td></tr>
</table>

The rationale of the related party transactions

The related party transactions were necessary and justified to provide the maximum benefits for the Company. These transactions were the supporting transactions for the normal business operations of the Company.

Procedures for approval of related party transactions

All transactions between the Company and related parties are conducted on the same terms and conditions as those with the third parties. A related person who has a conflict of interest in a particular transaction is not entitled to vote for approval of such a transaction. In addition, the Company discloses information of a related party transaction in a transparent manner and in accordance with good governance principles.

Policy in respect of future transactions with connected parties

The Company has always and will continue to conduct transactions with connected parties very carefully, with a view to maintaining full compliance with the relevant rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, and any applicable laws, apart from compliance with the internal policies and guidelines set up by the Company. Moreover, such transactions are entered into strictly on an "Arm's Length" basis. The terms and conditions of such transactions are always in compliance with generally acceptable, standard commercial terms and conditions.

Opinions of the Audit and Corporate Governance Committee and the Board of Directors on the connected transactions

Directors and executives disclose their and their relatives' shareholdings, directorships and other interests in other companies and firms, and report their conflict of interest if any, to the Company for the Company's use in complying with the regulations pertaining to connected party transactions. Such a report disclosing all their interests is also useful in monitoring their adherence to their duties regarding conflict of interest transactions. The internal auditors have reviewed the above connected transactions and reported the results of their review to the Audit and Corporate Governance Committee who in turn have discussed and reviewed the transactions in their Audit and Corporate Governance Committee meeting No. 1/2024 held on 8 February 2024. The Audit and Corporate Governance Committee is of the opinion that the aforesaid transactions are fair and reasonable and for the full benefit of the Company.

The Board of Directors meeting No. 1/2024 held on 12 February 2024, the Board reviewed the transactions and based on the findings and report of the Audit and Corporate Governance Committee, the Board is of the opinion that the Company has adequate rules, regulations and policies for prevention of conflicted transactions and that the above interested party transactions are entered solely based on the market prices, reasonable and for the full benefit of the Company. Adequate disclosures have also been made in the financial statements.

Part

3 FINANCIAL PERFORMANCE

REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for the Company's financial statements and financial information presented in this Annual Report. The aforementioned financial statements have been prepared in accordance with Thai Financial Reporting Standards, using appropriate accounting policies consistently employed by the Company after applying prudent judgment and best estimation. Important information is adequately disclosed in the notes to the financial statements.

The Board of Directors has provided for and maintained efficient internal control systems to ensure that accounting records are accurate, complete and adequate to protect the Company's assets and uncover weaknesses in order to prevent fraud or materially irregular operations.

To accomplish this task, the Board of Directors has appointed an Audit & Corporate Governance Committee, which consists fully of Independent Directors and the Committee is, inter alia responsible for the quality of financial statements and internal control systems, with the Committee's comments on these issues included in the Audit & Corporate Governance Committee Report in this Annual Report.

The Board of Directors is of the opinion that the Company's overall internal control system has functioned up to a satisfactory level to render credibility and reliability to the Company's financial statements for the year ended December 31st , 2023.

For and on behalf of the Board of Directors of
Precious Shipping Public Company Limited

Mr. Chaipatr Srivisarvacha
Chairman of the Board of Directors

Mr. Khalid Moinuddin Hashim
Managing Director

12 February 2024

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Precious Shipping Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Precious Shipping Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Precious Shipping Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Precious Shipping Public Company Limited and its subsidiaries and of Precious Shipping Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition

The Group has entered into agreements with a large number of customers and these include both Time Charter and Voyage Charter type agreements, whereby the freight rates fluctuate in line with global market rates. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual revenue recognition transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in revenue transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Vorapoj Amnauypanit
Certified Public Accountant (Thailand) No. 4640

EY Office Limited
Bangkok: 12 February 2024

STATEMENT OF FINANCIAL POSITION

Precious Shipping Public Company Limited and its subsidiaries
As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	*6*	2,314,984,719	1,055,667,444	1,050,094,871	316,476,272
Trade and other receivables	*7, 8*	295,394,486	279,149,273	2,373,078,526	2,900,017,798
Short-term loans to a subsidiary	*8*	-	-	23,000,000	-
Bunker oil		30,141,521	41,819,267	-	-
Other current financial assets	*10, 31*	95,110,384	-	-	-
Other current assets					
Advances to vessel masters		35,762,134	37,007,863	-	-
Claim recoverables		-	12,799,390	-	-
Lube oil stock on board		84,761,164	91,046,628	-	-
Others		34,252,853	39,966,968	12,341,505	11,711,795
Total other current assets		154,776,151	180,820,849	12,341,505	11,711,795
Total current assets		2,890,407,261	1,557,456,833	3,458,514,902	3,228,205,865
Non-current assets					
Restricted bank deposits	*9*	102,960,837	100,382,755	-	-
Long-term loans to a subsidiary	*8*	-	-	777,498,777	790,603,531
Derivative assets	*31, 32*	125,921,407	274,862,486	-	-
Other non-current financial assets	*10, 31*	76,769,537	18,100,095	21,175,253	18,100,095
Investments in subsidiaries	*11*	-	-	7,621,280,906	8,532,592,508
Investment in associate held by a subsidiary	*12*	81,747,003	80,644,761	-	-
Property, plant and equipment	*13*	20,835,595,355	22,048,146,324	7,406,500	10,324,605
Right-of-use assets	*17*	9,456,886	15,633,143	9,124,707	13,955,757
Intangible assets	*14*	4,110,568	5,583,982	3,908,383	5,281,374
Other non-current assets					
Claim recoverables - maritime claims		59,914,320	70,777,229	-	-
Deferred contract costs	*15*	108,935,971	129,143,691	-	-
Deferred financial fees		46,952,561	-	37,264,230	-
Others		3,047,351	3,233,389	2,394,186	2,394,546
Total other non-current assets		218,850,203	203,154,309	39,658,416	2,394,546
Total non-current assets		21,455,411,796	22,746,507,855	8,480,052,942	9,373,252,416
Total assets		24,345,819,057	24,303,964,688	11,938,567,844	12,601,458,281

The accompanying notes are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Precious Shipping Public Company Limited and its subsidiaries
As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables					
Trade and other payables	*8*	62,278,105	229,485,798	1,789,518	724,495
Advances received from related parties	*8*	-	-	1,342,582,396	1,938,798,745
Accrued crew accounts		97,825,564	100,996,598	-	-
Accrued expenses		73,831,159	81,591,681	1,061,069	1,437,634
Current portion of accrued employee benefits		169,261,020	172,309,065	118,630,209	122,369,642
Total trade and other payables		403,195,848	584,383,142	1,464,063,192	2,063,330,516
Advances received from charterers		44,046,078	54,695,861	-	-
Current portion of long-term loans	*16*	1,783,362,689	1,161,783,910	-	-
Current portion of lease liabilities	*17*	4,421,980	5,704,577	4,100,916	4,458,766
Derivative liabilities	*32*	19,514,126	-	-	-
Income tax payable		2,217,005	1,767,934	-	-
Other current liabilities		21,748,806	59,130,566	15,440,192	52,358,924
Total current liabilities		2,278,506,532	1,867,465,990	1,483,604,300	2,120,148,206
Non-current liabilities					
Accrued employee benefits - net of current portion		95,673,939	230,257,126	67,374,261	158,982,206
Long-term loans - net of current portion	*16*	5,542,998,761	5,547,288,752	-	-
Lease liabilities - net of current portion	*17*	4,936,837	9,065,079	4,936,837	8,753,627
Deferred tax liabilities	*24*	1,801,784	1,532,803	-	-
Provision for maritime claims	*18*	42,037,472	55,433,804	-	-
Provision for long-term employee benefits	*19*	134,113,787	130,111,971	99,878,210	97,420,781
Total non-current liabilities		5,821,562,580	5,973,689,535	172,189,308	265,156,614
Total liabilities		8,100,069,112	7,841,155,525	1,655,793,608	2,385,304,820

The accompanying notes are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Precious Shipping Public Company Limited and its subsidiaries
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Shareholders' equity					
Share capital					
Registered share capital					
1,559,291,862 ordinary shares of Baht 1 each		1,559,291,862	1,559,291,862	1,559,291,862	1,559,291,862
Issued and paid-up share capital					
1,559,291,862 ordinary shares of Baht 1 each		1,559,291,862	1,559,291,862	1,559,291,862	1,559,291,862
Paid-in capital					
Premium on ordinary shares		1,967,897,516	1,967,897,516	1,967,897,516	1,967,897,516
Premium on treasury stock		172,445,812	172,445,812	172,445,812	172,445,812
Retained earnings					
Appropriated					
Statutory reserve - the Company	*20*	155,929,186	155,929,186	155,929,186	155,929,186
- subsidiaries	*20*	479,260,000	571,500,000	-	-
Corporate social responsibility reserve	*21*	57,652,601	57,162,181	57,652,601	57,162,181
Unappropriated		11,867,802,602	11,690,107,761	5,033,251,262	5,332,567,834
Other components of shareholders' equity		(14,570,564)	288,433,916	1,336,305,997	970,859,070
Equity attributable to owners of the Company		16,245,709,015	16,462,768,234	10,282,774,236	10,216,153,461
Non-controlling interests of the subsidiaries		40,930	40,929	-	-
Total shareholders' equity		16,245,749,945	16,462,809,163	10,282,774,236	10,216,153,461
Total liabilities and shareholders' equity		24,345,819,057	24,303,964,688	11,938,567,844	12,601,458,281

The accompanying notes are an integral part of the financial statements.

INCOME STATEMENT

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Revenues					
Vessel operating income					
Time charter income		5,016,037,638	8,992,495,651	-	-
Voyage charter income		78,618,622	132,297,244	-	-
Total vessel operating income		5,094,656,260	9,124,792,895	-	-
Service income	*8*	4,853,326	3,941,486	111,528,967	109,471,221
Interest income		44,376,870	14,593,731	45,127,482	445,464,427
Dividend income	*8, 10, 11.2*	507,490	-	740,643,340	3,187,145,190
Gains on liquidation of subsidiaries		-	-	570,308	-
Gains on derivatives		35,900,388	-	-	-
Exchange gains		11,937,908	497,429	-	3,195,417
Other income		743,944	2,815,371	707,602	361,992
Total revenues		5,192,976,186	9,146,640,912	898,577,699	3,745,638,247
Expenses					
Vessel operating costs					
Vessel running expenses		2,095,286,314	1,983,300,244	-	-
Voyage disbursements		35,193,709	38,938,735	-	-
Bunker consumption		30,288,679	48,438,189	-	-
Total vessel operating costs		2,160,768,702	2,070,677,168	-	-
Depreciation	*13, 17*	1,428,684,321	1,324,374,022	8,068,655	7,962,596
Cost of services		5,576,636	5,647,373	-	-
Administrative expenses	*8*	334,132,630	370,616,540	164,910,529	196,190,814
Management remuneration including perquisites	*8*	91,258,156	145,901,550	88,496,838	142,405,226
Losses on capital reduction of subsidiary		-	-	24,681,968	-
Losses on impairment of investments in subsidiaries		-	-	284,150,578	-
Reversal expected credit losses	*7, 8*	-	(1,348,625)	-	(9,754,010)
Losses on derivatives		-	1,414,309	-	-
Exchange losses		-	-	2,716,810	-
Total expenses		4,020,420,445	3,917,282,337	573,025,378	336,804,626
Operating profit		1,172,555,741	5,229,358,575	325,552,321	3,408,833,621
Share of profit from investment in					
associate held by a subsidiary	*12.1*	21,218,259	29,131,662	-	-
Finance cost	*22*	(480,596,627)	(392,348,870)	(721,863)	(1,728,837)
Profit before income tax expenses		713,177,373	4,866,141,367	324,830,458	3,407,104,784
Income tax expenses	*24*	(3,575,091)	(15,352,015)	-	-
Profit for the year		709,602,282	4,850,789,352	324,830,458	3,407,104,784

The accompanying notes are an integral part of the financial statements.

INCOME STATEMENT (CONTINUED)

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Profit attributable to:					
Equity holders of the Company		709,601,871	4,850,786,205	324,830,458	3,407,104,784
Non-controlling interests of the subsidiaries		411	3,147	-	-
Profit for the year		709,602,282	4,850,789,352	324,830,458	3,407,104,784
Basic earnings per share	*26*				
Profit attributable to equity holders of the Company		0.46	3.11	0.21	2.19

The accompanying notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit for the year	709,602,282	4,850,789,352	324,830,458	3,407,104,784
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of financial statements in foreign currency	2,029,317	(637,931)	-	-
Gains (losses) on cash flow hedges	(141,966,249)	276,341,014	-	7,355,614
Changes in cost of hedging	-	(1,317,873)	-	(2,010,152)
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(139,936,932)	274,385,210	-	5,345,462
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Gains on measurement of fair value of financial assets	4,739,108	2,892,281	3,252,742	2,892,281
Actuarial gains	-	47,395,540	-	30,724,008
Exchange differences on translation of functional currency to presentation currency financial statements	(167,807,066)	429,869,614	362,194,185	172,604,205
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	(163,067,958)	480,157,435	365,446,927	206,220,494
Other comprehensive income for the year	(303,004,890)	754,542,645	365,446,927	211,565,956
Total comprehensive income for the year	406,597,392	5,605,331,997	690,277,385	3,618,670,740
Total comprehensive income attributable to				
Equity holders of the Company	406,597,391	5,605,327,666	690,277,385	3,618,670,740
Non-controlling interests of the subsidiaries	1	4,331	-	-
	406,597,392	5,605,331,997	690,277,385	3,618,670,740

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements														
	Equity attributable to owners of the Company														
								Other components of shareholders' equity							
								Other comprehensive income							
				Retained earnings											
				Appropriated											
				Statutory reserve											
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	The Company	Subsidiaries	Corporate social responsibility reserve	Unappropriated	Exchange differences on translation of financial statements	Gains (losses) on measurement of fair value of financial assets	Cash flow hedge reserve	Cost of hedging reserve	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2022	1,559,291,862	1,967,897,516	172,445,812	155,929,186	420,420,000	36,261,237	10,471,445,662	(410,369,104)	(4,177,362)	(5,483,412)	1,317,873	(418,712,005)	14,364,979,270	36,598	14,365,015,868
Profit for the year	-	-	-	-	-	-	4,850,786,205	-	-	-	-	-	4,850,786,205	3,147	4,850,789,352
Other comprehensive income for the year	-	-	-	-	-	-	47,395,540	429,230,499	2,892,281	276,341,014	(1,317,873)	707,145,921	754,541,461	1,184	754,542,645
Total comprehensive income for the year	-	-	-	-	-	-	4,898,181,745	429,230,499	2,892,281	276,341,014	(1,317,873)	707,145,921	5,605,327,666	4,331	5,605,331,997
Dividend paid (Note 29)	-	-	-	-	-	-	(3,507,538,702)	-	-	-	-	-	(3,507,538,702)	-	(3,507,538,702)
Appropriated to statutory reserve (Note 20)	-	-	-	-	151,080,000	-	(151,080,000)	-	-	-	-	-	-	-	-
Appropriated to corporate social responsibility reserve (Note 21)	-	-	-	-	-	20,900,944	(20,900,944)	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	1,559,291,862	1,967,897,516	172,445,812	155,929,186	571,500,000	57,162,181	11,690,107,761	18,861,395	(1,285,081)	270,857,602	-	288,433,916	16,462,768,234	40,929	16,462,809,163
Balance as at 1 January 2023	1,559,291,862	1,967,897,516	172,445,812	155,929,186	571,500,000	57,162,181	11,690,107,761	18,861,395	(1,285,081)	270,857,602	-	288,433,916	16,462,768,234	40,929	16,462,809,163
Profit for the year	-	-	-	-	-	-	709,601,871	-	-	-	-	-	709,601,871	411	709,602,282
Other comprehensive income for the year	-	-	-	-	-	-	-	(165,777,339)	4,739,108	(141,966,249)	-	(303,004,480)	(303,004,480)	(410)	(303,004,890)
Total comprehensive income for the year	-	-	-	-	-	-	709,601,871	(165,777,339)	4,739,108	(141,966,249)	-	(303,004,480)	406,597,391	1	406,597,392
Dividend paid (Note 29)	-	-	-	-	-	-	(623,656,610)	-	-	-	-	-	(623,656,610)	-	(623,656,610)
Appropriated to statutory reserve (Note 20)	-	-	-	-	(92,240,000)	-	92,240,000	-	-	-	-	-	-	-	-
Appropriated to corporate social responsibility reserve (Note 21)	-	-	-	-	-	490,420	(490,420)	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	1,559,291,862	1,967,897,516	172,445,812	155,929,186	479,260,000	57,652,601	11,867,802,602	(146,915,944)	3,454,027	128,891,353	-	(14,570,564)	16,245,709,015	40,930	16,245,749,945

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2023

(Unit: Baht)

	Separate financial statements											
				Retained earnings			Other components of shareholders' equity					
				Appropriated			Other comprehensive income					
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Statutory reserve	Corporate social responsibility reserve	Unappropriated	Exchange differences on translation of financial statements	Gains (losses) on measurement of fair value of investment in equity instrument of non-listed company	Cash flow hedge reserve	Cost of hedging reserve	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2022	1,559,291,862	1,967,897,516	172,445,812	155,929,186	36,261,237	5,423,178,688	799,539,946	(4,177,362)	(7,355,614)	2,010,152	790,017,122	10,105,021,423
Profit for the year	-	-	-	-	-	3,407,104,784	-	-	-	-	-	3,407,104,784
Other comprehensive income for the year	-	-	-	-	-	30,724,008	172,604,205	2,892,281	7,355,614	(2,010,152)	180,841,948	211,565,956
Total comprehensive income for the year	-	-	-	-	-	3,437,828,792	172,604,205	2,892,281	7,355,614	(2,010,152)	180,841,948	3,618,670,740
Dividend paid (Note 29)	-	-	-	-	-	(3,507,538,702)	-	-	-	-	-	(3,507,538,702)
Appropriated to corporate social responsibility reserve (Note 21)	-	-	-	-	20,900,944	(20,900,944)	-	-	-	-	-	-
Balance as at 31 December 2022	1,559,291,862	1,967,897,516	172,445,812	155,929,186	57,162,181	5,332,567,834	972,144,151	(1,285,081)	-	-	970,859,070	10,216,153,461
Balance as at 1 January 2023	1,559,291,862	1,967,897,516	172,445,812	155,929,186	57,162,181	5,332,567,834	972,144,151	(1,285,081)	-	-	970,859,070	10,216,153,461
Profit for the year	-	-	-	-	-	324,830,458	-	-	-	-	-	324,830,458
Other comprehensive income for the year	-	-	-	-	-	-	362,194,185	3,252,742	-	-	365,446,927	365,446,927
Total comprehensive income for the year	-	-	-	-	-	324,830,458	362,194,185	3,252,742	-	-	365,446,927	690,277,385
Dividend paid (Note 29)	-	-	-	-	-	(623,656,610)	-	-	-	-	-	(623,656,610)
Appropriated to corporate social responsibility reserve (Note 21)	-	-	-	-	490,420	(490,420)	-	-	-	-	-	-
Balance as at 31 December 2023	1,559,291,862	1,967,897,516	172,445,812	155,929,186	57,652,601	5,033,251,262	1,334,338,336	1,967,661	-	-	1,336,305,997	10,282,774,236

The accompanying notes are an integral part of the financial statements.

CASH FLOW STATEMENT

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax	713,177,373	4,866,141,367	324,830,458	3,407,104,784
Adjustments to reconcile profit before tax				
to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,430,126,361	1,325,783,590	9,411,632	9,282,646
Reversal expected credit losses	-	(1,348,625)	-	(9,754,010)
Losses on capital reduction of subsidiary	-	-	24,681,968	-
Losses on impairment of investments in subsidiaries	-	-	284,150,578	-
Amortisation of deferred contract costs	19,253,234	19,490,323	-	-
Write-off of equipment	6,726	21,547	4,338	21,546
Gains on sales of motor vehicle and equipment	(700,502)	(359,118)	(700,502)	(359,118)
Share of profit from investment in associate				
held by a subsidiary	(21,218,259)	(29,131,662)	-	-
Reversal of provision for maritime claims	(2,844,033)	(25,828,686)	-	-
Provision for long-term employee benefits	10,081,690	11,605,983	6,469,654	6,799,252
Unrealised exchange losses (gains)	(10,692,690)	19,772,200	(6,968,409)	13,283,465
Amortised financial fees to interest expenses	18,910,927	23,334,423	-	-
Finance cost	436,083,294	362,220,539	721,863	984,947
Dividend income	(507,490)	-	(740,643,340)	(3,187,145,190)
Losses (gains) on derivatives	(35,900,388)	1,414,309	-	-
Gains on liquidation of subsidiaries	-	-	(570,308)	-
Interest income	-	-	(39,788,294)	(440,078,624)
Write-off withholding tax deducted at source	132,684	3,133,175	-	3,019,915
Profit (loss) from operating activities before				
changes in operating assets and liabilities	2,555,908,927	6,576,249,365	(138,400,362)	(196,840,387)
Operating assets (increase) decrease				
Trade and other receivables	(22,503,076)	(101,263,570)	506,740,301	(781,361,688)
Bunker oil	11,554,043	(23,426,715)	-	-
Other current assets	28,612,660	(25,503,936)	1,229,199	4,813,472
Other non-current assets	186,136	(60,048)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(173,306,168)	214,079,889	1,172,683,960	2,469,320,539
Advances received from charterers	(10,279,516)	(40,155,707)	-	-
Other current liabilities	(36,288,818)	(2,729,860)	(34,716,274)	(2,061,373)
Non-current liabilities	(123,074,294)	19,455,150	(83,675,545)	11,268,176
Cash flows from operating activities	2,230,809,894	6,616,644,568	1,423,861,279	1,505,138,739
Cash paid for long-term employee benefits	(6,027,952)	(9,441,060)	(3,993,061)	(8,160,261)
Cash paid for corporate income tax and				
withholding tax deducted at source	(4,919,058)	(3,150,552)	(1,809,618)	(1,791,168)
Net cash flows from operating activities	2,219,862,884	6,604,052,956	1,418,058,600	1,495,187,310

The accompanying notes are an integral part of the financial statements.

CASH FLOW STATEMENT (CONTINUED)

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Acquisitions of condominium unit, vessels, equipment and				
payment of dry-dock and special survey expenses	(409,532,237)	(2,446,160,135)	(437,576)	(5,334,756)
Cash received from sales of motor vehicle and equipment	700,504	359,551	700,504	359,551
Acquisitions of computer software	-	(400,706)	-	(294,212)
Cash paid for investments in equity instruments	(152,944,526)	-	-	-
Cash paid for investments in ordinary shares of subsidiary	-	-	(999,900)	(420,000,000)
Cash paid for investments in preference shares of subsidiaries	-	-	(6,277,965)	(46,379,601)
Increase in short-term loans to subsidiary	-	-	(23,000,000)	-
Decrease in long-term loans to subsidiary	-	-	45,265,220	2,285,751,120
Dividend received	21,157,323	30,282,716	-	-
Net cash flows from (used in) investing activities	(540,618,936)	(2,415,918,574)	15,250,283	1,814,102,102
Cash flows from financing activities				
Decrease (increase) in restricted bank deposits	(2,912,290)	22,711,824	-	-
Cash paid for interest expense	(428,274,141)	(371,819,680)	-	-
Cash paid for deferred financial fees	(79,398,076)	(6,539,484)	(38,138,922)	-
Cash paid for lease liabilities	(7,171,542)	(7,071,527)	(5,671,501)	(5,553,389)
Cash received from (paid for) derivatives	56,077,298	(1,352,892)	-	-
Cash received from long-term loans	3,080,865,240	591,824,160	-	-
Repayment of long-term loans	(1,225,303,062)	(1,345,752,868)	-	-
Prepayment of long-term loans	(1,138,431,793)	(1,079,688,540)	-	-
Dividend paid	(623,656,610)	(3,507,538,702)	(623,656,610)	(3,507,538,702)
Net cash flows used in financing activities	(368,204,976)	(5,705,227,709)	(667,467,033)	(3,513,092,091)
Increase (decrease) in translation adjustments	(51,721,697)	104,551,417	(32,223,251)	(17,668,150)
Net increase (decrease) in cash and cash equivalents	1,259,317,275	(1,412,541,910)	733,618,599	(221,470,829)
Cash and cash equivalents at beginning of year	1,055,667,444	2,468,209,354	316,476,272	537,947,101
Cash and cash equivalents at end of year	2,314,984,719	1,055,667,444	1,050,094,871	316,476,272
Supplemental cash flows information				
Non-cash transactions				
Dividend income from subsidiaries offset against				
payable to subsidiaries	-	-	740,643,340	3,187,145,190
Cash received from capital reduction of subsidiary				
offset against payable to subsidiary	-	-	551,780	-

The accompanying notes are an integral part of the financial statements.

1. General information

Precious Shipping Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged as a holding company for investment in the marine transportation business. The registered office of the Company is at No. 8, G, 7th, 8th and 9th floors, North Sathorn Road, Silom Sub-district, Bangrak District, Bangkok 10500.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

These financial statements are presented in Thai Baht in accordance with the regulatory requirements in Thailand, which differs from the functional currency of the Company, which is US Dollar. Assets and liabilities are translated into the Thai Baht at the rate of exchange prevailing at the reporting period end date, and at a rate that approximates the actual rate at the date of the transaction in respect of revenues and expenses, differences being recorded as "Exchange differences on translation of financial statements" in other comprehensive income, other components of shareholders' equity.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Precious Shipping Public Company Limited and the following subsidiaries and associate ("the Group").

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2023	2022
			%	%
Subsidiaries held by the Company				
1. Precious Metals Limited	Shipowner	Thailand	99.99	99.99
2. Precious Wishes Limited	Shipowner	Thailand	99.99	99.99
3. Precious Stones Shipping Limited	Shipowner	Thailand	99.99	99.99
4. Precious Minerals Limited**	Shipowner	Thailand	-	99.99
5. Precious Lands Limited	Shipowner	Thailand	99.99	99.99
6. Precious Lakes Limited	Shipowner	Thailand	99.99	99.99
7. Precious Oceans Limited	Shipowner	Thailand	99.99	99.99
8. Precious Planets Limited	Shipowner	Thailand	99.99	99.99
9. Precious Diamonds Limited**	Shipowner	Thailand	-	99.99
10. Precious Sapphires Limited	Shipowner	Thailand	99.99	99.99
11. Precious Emeralds Limited	Shipowner	Thailand	99.99	99.99
12. Precious Rubies Limited	Shipowner	Thailand	99.99	99.99
13. Precious Opals Limited	Shipowner	Thailand	99.99	99.99
14. Precious Garnets Limited**	Shipowner	Thailand	-	99.99
15. Precious Pearls Limited	Shipowner	Thailand	99.99	99.99
16. Precious Flowers Limited	Shipowner	Thailand	99.99	99.99
17. Precious Forests Limited	Shipowner	Thailand	99.99	99.99
18. Precious Trees Limited	Shipowner	Thailand	99.99	99.99
19. Precious Ponds Limited	Shipowner	Thailand	99.99	99.99
20. Precious Ventures Limited	Shipowner	Thailand	99.99	99.99
21. Precious Capitals Limited**	Shipowner	Thailand	-	99.99
22. Precious Jasmines Limited	Shipowner	Thailand	99.99	99.99
23. Precious Orchids Limited	Shipowner	Thailand	99.99	99.99
24. Precious Lagoons Limited	Shipowner	Thailand	99.99	99.99
25. Precious Resorts Limited**	Shipowner	Thailand	-	99.99
26. Precious Comets Limited	Shipowner	Thailand	99.99	99.99
27. Precious Ornaments Limited	Shipowner	Thailand	99.99	99.99
28. Precious Moons Limited**	Shipowner	Thailand	-	99.98
29. Precious Venus Limited	Shipowner	Thailand	99.99	99.99
30. Precious Neptune Limited	Shipowner	Thailand	99.99	99.99
31. Bongkot Holdings Limited	Holding company/Investment	Thailand	99.99	-

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2023	2022
			%	%
32. Precious Shipping (Panama) S.A.	Shipowner/Chartering	Panama	99.99	99.99
33. Precious Shipping (Singapore) Pte. Limited	Holding company/Chartering	Singapore	100.00	100.00
34. Precious Shipping (UK) Limited	Chartering	England	100.00	100.00
35. Great Circle Shipping Agency Limited	Technical manager of ships	Thailand	99.99	99.99
36. Associated Bulk Carriers Pte. Limited	Holding company	Singapore	100.00	100.00
Subsidiaries held by subsidiaries				
37. Precious Forests Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
38. Precious Fragrance Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
39. Precious Thoughts Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
40. Precious Comforts Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
41. Precious Sparks Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
42. Precious Visions Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
43. Precious Bridges Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
44. Precious Tides Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
45. Precious Skies Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
46. Precious Grace Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
47. Precious Glories Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
48. Precious Wisdom Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
49. Precious Breeze Pte. Ltd.	Shipowner	Singapore	100.00	-
50. Precious Topaz Pte. Ltd.	Shipowner	Singapore	100.00	-
51. Precious Waves Pte. Ltd.	Shipowner	Singapore	100.00	-
52. Precious Jade Pte. Ltd.	Shipowner	Singapore	100.00	-
53. Precious Tulips Pte. Ltd.	Shipowner	Singapore	100.00	-
54. Precious Violets Pte. Ltd.	Shipowner	Singapore	100.00	-
55. Unity Ventures Pte. Ltd.	Holding company/Investment	Singapore	100.00	-
56. Precious Marigold Pte. Ltd.	Shipowner	Singapore	100.00*	-
57. Precious Daisies Pte. Ltd.	Shipowner	Singapore	100.00*	-
58. ABC One Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
59. ABC Two Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
60. ABC Three Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
61. ABC Four Pte. Ltd.	Shipowner	Singapore	100.00*	100.00*
Associate held by a subsidiary				
62. International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40

* Shareholding percentage of only ordinary shares. The preference shares held by the Company are non-voting.

** Liquidation process completed in 2023.

During 2023, The Group invested in new subsidiaries as follows.

Investment date	Company's name	Nature of business	Country of incorporation	Percentage owned by the Company	Investment details	Payment date
Subsidiaries held by the Company						
30 November 2023	Bongkot Holdings Limited	Holding company/ Investment	Thailand	99.99	9,999 ordinary share with par value of Baht 100	December 2023
20 November 2023	Precious Daisies Pte. Ltd.	Shipowner	Singapore	66.67*	120,000 preference share with par value of SGD1	November 2023
20 November 2023	Precious Marigold Pte. Ltd.	Shipowner	Singapore	66.67*	120,000 preference share with par value of SGD1	November 2023
Subsidiaries held by subsidiary - Precious Shipping (Singapore) Pte. Limited						
26 June 2023	Precious Breeze Pte. Ltd.	Shipowner	Singapore	100.00	1 ordinary share with par value of SGD 1	June 2023
26 June 2023	Precious Topaz Pte. Ltd.	Shipowner	Singapore	100.00	1 ordinary share with par value of SGD 1	June 2023
26 June 2023	Precious Waves Pte. Ltd.	Shipowner	Singapore	100.00	1 ordinary share with par value of SGD 1	June 2023
26 June 2023	Precious Jade Pte. Ltd.	Shipowner	Singapore	100.00	1 ordinary share with par value of SGD 1	June 2023
26 June 2023	Precious Tulips Pte. Ltd.	Shipowner	Singapore	100.00	1 ordinary share with par value of SGD 1	June 2023
26 June 2023	Precious Violets Pte. Ltd.	Shipowner	Singapore	100.00	1 ordinary share with par value of SGD 1	June 2023
7 August 2023	Unity Ventures Pte. Ltd.	Holding company/ Investment	Singapore	100.00	1 ordinary with par value of USD 1	August 2023
27 July 2023 and 20 November 2023	Precious Marigold Pte. Ltd.	Shipowner	Singapore	100.00**	Totaling 60,000 ordinary shares with par value of SGD 1	July 2023 and November 2023
27 July 2023 and 20 November 2023	Precious Daisies Pte. Ltd.	Shipowner	Singapore	100.00**	Totaling 60,000 ordinary shares with par value of SGD 1	July 2023 and November 2023

* Paid up non-voting and non-cumulative preference shares.

** Shareholding percentage of only ordinary shares. The preference shares held by the Company are non-voting.

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

Investment in associate is accounted for using the equity method and is recognised initially at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investee from the date that significant influence incurs until the date that significant influence ceases.

d) The financial statements of the subsidiaries are prepared for the same reporting period as the Company and using the same significant accounting policies as the Company.

The financial statements of the associate are prepared for a reporting date that differs from that of the Company by no more than three months. In this respect, the accounting periods and differences are consistent and the financial statements are prepared using the same significant accounting policies as the Company.

e) The financial statements of all subsidiaries and associate are prepared in their respective functional currencies. Where the functional currency is not USD, the financial statements are translated into USD using the exchange rate prevailing on the end of reporting period in respect of assets and liabilities, and at a rate that approximates the actual rate at the date of the transaction in respect of revenues and expenses. The resultant differences have been shown under the caption of "Exchange differences on translation of financial statements" in other comprehensive income, other components of shareholders' equity.

f) Material balances and transactions between the Group, and investments in subsidiaries by the Company and shareholders' equity of the subsidiaries have been eliminated from the consolidated financial statements.

g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

TAS 12, Income Taxes - International Tax Reform - Pillar Two Model Rules

The amendment requires that entities shall neither recognise nor disclose information about deferred taxes related to Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). This mandatory temporary exemption applies immediately.

The amendment also includes disclosure requirements for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. These disclosure requirements apply for annual reporting periods beginning on or after 1 January 2024, but not for any interim periods ending on or before 31 December 2024.

The management of the Group is currently in the process of assessing the potential exposure to Pillar Two income taxes on the financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Vessel operating income

Vessel operating income consists of time charter income and voyage charter income.

Time charter income is recognised on a straight-line basis over the term of the respective time charter agreements as service is provided.

Voyage charter income is recognised on a straight-line basis over the estimated voyage days from the commencement of loading to completion of discharge.

Rendering of services

Service revenue is recognised when services have been rendered.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividend received

Dividends received are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Bunker oil

Bunker oil is valued at the lower of cost (first-in, first-out method) and net realisable value and is charged to vessel operating costs whenever consumed.

4.4 Investments in subsidiaries and associate

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

4.5 Property, plant and equipment/Depreciation

Vessels, condominium units, and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of vessels, condominium units and equipment is calculated by reference to their costs, after deducting residual value, on the straight-line basis over the following estimated useful lives.

Vessels	25 years
Vessels equipment	5 year or depreciated over the residual useful lives of vessels
Dry-dock and special survey expenses	2 years and 4 years, respectively
Condominium units	17 - 20 years
Leasehold improvement	5 years
Others	5 years

Depreciation is included in determining income.

No depreciation is provided on asset under construction.

An item of buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

4.6 Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

The estimated useful lives of computer software are 5 years and 7 years.

4.7 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

4.8 Deferred contract costs

The delay penalties, which the Group paid to the charterer of Cement Carriers before delivery of the vessels in order to maintain respective long-term time charter contracts, are recorded as deferred contract costs and amortised on a straight-line basis over the committed term of the charter under the contract, which is 15 years. The vessel operating income is presented net of this amortisation in the income statement.

4.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets which are buildings are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term which are 4 years to 8 years.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.11 Foreign currencies

The Group's financial statements are presented in Thai Baht, which is different from the Group's functional currency of USD. Each entity in the Group determines its own functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency. Foreign currency transactions during a particular month are translated into functional currency at the average exchange rates ruling during the previous transaction month.

Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency at the exchange rate ruling at the end of reporting period. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

b) Group companies

The assets and liabilities of Group companies whose functional currency is not USD are translated into USD at the exchange rate ruling at the end of reporting period and their income statement and statements of comprehensive income are translated at a rate that approximates the actual rate at the date of the transaction.

The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.13 Employee benefits

a) Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

b) Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in the income statement on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

c) Other long-term employee benefits

The Group's obligation in respect of accrued employee benefits is classified as long-term employee benefits other than retirement benefit plans, and is the amount of future benefit that employees have earned in return for their service in the current period.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in the income statement.

d) Termination benefits

The Group recognised termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

4.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions for maritime claims

Provisions for maritime claims are recorded by the subsidiaries upon receipt of the claim advices from the charterers, based on the best estimate of the expenditure required to settle the subsidiaries present obligation.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Income tax of the Group in Thailand is provided for in the accounts based on the taxable income determined in accordance with tax legislation in Thailand. Overseas subsidiaries and associate calculate corporate income tax in accordance with the method and tax rates stipulated by tax laws in those countries.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognised deferred tax liabilities for all taxable temporary differences while it recognised deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Premium on treasury stock

Gains on disposal of treasury stock are determined by reference to the carrying amount and are presented as premium on treasury stock, while losses on disposal are determined by reference to the carrying amount and are recorded as a deduction from premium on treasury stock until the premium is eliminated, with the remainder then presented in retained earnings.

4.17 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in income statement when the asset is derecognised, modified or impaired.

Financial assets at FVOCI (debt instruments)

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and to sell the financial asset and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to income statement.

Dividends are recognised as other income in income statement, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in income statement when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in income statement.

Recognition and derecognition of financial instruments

Financial assets are recognised or derecognised on the settlement date, i.e., the date on which an asset is delivered to or by the Group. This includes regular way trades.

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in income statement.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.18 Derivatives and hedge accounting

The Group uses derivatives, which are interest rate swaps and forward freight agreements, to hedge its interest rate and freight rates, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes including interest income are recognised in income statement unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedge is classified as cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in income statement. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to income statement as a reclassification adjustment in the same period which the hedged cash flows affect income statement.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to income statement as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty), liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment/Depreciation

In calculating depreciation on vessels, condominium units and equipment, the management estimates useful lives and residual values of the Company's and subsidiaries' vessels, condominium units and equipment and reviews estimated useful lives and residual values if there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future reveneus and expenses relating to the assets subject to the review.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation in relation to the arrest of M.V. Chayanee Naree and her crew in Nigeria

The Company has disclosed the contingent liabilities in respect of the arrest of M.V. Chayanee Naree and her Thai crew members in Nigeria for alleged drug smuggling in Note 30 to the financial statements. Based on the opinion of the Group's legal counsel and its legal counsel, the Company's management believes that it is premature at this stage to reliably estimate the amount of liability (if any) and therefore, no provisions have been made in respect of this case.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash	754	768	742	756
Bank deposits	2,314,231	1,054,899	1,049,353	315,720
Total	2,314,985	1,055,667	1,050,095	316,476

As at 31 December 2023, bank deposits carried interest between 0.04% and 5.80% per annum for SGD and USD savings, fixed and current deposits and between 0.15% and 0.55% per annum for Baht savings deposits (2022: between 0.04% and 2.75% per annum for USD savings deposits and for SGD and USD current deposits, and between 0.15% and 0.40% per annum for Baht savings deposits).

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade receivables - unrelated parties				
Aged on the basis of invoice date				
Past due				
Up to 3 months	295,394	279,149	-	-
Over 12 months	52	52	-	-
Total	295,446	279,201	-	-
Less: Allowance for expected credit losses	(52)	(52)	-	-
Total trade receivables - unrelated parties, net	295,394	279,149	-	-
Other receivables - related parties				
Advances to related parties (Note 8)	-	-	2,373,079	2,900,018
Total other receivables - related parties	-	-	2,373,079	2,900,018
Total trade and other receivables - net	295,394	279,149	2,373,079	2,900,018

8. Related party transactions

In addition to relationship among the Group as stated in Notes 11 to the financial statements and its associate as stated in Note 12 to the financial statements, the other related party transactions and relationships are summarised below.

Related party's name	Transaction	Relationship
Globex Corporation Limited	None	Major shareholder holding 28.40% ordinary shares in the Company and related by way of the Company's directors as shareholders and directors in the related party
Unistretch Limited	Office rental and service expenses	Related by way of common shareholders and directors
Maestro Controls Limited	Air-conditioning service expenses	Related by way of common shareholders and directors
Maxwin Builders Limited	Hotel service and management service expenses	Related by way of common shareholders and directors
InsurExcellence Insurance Brokers Limited	Insurance expense	Related by way of Company Directors' close family member as the related party's shareholder

Related party's name	Transaction	Relationship
InsurExcellence Life Insurance Brokers Limited	Insurance expense	Related by way of Company Directors' close family member as the related party's shareholder
MJets Limited	Air transportation service	Related by way of common shareholders and directors
Eka Software Solutions Pte Ltd., Singapore	Software expenses	Related by way of common shareholders and directors
Mega Lifesciences Nigeria Limited	Service fee	Related by way of common shareholders and directors
RZHA GmbH	Consultancy services for ship chartering	Related by way of Company Directors' close family member as the related party's shareholder
Mr. Khalid Moinuddin Hashim	Acquisition of a condominium unit	Director

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	2023	2022	2023	2022	Transfer pricing policy
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	111,529	109,471	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Dividend received	-	-	740,643	3,187,145	As declared
Interest income	-	-	39,788	440,079	At interest rate of 5.00% per annum
Condominium rental expenses	-	-	6,751	7,775	Market price
Transaction with associate					
Dividend received	20,650	30,283	-	-	As declared
Transactions with related companies					
Rental and service expenses	12,527	23,285	10,774	10,009	Market price
Transaction with related person					
Acquisition of a condominium unit	-	7,500	-	-	At agreed price

The balances of the accounts as at 31 December 2023 and 2022 between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Other receivables - related parties (Note 7)				
Subsidiaries	-	-	2,373,079	2,900,018
Total other receivables - related parties	-	-	2,373,079	2,900,018
Trade and other payables - related parties				
Subsidiaries	-	-	1,342,582	1,938,799
Related companies	6	12	6	12
Total trade and other payables - related parties	6	12	1,342,588	1,938,811
Lease liabilities - related party				
Related company	1,953	3,843	1,953	3,843
Total lease liabilities - related party	1,953	3,843	1,953	3,843

The outstanding balances of the amounts due from/to subsidiaries represent current accounts between the Group. The Company's management believes that no allowance for expected credit losses is necessary. No interest was charged on advances to/from subsidiaries.

Loans to related parties

As at 31 December 2023 and 2022, the balances of loans between the Group and those related companies and the movement in loans are as follows:

Short-term loans to related party

As at 31 December 2023, short-term loans to related party was loans to Bongkot Holdings Limited in form of promissory notes amounting to Baht 23 million (2022: nil) without collateral and due for payment within 1 year.

Long-term loans to related party

(Unit: Thousand Baht)

	Separate financial statements	
	2023	2022
Balance at beginning of the year	790,604	2,571,252
Interest income for the year	39,788	440,079
Decrease	(45,265)	(2,285,751)
Reversal of expected credit losses	-	12,834
Translation adjustment	(7,628)	52,190
Balance at end of the year	777,499	790,604

On 30 December 2019, the Company executed a loan agreement with Precious Shipping (Singapore) Pte. Limited ("PSSP") in order to refinance the existing loans amounting to USD 150 million between the Company as lender and PSSP as borrower. As of 31 December 2023, the outstanding on this long-term loan to PSSP was USD 22.72 million (2022: USD 22.87 million).

During 2022, the Company reversed the write-down of an allowance for expected credit losses of long-term loans to subsidiary in the amount of Baht 12.83 million (2023: nil). This was mainly because of a revision in the loan repayment schedule, resulting in an adjustment to the future repayment plan. Furthermore, interest income for the year also included a portion from repayment of loans ahead of the plan amounting to Baht 288.81 million (2023: nil).

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	79,044	99,275	77,143	98,487
Post-employment benefits	3,109	1,594	2,795	1,311
Other long-term benefits	9,105	45,033	8,559	42,607
Total	91,258	145,902	88,497	142,405

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries in relation to the loans from banks, as described in Note 16 to the financial statements.

9. Restricted bank deposits

Balance as at 31 December 2023 represented the Subsidiaries' deposits of USD 3.01 million (2022: USD 2.90 million), in accordance with the terms of a facility agreement signed in 2021 and referred to in Note 16 to the financial statements.

10. Other current/non-current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Other current financial assets				
Debt instruments at FVOCI				
Debentures	95,110	-	-	-
Total other current financial assets	95,110	-	-	-
Other non-current financial assets				
Equity instruments designated at FVOCI				
Listed company	55,595	-	-	-
Non-listed company	21,175	18,100	21,175	18,100
Total other non-current financial assets	76,770	18,100	21,175	18,100

Equity instruments designated at FVOCI consists of listed and non-listed equity investments which the Group considers these investments to be strategic in nature. Therefore, these investments are classified as equity instruments designated at FVOCI.

During 2023, the change in other non-current financial assets is as follows:

a) Bongkot Holdings Limited ("Bongkot") acquired 17,896,800 ordinary shares of a Thai listed company, representing 1.51% of the total issued and paid-up share capital.

b) Precious Shipping (Singapore) Pte. Limited ("PSSP") acquired 1,249,700 ordinary shares of a Singapore listed company, representing 1.59% of the total issued and paid-up share capital. During 2023, PSSP received dividends from this equity instrument totaling Baht 0.51 million (2022: nil) and recognised as dividend income in the consolidated income statements.

c) Unity Ventures Pte.Ltd. ("Unity") acquired 385,000 ordinary shares of a Singapore listed company, representing 0.49% of the total issued and paid-up share capital.

d) Investment in equity instrument of non-listed company is TMN Company Limited which the Company invested in 2,026,086 ordinary shares of Baht 10.00 each, representing 3% of total issued and paid-up shares capital.

The changes in cost of financial assets are from measurement at fair value and the exchange differences on translation of financial statements from functional currency to presentation currency.

11. Investments in subsidiaries

11.1 These represent investments in ordinary shares and preference shares in the following subsidiaries.

(Unit: Thousand Baht)

	Separate financial statements					
Subsidiaries' name	Paid-up capital		Shareholding percentage		Cost	
	2023	2022	2023	2022	2023	2022
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	362,619	366,212
Precious Wishes Limited	230,000	230,000	99.99	99.99	308,680	311,739
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	288,346	291,203
Precious Minerals Limited	-	230,000	-	99.99	-	264,799
Precious Lands Limited	306,000	306,000	99.99	99.99	331,836	335,124
Precious Lakes Limited	184,000	184,000	99.99	99.99	191,390	193,286
Precious Oceans Limited	150,000	175,000	99.99	99.99	201,313	237,193
Precious Planets Limited	270,000	270,000	99.99	99.99	318,464	321,620
Precious Diamonds Limited	-	205,000	-	99.99	-	201,357
Precious Sapphires Limited	144,000	144,000	99.99	99.99	135,271	136,611
Precious Emeralds Limited	366,000	366,000	99.99	99.99	324,359	327,573
Precious Rubies Limited	259,360	259,360	99.99	99.99	270,820	273,503
Precious Opals Limited	249,360	249,360	99.99	99.99	262,134	264,731
Precious Garnets Limited	-	379,000	-	99.99	-	337,871
Precious Pearls Limited	173,000	173,000	99.99	99.99	191,084	192,977
Precious Flowers Limited	336,000	336,000	99.99	99.99	368,425	372,075
Precious Forests Limited	286,000	286,000	99.99	99.99	286,428	289,267
Precious Trees Limited	202,000	202,000	99.99	99.99	223,600	225,815
Precious Ponds Limited	124,000	124,000	99.99	99.99	134,493	135,825
Precious Ventures Limited	202,000	202,000	99.99	99.99	242,539	244,942
Precious Capitals Limited	-	200,000	-	99.99	-	271,077
Precious Jasmines Limited	567,000	567,000	99.99	99.99	589,406	595,246
Precious Orchids Limited	217,000	217,000	99.99	99.99	206,074	208,116
Precious Lagoons Limited	140,000	140,000	99.99	99.99	187,892	189,754
Precious Resorts Limited	-	140,000	-	99.99	-	189,754
Precious Comets Limited	141,000	141,000	99.99	99.99	142,851	144,267
Precious Ornaments Limited	156,000	156,000	99.99	99.99	156,781	158,334
Precious Moons Limited	-	1,000	-	99.98	-	1,056
Precious Venus Limited	298,800	298,800	99.99	99.99	290,194	293,069
Precious Neptune Limited	298,800	298,800	99.99	99.99	290,194	293,069
Bongkot Holdings Limited	1,000	-	99.99	-	965	-

(Unit: Thousand Baht)

Subsidiaries' name	Paid-up capital 2023	Paid-up capital 2022	Shareholding percentage 2023	Shareholding percentage 2022	Cost 2023	Cost 2022
	Separate financial statements					
			%	%		
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	342	346
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	1,924,117	1,943,182
Precious Shipping (UK) Limited	250	250	100.00	100.00	342	346
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	371,124	374,801
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
Indirectly owned Singapore incorporated subsidiaries						
Precious Forests Pte. Ltd.	2,514*	2,514*	66.67	66.67	2,460	2,484
Precious Fragrance Pte. Ltd.	2,514*	2,514*	66.67	66.67	2,460	2,485
Precious Thoughts Pte. Ltd.	2,514*	2,514*	66.67	66.67	2,460	2,485
Precious Comforts Pte. Ltd.	2,542*	2,542*	66.67	66.67	2,425	2,449
Precious Sparks Pte. Ltd.	2,514*	2,514*	66.67	66.67	2,460	2,484
Precious Visions Pte. Ltd.	2,514*	2,514*	35.71	35.71	2,460	2,485
Precious Bridges Pte. Ltd.	2,514*	2,514*	66.67	66.67	2,460	2,485
Precious Tides Pte. Ltd.	2,431*	2,431*	66.67	66.67	2,461	2,485
Precious Skies Pte. Ltd.	2,431*	2,431*	66.67	66.67	2,461	2,485
Precious Grace Pte. Ltd.	2,431*	2,431*	66.67	66.67	2,461	2,485
Precious Glories Pte. Ltd.	2,514*	2,514*	66.67	66.67	2,460	2,484
Precious Wisdom Pte. Ltd.	2,514*	2,514*	66.67	66.67	2,460	2,484
Precious Marigold Pte. Ltd.	3,270*	-	66.67	-	3,064	-
Precious Daisies Pte. Ltd.	3,270*	-	66.67	-	3,064	-
ABC One Pte. Ltd.	3,588*	3,588*	66.67	66.67	3,422	3,456
ABC Two Pte. Ltd.	3,588*	3,588*	66.67	66.67	3,422	3,456
ABC Three Pte. Ltd.	3,588*	3,588*	66.67	66.67	3,422	3,456
ABC Four Pte. Ltd.	3,588*	3,588*	66.67	66.67	3,422	3,456
Total investments in subsidiaries					8,651,387	10,029,744
Less: Allowance for loss on investments in subsidiaries					(1,030,106)	(1,497,151)
Total investments in subsidiaries - net					7,621,281	8,532,593

* Paid-up non-voting and non-cumulative preference shares

11.2 Dividends income form subsidiaries

During 2023, the Company received dividends in the amount of Baht 740.64 million from subsidiaries and recognised as dividend income in the separate income statement (2022: Baht 3,187.15 million).

11.3 The changes of investments in subsidiaries

The changes in cost of investment in subsidiaries is from the exchange differences on translation of financial statements from functional currency to presentation currency and there have also been changes as follows:

a) On 17 June 2022, the Extraordinary General Meeting of Shareholders of Precious Jasmines Limited ("the Subsidiary") passed a resolution to increase the registered share capital from Baht 147.00 million (1.47 million ordinary shares with a par value of Baht 100 each) to Baht 567.00 million (5.67 million ordinary shares with a par value of Baht 100 each), by issuing 4.2 million additional ordinary shares with a par value of Baht 100 each, totaling Baht 420.00 million. The Company has implemented the abovementioned increase in share capital for its investment in this subsidiary and registered the increase of its share capital with the Ministry of Commerce in June 2022.

b) On 23 May 2023, the Extraordinary General Meeting of Shareholders of Precious Oceans Limited passed a resolution to decrease the registered share capital from Baht 175.00 million (1.75 million ordinary shares with a par value of Baht 100 each) to Baht 150.00 million (1.50 million ordinary shares with a par value of Baht 100 each), by cancelling 0.25 million ordinary shares with a par value of Baht 100 each, totaling Baht 25.00 million. The objective of the capital reduction is to settle the accumulated losses of Precious Oceans Limited which has returned the remaining amount from such capital reduction to its shareholders and registered the decrease in its share capital with the Ministry of Commerce in July 2023. The percentage of shareholding of the Company in Precious Oceans Limited has remained unchanged.

c) On 2 September 2022, the six subsidiaries registered their dissolution with the Ministry of Commerce. As of 31 December 2023, the subsidiaries completed their liquidation process.

d) On 30 November 2023, the Company invested in Bongkot Holdings Limited, a newly established subsidiary incorporated in Thailand. The Company purchased 9,999 ordinary shares with par value of Baht 100 each and made payment for the shares in December 2023 (referred to Note 2.2 to the financial statements).

As of 31 December 2023 and 2022, the amounts under allowance for loss on investments in subsidiaries in the separate financial statements are derived from subsidiaries that have sold vessels and have no plans of buying replacement vessels in the future.

As of 31 December 2023, the Company has pledged the shares of 26 subsidiaries amounting to Baht 3,234.96 million (2022: 23 subsidiaries amounting to Baht 2,607.12 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 16 to the financial statements.

In addition, as of 31 December 2023, the subsidiaries in Singapore, Precious Shipping (Singapore) Pte. Limited has pledged the shares of 9 subsidiaries amounting to Baht 11.75 million (2022: 9 subsidiaries amounting to Baht 12.11 million), stated under the cost method, and Associated Bulk Carriers Pte. Limited has pledged the shares of 4 subsidiaries amounting to Baht 6.84 million (2022: 4 subsidiaries amounting to Baht 6.91 million), stated under the cost method, with banks to secure the long-term loans referred to Note 16 to the financial statements.

12. Investment in associate held by a subsidiary

12.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

			Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
Associate's name	Nature of business	Country of incorporation	2023	2022	2023	2022	2023	2022
			%	%				
International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40	69,735	70,426	81,747	80,645

The change in cost of investment in associate held by a subsidiary is from the exchange differences on translation of financial statements from functional currency to presentation currency.

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the years ended 31 December			
Associate's name	Share of profit		Dividend received	
	2023	2022	2023	2022
International Seaports (Haldia) Private Limited	21,218	29,132	20,650	30,283

Share of profit from investment in associate held by a subsidiary for the years ended 31 December 2023 and 2022, included in the consolidated income statements, was calculated based on the financial information of that associate as at 30 September 2023 and 2022, respectively.

12.2 Summarised financial information of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Paid-up capital as at 30 September		Total assets as at 30 September		Total liabilities as at 30 September		Total revenues for the years ended 30 September		Profit for the years ended 30 September	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Thousand INR	Thousand INR								
International Seaports (Haldia) Private Limited	440,580	440,580	418,444	398,810	53,502	38,789	518,124	573,029	94,724	130,052

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
		Vessels and equipment			Furniture, fixtures and office equipment			
	Condominium units	Vessels and equipment	Dry-dock and special survey expenses	Total		Motor vehicles	Leasehold improvement	Total
Cost								
1 January 2023	296,881	31,626,792	788,404	32,415,196	73,437	15,140	16,811	32,817,465
Acquisitions	3,387	102,620	302,233	404,853	1,150	-	142	409,532
Disposals/write-off	-	-	(193,872)	(193,872)	(15,512)	(1,625)	(2,163)	(213,172)
Translation adjustment	(2,957)	(312,096)	(8,942)	(321,038)	(350)	(111)	(106)	(324,562)
31 December 2023	297,311	31,417,316	887,823	32,305,139	58,725	13,404	14,684	32,689,263
Accumulated depreciation								
1 January 2023	241,551	10,160,963	281,042	10,442,005	55,906	13,516	16,341	10,769,319
Depreciation for the year	2,883	1,127,478	285,741	1,413,219	5,684	576	201	1,422,563
Depreciation on disposals/write-off	-	-	(193,872)	(193,872)	(15,506)	(1,625)	(2,163)	(213,166)
Translation adjustment	(2,417)	(118,024)	(4,149)	(122,173)	(253)	(104)	(101)	(125,048)
31 December 2023	242,017	11,170,417	368,762	11,539,179	45,831	12,363	14,278	11,853,668
Net book value								
1 January 2023	55,330	21,465,829	507,362	21,973,191	17,531	1,624	470	22,048,146
31 December 2023	55,294	20,246,899	519,061	20,765,960	12,894	1,041	406	20,835,595
Depreciation for the year								
2023								1,422,563

(Unit: Thousand Baht)

	Consolidated financial statements							
		Vessels and equipment						
	Condominium units	Vessels and equipment	Dry-dock and special survey expenses	Total	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
Cost								
1 January 2022	277,172	28,697,323	571,056	29,268,379	66,233	14,637	16,256	29,642,677
Acquisitions	9,926	2,020,820	408,347	2,429,167	5,528	1,539	-	2,446,160
Disposals/write-off	-	-	(204,269)	(204,269)	(355)	(1,537)	-	(206,161)
Translation adjustment	9,783	908,649	13,270	921,919	2,031	501	555	934,789
31 December 2022	296,881	31,626,792	788,404	32,415,196	73,437	15,140	16,811	32,817,465
Accumulated depreciation								
1 January 2022	231,000	8,788,308	259,645	9,047,953	49,472	13,658	15,613	9,357,696
Depreciation for the year	2,709	1,093,795	215,488	1,309,283	5,172	818	197	1,318,179
Depreciation on disposals/write-off	-	-	(204,269)	(204,269)	(333)	(1,537)	-	(206,139)
Translation adjustment	7,842	278,860	10,178	289,038	1,595	577	531	299,583
31 December 2022	241,551	10,160,963	281,042	10,442,005	55,906	13,516	16,341	10,769,319
Net book value								
1 January 2022	46,172	19,909,015	311,411	20,220,426	16,761	979	643	20,284,981
31 December 2022	55,330	21,465,829	507,362	21,973,191	17,531	1,624	470	22,048,146
Depreciation for the year								
2022								1,318,179

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
Cost				
1 January 2023	28,861	15,140	11,522	55,523
Acquisitions	438	-	-	438
Disposals/write-off	(6,594)	(1,625)	(2,163)	(10,382)
Translation adjustment	(112)	(111)	(50)	(273)
31 December 2023	22,593	13,404	9,309	45,306
Accumulated depreciation				
1 January 2023	20,391	13,516	11,291	45,198
Depreciation for the year	2,612	576	110	3,298
Depreciation on disposals/write-off	(6,590)	(1,625)	(2,163)	(10,378)
Translation adjustment	(65)	(104)	(50)	(219)
31 December 2023	16,348	12,363	9,188	37,899
Net book value				
1 January 2023	8,470	1,624	231	10,325
31 December 2023	6,245	1,041	121	7,407
Depreciation for the year				
2023				3,298

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
Cost				
1 January 2022	24,749	14,637	11,141	50,527
Acquisitions	3,796	1,539	-	5,335
Disposals/write-off	(348)	(1,537)	-	(1,885)
Translation adjustment	664	501	381	1,546
31 December 2022	28,861	15,140	11,522	55,523
Accumulated depreciation				
1 January 2022	17,935	13,658	10,812	42,405
Depreciation for the year	2,205	818	111	3,134
Depreciation on disposals/write-off	(326)	(1,537)	-	(1,863)
Translation adjustment	577	577	368	1,522
31 December 2022	20,391	13,516	11,291	45,198
Net book value				
1 January 2022	6,814	979	329	8,122
31 December 2022	8,470	1,624	231	10,325
Depreciation for the year				
2022				3,134

On 30 May 2022, Precious Stones Shipping Limited and Precious Jasmines Limited (“the subsidiaries”) signed a Memorandum of Agreement (MOA) to acquire two secondhand vessels for an aggregate price of USD 51.00 million, which have been named “Phatra Naree” and “Pavida Naree”, respectively. The subsidiaries took delivery of the vessels on 13 June 2022 and 25 July 2022, respectively and the vessels were registered in Thailand.

As at 31 December 2023, certain condominium units and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 285.50 million (2022: Baht 304.94 million) in the consolidated financial statements and Baht 30.46 million (2022: Baht 39.00 million) in the separate financial statements.

As at 31 December 2023, the subsidiaries have mortgaged 27 vessels (2022: 25 vessels) with net book value of Baht 15,861.54 million (2022: Baht 15,202.12 million) with banks to secure long-term loans as referred to in Note 16 to the financial statements.

14. Intangible assets

Details of intangible assets which are computer software are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cost				
Cost at beginning of year	67,461	64,865	66,898	64,418
Acquisitions	-	401	-	294
Translation adjustment	(662)	2,195	(656)	2,186
Cost at end of year	66,799	67,461	66,242	66,898
Accumulated amortisation				
Accumulated amortisation at beginning of year	61,877	58,494	61,617	58,328
Amortisation for the year	1,442	1,410	1,343	1,320
Translation adjustment	(631)	1,973	(626)	1,969
Accumulated amortisation at end of year	62,688	61,877	62,334	61,617
Net book value as at 31 December	4,111	5,584	3,908	5,281
Amortisation for the year	1,442	1,410	1,343	1,320

15. Deferred contract costs

Movements of the deferred contract costs account during the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2023	2022
Balance at beginning of year	129,144	143,371
Amortisation for the year	(19,253)	(19,490)
Translation adjustment	(955)	5,263
Balance at end of year	108,936	129,144

16. Long-term loan facilities

As of 31 December 2023 and 2022, long-term loan accounts are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements													
	As at 31 December 2023													
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8*	Facility 9	Facility 10	Facility 11*	Facility 12	Facility 13*	Total
Long-term loans	1,080,710	393,132	646,820	-	-	-	1,875,707	937,718	284,375	898,362	-	1,262,840	-	7,379,664
Add (less): Deferred financial fees	11,032	(1,927)	(1,056)	-	-	-	(28,898)	(8,901)	(2,370)	(8,959)	-	(12,223)	-	(53,302)
Total	1,091,742	391,205	645,764	-	-	-	1,846,809	928,817	282,005	889,403	-	1,250,617	-	7,326,362
Less: Current portion	(864,315)	(40,124)	(95,669)	-	-	-	(310,520)	(186,458)	(46,875)	(95,141)	-	(144,261)	-	(1,783,363)
Long-term loans - net of current portion	227,427	351,081	550,095	-	-	-	1,536,289	742,359	235,130	794,262	-	1,106,356	-	5,542,999

(Unit: Thousand Baht)

	Consolidated financial statements								
	As at 31 December 2022								
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Total
Long-term loans	1,288,084	437,748	750,004	148,964	139,632	1,088,878	2,355,611	541,766	6,750,687
Add (less): Deferred financial fees	22,330	(2,425)	(1,506)	(2,120)	(421)	(12,100)	(39,856)	(5,516)	(41,614)
Total	1,310,414	435,323	748,498	146,844	139,211	1,076,778	2,315,755	536,250	6,709,073
Less: Current portion	(200,090)	(40,495)	(96,580)	(28,790)	(139,211)	(187,149)	(371,969)	(97,500)	(1,161,784)
Long-term loans - net of current portion	1,110,324	394,828	651,918	118,054	-	889,629	1,943,786	438,750	5,547,289

Movements of the long-term loans accounts during the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements													
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8*	Facility 9	Facility 10	Facility 11*	Facility 12	Facility 13*	Total
Balance as at 1 January 2023	1,310,414	435,323	748,498	146,844	139,211	1,076,778	2,315,755	536,250	-	-	-	-	-	6,709,073
Add: Drawdown	-	-	-	-	-	-	-	553,628	313,375	920,251	-	1,293,611	-	3,080,865
Amortisation of financial fees	(11,255)	482	441	2,130	422	12,235	10,737	2,700	555	25	-	439	-	18,911
Less: Deferred financial fees	-	-	-	-	-	-	-	(6,193)	(2,962)	(9,202)	-	(12,960)	-	(31,317)
Repayment	(197,927)	(40,982)	(97,395)	(7,185)	(140,527)	(190,485)	(380,815)	(145,711)	(24,276)	-	-	-	-	(1,225,303)
Prepayment	-	-	-	(142,716)	-	(912,484)	(83,232)	-	-	-	-	-	-	(1,138,432)
Translation adjustment	(9,490)	(3,618)	(5,780)	927	894	13,956	(15,636)	(11,857)	(4,687)	(21,671)	-	(30,473)	-	(87,435)
Balance as at 31 December 2023	1,091,742	391,205	645,764	-	-	-	1,846,809	928,817	282,005	889,403	-	1,250,617	-	7,326,362

(Unit: Thousand Baht)

	Consolidated financial statements									
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Other facilities**	Total
Balance as at 1 January 2022	1,469,572	459,813	816,861	169,210	268,583	1,219,143	2,666,155	-	1,148,525	8,217,862
Add: Drawdown	-	-	-	-	-	-	-	591,824	-	591,824
Amortisation of financial fees	(12,957)	521	495	1,072	1,092	5,321	11,905	1,071	14,814	23,334
Less: Deferred financial fees	-	-	-	-	-	-	-	(6,539)	-	(6,539)
Repayment	(200,315)	(41,476)	(98,570)	(29,747)	(142,223)	(192,784)	(274,095)	(52,050)	(314,493)	(1,345,753)
Prepayment	-	-	-	-	-	-	(191,723)	-	(887,965)	(1,079,688)
Exchange losses	-	-	-	-	-	-	-	-	2,441	2,441
Translation adjustment	54,114	16,465	29,712	6,309	11,759	45,098	103,513	1,944	36,678	305,592
Balance as at 31 December 2022	1,310,414	435,323	748,498	146,844	139,211	1,076,778	2,315,755	536,250	-	6,709,073

* As of 31 December 2023, the Group had an undrawn loan balance in the amount of USD 138.90 million (2022: nil).

** During the year 2022 , the Company and subsidiaries as borrower prepaid all outstanding loans.

The Group's bank loan facilities are summarised below:

Facility	Bank	Borrower	Interest rate per loan/amendment agreement
Facility 1	Export-Import Bank of Thailand	The Company and local subsidiaries	SOFR + margin
Facility 2	Export-Import Bank of Thailand	The Company and local subsidiary	SOFR + margin
Facility 3	Export-Import Bank of Thailand	The Company and local subsidiaries	SOFR + margin
Facility 4	SinoPac Capital International (HK) Limited	Indirect subsidiary in Singapore	SOFR + margin
Facility 5	Export-Import Bank of Thailand	The Company and local subsidiary and indirect subsidiary in Singapore	SOFR + margin
Facility 6	Crédit Agricole Corporate and Investment Bank	Indirect subsidiaries in Singapore	SOFR + margin
Facility 7	International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited	Indirect subsidiaries in Singapore	SOFR + margin
Facility 8	Bangkok Bank PLC. (Singapore Branch)	Indirect subsidiaries in Singapore	SOFR + margin
Facility 9	THE IYO BANK, LTD.	Indirect subsidiary in Singapore	SOFR + margin
Facility 10	Export-Import Bank of Thailand	The Company and local subsidiaries	SOFR + margin
Facility 11	International Finance Corporation, Crédit Agricole Corporate and Investment Bank and Export-Import Bank of Thailand	Indirect subsidiaries in Singapore	SOFR + margin
Facility 12	Crédit Agricole Corporate and Investment Bank	Indirect subsidiaries in Singapore	SOFR + margin
Facility 13	SinoPac Capital International (HK) Limited	Indirect subsidiaries in Singapore	SOFR + margin

The details of each loan facility are summarised as follows:

Facility 1

On 29 May 2014, the Company executed a USD 81.50 million Term Loan Facility with Export-Import Bank of Thailand to finance up to 80% of the Contract Price of new dry bulk carriers ordered for construction by the Company. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows:

Facility / Description	Post-delivery facility
Loan Facility	Up to USD 81,500,000 in multiple drawdowns
Drawdown	80% of the contract price to be drawn upon delivery of each vessel
Final maturity	10 years after full drawdown of the loan facility but not later than 30 December 2025
Repayment	The Loan shall be repaid in 39 equal quarterly installments of 1/55th of each drawdown amount, beginning from the end of the next quarter after the respective each drawdown with balance amount repayable at the end of the 40th quarter.
Security	a) 1st priority mortgage on the financed vessels b) Pledge of shares of the Subsidiary Borrowers

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

a) maintenance of Debt Service Coverage Ratio at least 1.1:1;
b) maintenance of Net Funded Debts to EBITDA ratio not exceeding 5:1;
c) maintenance of Debts to Equity ratio not exceeding 2:1.

On 12 July 2019, the Company and 4 local subsidiaries executed an Amendment Agreement with Export-Import Bank of Thailand, whereby the financial covenant in relation to the net funded debts to EBITDA ratio was replaced with two financial covenants. After the amendments, the financial covenants are as follows:

a) Debt Service Coverage Ratio of at least 1.1:1;
b) Debt to equity ratio not exceeding 2:1 with minimum total shareholders' equity of USD 300,000,000;
c) Minimum free cash balance of USD 100,000 per vessel owned by the Group.

On 13 May 2020, the Company and 4 local subsidiaries ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

On 4 January 2024, the Company and its subsidiaries as the borrowers, partialy prepaid the loan from Export-Import Bank of Thailand.

Facility 2

On 15 December 2017, the Company along with its subsidiary, Precious Forests Limited, executed a USD 18.00 million Secured Loan Facility with Export-Import Bank of Thailand to refinance up to 72% of the market value of one 63,345 DWT Ultramax Dry Bulk Vessel (Hull No. SF130129) ("Vessel"). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows:

Facility / Description	Post-delivery facility
Loan Facility	Up to USD 18,000,000
Drawdown	The lower of USD 18,000,000 or 72% of the market value of the vessel
Final maturity	10 years after the drawdown
Repayment	The Loans shall be repaid over 10 years in 39 equal quarterly installments of 1/55th of the drawdown amount each, beginning from the end of the next quarter after the drawdown with balance amount repayable at the end of the 40th quarter.
Security	a) 1st priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

a) maintenance of debts to total shareholders' equity ratio not exceeding 2:1;
b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
c) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Group.

On 9 August 2019, the Company had drawn down the loan amounting to USD 16.20 million.

On 13 May 2020, the Company along with its subsidiary ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

Facility 3

On 13 December 2019, the Company along with 5 local subsidiaries executed a USD 28.00 million Term loan Facility with Export-Import Bank of Thailand for (i) redemption of any of the debentures issued by the Company, (ii) repayment/prepayment of any loan of the Company and/or its subsidiaries from financial institutions, and/or (iii) acquisition of vessels. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows:

Facility	Description
Loan Facility	Up to USD 28,000,000
Drawdown	Each subsidiary may drawdown in the aggregate amount not exceeding USD 5.60 million.
Final maturity	7 years after the drawdown
Repayment	The Loans shall be repaid over 7 years, in 27 equal quarterly installments of 1/40th of the drawdown amount each, beginning from the end of the next quarter after the drawdown with balance amount repayable at the end of the 28th quarter.
Security	a) 2nd priority mortgage on the vessel b) Pledge of the debt service reserve account of the Company

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its year end consolidated USD financial statements starting from year end 2020 which include:

a) maintenance of debts to total shareholders' equity ratio not exceeding 2:1;

b) maintenance of a minimum total shareholders' equity of USD 300,000,000;

c) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Group.

On 31 January 2020, the Company had drawn down the loan amounting to USD 28.00 million.

On 13 May 2020, the Company and 5 local subsidiaries ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

Facility 4

On 17 November 2020, Precious Visions Pte. Limited., ("the Borrower"), the Company's indirect subsidiary in Singapore, executed a USD 6.00 million Term loan Facility with SinoPac Capital International (HK) Limited to refinance a Supramax Dry Bulk Vessel (the "Vessel"). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows:

Facility	Description
Loan Facility	Up to USD 6,000,000
Drawdown	USD 6,000,000
Final maturity	5 year after the drawdown
Repayment	The Loans shall be repaid over 5 years, in 20 equal quarterly installments of USD 211,250 beginning three calendar months after the drawdown plus a balloon payment of USD 1,775,000 together with the last installment.
Security	a) 1st priority mortgage on the vessel b) 1st priority assignment of all insurances and requisition compensation earnings and any charterparties (for a period of 12 months or more) of the Vessel c) Guarantee from the Company

On 27 April 2023, the subsidiary as the borrower, fully prepaid the loan from SinoPac Capital International (HK) Limited.

Facility 5

On 30 April 2021, the Company along with 2 subsidiaries executed a USD 10.10 million Term loan Facility with Export-Import Bank of Thailand ("EXIM") to be used for refinancing the loan provided by EXIM under the loan agreement dated 28 May 2020. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows:

Facility	Description
Loan Facility	Up to USD 10,100,000
Drawdown	USD 10,100,000
Final maturity	Not exceeding 2.5 years
Repayment	The Loan shall be repaid in 10 quarterly installments of USD 1,010,000, beginning from the end of the next quarter after drawdown date with balance amount repayable at the end of the 10th quarter.
Security	a) 1st priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower c) 1st priority assignment of any charterparties with a period exceeding 12 months.

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its year end consolidated USD financial statements which include:

a) maintenance of debts to total shareholders' equity ratio not exceeding 2:1;
b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

On 28 December 2023, the Company and its subsidiaries as the borrowers, fully repaid the remaining loan from Export-Import Bank of Thailand.

Facility 6

On 21 June 2021, the Company's 6 indirect subsidiaries incorporated in Singapore have executed a USD 38.35 million Senior Secured Amortizing Term Loan Agreement ("Agreement") with Crédit Agricole Corporate and Investment Bank ("CACIB"). The proceeds were used to reimburse Precious Shipping (Singapore) Pte. Ltd. ("PSSP") for the intra-group loans owed by the Subsidiaries. The Company and PSSP, the Company's Singapore subsidiary, are the Guarantors under the Agreement. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows:

<table>
<tr><th>Facility</th><th>Description</th></tr>
<tr><td>Loan Facility</td><td>Up to USD 38,350,000</td></tr>
<tr><td>Drawdown</td><td>The lower of USD 38,350,000 or 65% of the market value of each vessel</td></tr>
<tr><td>Final maturity</td><td>5 years after the drawdown</td></tr>
<tr><td>Repayment</td><td>The Loan under each Tranche shall be repaid over 5 years, in 20 equal quarterly installments beginning three calendar months after the drawdown date together with a balloon (except Tranche F) payable on final maturity of the loan.
<table>
<tr><th>Tranche</th><th>Quarterly Installment Amount (USD)</th><th>Balloon Payment Amount (USD)</th></tr>
<tr><td>A</td><td>230,208</td><td>3,683,340</td></tr>
<tr><td>B</td><td>223,438</td><td>4,468,740</td></tr>
<tr><td>C</td><td>257,292</td><td>1,029,160</td></tr>
<tr><td>D</td><td>257,292</td><td>1,029,160</td></tr>
<tr><td>E</td><td>189,583</td><td>758,340</td></tr>
<tr><td>F</td><td>211,250</td><td>nil</td></tr>
</table>
</td></tr>
</table>

Facility	Description
Security	a) Guarantee from the Guarantors b) 1st priority mortgage on the 6 Vessels c) Pledge of shares in the 6 Subsidiaries d) 1st priority assignment of insurances and requisition compensation, earnings, any charterparties (for a period of 12 months or more) and any charter guarantee in relation to the Vessels e) 1st priority charge over the Borrowers' Earnings Accounts and Retention Accounts f) 1st priority charge over the Borrowers' rights under the hedging agreement

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its quarterly consolidated USD financial statements which include:

a) maintenance of the maximum funded debts to total shareholders' equity ratio of 2:1;
b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

On 8 July 2021, the subsidiaries completed drawdown of USD 38.35 million and entered into Interest Rate Swap Transactions, to swap the interest of the loan facility of USD 38.35 million, from a floating interest rate (LIBOR) to a fixed interest rate.

On 10 November 2023, the subsidiaries as the borrowers, fully repaid the remaining loan from Crédit Agricole Corporate and Investment Bank.

Facility 7

On 29 June 2021, the Company's 5 indirect subsidiaries incorporated in Singapore as the Borrowers signed a USD 85.00 million Senior Secured Sustainability-Linked Amortizing Term Loan Agreement ("Agreement") with International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited, to refinance 4 Cement Carriers, 1 Supramax Dry Bulk Vessel and to redeem the remaining outstanding principal of the Company's PSL211A Debentures. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows:

Facility	Description
Loan Facility	Up to USD 85,000,000
Drawdown	Totally USD 85,000,000
Final maturity	30 June 2029
Repayment	The Loan, shall be repaid over a maximum tenor of 8 years, in 32 quarterly installments as the amounts stipulated in the agreement beginning on 30 December 2021 together with a balloon payment payable on final maturity of the Loan.
Guarantors	a) Precious Shipping Public Company Limited (the “Company”) b) Precious Shipping (Singapore) Pte. Ltd., Singapore subsidiary of the Company c) Associated Bulk Carriers Pte. Ltd., Singapore subsidiary of the Company
Security	a) Guarantee from the Guarantors; b) 1st priority mortgage on the 5 Vessels; c) Pledge of shares in the 5 Subsidiaries; d) 1st priority assignment of the long-term charter contracts in relation to the 5 Vessels; e) 1st priority general assignment of insurances, requisition compensation and earnings in relation to the 5 Vessels; f) 1st priority charge over the earnings and retention accounts of the Borrowers.

The loan agreement contains covenants that, among other things, require the Borrowers to maintain Debt Service Coverage Ratio on their year end consolidated USD financial statement at least 1.1:1.

On 15 September 2021, the Subsidiaries completed drawdown of USD 85.00 million.

On 23 December 2021, 5 Subsidiaries entered into Interest Rate Swap Transactions from floating interest rate (LIBOR) to fixed interest rate on 4 facilities for a total of USD 67.65 million for interest payable during the period 28 December 2021 to 30 June 2029 and one facility of USD 7.84 million for interest payable during the period 28 December 2021 to 30 June 2027.

During 2023, the subsidiaries as the borrowers, partialy prepaid the loan from International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited.

Facility 8

On 20 June 2022, Precious Grace Pte. Ltd., one of the Company's Singapore incorporated subsidiaries as the Borrower and the Company as Guarantor executed a USD 17.10 million Senior Secured Amortizing Term Loan Agreement ("Agreement") with Bangkok Bank Public Company Limited, Singapore Branch, mainly to reimburse or refinance any shareholder's loan which was used to support the Borrower's operations and to provide intercompany loans for the Guarantor's vessel acquisitions. The loan carries interest at SOFR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows:

Facility	Description
Loan Facility	Up to USD 17,100,000
Drawdown	The lower of USD 17,100,000 or 60% of the market value of the vessel
Final maturity	6 years after the drawdown
Repayment	The Loan shall be repaid in 24 quarterly installments of USD 712,500 beginning from three calendar months after the drawdown date.
Security	a) 1st priority mortgage on the Borrower's vessel b) Pledge of shares of the Borrower c) 1st priority charge over the Earnings Account and Retention Account of the Borrower d) 1st priority assignment of all insurance and requisition compensation, earnings and any charterparties (for a period of 12 months or more) of the Borrower's vessel e) Guarantee from the Guarantor

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

a) maintenance of net debts to total shareholders' equity ratio not exceeding 2:1;
b) maintenance of a minimum total shareholders' equity of USD 225,000,000.

In addition, the loan agreement requires the Borrower to maintain certain financial ratios on its USD financial statements which include:

a) maintenance of a minimum free cash balance of USD 100,000 per vessel;
b) maintenance of Debt Service Coverage Ratio of at least 1.2:1.

On 15 June 2023, Precious Grace Pte. Ltd., Precious Skies Pte. Ltd., and Precious Tides Pte. Ltd. (collectively the "Subsidiaries") which are the Company's Singapore incorporated subsidiaries as the Co-borrowers and the Company as the Guarantor have executed a first amendment and restatement agreement ("Amendment Agreement") in relation to the USD 17.10 million Senior Secured Amortizing Term Loan Agreement ("Original Loan Agreement") with Bangkok Bank Public Company Limited, Singapore Branch, made on 20 June 2022. The aforesaid Amendment Agreement is mainly to upsize the original Loan by an additional loan amount of up to USD 31.80 million. As such, the aggregate loan amount has been increased to USD 48.90 million ("Amended Loan"). The loan carries interest at SOFR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows:

<table>
<tr><th>Facility</th><th>Description</th></tr>
<tr><td>Loan Facility</td><td>Up to USD 48,900,000</td></tr>
<tr><td>Drawdown</td><td>In aggregate, USD 48,900,000 and split into the following three loan tranches:
<table>
<tr><th>Ship Loan</th><th>Loan Amount (USD)</th><th>Availability Period</th></tr>
<tr><td>Loan tranche One</td><td>17,100,000</td><td>3 months from the date of the Original Loan Agreement (fully utilised)</td></tr>
<tr><td>Loan tranche Two</td><td>15,900,000</td><td>12 months from the date of the Amendment Agreement (fully utilised)</td></tr>
<tr><td>Loan tranche Three</td><td>15,900,000</td><td>12 months from the date of the Amendment Agreement</td></tr>
</table></td></tr>
<tr><td>Final maturity</td><td>6 years after the drawdown</td></tr>
<tr><td>Repayment</td><td>The Loan shall be repaid in 24 quarterly installments beginning three calendar months after the drawdown date.</td></tr>
<tr><td>Security</td><td>a) Guarantee from the Guarantor
b) 1^{st} priority mortgage on the Borrower's Vessel
c) 1^{st} priority assignment of all insurance and requisition compensation, earnings and any charterparties (for a period of 12 months or more) of the Borrower's Vessel
d) 1^{st} priority charge over the Earnings Accounts and Retention Accounts of the Borrower
e) Pledge of shares in the Borrowers</td></tr>
</table>

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

a) maintenance of net debts to total shareholders' equity ratio not exceeding 2:1;
b) maintenance of a minimum total shareholders' equity of USD 225,000,000.
c) The Guarantor shall remain listed on the Stock Exchange of Thailand at all times.

In addition, the loan agreement requires the Borrower to maintain certain financial ratios on its USD financial statements which include:

a) maintenance of a minimum free cash balance of USD 100,000 per vessel;
b) maintenance of Debt Service Coverage Ratio of at least 1.2:1.
c) Each Borrower is not allowed to pay any dividend or other distribution to its shareholders if an event of default has occurred and is continuing.

Facility 9

On 25 April 2023, Precious Visions Pte. Ltd., one of the Company's Singapore incorporated subsidiaries as the Borrower and the Company as the Guarantor executed a USD 9.00 million Senior Secured Amortizing Term Loan Agreement ("Agreement") with THE IYO BANK, LTD., Singapore Branch, to refinance the Supramax Dry Bulk Vessel (M.V. Chayanee Naree) (the "Vessel"). The loan carries interest at SOFR plus margin which is to be paid quarterly.

The details of the loan facility are summarised as follows:

Facility	Description
Loan Facility	Up to USD 9,000,000
Drawdown	Totally USD 9,000,000
Final maturity	5 years after the drawdown
Repayment	The Loan shall be repaid in 20 quarterly installments beginning three calendar months after the drawdown date.
Security	a) Guarantee from the Guarantor b) 1st priority mortgage on the Borrower's Vessel c) 1st priority assignment of all insurance and requisition compensation, earnings and any charterparties (for a period of 12 months or more) of the Borrower's Vessel

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

a) maintenance of net debts to total shareholders' equity ratio not exceeding 2:1;
b) maintenance of a minimum total shareholders' equity of USD 225,000,000.

In addition, the loan agreement requires the Borrower to maintain certain covenants which include:

a) maintenance of a minimum free cash balance of USD 100,000;
b) The Borrower is not allowed to pay any dividend or other distribution to its shareholders or issue any new shares in its share capital if an event of default has occurred and is continuing.

Facility 10

On 11 August 2023, the Company and Thai subsidiaries of the Company namely Precious Stones Shipping Limited and Precious Metals Limited as the Borrowers executed a USD 26.25 million term loan Agreement ("Agreement") with the Export-Import Bank of Thailand. The purpose of the Loan Agreement is to reimburse the acquisition expenses of M.V. Phatra Naree and to support the Borrowers' operations. The loan carries interest at SOFR plus margin which is to be paid quarterly.

The details of the loan facility are summarised as follows:

<table>
<tr><th>Facility</th><th>Description</th></tr>
<tr><td>Loan Facility</td><td>Up to USD 26,250,000</td></tr>
<tr><td>Drawdown</td><td>In aggregate, USD 26,250,000 and split into the following two loan tranches:
<table><tr><th>Tranche</th><th>Loan Amount (USD)</th></tr><tr><td>Loan tranche A</td><td>21,250,000</td></tr><tr><td>Loan tranche B</td><td>5,000,000</td></tr></table></td></tr>
<tr><td>Final maturity</td><td>Loan tranche A - 7 years after the drawdown
Loan tranche B - 6 years after the drawdown</td></tr>
<tr><td>Repayment</td><td>Loan tranche A - The Loan shall be repaid in 28 quarterly installments beginning three calendar months after the drawdown date.
Loan tranche B - The Loan shall be repaid in 24 quarterly installments beginning three calendar months after the drawdown date.</td></tr>
<tr><td>Security</td><td>a) 1st priority mortgage on the Borrower's Vessel
b) 1st priority assignment of all insurance and requisition compensation, earnings and any charterparties (for a period of 12 months or more) of the Borrower's Vessel
c) Pledge of shares in the Borrowers</td></tr>
</table>

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

a) maintenance of debts to total shareholders' equity ratio not exceeding 2:1;
b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
c) maintenance of a minimum free cash balance of USD 200,000 per vessel;
d) The Company shall remain listed on the Stock Exchange of Thailand at all times;
e) Each Borrower is not allowed to pay any dividend or other distribution to its shareholders if an event of default has occurred and is continuing.

Facility 11

On 25 October 2023, Singapore subsidiaries of the Company, namely Precious Waves Pte. Ltd., Precious Breeze Pte. Ltd., Precious Topaz Pte. Ltd., Precious Jade Pte. Ltd., Precious Violets Pte. Ltd., and Precious Tulips Pte. Ltd. (collectively the "Subsidiaries") as the Borrowers executed loan agreements in relation to a USD 105.00 million Senior Secured Sustainability-Linked Amortizing Term Loan Agreement ("Agreement") from the International Finance Corporation, Crédit Agricole Corporate and Investment Bank and Export-Import Bank of Thailand. The purpose of Loan Agreement is to finance the acquisition of up to six dry bulk carriers. The loan carries interest at SOFR plus margin which is to be paid quarterly.

The details of the loan facility are summarised as follows:

<table>
<tr><th>Facility</th><th>Description</th></tr>
<tr><td>Loan Facility</td><td>Up to USD 105,000,000</td></tr>
<tr><td>Drawdown</td><td>In aggregate, USD 105,000,000 and split into the following three tranches:
<table>
<tr><th>Tranche</th><th>Lender</th><th>Loan Amount (USD)</th></tr>
<tr><td>IFC A Loan</td><td>International Finance Corporation</td><td>70,000,000</td></tr>
<tr><td>Parallel Loan A</td><td>Crédit Agricole Corporate and Investment Bank</td><td>20,000,000</td></tr>
<tr><td>Parallel Loan B</td><td>Export-Import Bank of Thailand</td><td>15,000,000</td></tr>
</table>
</td></tr>
<tr><td>Availability period</td><td>24 months from the date of the Loan Agreement</td></tr>
<tr><td>Final maturity</td><td>10 years after the drawdown</td></tr>
<tr><td>Repayment</td><td>Each Project Vessel Advance shall be repaid in 40 quarterly installments, together with a balloon payment payable on the final maturity of the Loan.</td></tr>
</table>

Facility	Description
Guarantors	a) Precious Shipping Public Company Limited (the "Company") b) Precious Shipping (Singapore) Pte. Ltd., Singapore subsidiary of the Company and the Shareholder of the Borrowers (the "Shareholder")
Security	a) Guarantee from the Guarantors b) 1st priority mortgage on the Project Vessels c) 2nd priority mortgage on 4 Cement Carriers, i.e., M.V. Danaya Naree, M.V. Apinya Naree, M.V. Boonya Naree, M.V. Chanya Naree and 1 Supramax Vessel, i.e., M.V. Apiradee Naree d) 1st priority assignment of all insurance and requisition compensation, earnings and any charterparties, for a period of 12 months or more, of the Borrower's Vessels e) Pledge of shares in the Borrowers.

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

a) maintenance of a maximum financial debts to tangible net worth ratio of 2.0;
b) maintenance of a minimum tangible net worth of USD 300,000,000;
c) maintenance of a maximum financial debts of USD 500,000,000;
d) maintenance of a minimum consolidated cash of USD 300,000 per vessel

Facility 12

On 6 November 2023, the Company's 4 subsidiaries incorporated in Singapore, namely Precious Glories Pte. Ltd., Precious Wisdom Pte. Ltd., Precious Bridges Pte. Ltd., and Precious Sparks Pte. Ltd. (collectively the "Subsidiaries") as the Borrowers have executed a USD 37.50 million Senior Secured Amortizing Term Loan Agreement ("Agreement") with Crédit Agricole Corporate and Investment Bank ("CACIB"). The proceeds were used to refinance the Existing Loan Agreement. The Company and PSSP, the Company's Singapore subsidiary, are the Guarantors under the Agreement. The loan carries interest at SOFR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows.

<table>
<tr><th>Facility</th><th>Description</th></tr>
<tr><td>Loan Facility</td><td>Up to USD 37,500,000</td></tr>
<tr><td>Drawdown</td><td>Up to USD 37,500,000 divided into the following four tranches:
<table>
<tr><th>Tranche</th><th>Borrower</th><th>Loan Amount (USD)</th></tr>
<tr><td>A</td><td>Precious Glories Pte. Ltd.</td><td>10,640,000</td></tr>
<tr><td>B</td><td>Precious Wisdom Pte. Ltd.</td><td>11,300,000</td></tr>
<tr><td>C</td><td>Precious Sparks Pte. Ltd.</td><td>7,780,000</td></tr>
<tr><td>D</td><td>Precious Bridges Pte. Ltd.</td><td>7,780,000</td></tr>
</table>
</td></tr>
<tr><td>Final maturity</td><td>5 years after the drawdown</td></tr>
<tr><td>Repayment</td><td>The Loan under each Tranche shall be repaid over 5 years, in 20 equal quarterly installments together with a balloon payable on final maturity of the loan.</td></tr>
<tr><td>Security</td><td>a) Guarantee from the Guarantors
b) 1st priority mortgage on the 4 Vessels
c) Pledge of shares in the 4 Subsidiaries
d) 1st priority assignment of all insurance and requisition compensation, earnings, any charterparties (for a period of 12 months or more) and any charter guarantee in relation to the Vessels
e) 1st priority charge over the Borrowers’ Earnings Accounts and Retention Accounts
f) 1st priority charge over the Borrowers’ rights under the hedging agreement</td></tr>
</table>

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its quarterly consolidated USD financial statements which include:

a) maintenance of the maximum funded debts to total shareholders’ equity ratio of 2:1;
b) maintenance of a minimum total shareholders’ equity of USD 300,000,000;
c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

Facility 13

On 26 December 2023, the Company's 2 subsidiaries incorporated in Singapore, namely Precious Daisies Pte. Ltd. and Precious Marigold Pte. Ltd. (collectively the "Subsidiaries") as the Borrowers have executed a USD 18.00 million Senior Secured Amortizing Term loan Agreement with SinoPac Capital International (HK) Limited to refinance two Handysize dry bulk carriers, i.e., M.V. Chamchuri Naree and M.V. Charana Naree. The loan carries interest at SOFR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows:

<table>
<tr><th>Facility</th><th>Description</th></tr>
<tr><td>Loan Facility</td><td>Up to USD 18,000,000</td></tr>
<tr><td>Drawdown</td><td>USD 18,000,000 split into the following two Vessel Loans:
<table>
<tr><th>No.</th><th>Borrower</th><th>Tranche</th><th>Loan Amount (USD)</th></tr>
<tr><td rowspan="3">Loan 1</td><td rowspan="3">Precious Daisies Pte. Ltd.</td><td>Senior Tranche</td><td>6,300,000</td></tr>
<tr><td>Junior Tranche</td><td>2,700,000</td></tr>
<tr><td>Total Loan 1 amount</td><td>9,000,000</td></tr>
<tr><td rowspan="3">Loan 2</td><td rowspan="3">Precious Marigold Pte. Ltd.</td><td>Senior Tranche</td><td>6,300,000</td></tr>
<tr><td>Junior Tranche</td><td>2,700,000</td></tr>
<tr><td>Total Loan 2 amount</td><td>9,000,000</td></tr>
</table>
</td></tr>
<tr><td>Availability period</td><td>12 months from the date of the Loan Agreement</td></tr>
<tr><td>Final maturity</td><td>5 years after the drawdown for Senior Loan and 3 years after the drawdown for Junior Loan</td></tr>
<tr><td>Repayment</td><td>The Senior Loan Tranche of each Loan shall be repaid in 20 quarterly installments, together with a balloon payment payable on the final maturity of the Loan.
The Junior Loan Tranche of each Loan shall be repaid in 12 quarterly installments.</td></tr>
<tr><td>Security</td><td>a) Guarantee from the Guarantor
b) 1st priority mortgage on the vessel for the Senior Tranche of each Loan
c) 2rd priority mortgage on the vessel for the Junior Tranche of each Loan
d) 1st priority assignment of all insurance and requisition compensation earnings and any charterparties (for a period of 12 months or more) of the Vessel</td></tr>
</table>

As of 31 December 2023, the Group completed the amendment to loan agreements facilities 1 to 7 to modify the reference interest rate, in response to the impact of the IBOR reforms. The interest rates were adjusted from LIBOR to SOFR plus a credit adjustment spread. These changes did not have a significant impact on the Group.

As at 31 December 2023, the Subsidiaries deposited USD 3.01 million (2022: USD 2.90 million) in the debt service reserve account (DSRA) in accordance with the terms of the loan facility. The required minimum balance for the DSRA is reviewed by the lenders once a year.

17. Leases

The Group as a lessee has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 4 to 8 years.

a) Right-of-use assets

Movements of right-of-use assets which are buildings for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 1 January 2022	20,998	18,078
Depreciation for the year	(6,195)	(4,829)
Translation adjustment	830	707
As at 31 December 2022	15,633	13,956
Depreciation for the year	(6,121)	(4,771)
Translation adjustment	(55)	(60)
As at 31 December 2023	9,457	9,125

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Lease payments	10,309	16,508	9,985	14,887
Less: Deferred interest expenses	(950)	(1,738)	(947)	(1,674)
Total	9,359	14,770	9,038	13,213
Less: Portion due within one year	(4,422)	(5,705)	(4,101)	(4,459)
Lease liabilities - net of current portion	4,937	9,065	4,937	8,754

Movements of the lease liability account for the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Balance at beginning of year	14,770	19,796	13,213	17,070
Accretion of interest	(950)	(1,738)	(947)	(1,674)
Repayments	(7,172)	(7,072)	(5,672)	(5,553)
Translation adjustment	2,711	3,784	2,444	3,370
Balance at end of year	9,359	14,770	9,038	13,213

c) Expenses relating to leases that are recognised in income statement

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	6,121	6,195	4,771	4,829
Interest expense on lease liabilities	783	1,121	722	985

18. Provision for maritime claims

(Unit: Thousand Baht)

	Consolidated financial statements	
	2023	2022
Balance at beginning of year	55,434	39,225
Increase during the year	20,918	38,279
Decrease (including actual claims) during the year	(33,884)	(22,976)
Translation adjustment	(431)	906
Balance at end of year	42,037	55,434

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensation payable on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Provision for long-term employee benefits at beginning of year	130,112	175,293	97,421	129,467
Included in income statement:				
Current service cost	7,183	9,746	4,464	5,620
Interest cost	2,899	1,860	2,006	1,179
Included in other comprehensive income:				
Actuarial gain arising from				
Financial assumptions changes	-	(37,595)	-	(24,665)
Experience adjustments	-	(9,800)	-	(6,059)
Benefits paid during the year	(6,028)	(9,441)	(3,993)	(8,160)
Translation adjustment	(52)	49	(20)	39
Provision for long-term employee benefits at end of year	134,114	130,112	99,878	97,421

The Group expects to pay Baht 16.00 million of long-term employee benefits during the next year (The Company only: Baht 10.17 million) (2022: Baht 27.89 million, The Company only: Baht 26.83 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 5 years (The Company only: 5 years) (2022: 5 years, The Company only: 5 years).

Significant actuarial assumptions are summarised below.

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	2.80	2.80	2.80	2.80
Salary increase rate	3.50	3.50	3.50	3.50

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2023			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(5,303)	5,906	(3,057)	3,399
Salary increase rate	6,532	(5,958)	3,699	(3,382)

(Unit: Thousand Baht)

	As at 31 December 2022			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(5,938)	6,611	(3,850)	4,281
Salary increase rate	7,293	(6,655)	4,659	(4,260)

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At the present, the Company was set fully the statutory reserve aside.

According to Section 1202 of the Thai Civil and Commercial Code, the subsidiaries (incorporated under Thai Laws) are required to set aside a statutory reserve equal to at least 5% of its profit each time the company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment. During 2023, the subsidiaries set the statutory reserve amounting to Baht 23 million (2022: Baht 151 million).

21. Corporate social responsibility (CSR) reserve

The Company has earmarked 0.5% of its profit for the year as a reserve towards CSR activities. The Company expects to earmark amounts based on the same percentage of profit annually on a cumulative basis, but subject to a minimum of Baht 1.75 million and a maximum of Baht 25.00 million per year. The reserve was approved by a meeting of the Board of Directors of the Company on 14 August 2008.

During 2023, the Company set aside Baht 3.55 million (2022: Baht 24.25 million) to a reserve for CSR activities and reversed Baht 3.06 million (2022: Baht 3.35 million) from the reserve when the Company made related payments against the reserve.

22. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Interest expense on borrowings	551,912	375,919	-	-
Interest expense on lease liabilities	783	1,121	722	985
Interest income from derivatives designated as hedging instruments in cash flow hedge	(102,662)	(18,484)	-	-
Others finance cost	30,564	33,793	-	744
Total	480,597	392,349	722	1,729

23. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Salary, wages and other benefits of employees and crews	1,630,900	1,727,766	207,897	294,473
Rental expenses from operating lease agreements	226	201	72	-

24. Income tax

The Company had no corporate income tax for 2023 and 2022 due to the Company had tax losses after adding back certain expenses and provisions which are disallowed for tax computation purposes and less dividend income which is tax-exempt.

Local subsidiaries

a) In accordance with the Director - General's Notification on Income Tax No. 72 dated 20 March 1998, the local subsidiaries are exempted from the payment of income tax on their marine transportation income. In addition, the subsidiaries are exempted from the payment of income tax on their marine transportation business under the provisions of the Investment Promotion Act B.E. 2520.

b) Corporate income tax for the year ended 31 December 2023 and 2022 has been calculated at a rate of 20% on net profit, after adding back certain expenses and provisions which are disallowed for tax computation purposes.

Overseas subsidiaries and associate

Corporate income tax of the overseas subsidiaries and associate has been calculated by applying the applicable statutory rates of the relevant countries.

As at 31 December 2023, the Group has deductible temporary differences, mainly arising from exchange difference occurring while translating financial statements in functional currency into presentation currency and unused tax losses totaling Baht 4,145.54 million (2022: Baht 4,385.66 million) (The Company only: Baht 1,495.14 million (2022: Baht 1,769.07 million)). However, the Group did not recognise deferred tax assets because the Group has been granted certain promotional privileges under the Director-General's notification and the provisions of the Investment Promotion Act for their marine transportation business. Hence, the Group believes that the deferred tax assets will not be utilised in the future.

Details of expiry date of unused tax losses are summarised as below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
31 December 2023	-	392,997	-	-
31 December 2024	550,701	550,701	-	-
31 December 2025	820,031	820,031	-	-
31 December 2026	412,665	412,665	-	-
31 December 2027	515,090	515,092	172,758	172,758
31 December 2028	227,575	-	187,756	-
	2,526,062	2,691,486	360,514	172,758

As at 31 December 2023, Precious Shipping (Singapore) Pte. Limited (“PSSP”), an overseas subsidiary, has unused tax losses totaling Baht 44.52 million (2022: Baht 12.32 million). The Inland Revenue Authority of Singapore (IRAS) rules stipulate that unused tax losses have no expiry date.

As at 31 December 2023, the Group has a temporary difference arising from an investment in associate held by a subsidiary under which a deferred tax liability has been recognised in the aggregate amount of Baht 1.80 million (2022: Baht 1.53 million).

25. Promotional privileges

The Company has been granted promotional privileges under the Investment Promotion Act, as approved by the Board of Investment under BOI certificate No. 1405/2550 dated 23 March 2007. Subject to certain imposed conditions, the significant privileges are the rights to employ skilled foreigners to work within the scope of duties approved by the Board of Investment and for the period for which they are permitted to stay in Thailand, permission to own land in an amount considered appropriate by the Board of Investment, and permission to transfer funds in or out of Thailand in foreign currencies.

Under the provisions of the Investment Promotion Act B.E. 2520, the local subsidiaries were granted certain promotional privileges for their marine transportation business. The promotional privileges include, among other things, exemption from the payment of income tax for a period of 8 years commencing as from the date of first earning operating income on the condition that the vessels owned by the subsidiaries are registered in Thailand. During the year ended 31 December 2023, the subsidiaries have 5 vessels (2022: 7 vessels) under investment promotion operations.

Revenues and expenses for 2023 and 2022 classified between promoted and non-promoted operations can be summarised below.

(Unit: Thousand Baht)

			Non-promoted operations							
	Promoted operations		Operations exempted from corporate income tax in accordance with the Director-General's Notification on Income Tax No. 72		Other non-promoted operations		Eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues	665,966	1,418,899	2,007,495	3,790,113	3,486,724	7,810,365	(945,991)	(3,843,604)	5,214,194	9,175,773
Costs and expenses	(529,595)	(513,200)	(1,777,298)	(1,664,969)	(3,212,717)	(2,387,438)	1,015,018	240,623	(4,504,592)	(4,324,984)

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to the equity holder of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group's operations involve the business of owning and internationally operating Handysize, Supramax and Ultramax dry bulk vessels on a tramp shipping basis (i.e. without any set routes). This is the main industry segment that the Company operates in and almost all revenues are derived from it. As such, no segmental bifurcation is applicable since the operations are almost entirely limited to this one main segment.

The business activity in the segment, i.e. the chartering of the vessels, is undertaken in two ways, viz., Time charter and Voyage charter. Under Time charter, the charterer (customer) pays charter hire (at an agreed daily rate, almost always in US Dollars) to operate the vessel for an agreed time period. In this case, the charterer bears all voyage expenses including port disbursements and costs of bunker fuel. Under Voyage charter, the charterer pays freight on a per ton basis (almost always in US Dollars) to transport a particular cargo between two or more designated ports. In this case, the Group bears all the voyage expenses. The voyage expenses are presented in the financial statements as voyage disbursements and bunker consumption. Under Time charter, the vessel routes are determined or controlled exclusively by the charterers and under Voyage charters, the route varies from time to time for each voyage, which is determined by a number of factors which are totally beyond the Groups' control. As such, reporting by geographical segments would not be practical or meaningful, and could in fact be misleading.

In view of the above, segment information is limited to the bifurcation of the total vessel operating income (and voyage expenses in respect of Voyage charter) derived from Time charter and Voyage charter presented as “Time charter income” and “Voyage charter income” respectively.

The following table presents net vessel operating income from Time charter and Voyage charter of the Group for the years ended 31 December 2023 and 2022.

(Unit: Thousand Baht)

	Consolidated financial statements									
	Time charter		Voyage charter		Total		Elimination		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Time charter income	5,016,038	8,992,496	-	-	5,016,038	8,992,496	-	-	5,016,038	8,992,496
Voyage charter income	-	-	78,619	200,625	78,619	200,625	-	(68,328)	78,619	132,297
Total vessel operating income	5,016,038	8,992,496	78,619	200,625	5,094,657	9,193,121	-	(68,328)	5,094,657	9,124,793
Voyage disbursements	-	-	(35,194)	(107,267)	(35,194)	(107,267)	-	68,328	(35,194)	(38,939)
Bunker consumption	-	-	(30,289)	(48,438)	(30,289)	(48,438)	-	-	(30,289)	(48,438)
Total voyage expenses	-	-	(65,483)	(155,705)	(65,483)	(155,705)	-	68,328	(65,483)	(87,377)
Net vessel operating income/ time charter equivalent income	5,016,038	8,992,496	13,136	44,920	5,029,174	9,037,416	-	-	5,029,174	9,037,416

During 2023, the Group has revenues from 2 major customers (2022: 2 major customers) in the aggregate amount of Baht 1,614.47 million (2022: Baht 2,032.81 million).

28. Providend Fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributed to the fund monthly at the rate of 5% of basic salary. For employees, the maximum allowable contribution has been increased from 5% to 15% of basic salary. The fund, which is managed by Kasikornbank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 5.74 million (2022: Baht 5.58 million) were recognised as expenses. (The Company only: Baht 2.63 million, 2022: Baht 2.50 million).

29. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividends for 2021	The Company's Board of Directors meeting on 14 February 2022	779.56	0.50
Final dividends for 2021	The Annual General Meeting of Shareholders for 2022 on 4 April 2022	389.79	0.25
Interim dividends for 2022	The Company's Board of Directors meeting on 11 May 2022	779.60	0.50
Interim dividends for 2022	The Company's Board of Directors meeting on 15 August 2022	779.55	0.50
Interim dividends for 2022	The Company's Board of Directors meeting on 11 November 2022	779.04	0.50
Total dividends for 2022		3,507.54	2.25

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2022	The Annual General Meeting of Shareholders for 2023 on 10 April 2023	389.79	0.25
Interim dividends for 2023	The Company's Board of Directors meeting on 15 May 2023	77.96	0.05
Interim dividends for 2023	The Company's Board of Directors meeting on 11 August 2023	77.96	0.05
Interim dividends for 2023	The Company's Board of Directors meeting on 10 November 2023	77.95	0.05
Total dividends for 2023		623.66	0.40

30. Contingent liabilities

On August 2021, Precious Visions Pte. Ltd.(the "Subsidiary") which is a subsidiary of the Company and the owner of M.V. Chayanee Naree (the "Vessel"), signed a voyage charter contract to load 46,000 metric tons (MTS) of bulk sugar from Santos, Brazil for discharge in Lagos, Nigeria. Then, drugs were found inside one of the cargo holds of the Vessel. The Brazilian authorities conducted a thorough investigation, after which they were satisfied that none of our crew members were involved in or assisted in the smuggling of drugs. Thus, the Brazilian authorities permitted the Vessel to sail out from Brazil without pressing any charges on any crew members and/or the Subsidiary. However, when the Vessel arrived and berthed at Lagos in Nigeria, the Nigerian authorities conducted an extensive search of the Vessel and no suspicious objects were uncovered but while cargo discharge was on-going, drugs were uncovered in a hold of the Vessel. Thus, the National Drug Law Enforcement Agency (NDLEA) of Nigeria obtained an ex-parte order from Lagos high court to remand the Vessel and crew for 14 days and on the same day, the Subsidiary received a claim of approximately USD 3.9 million from the cargo receivers. Then NDLEA filed a charge in the Federal High Court of Nigeria against the Vessel and 3 crew members (and 9 unrelated persons who are not working for the Company) for alleged unlawful transport of drugs.

On 4 January 2022, the insurers of the Subsidiary issued two Letters of Undertaking ("LOUs") to NDLEA as security for the release of the Vessel and the 19 crew members that have not been charged.

On 13 January 2022, the Federal High Court of Nigeria ordered the release of the Vessel and the 19 crew members on board the Vessel.

On 19 January 2022, the Subsidiary entered into an Escrow Account Agreement with NDLEA as a security for NDLEA's granting an administrative bail to the three crew members to move from an NDLEA detention facility to a hotel.

On 24 January 2022, NDLEA filed an amended Charge to include another 7 crew members of the Vessel, making a total of 10 crew members who are being charged, and are required to remain in Nigeria until legal proceedings are completed.

On 28 January 2022, the Subsidiary signed a bond/undertaking as one of the conditions for NDLEA's issuing a Release Letter for the Vessel.

On 31 January 2022, NDLEA issued a Release Letter for the Vessel and the crew members who have not been charged.

On 8 February 2022, the Subsidiary remitted USD 700,000 to the escrow account towards administrative bail for the additional 7 crew members that were charged.

On 24 February 2022, the Federal High Court of Nigeria reiterated its order to immediately release the Vessel.

On 17 May 2022, the Vessel sailed out of Lagos port in Nigeria. However, the 10 crew members, who have been charged, are required to remain in Nigeria until legal proceedings are completed.

During the second quarter of 2022, the Subsidiary received a letter of acceptance for insurance proceeds in relation to Chayanee Naree's detention claim and received payment in the amount of USD 1.42 million. Of this, USD 0.84 million pertained to operating costs, USD 0.44 million to bunker expenses, and USD 0.14 million to port charges and other miscellaneous expenses.

The 10 crew members, who have been charged, are required to remain in Nigeria until legal proceedings are completed. The trial against the Vessel and the 10 crew members commenced in the Federal High Court of Nigeria in Lagos in July 2022. There was a hearing at the Federal High Court of Nigeria in July 2023. During this hearing, the prosecution witness testimony was concluded. Subsequently, on 27 July 2023, the Group's legal counsel filed 'no-case' submissions, contending that the prosecution had not presented sufficient evidence against the crew and the vessel, and therefore, the charges should be dismissed without the defense having to present its own case. Following this, the parties will have the right to exchange their responses to these submissions. On 4 December 2023, there was a hearing for oral arguments on our no-case submissions. The Court ruling on our no-case submission has been scheduled for 13 February 2024.

Based on the opinion of the Group's legal counsel and its legal counsel, the Company's management believes that it is premature at this stage to reliably estimate the amount of liability (if any) and therefore, no provisions have been made in respect of this case.

31. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Interest rate swaps contracts - Loans	-	125,921	-	125,921
Financial assets measured at fair value through other comprehensive income				
Investment in debt instruments				
Debenture	-	95,110	-	95,110
Investment in equity instruments				
Listed company	55,595	-	-	55,595
Non-listed company	-	-	21,175	21,175
Liabilities measured at fair value				
Derivatives				
Forward freight agreements	-	19,514	-	19,514

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Interest rate swaps contracts - Loans	-	274,862	-	274,862
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments of non-listed company	-	-	18,100	18,100

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	21,175	21,175

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	18,100	18,100

During 2023, there were no change in the methods and assumptions used by the Group in estimating the fair value of financial instruments and no transfers within the fair value hierarchy.

32. Financial instruments

32.1 Derivatives and hedge accounting

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Derivative assets				
Derivative assets designated as hedging instruments				
Interest rate swaps contracts - Loans	125,921	274,862	-	-
Total derivative assets	125,921	274,862	-	-
Derivative liabilities				
Derivative liabilities not designated as hedging instruments				
Forward freight agreements	19,514	-	-	-
Total derivative liabilities	19,514	-	-	-

Derivatives not designated as hedging instruments

Forward freight agreements

During the current year, the subsidiary in Singapore, Precious Shipping (Singapore) Pte. Limited ("PSSP") entered into certain forward freight agreements to partly manage risks of freight rate volatility. As of 31 December 2023, PSSP had sold 145 days of Baltic Supramax Index on the first quarter of 2024 paper forward at freight rates of between USD 9,800 to 11,750 per day (2022: nil).

Derivatives designated as hedging instruments

Cash flow hedges

Interest rate risk

Interest rate swaps as hedging instruments to hedge cash flows on variable rate loans. The Group receives a variable rate at SOFR plus margin of interest to offset credit risk (2022: LIBOR plus margin) and pays interest at a fixed-rate. These are defined as a hedge of interest rate risk.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate swaps contracts match the terms of loan (i.e., notional amount, the maturity, and payment dates). The Group has established a hedge ratio of 1:1 as the underlying risk of the interest rate swap is identical to the hedged risk component.

To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in cash flow of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the interest rate curves applied to discount the hedged item and hedging instrument
- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Group held the following derivatives as hedging instruments as at 31 December 2023 and 2022:

	Maturity							
	Less than 1 year		1 - 5 years		Over 5 years		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Interest rate swaps								
Notional amount								
(Unit: Thousand USD)	9,214	16,424	40,868	65,639	3,995	14,467	54,077	96,530
Average fixed rate (%)	4.59 - 4.75	3.70 - 4.75	4.59 - 4.75	3.70 - 4.75	4.59 - 4.75	4.59 - 4.75	4.59 - 4.75	3.70 - 4.75

The impact of hedged items on the consolidated statement of financial position as at 31 December 2023 and 2022 is as follows:

(Unit: Thousand Baht)

	Change in fair value used for measuring ineffectiveness		Cash flow hedge reserve				Cost of hedging reserve	
			Continuing hedges		Discontinued hedges			
	2023	2022	2023	2022	2023	2022	2023	2022
Loans - Interest rate swaps contracts	(148,941)	279,499	(57,765)	285,692	(83,756)	1,928	-	-
Loans - Cross currency swaps contracts	-	2,144	-	-	-	(693)	-	357

The impact of the hedging instruments on the consolidated statement of financial position as at 31 December 2023 and 2022 and the effect of the cash flow hedge in the consolidated statements of comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Thousand Baht)

As at 31 December 2023

	Notional amounts	Carrying amount	Line item in the statements of financial position	Changes in fair value used for measuring ineffectiveness	Effectiveness recognised in other comprehensive income	Ineffectiveness recognised in income statement	Line item in income statement	Cost of hedging recognised in equity	Amount of cash flow hedge reserve reclassified to income statement	Line item in income statement
Interest rate swaps - hedge the risk arising from loans	USD 75,489 thousand	1,850,693	Non-current derivative assets	(58,568)	(57,765)	-	-	-	(445)	Finance cost
Total				(58,568)	(57,765)	-		-	(445)	

(Unit: Thousand Baht)

As at 31 December 2022

	Notional amounts	Carrying amount	Line item in the statements of financial position	Changes in fair value used for measuring ineffectiveness	Effectiveness recognised in other comprehensive income	Ineffectiveness recognised in income statement	Line item in income statement	Cost of hedging recognised in equity	Amount of cash flow hedge reserve reclassified to income statement	Line item in income statement
Interest rate swaps - hedge the risk arising from loans	USD 113,839 thousand	3,336,298	Non-current derivative assets	279,499	285,692	-	-	-	(8,658)	Finance cost
Cross currency swaps - hedge the risk arising from loans	-	-	-	2,144	(693)	1,970	Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	357	-	-
Total				281,643	284,999	1,970		357	(8,658)	

32.2 Financial risk management

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, investments, trade and other payables, lease liabilities and loans or borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to deposits with banks and financial institutions, trade receivables, loans to and other financial instruments Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Group is exposed to credit risk primarily with respect to trade receivables. The Group manages the risk by adopting a credit policy whereby they evaluate the creditworthiness of charterers and other parties and restricts dealings to financially sound parties, and strictly attend to the preparation and completeness of documentation and therefore do not expect to incur material financial losses. In addition, the Group does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Financial instruments and cash deposits

The credit risk on cash deposits and derivatives of the Group is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans to subsidiary, financial assets, lease liabilities and long-term loans. The management mitigates part of its interest rate risk by using interest rate swaps contractas hedging instruments to hedge cash flows on variable rate loans, as described in Note 32.1 to the financial statements. The interest rate risk is expected to be minimal.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

	Consolidated financial statements								
	As at 31 December 2023								
	Fixed interest rate			Floating					
	Within	1 - 5	Over	interest	Non-interest				
	1 year	years	5 years	rate	bearing	Total	Interest rate (% p.a.)		
							Fixed	Floating	
							USD	SGD and USD	Baht
Financial assets									
Cash and cash equivalents	785,118	-	-	1,250,082	279,785	2,314,985	4.00 - 5.80	0.04 - 5.80	0.15 - 0.55
Trade and other receivables	-	-	-	-	295,394	295,394	-	-	-
Other current financial assets	95,110	-	-	-	-	95,110	0.12 - 2.12	-	-
Restricted bank deposits	-	102,961	-	-	-	102,961	2.75	-	-
Other non-current financial assets	-	-	-	-	76,770	76,770	-	-	-
Total	880,228	102,961	-	1,250,082	651,949	2,885,220			
Financial liabilities									
Trade and other payables	-	-	-	-	403,196	403,196	-	-	-
Lease liabilities	4,422	4,937	-	-	-	9,359	5.28 - 5.53	-	-
Long-term loans	306,286	1,379,170	161,353	5,479,553	-	7,326,362	8.82	7.39 - 8.78	-
Total	310,708	1,384,107	161,353	5,479,553	403,196	7,738,917			

(Unit: Thousand Baht)

	Consolidated financial statements								
	As at 31 December 2022								
	Fixed interest rate			Floating					
	Within	1 - 5	Over	interest	Non-interest				
	1 year	years	5 years	rate	bearing	Total	Interest rate (% p.a.)		
							Fixed	Floating	
							USD	SGD and USD	Baht
Financial assets									
Cash and cash equivalents	408,453	-	-	488,353	158,861	1,055,667	0.20 - 0.74	0.04 - 2.75	0.15 - 0.40
Trade and other receivables	-	-	-	-	279,149	279,149	-	-	-
Restricted bank deposits	-	100,383	-	-	-	100,383	2.75	-	-
Other non-current financial assets	-	-	-	-	18,100	18,100	-	-	-
Total	408,453	100,383	-	488,353	456,110	1,453,299			
Financial liabilities									
Trade and other payables	-	-	-	-	584,383	584,383	-	-	-
Lease liabilities	5,705	9,065	-	-	-	14,770	5.28 - 5.53	-	-
Long-term loans	552,746	2,234,658	605,129	3,316,540	-	6,709,073	3.70 - 4.75	5.92 - 8.34	-
Total	558,451	2,243,723	605,129	3,316,540	584,383	7,308,226			

(Unit: Thousand Baht)

	Separate financial statements								
	As at 31 December 2023								
	Fixed interest rate			Floating					
	Within	1 - 5	Over	interest	Non-interest				
	1 year	years	5 years	rate	bearing	Total	Interest rate (% p.a.)		
							Fixed	Floating	
							USD	USD	Baht
Financial assets									
Cash and cash equivalents	188,525	-	-	855,974	5,596	1,050,095	4.00	0.04 - 4.00	0.15 - 0.55
Trade and other receivables	-	-	-	-	2,373,079	2,373,079	-	-	-
Short-term loans to subsidiary	-	-	-	-	23,000	23,000	-	-	-
Long-term loans to subsidiary	98,018	407,324	272,157	-	-	777,499	5.00	-	-
Other non-current financial assets	-	-	-	-	21,175	21,175	-	-	-
Total	286,543	407,324	272,157	855,974	2,422,850	4,244,848			
Financial liabilities									
Trade and other payables	-	-	-	-	1,464,063	1,464,063	-	-	-
Lease liabilities	4,101	4,937	-	-	-	9,038	5.28 - 5.53	-	-
Total	4,101	4,937	-	-	1,464,063	1,473,101			

(Unit: Thousand Baht)

	Separate financial statements								
	As at 31 December 2022								
	Fixed interest rate			Floating					
	Within	1 – 5	Over	interest	Non-interest				
	1 year	years	5 years	rate	bearing	Total	Interest rate (% p.a.)		
							Fixed	Floating	
							USD	USD	Baht
Financial assets									
Cash and cash equivalents	174,730	-	-	141,023	723	316,476	0.20	0.04 - 0.05	0.15 - 0.40
Trade and other receivables	-	-	-	-	2,900,018	2,900,018	-	-	-
Long-term loans to subsidiary	5,401	293,022	492,181	-	-	790,604	5.00	-	-
Other non-current financial assets	-	-	-	-	18,100	18,100	-	-	-
Total	180,131	293,022	492,181	141,023	2,918,841	4,025,198			
Financial liabilities									
Trade and other payables	-	-	-	-	2,063,330	2,063,330	-	-	-
Lease liabilities	4,459	8,754	-	-	-	13,213	5.28 - 5.53	-	-
Total	4,459	8,754	-	-	2,063,330	2,076,543			

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's income statement to a reasonably possible change in interest rates on that portion of the floating rate long-term loans from affected and equity changes as a result of an increase or decrease in the fair value of the cash flow hedges of interest rate swaps contracts as at 31 December 2023 and 2022.

		2023		2022	
	Increase/ decrease	Effect on income statement	Effect on equity	Effect on income statement	Effect on equity
	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
US Dollars borrowing	+1	(36,858)	45,960	(34,965)	83,235
	-1	36,858	(45,960)	34,965	(83,235)

The above analysis has been prepared assuming that the amounts of the floating rate long-term loans from and all other variables remain constant over one year. Moreover, the floating legs of these long-term loans are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Foreign currency risk

Almost all revenues and expenditures of the Group is denominated in US Dollars, which provide a natural hedge against the currency risk associated with transactions in US Dollars. Consequently, the Group is exposed to a currency risk in respect of financial instruments denominated in other currencies. However, the Group's management has decided to maintain an open position with regard to this exposure but endeavors to limit this exposure to the minimum possible amounts by not holding significant amounts of financial instruments denominated in other currencies or use derivative instruments, as and when it considers appropriate, to manage such risks.

As of 31 December 2023 and 2022, The Group has the following significant financial assets and liabilities denominated in foreign currencies (currencies other than US Dollars which is the Group's functional currency).

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2023	2022	2023	2022	2023	2022
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Thai Baht	20	5	266	405	0.0292	0.0298
SGD	2	-	-	-	0.7589	-

The Group's exposure to change in foreign currency exchange rates for all other currencies is not material on the Group's income statement and equity.

Liquidity risk

The Group manages liquidity risk by spreading out debt maturities, raising debt that is both amortising and non-amortising, maintaining sufficient cash reserves, tightly controlling operating costs, ensuring adequate insurance cover, limiting single counterparty exposure to not more than 25% of revenues and limiting exposure to the short-term market through fixing ships on long term charters. Approximately 28% of the Group's debts will maturity less than one year as of 31 December 2023 (2022: 24%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2023			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	403,196	-	-	403,196
Lease liabilities	4,719	5,590	-	10,309
Long-term loans	2,259,521	5,956,466	704,511	8,920,498
Total non-derivatives	2,667,436	5,962,056	704,511	9,334,003
Derivatives				
Derivative liabilities	19,514	-	-	19,514
Total derivatives	19,514	-	-	19,514

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	584,383	-	-	584,383
Lease liabilities	6,201	10,307	-	16,508
Long-term loans	1,799,029	5,330,227	945,544	8,074,800
Total non-derivatives	2,389,613	5,340,534	945,544	8,675,691

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2023			
	On demand	Less than 1 year	1 - 5 Years	Total
Non-derivatives				
Trade and other payables	1,342,582	121,481	-	1,464,063
Lease liabilities	-	4,395	5,590	9,985
Total non-derivatives	1,342,582	125,876	5,590	1,474,048

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2022			
	On demand	Less than 1 year	1 - 5 Years	Total
Non-derivatives				
Trade and other payables	1,938,799	124,531	-	2,063,330
Lease liabilities	-	4,904	9,983	14,887
Total non-derivatives	1,938,799	129,435	9,983	2,078,217

32.3 Fair values of financial instruments

Since the majority of the Group's financial assets and liabilities are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

32.4 Reconciliation of recurring fair value measurements of assets categorised within Level 3 of the fair value hierarchy

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Investment in equity instrument of-non-listed company	
Balance as of 1 January 2022	14,705
Net gain recognised into other comprehensive income	2,892
Translation adjustment	503
Balance as of 31 December 2022	18,100
Net gain recognised into other comprehensive income	3,253
Translation adjustment	(178)
Balance as of 31 December 2023	21,175

33. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

The Group manages its capital position with reference to its debt-to-equity ratio also to comply with a condition in the long-term loan agreements, which require the Group to maintain a consolidated debt-to-equity ratio of not more than 2:1.

As at 31 December 2023, the Group's debt-to-equity ratio was 0.50:1 (2022: 0.48:1) and for the Company's was 0.16:1 (2022: 0.23:1) which is calculated from USD functional currency financial statements.

34. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2023 and 2022 and income statements for the years ended 31 December 2023 and 2022 are as follows.

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Thousand USD)

	Consolidated financial statements		**Separate financial statements**	
	2023	2022	2023	2022
Assets				
Current assets				
Cash and cash equivalents	67,643	30,544	30,684	9,156
Trade and other receivables	8,631	8,076	69,341	83,907
Short-term loans to a subsidiary	-	-	649	-
Bunker oil	881	1,210	-	-
Other current financial assets	2,779	-	-	-
Other current assets				
Advances to vessel masters	1,045	1,071	-	-
Claim recoverables	-	370	-	-
Lube oil stock on board	2,477	2,634	-	-
Others	1,001	1,157	360	339
Total other current assets	4,523	5,232	360	339
Total current assets	84,457	45,062	101,034	93,402

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Thousand USD)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Non-current assets				
Restricted bank deposits	3,009	2,904	-	-
Long-term loans to a subsidiary	-	-	22,718	22,874
Derivative assets	3,679	7,953	-	-
Other non-current financial assets	2,243	524	619	524
Investments in subsidiaries	-	-	222,693	246,875
Investment in associate held by a subsidiary	2,389	2,333	-	-
Property, plant and equipment	608,813	637,923	216	299
Right-of-use assets	276	452	267	404
Intangible assets	120	162	114	153
Other non-current assets				
Claim recoverables - maritime claims	1,751	2,048	-	-
Deferred contract costs	3,183	3,737	-	-
Deferred financial fees	1,372	-	1,089	-
Others	89	93	70	69
Total other non-current assets	6,395	5,878	1,159	69
Total non-current assets	626,924	658,129	247,786	271,198
Total assets	711,381	703,191	348,820	364,600

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Thousand USD)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade and other payables	1,820	6,640	52	21
Advances received from related parties	-	-	39,230	56,096
Accrued crew accounts	2,858	2,922	-	-
Accrued expenses	2,157	2,361	31	42
Current portion of accrued employee benefits	4,946	4,985	3,467	3,540
Total trade and other payables	11,781	16,908	42,780	59,699
Advances received from charterers	1,287	1,583	-	-
Current portion of long-term loans	52,110	33,614	-	-
Current portion of lease liabilities	129	165	120	129
Derivative liabilities	570	-	-	-
Income tax payable	65	51	-	-
Other current liabilities	635	1,711	451	1,515
Total current liabilities	66,577	54,032	43,351	61,343
Non-current liabilities				
Accrued employee benefits - net of current portion	2,796	6,662	1,969	4,600
Long-term loans - net of current portion	161,965	160,501	-	-
Lease liabilities - net of current portion	144	262	144	253
Deferred tax liabilities	53	44	-	-
Provision for maritime claims	1,228	1,604	-	-
Provision for long-term employee benefits	3,919	3,765	2,918	2,818
Total non-current liabilities	170,105	172,838	5,031	7,671
Total liabilities	236,682	226,870	48,382	69,014
Shareholders' equity				
Share capital				
Registered share capital	51,055	51,055	51,055	51,055
Issued and paid-up share capital	51,055	51,055	51,055	51,055
Paid-in capital				
Premium on ordinary shares	63,290	63,290	63,290	63,290
Premium on treasury stock	4,819	4,819	4,819	4,819
Retained earnings				
Appropriated				
Statutory reserve - the Company	4,372	4,372	4,372	4,372
- subsidiaries	13,479	15,955	-	-
Corporate social responsibility reserve	1,713	1,698	1,713	1,698
Unappropriated	334,505	329,762	175,138	170,396
Other components of shareholders' equity	1,465	5,369	51	(44)
Equity attributable to owners of the Company	474,698	476,320	300,438	295,586
Non-controlling interests of the subsidiaries	1	1	-	-
Total shareholders' equity	474,699	476,321	300,438	295,586
Total liabilities and shareholders' equity	711,381	703,191	348,820	364,600

Precious Shipping Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2023

(Unit: Thousand USD, except basis earnings per share expressed in USD)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Revenues				
Vessel operating income				
Time charter income	144,130	256,144	-	-
Voyage charter income	2,278	3,704	-	-
Total vessel operating income	146,408	259,848	-	-
Service income	139	112	3,206	3,109
Interest income	1,272	408	1,298	12,441
Dividend income	14	-	20,884	87,676
Gains on liquidation of subsidiaries	-	-	16	-
Gains on derivatives	1,018	-	-	-
Exchange gains	364	-	-	75
Other income	21	82	20	10
Total revenues	149,236	260,450	25,424	103,311
Expenses				
Vessel operating costs				
Vessel running expenses	60,239	56,211	-	-
Voyage disbursements	1,018	1,087	-	-
Bunker consumption	878	1,350	-	-
Total vessel operating costs	62,135	58,648	-	-
Depreciation	41,060	37,571	232	227
Cost of services	161	160	-	-
Administrative expenses	9,604	10,540	4,741	5,593
Management remuneration including perquisites	2,628	4,158	2,548	4,058
Losses on capital reduction of subsidiary	-	-	700	-
Losses on impairment of investment in subsidiaries	-	-	8,105	-
Reversal expected credit losses	-	(11)	-	(263)
Losses on derivatives	-	40	-	-
Exchange losses	-	1	59	-
Total expenses	115,588	111,107	16,385	9,615
Operating profit	33,648	149,343	9,039	93,696
Share of profit from investment in associate held by a subsidiary	606	813	-	-
Finance cost	(13,801)	(11,116)	(21)	(49)
Profit before income tax expenses	20,453	139,040	9,018	93,647
Income tax expenses	(102)	(427)	-	-
Profit for the year	20,351	138,613	9,018	93,647
Profit attributable to:				
Equity holders of the Company	20,351	138,613	9,018	93,647
Non-controlling interests of the subsidiaries	-	-	-	-
Profit for the year	20,351	138,613	9,018	93,647
Basic earnings per share				
Profit attributable to equity holders of the Company	0.0131	0.0889	0.0058	0.0601

35. Events after the reporting period

On 6 February 2024, Precious Stones Shipping Limited, ("the local subsidiary") entered into a Memorandum of Agreement with an overseas company to sell the vessel Rattana Naree.

On 12 February 2024, the Company's Board of Directors' meeting passed as follows;

a) to pay an interim dividend for the year 2023 of Baht 0.05 per share, or a total of Baht 77.96 million. Such dividend will be paid on 11 March 2024.

b) to pay a final dividend for the year 2023 of Baht 0.05 per share, or a total of Baht 77.96 million, to the shareholders in respect of the Company's retained earnings as of 31 December 2023. Such dividend will be paid and recorded after it is approved by the 2024 Annual General Meeting of the Company's shareholders.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 12 February 2024.

ENCLOSURE 1

INFORMATION OF RELEVANT PERSONS IN THE ORGANISATION

THE BOARD OF DIRECTORS

Mr. Chaipatr Srivisarvacha
- Chairman of the Board of Directors
- Independent Director

Mr. Kamtorn Sila-On
- Chairman of Audit and Corporate Governance Committee
- Sustainability and Risk Management Committee Member
- Independent Director

Ms. Pensri Suteerasarn
- Chairperson of the Nomination and Remuneration Committee
- Audit and Corporate Governance Committee Member
- Sustainability and Risk Management Committee Member
- Independent Director

Professor Dr. Pavida Pananond
- Chairperson of Sustainability and Risk Management Committee
- Audit and Corporate Governance Committee Member
- Independent Director

Ms. Qiyu (Jackie) Wang
- Nomination and Remuneration Committee Member
- Sustainability and Risk Management Committee Member
- Independent Director

Mr. Khalid Moinuddin Hashim
- Executive Director
- Managing Director
- Sustainability and Risk Management Committee Member
- Director

Mr. Kirit Shah
- Nomination and Remuneration Committee Member
- Director

Mr. Gautam Khurana
- Executive Director
- Director

Mr. Khushroo Kali Wadia
- Director

Ms. Nishita Shah
- Director

Mr. Ishaan Shah
- Director

Ms. Sirasa Supawasin
- Director

BOARD OF DIRECTORS - PROFILE

MR. CHAIPATR SRIVISARVACHA

POSITION	Chairman of the Board of Directors / Independent Director
DATE OF APPOINTMENT ON THE BOARD	14 March 2011
AGE	64 years
EDUCATION	
• 1984	Illinois Benedictine College, MBA (Finance).
• 1981	Lehigh University, Bachelor of Science (Metallurgy).
TRAINING	
• 2017	Certificate, Advanced Audit Committee Program, Class 25/2017, Thai Institute of Directors Association (IOD), March 2017
• 2015	Certificate, Corporate Governance for Capital Market Intermediaries 3/2015, Thai Institute of Directors Association (IOD)
• 2015	Certificate, CMA-GMS 1, Capital Market Academy Executive Education 27 March - 12 April 2015, The Stock Exchange of Thailand
• 2012	Certificate, Capital Market Academy Leadership Program, The Stock Exchange of Thailand
• 2005	Certificate, Chairman 2000, Thai Institute of Directors Association (IOD).
• 2003	Diploma, Directors Certification Program (DCP), Thai Institute of Directors Association (IOD).
EXPERIENCE TO REVIEW CREDIBILITY OF THE FINANCIAL STATEMENTS	
• 2003 - 2013	Independent Director and Audit Committee, The Brooker Group Public Co. Ltd.
• September 2018 - February 2019	Chairman, Audit Committee The Stock Exchange of Thailand
• 2013 - 2014	Member, Audit Committee The Stock Exchange of Thailand
• 2010 - November 2011	Independent Director and Chairman of the Audit Committee, Dhanarak Asset Development Company Limited.
• 2001 - 2007	Independent Director and Audit Committee, Thanachart Bank Public Company Limited.
OTHER EXPERIENCE	
• December 2021 - 13 October 2023	Independent Director and Chairman of the Audit Committee, CMO Public Company Limited
• July 2020 - Present	Chairman of the Board of Directors, Precious Shipping Public Company Limited
• August 2019 - 30 June 2023	Director, JKN Global Media Public Co., Ltd.
• May 2016 - March 2019	Director, TSFC Securities Public Company Limited.
• March 2016 - February 2021	Director, Lumpini Asset Management Company Limited.
• December 2015 - 7 August 2020	Chairman of the Board of Director, Thaifoods Group Public Company Limited.
• November 2011 - February 2021	Authorized Director, Innotech Asset Management Co., Ltd.
• May 2015 - August 2019	Governor, The Stock Exchange of Thailand.
• June 2012 - June 2013	Director, Thailand Futures Exchanges Public Company Limited.
• 2012 - 2014	Governor, The Stock Exchange of Thailand.
• 2013 - Present	Shareholder and Authorized Director, Ingenious Co. Ltd.
• March 2011 - July 2020	Independent Director and Chairman of Nomination Committee, Precious Shipping Public Company Limited.
• May 2009 - July 2019	Chief Executive Officer & Authorized Director, KT ZMICO Securities Company Limited.
• 22 May 2007 - 10 September 2020	Vice Chairman & Chief Executive Officer, Seamico Securities Public Company Limited
• Present	Vice Chairman & Secretary, The Srivisarvacha Foundation.
• Present	Director, Population and Community Development Association (PDA).
• 2004 - 2009	Director (Independent), G Steel Public Company Limited.
• 2003 - 2008	President of the Board, New International School of Thailand (Affiliated with United Nations).
• 1999 - Present	Shareholder and Authorized Director, CapMaxx Company Limited
• 1999 - 2003	Director (Independent), Pacific Assets Public Company Limited.
• 1999	Director and Executive Director, Krung Thai Bank Public Company Limited.
• 1995 - 1999	Director and Head of Thailand Investment Banking, Salomon Smith Barney.
• 1995 - 1999	Director, Phoenix Pulp & Paper Public Company Limited.
• 1991 - 1995	Director, Head of Thailand Investment Banking, Swiss Bank / SBC Warburg.
• 1988 - 1989	Manager, Investment Banking Department, Phatra Thanakit.
• 1985 - 1988	Business Development Officer, Industrial Finance Corporation of Thailand.
OCCUPATION	Company Director

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	**LISTED COMPANIES:** Advisor to the Board of Directors, The Platinum Group Public Company Limited.
	NON - LISTED COMPANIES: Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	1. Vice Chairman & Secretary, The Srivisarvacha Foundation. 2. Director, Population & Community Development Association (PDA).

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the other Directors or any of the Management Team.

MR. KAMTORN SILA-ON

POSITION Chairman of Audit & Corporate Governance Committee* / Sustainability and Risk Management Committee Member / Independent Director

DATE OF APPOINTMENT ON THE BOARD 14 March 2011

AGE 53 years

EDUCATION

- 1995 - 1997: MIT Sloan School, Massachusetts, USA Master of Business Administration; Financial Engineering Track GPA: 4.6/5.0.
- 1988 - 1992: Imperial College of Science Technology and Medicine, London, England Master of Engineering; Chemical Engineering; Associate of the City and Guilds Institute Upper Second Class Honours.

TRAINING

- 2021: Completed Risk Management Program for Corporate Leaders (RCL) by Institute of Directors (IOD).
- 2017: Completed Leading in a Disruptive world (LDW) by Stanford University & Silicon Valley, California
- 2017: Completed Business Revolution and Innovation Network (BRAIN) training program by Federation of Thai Industries (FTI).
- 2016: Top Executive Program in Commerce and Trade (TEPCoT)
- 2012: Audit Committee Program (ACP) by Institute of Directors (IOD).
- 2011: Director Certification Program (DCP) by Institute of Directors (IOD).
- 2008: Completed Executive Development Program (EDP) by the Capital Markets Academy and Thai Listed Companies Association.

EXPERIENCE

- May 2023 - Present: Sustainability and Risk Management Committee Member, Precious Shipping Public Company Limited.
- February 2021 - Present: Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee and Corporate Governance and Sustainable Development Committee, Inter Pharma Public Company Limited.
- February 2020 - May 2023: Chairman of Sustainability and Risk Management Committee, Precious Shipping Public Company Limited.
- April 2017 - Present: Chairman of Audit and Corporate Governance Committee, Precious Shipping Public Company Limited.
- January 2017 - Present: President - Production and Finance, S&P Syndicate Public Company Limited.
- 2015 - Present: Director, The Federation of Thai Industries

• July 2014 - 2016	Chief Supply Chain Officer, S&P Syndicate Public Company Limited.
• March 2011- Present	Independent Director, Precious Shipping Public Company Limited.
• March 2011- May 2023	Chairman of Remuneration Committee, and Nomination Committee Member, Precious Shipping Public Company Limited.
• 2011- April 2017	Audit and Corporate Governance Committee Member, Precious Shipping Public Company Limited.
• 2011 - 2014	Deputy Managing Director, Head of Private Client Investment Management Group, Bualuang Securities Plc., Bangkok, Thailand.
• 2004 - 2011	Deputy Managing Director, Co-head of Investment Banking, Bualuang Securities Plc., Bangkok, Thailand.
• 1999 - 2004	Senior Vice President, Investment Banking Asset Plus Securities Plc., Bangkok, Thailand.
• 1997 - 1999	Associate, Global Investment Banking Chase Securities, Inc., New York, USA and Singapore.
• 1994 - 1995	Analyst, Investment Banking Dept. SCB Securities Co., Ltd., Bangkok, Thailand.
• 1992 - 1994	Manager, Money Market Dept. Tisco Plc., Bangkok, Thailand.

OCCUPATION President - Production and Finance, S&P Syndicate Public Company Limited.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	**LISTED COMPANIES:** 1. President - Production and Finance, S&P Syndicate Public Company Limited. 2. Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee and Corporate Governance and Sustainable Development Committee, Inter Pharma Public Company Limited
	NON - LISTED COMPANIES: 1. Director, Chaophraya Express Boat Co., Ltd. 2. Director, The Federation of Thai Industries
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Member of Academic Committee, Department of International Business, Logistics and Transport, Thammasat Business School, Thammasat University

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

* Note: Audit Committee Member who has adequate expertise and experience to review credibility of the financial statement.
No family relationship with any of the other Directors or any of the Management Team.

MS. PENSRI SUTEERASARN

POSITION	Chairperson of Nomination and Remuneration Committee / Audit and Corporate Governance Committee Member*/ Sustainability and Risk Management Committee Member / Independent Director
DATE OF APPOINTMENT ON THE BOARD	8 July 2020
AGE	55 years
EDUCATION	BA (Cost Accounting), Chulalongkorn University MBA, California State University, Hayward, USA

TRAINING

• 2023	Refreshment Program (RFP 9/2023), Thai Institute of Directors (IOD)
• 2019	Leadership through Performance, INSEAD Future Leader Summit, Singapore
• 2018	Leading Disruptive Innovation with Design Thinking, Stanford Center for Professional Development, USA
• 2017	People, Culture, and Performance: Strategies from Silicon Valley, Stanford University, USA
• 2017	GNH and Business Journey in Bhutan, GNH Center Bhutan

• 2015	Proteus: Creative Encounters to Inspire Leaders, London Business School, UK
• 2011	Breakthrough Program for Senior Executives, IMD, Switzerland
• 2010	Successful Formulation and Execution Strategy (SFE), Thai Institute of Directors (IOD)
• 2007	Director Certificate Program (DCP), Thai Institute of Directors (IOD)

EXPERIENCE

• 4 January 2024 - Present	Independent Director, Thai Udonthani Sugar Mill Company Limited
• 15 May 2023 - Present	Chairperson of Nomination and Remuneration Committee, Precious Shipping Public Company Limited
• 4 April 2022 - Present	Audit and Corporate Governance Committee Member and Sustainability and Risk Management Committee Member, Precious Shipping Public Company Limited
• 17 February 2022 - Present	Board of Directors, Thailand Development Research Institute (TDRI)
• 1 February 2022 - Present	Adviser, Thai Listed Companies Association
• 2020 - Present	Independent Director, Precious Shipping Public Company Limited
• 2020 - 2023	Chairperson of Nomination Committee, Precious Shipping Public Company Limited
• 2006 - January 2022	Secretary General and President, Thai Listed Companies Association
• 2001 - 2005	Financial Advisor on the Privatization of State-Owned Enterprises Project, State Enterprise Policy Office, Ministry of Finance
• 1998 - 2001	Associate Director, Investment Banking Department, Dresdner Kleinwort Benson
• 1993 - 1998	Manager, Investment Banking Department, SBC Warburg

OTHER POSITION

• December 2018 - Present	Board of Directors and Audit Committee and Remuneration Committee, Readyplanet Public Company Limited
• April 2018 - Present	Board of Directors and Audit Committee, Sabina PLC
• 2007 - Present	Sub-Committee on Consideration of Regulations on Issuance and Offering of Equity Instruments and Governance of Securities Issuing Companies, Securities and Exchange Commission (SEC)

OCCUPATION Adviser, Thai Listed Companies Association (2022 - Present)

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	**LISTED COMPANIES:** Board of Directors and Audit Committee, Sabina Public Company Limited.
	NON - LISTED COMPANIES: 1. Board of Directors and Audit Committee and Remuneration, Readyplanet Public Company Limited 2. Independent Director, Thai Udonthani Sugar Mill Company Limited
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Sub-Committee on Consideration of Regulations on Issuance and Offering of Equity Instruments and Governance of Securities Issuing Companies, Securities and Exchange Commission (SEC)

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By herself	-	-	-	-	-
By her spouse and minor children (if any)	-	-	-	-	-

* Note : Audit Committee Member who has adequate expertise and experience to review credibility of the financial statement.
No family relationship with any of the other Directors or any of the Management Team.

PROFESSOR DR. PAVIDA PANANOND

POSITION	Chairperson of Sustainability and Risk Management Committee / Audit and Corporate Governance Committee Member*/ Independent Director
DATE OF APPOINTMENT ON THE BOARD	14 March 2011
AGE	56 years
EDUCATION	
• 2001	Doctor of Philosophy, Department of Economics, University of Reading, United Kingdom.
• 1992	Master of Business Administration (International Business), Diploma in Management (Asian Studies), McGill University, Canada.
• 1989	Bachelor of Accountancy (Accounting), Chulalongkorn University.
TRAINING AND SEMINARS (Recent and Selective)	
• 2023	Director Leadership Certification Program (DLCP 12/2023) by Institute of Directors (IOD).
• 2022	Director Leadership Certification Program (DLCP 9/2022) by Institute of Directors (IOD).
• 2020	Successful Formulation & Execution of Strategy (SFE) 32/2020 by Institute of Directors (IOD).
• 2020	Attended (as an observer) the risk management workshop held by the Risk and Internal Control Club, Thai Listed Companies Association (TLCA)
• 2013	Financial Statements for Director (FSD 22) by Institute of Directors (IOD).
• 2012	Audit Committee Program (ACP 41) by Institute of Directors (IOD).
• 2011	Director Certificate Program (DCP 148) by Institute of Directors (IOD).
AWARDS AND SCHOLARSHIPS	
• December 2021 - March 2022	ESCAP- WHO Research Grant (Asia-Pacific in the manufacturing and global supply chain of vaccines)
• March - December 2020	Economic and Social Commission for Asia and the Pacific (ESCAP), United Nations Research Grant (Outward foreign direct investment and global value chains)
• 2018	ASEAN @ 50 Fellow, Southeast Asia Centre of Asia-Pacific Excellence and Ministry of Foreign Affairs and Trade, New Zealand
• 2015	Thammasat University Award for Researcher with Highest Number of International Publication (2013-2014)
• 2015	Fulbright Thai Visiting Scholar, Fulbright Thailand Thailand - United States Education Foundation
• 2013 - 2014	Thailand Research Fund Grant Number 5610054 (Assessing the merit of home-country support for outward foreign direct investment in neighboring countries)
• 2013	Department Nominee for Thammasat University's 2014 Best Teacher in Social Sciences
• 2009 - 2012	Thailand Research Fund Grant Number 5280032 (Competitive Strategies of Thai Multinationals in the Global Economy).
• 2008	Best Teacher Award, Thammasat Business School, Thammasat University.
• 1996 - 2001	Doctoral scholarship from Thammasat Business School, Thammasat University.
• 1992 - 1994	MBA scholarship from Thammasat Business School, Thammasat University.
EXPERIENCE	
• May 2023 - Present	Chairperson of Sustainability and Risk Management Committee, Precious Shipping Public Company Limited.
• June 2022 - Present	Member of the University Council, Thai-Nichi Institute of Technology
• April 2022 - May 2023	Nomination Committee Member, Precious Shipping Public Company Limited
• February 2020 - May 2023	Sustainability and Risk Management Committee Member, Precious Shipping Public Company Limited.
• October 2018 - Present	Professor, Thammasat Business School, Thammasat University.
• March 2011 - Present	Independent Director and Audit and Corporate Governance Committee Member, Precious Shipping Public Company Limited.
• March 2011 - May 2023	Remuneration Committee Member, Precious Shipping Public Company Limited.
• 2010 - 2012	Department Head, Department of International Business, Logistics and Transport, Thammasat Business School, Thammasat University.
• 2006 - September 2018	Associate Professor, Thammasat Business School, Thammasat University.
• 2003 - 2006	Assistant Professor, Thammasat Business School, Thammasat University.
• 1992 - 2003	Lecturer, Thammasat Business School, Thammasat University.
OTHER POSITIONS	
• July 2023 - Present	Area Editor, Journal of International Business Policy, one of the main journals of the Academy of International Business
• 2022- 2023	Conference Theme Track Chair (International Business Resilience under Global Disruptions), Academy of International Business Annual Conference 2023, Warsaw, Poland

• 2019	Track Chair (Managing the Global Value Chain), Academy of International Business Annual Conference 2019, Copenhagen, Denmark
• 2017 - Present	Honorary Adviser, Asia New Zealand Foundation, Auckland, New Zealand
• 2015 - Present	Associate Member, John Dunning Centre for International Business, Henley Business School, University of Reading, United Kingdom.
• 2015 - Present	Affiliate Member, Emerging Market Internationalization Research Group, The University of Sydney Business School, University of Sydney, Australia
• 2013 - 2014	Conference Chair, Euro-Asia Management Studies Association Annual Conference 2014, Bangkok, Thailand.
• 2013 - 2014	Track Chair (Home Economies and the MNE), Academy of International Business Annual Conference 2014, Vancouver, Canada.
• April 2013	Visiting Fellow, Henley Business School, University of Reading, United Kingdom.
• 2013 - 2015	Vice President (Asia), Euro-Asia Management Studies Association.
• 2010 - Present	Member of Advisory Board, Euro-Asia Management Studies Association.
• 2009 - Present	Member of Editorial Boards of academic journals including Southeast Asia Research, Asia-Pacific Journal of Management, Multinational Business Review, Global Strategy Journal, and Journal of International Business Policy.

OCCUPATION University Professor.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	1. Vice President (Asia), Euro-Asia Management Studies Association. 2. Member of Editorial Advisory Board, Southeast Asia Research.

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By herself	-	-	-	-	-
By her spouse and minor children (if any)	-	-	-	-	-

* Note : Audit Committee Member who has adequate expertise and experience to review credibility of the financial statement.
No family relationship with any of the other Directors or any of the Management Team.

MS. QIYU (JACKIE) WANG

POSITION	Nomination and Remuneration Committee Member / Sustainability and Risk Management Committee Member / Independent Director
DATE OF APPOINTMENT ON THE BOARD	10 April 2023
AGE	43 years
EDUCATION	Bachelor of Arts in Communications, University of Washington, USA
TRAINING	
• 2023	Director Certificate Program (DCP 351/2023) by Institute of Directors (IOD).
• 2022	Speaker at Global Summit of Women 2022, Using Technology to Expand Your Business Across Borders
• 2022	Attended APEC CEO Summit
• 2022	Speaker at Harvard Business School Association of Thailand on Future of Work
• 2021	Speaker at The Standard Economic Forum, The Future of Work
• 2020	Completed The Leadership Consortium Leadership Program
• 2017	Completed Google School for Leaders Polaris Leadership Program
EXPERIENCE	
• 2019 - Present	Country Director, Google Thailand
• 2016 - 2019	Industry Head (Large Customer Sales) for CPG and Auto, Google Thailand
• 2015 - 2016	Global Brand Manager for Nest Learning Thermostat and Nest Protect, Nest Palo Alto, CA
• 2014 - 2015	Industry Manager (Large Customer Sales) for CPG, Auto & Finance, Google Thailand
• 2013	General Manager for Commonwealth Thailand - key account GM Chevrolet, McCann Worldgroup
• 2011 - 2013	General Manager, MRM Thailand

- 2010 - 2011 — Business Director, MRM Thailand
- 2005 - 2009 — Account Supervisor for Microsoft, McCann Worldgroup San Francisco, CA
- 2004 - 2005 — Account Executive for Hewlett Packard, Publicis & Hal Riney San Francisco, CA
- 2003 - 2004 — Account Executive for Kashi Cereal, Torani Syrups, National University, Amazon Advertising San Francisco, CA

OCCUPATION Country Director, Google Thailand

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By herself	-	-	-	-	-
By her spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the other Directors or any of the Management Team.

MR. KHALID MOINUDDIN HASHIM

POSITION Managing Director / Executive Director / Sustainability and Risk Management Committee Member

DATE OF APPOINTMENT ON THE BOARD 11 January 1994

AGE 70 years

EDUCATION Master's Degree in Management Studies specializing in Finance, University of Bombay.

TRAINING

- 2005 — Graduate member of Thai Institute of Directors (IOD) - Completed "Directors Certificate Program" (DCP), Class 57/2005.

EXPERIENCE

- February 2020 - Present — Sustainability and Risk Management Committee Member, Precious Shipping Public Company Limited.
- 1994 - Present — Managing Director, Precious Shipping Public Company Limited.
- 1991 - 1993 — Managing Director, Precious Shipping Limited. (Converted into Public Company Limited in 1994)
- 1984 - 1991 — Head of Shipping Department, Geepee Corporation Limited.
- 1979 - 1983 — Senior Executive, Pan Ocean Navigation & Trading Pte. Ltd.

OCCUPATION Managing Director and Executive Director, Precious Shipping Public Company Limited.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Director in the Company's 55 subsidiaries (Subsidiary Companies Nos. 1-55 on page 76-77 of this Annual Report)
OTHER ORGANISATIONS	1. Deputy Chairman of the Board of Directors and Chairman of the Finance & Audit Committee, The Swedish Club, Sweden. Member of the Risk Management Committee. 2. Regional Committee Member, American Bureau of Shipping. 3. Austral - Asia Regional Committee Member, Bureau Veritas. 4. Trustee, Sackhumvit Trust, Bangalore, India.

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	121,526,275	-	-	-	121,526,275 (7.79% of total paid up shares)
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the other Directors or any of the Management Team.

MR. KIRIT SHAH

POSITION	Director / Nomination and Remuneration Committee Member
DATE OF APPOINTMENT ON THE BOARD	24 April 2007
AGE	70 years
EDUCATION	Studied Commerce from H.R. College of Commerce, Bombay, India.
TRAINING	
• 2005	Graduate member of Thai Institute of Directors (IOD) - Completed "Directors Certificate Program" (DCP), Class 57/2005.
EXPERIENCE	
• 2023 - Present	Nomination and Remuneration Committee Member, Precious Shipping Public Company Limited.
• 2018 - Present	Director, Gammon Engineering and Contractors Private Limited, India.
• 2007 - Present	Director, Precious Shipping Public Company Limited.
• 2007 - 2023	Remuneration Committee Member, Precious Shipping Public Company Limited.
• 1999 - 2003	Vice Chairman and Executive Director, Phoenix Pulp and Paper PCL, Bangkok.
• 1989 - 2002	Director, Precious Shipping PCL, Bangkok.
• 1980 - 2003	Managing Director, G. Premjee Ltd., Bangkok.
OCCUPATION	Company Executive.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	**LISTED COMPANIES:** 1. Director & Vice-Chairman, Christiani & Nielsen (Thai) Public Company Limited. 2. Director, Mega Lifesciences Public Company Limited. **NON - LISTED COMPANIES:** 1. Director, Globex Corporation Limited. 2. Executive Director, Graintrade Limited. 3. Director, Premthai International Limited. 4. Director, Unistretch Limited.* (Lessor of the main operations office space leased by the Company) 5. Director, Maxwin Builders Ltd.* (Provider of hotel and management services) 6. Director, Maestro Controls Limited.* (Service provider of management of the offices leased and apartments owned by the Company and its subsidiary respectively) 7. Director, Gammon Engineering and Contractors Private Limited, India. 8. Director, Eka Software Solutions Pte Ltd.* 9. Director, MJets Limited* *Note: Please refer to "CONNECTED TRANSACTIONS" on page 251-253 of this Annual Report.
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

Mr. Kirit Shah is the father of Ms. Nishita Shah and Mr. Ishaan Shah but has no family relationship with any of the other Directors or any of the Management Team.

MR. GAUTAM KHURANA

POSITION	Director / Executive Director / Director (Finance)* *(*The person who takes the highest responsibility of finance and accounting in the Company)*
DATE OF APPOINTMENT ON THE BOARD	11 February 2020
AGE	47 years
EDUCATION	MBA, INSEAD, France Chartered Financial Analyst, CFA Institute, USA BA Economics, University of Rochester, USA
TRAINING & SEMINARS	
• November 2023	Attended TLCA CFO professional development program on the topic 'Debt securities for environmental conservation'.
• November 2023	Attended TLCA CFO professional development program on the topic 'Economic update for CFO'.
• October 2023	Speaker at Capital Link International Shipping China Forum
• October 2023	Speaker at Commodity Trading Week APAC
• September 2023	Attended the TLCA CFO Professional Development Program (TLCA CFO CPD) No. 5/2023 Topic "RPA (Robotic Process Automation) in finance and Accounting" by Thai Listed Companies Association (TLCA)
• August 2023	The Board's Role in Mergers and Acquisitions (BMA) Class 5/2023 by Institute of Directors (IOD)
• April 2023	Speaker at Marine Money, Hong Kong
• August 2022	Attended TLCA- McKinsey Webinar "CEO Excellence"
• June 2022	Speaker at HSBC 16th Annual Transport & Logistics Conference
• December 2021	Completed "Directors Certificate Program" (DCP) Class 313/2021 by Institute of Directors (IOD)
• September 2021	E-Learning CFO's Refresher Course held by the Stock Exchange of Thailand
• December 2020	Attended the TLCA CFO Professional Development Program (TLCA CFO CPD) No. 7/2020 Topic "Data privacy law and cyber security law" by Thai Listed Companies Association (TLCA)
• December 2020	Speaker at the Capital Link Hong Kong Maritime Forum
• September 2020	Attended the TLCA CFO Professional Development Program (TLCA CFO CPD) No. 5/2020 by Thai Listed Companies Association (TLCA)
• September 2020	Directors Accreditation Program (DAP 173/2020) by Institute of Directors (IOD)
• December 2019 - January 2020	E-Learning CFO Orientation Course held by the Stock Exchange of Thailand
• July 2019	Attended the CFO Innovation Thailand Forum in Bangkok
• May 2019	Speaker at the Capital Link International Shipping Forum in Shanghai
EXPERIENCE	
• 2020 - Present	Director / Executive Director, Precious Shipping Public Company Limited
• 2019 - Present	Director (Finance), Precious Shipping Public Company Limited
• 2018 - 2019	Chief Financial Officer, Precious Shipping Public Company Limited
• 2017 - 2018	Director, Drewry Financial Research Services, UK
• 2015 - 2016	Senior Consultant, Galway Group, India
• 2004 - 2014	Senior Vice President, DVB Bank, London, Singapore
• 2000 - 2003	Manager, Pacific Shipping, Mumbai, India
• 1998 - 1999	Associate Consultant, Synygy, Philadelphia, USA
OCCUPATION	Director (Finance) and Executive Director, Precious Shipping Public Company Limited.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Director in the Company's 55 subsidiaries (Subsidiary Companies Nos. 1-55 on page 76-77 of this Annual Report)
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any of the others in Management Team.

MR. KHUSHROO KALI WADIA

POSITION	Director
DATE OF APPOINTMENT ON THE BOARD	20 August 1999
AGE	60 years
EDUCATION	Bachelor's Degree in Science, University of Bombay. Chartered Accountant, Institute of Chartered Accountants of India.

TRAINING

• 2005	Graduate member of Thai Institute of Directors (IOD) - Completed "Directors Certificate Program" (DCP), Class 64/2005.

EXPERIENCE

• 2018 - Present	Director, Gammon Engineering and Contractors Private Limited, India.
• 2013 - Present	Managing Director, Christiani & Nielsen (Thai) Public Company Limited.
• 1999 - Present	Director, Precious Shipping Public Company Limited.
• 1999 - 2019	Director (Finance) and Executive Director, Precious Shipping Public Company Limited.
• 1994 - 1999	Director (Finance & Accounts), Maxwin Group of Companies.
• 1997 - 1998	Vice President (Finance & Administration), Suretex Limited.
• 1990 - 1994	Financial Controller, Maxwin Group of Companies.
• 1988 - 1990	Assistant Manager, A.F. Ferguson & Co.
OCCUPATION	Managing Director, Christiani & Nielsen (Thai) Public Company Limited. Director, Precious Shipping Public Company Limited. Executive Director, Maxwin Builders Ltd.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	**LISTED COMPANIES:** Director on the Board of Directors and Managing Director - Christiani & Nielsen (Thai) Public Company Limited.
	NON - LISTED COMPANIES: 1. Director and Executive Director, Maxwin Builders Ltd.* (Provider of hotel and management services) 2. Director, The Atrium Hotel Ltd. 3. Managing Director, Christiani & Nielsen (Myanmar) Limited 4. Chairman of the Board of Directors, Christiani & Nielsen (Cambodia) Co., Ltd. 5. Director, CNT Holdings Ltd. 6. Director, Christiani & Nielsen Energy Solutions Co., Ltd.* 7. Director, CNES D1 Company Limited 8. Non-Executive Director, Gammon Engineering and Contractors Private Limited, India. *Note: Please refer to CONNECTED TRANSACTIONS on page 251-252 of this Annual Report.
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the other Directors or any of the Management Team.

MS. NISHITA SHAH

POSITION	Director
DATE OF APPOINTMENT ON THE BOARD	23 August 2002
AGE	43 years
EDUCATION	Bachelor of Science in Business Administration; concentration in Finance and Business Law, Boston University, School of Management.

TRAINING

• 2015	Transformation & Change - Managing Culture for Success - Thai Listed Company Association, the RBL Group, and ADGES Consulting
• 2007	Graduate member of Thai Institute of Directors (IOD) - Completed “Directors Certificate Program” (DCP) Class 83/2007.
• 2006	Completed “Director Accreditation Program” (DAP), Class 57/2006 of Thai Institute of Directors (IOD).
• 2004	Completed “Anatomy of Shipping” course, Seatrade Academy / Cambridge Academy of Transport.

EXPERIENCE

• September 2016 - Present	Director / Executive Director, Golden Lime Public Co., Ltd.
• 2002 - Present	Director, Precious Shipping Public Company Limited.

OCCUPATION Management, GP Group of Companies.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	**LISTED COMPANIES:** Director / Executive Director, Golden Lime Public Co., Ltd.
	NON - LISTED COMPANIES: Nil
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By herself	108,054,537	-	108,054,537 (internal transfer)	(108,054,537)	-
By her spouse and minor children (if any)	-	-	-	-	-

Ms. Nishita Shah is the daughter of Mr. Kirit Shah and the elder sister of Mr. Ishaan Shah but has no family relationship with any of the other Directors or any of the Management Team.

MR. ISHAAN SHAH

POSITION	Director
DATE OF APPOINTMENT ON THE BOARD	14 March 2011
AGE	35 years
EDUCATION	
• 2010	Bachelor of Science in Business Administration, Concentrations in Finance and Law, University of Southern California, Los Angeles, CA, The United States.
• 2006	Rugby School, Rugby, The United Kingdom.
TRAINING	
• 2011	Director Certificate Program (DCP) by Institute of Directors (IOD).
• 2011	Seatrade Academy, University of Cambridge, The United Kingdom.
EXPERIENCE	
• March 2013 - Present	Director, Mega Lifesciences Public Company Limited.
• January 2012 - Present	Director, Christiani & Nielsen (Thai) Public Company Limited.
• March 2011 - Present	Director, Precious Shipping Public Company Limited.
• 2008 - Present	Director, Globex Corporation Limited.
• 2008 - Present	Director, Graintrade Limited.
• October 2016 - 2022	Director, Geepee Corporation Limited
OCCUPATION	Company Director

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	**LISTED COMPANIES:** 1. Director, Christiani & Nielsen (Thai) Public Company Limited. 2. Director, Mega Lifesciences Public Company Limited.
	NON - LISTED COMPANIES: 1. Director, Globex Corporation Limited. 2. Director, Graintrade Limited. 3. Director, Unistretch Limited.* (Lessor of the main operations office space leased by the Company). 4. Director, Ambika Tour Limited.* (Seller of air-tickets to the Company). 5. Director, Maxwin Builders Ltd.* (Provider of hotel and management services). 6. Director, Maestro Controls Limited.* (Service provider of management of the offices leased and apartments owned by the Company and its subsidiary respectively). 7. Director, InsurExcellence Life Insurance Brokers Limited* (Life Insurance Broker) 8. Director, InsurExcellence Insurance Brokers Limited* (Insurance Broker) 9. Director, Eastern Energy Chartering Pte Ltd.*, Singapore (Ship Chartering & Operation services) 10. Director, Mjets Limited *Note: Please refer to "CONNECTED TRANSACTIONS" on page 251-253 of this Annual Report.
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Director in the Company's 27 subsidiaries (Subsidiary Companies Nos. 1-26 and 56 on page 76-77 of this Annual Report)
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

Mr. Ishaan Shah is the son of Mr. Kirit Shah and the younger brother of Ms. Nishita Shah but has no family relationship with any of the other Directors or any of the Management Team.

MS. SIRASA SUPAWASIN

POSITION	Director / Vice President (Legal) / Data Protection Officer
DATE OF APPOINTMENT ON THE BOARD	8 July 2020
AGE	40 years
EDUCATION	Bachelor's Degree in Law, Thammasat University Lawyer License, Lawyers Council of Thailand Notarial Service Attorney License, Lawyers Council of Thailand

TRAINING & SEMINARS

• November 2023	Obtained the Thailand Data Protection Officer (T-DPO) certificate from the Digital Council of Thailand
• August 2023	The Board's Role in Mergers and Acquisitions (BMA) Class 5/2023 by Institute of Directors (IOD)
• July 2022	Attended Women in Maritime Conference held by Norton Rose Fulbright
• June 2022	Attended the Global Summit of Women 2022
• March 2022	Attended the training course "Practical Techniques for complying with Data Protection Law" held by National Institute of Development Administration (NIDA)
• October 2021	Attended the training course "Personal Data Protection Law for Practitioners" held by Law and Development Research Center (LDRC), Faculty of Law, Chulalongkorn University
• April 2018	Completed "Directors Certificate Program" (DCP) Class 254/2018
• October 2013	Attended the training course "CSR Knowledge Management" held by Corporate Social Responsibility Institute (CSRI)
• February 2013	Attended the training course "New CG Principles 2012" held by IOD and the SET
• October 2010	Effective Minute Taking Program, the Thai Institute of Directors
• October 2008	Business Law Training Course, Faculty of Law, Thammasat University
• October 2007	Company Secretary Program, the Thai Institute of Directors
• September 2006	Human Resource Law Training Course, Faculty of Law, Thammasat University

AWARDS

• June 2023	The Legal 500 GC Powerlist: Thailand 2023

EXPERIENCE

• 2020 - Present	Director, Precious Shipping Public Company Limited
• 2019 - Present	Vice President - Legal, Precious Shipping Public Company Limited
• 2017 - 2018	Assistant Vice President - Legal, Precious Shipping Public Company Limited
• July 2011 - 2016	Senior Legal and Compliance Manager, Precious Shipping Public Company Limited
• 2007 - 2011	Senior Legal Officer, United Thai Shipping Corporation Limited
• 2005 - 2006	Legal Officer, Daikin Industries (Thailand) Limited

OCCUPATION Vice President (Legal) and Director, Precious Shipping Public Company Limited

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	**LISTED COMPANIES:** Nil
	NON - LISTED COMPANIES: Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By herself	-	-	-	-	-
By her spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any of the others in Management Team.

MANAGEMENT TEAM - PROFILE

Mr. Khalid Moinuddin Hashim*	Managing Director
Mr. Gautam Khurana*	Director (Finance)
Ms. Sirasa Supawasin*	Vice President (Legal) and Data Protection Officer

*(*For profile and shareholding changes, please refer to* ***BOARD OF DIRECTORS – PROFILE****)*

MR. CHANDRASEKHAR SIVARAMAN VENKATRAMAN

POSITION Executive Director and Director (Technical)

AGE 61 years

EDUCATION First Class Marine Engineer
Bachelor's degree in Marine Engineering, India

EXPERIENCE

- 2023 - Present: Executive Director and Director (Technical), Precious Shipping Public Company Limited
- 2021 - 2023: Fleet Technical Manager, Great Circle Shipping Agency Limited
- 2018 - 2023: Vice President (Technical & Information Systems), Precious Shipping Public Company Limited
- 2017 - 2018: Assistant Vice President (Technical), Precious Shipping Public Company Limited
- 2003 - 2016: Senior Manager (Technical), Precious Shipping Public Company Limited
- 1995 - 2003: Technical Superintendent, Precious Shipping Public Company Limited
- 1992 - 1995: Chief Engineer, Precious Shipping Public Company Limited
  Second Engineer, Precious Shipping Public Company Limited
- 1986 - 1992: Engineer on ships, SISCO India & Anglo Eastern Ship Management Company Hong Kong

POSITIONS HELD IN OTHER COMPANIES Director in the Company's 55 subsidiaries
(Subsidiary Companies Nos. 1-55 on page 76-77 of this Annual Report)

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	1,075,000	-	-	-	1,075,000 (0.07% of total paid up shares)
By his spouse and minor children (if any)	3,014	-	-	-	3,014 (0.00% of total paid up shares)

Mr. Chandrasekhar Sivaraman Venkatraman is the spouse of Ms. Wimonwan Jaysrichai.

MR. SHRILAL GOPINATHAN

POSITION Director (Commercial)

AGE 66 years

EDUCATION Bachelor of Commerce, the University of Bombay, India
Diploma in Shipping, the Norattam Morarjee Institute of Shipping, Bombay, India

EXPERIENCE

- 2021 - Present: Director (Commercial), Precious Shipping Public Company Limited
- 1999 - 2020: Vice President (Commercial), Precious Shipping Public Company Limited
- 1989 - 1998: Chartering Manager, Precious Shipping Public Company Limited

POSITIONS HELD IN OTHER COMPANIES Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	1,000,000	-	-	-	1,000,000 (0.06% of total paid up shares)
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

MR. NEELAKANTAN VASUDEVAN

POSITION	Vice President (Risk Management)
AGE	62 years
EDUCATION	Post Graduate Diploma in International Trade from Indian Institute of Foreign Trade, New Delhi, India Master's Degree in Management Studies (M.M.S), University of Bombay, Mumbai, India
EXPERIENCE	
• 2005 - Present	Vice President (Risk Management), Precious Shipping Public Company Limited
• 1999 - 2004	Assistant Vice President (Risk Management), Precious Shipping Public Company Limited
• 1995 - 1998	Insurance & Claims Manager, Precious Shipping Public Company Limited
• 1985 - 1995	Deputy Manager, Shipping Corporation of India Limited
POSITIONS HELD IN OTHER COMPANIES	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	315,082	-	-	-	315,082 (0.02% of total paid up shares)
By his spouse and minor children (if any)	29,550	-	-	-	29,550 (0.00% of total paid up shares)

No family relationship with any of the Directors or any member of the Management Team.

MR. SHANKAR GIRI SHANKAR

POSITION	Vice President (Chartering)
AGE	67 years
EDUCATION	Bachelor's degree in Commerce, University of Madras, India.
EXPERIENCE	
• 2021 - Present	Vice President (Chartering), Precious Shipping Public Company Limited
• 1994 - 2020	Assistant Vice President (Chartering), Precious Shipping Public Company Limited
• 1993 - 1994	Assistant Manager (Commercial), Century Shipping
• 1984 - 1993	Deputy Manager (Operations), Continental Shiping
• 1983 - 1984	Commercial Assistant, Jay Shree Shipping
POSITIONS HELD IN OTHER COMPANIES	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

MR. MINHAJ ZAFAR

POSITION	Vice President (Procurement and Technical)
AGE	64 years
EDUCATION	Bachelor's degree in Marine Engineering, Directorate of Marine Engineering Training Diploma in Ship Management, Lloyd's Maritime Academy, UK
EXPERIENCE	
• 2021 - Present	Vice President (Procurement and Technical), Precious Shipping Public Company Limited
• 2017 - 2020	Assistant Vice President (Procurement), Precious Shipping Public Company Limited
• 1996 - 2016	Senior Manager (Technical), Precious Shipping Public Company Limited
• 1993 - 1996	Chief Engineer, Precious Shipping Public Company Limited
• 1988 - 1993	Chief Engineer, India Steam Ship Company Ltd, Kolkata and Univan Ship Management, Hong Kong

POSITIONS HELD IN OTHER COMPANIES Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	16,450	-	-	-	16,450 (0.00% of total paid up shares)
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

MR. NARIT LIKKASITTIPHAN

POSITION Vice President (Technical)

AGE 57 years

EDUCATION Bachelor's degree in Marine Engineer
Merchant Marine Training Centre, Thailand

EXPERIENCE

- January 2021 - Present: Vice President (Technical), Precious Shipping Public Company Limited
- January 2017 - December 2020: Assistant Vice President (Technical), Precious Shipping Public Company Limited
- November 2003 - December 2016: Senior Manager (Technical), Precious Shipping Public Company Limited
- May 1991 - October 2003: Engineer and Chief Engineer, Precious Shipping Public Company Limited

POSITIONS HELD IN OTHER COMPANIES Director in the Company's 25 subsidiaries
(Subsidiary Companies Nos. 1-24 and 26 on page 76 of this Annual Report)

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

MS. SOMPRATHANA THEPNAPAPLERN

POSITION Vice President - Corporate Finance, Company Secretary

AGE 53 years

EDUCATION Master of Science in Accounting, Thammasat University
Bachelor of Business Administration in Accounting, Thammasat University
Certified Public Accountant of Federation of Accounting professions

TRAINING

- March 2022: Attended the TCFD Climate-related disclosures and implementation held by the Securities and Exchange Commission, Thailand
- 22-23 June 2021: Attended the "TCFD & SDGs Workshop: Advanced" held by the Stock Exchange of Thailand
- September & November 2019: Workshop for TFRS 9 Financial Instruments: Classification, Measurement, Impairment, Disclosure and Hedge Accounting of Financial Instruments held by Federation of Accounting Profession
- June 2018: Attended the training course on the topic "Sustainability Evaluation and Data Management" held by the Stock Exchange of Thailand
- February 2017: Completed "Director Accreditation Program" (DAP 134/2017) of Thai Institute of Directors (IOD)
- June 2010: Attended the training course on the topic "Effective Minute Taking" held by the Thai Institute of Directors
- October 2004: Attended the training course on the topic "Company Secretary Program" held by the Thai Institute of Directors

EXPERIENCE

- 2021 - Present: Vice President - Corporate Finance, Precious Shipping Public Company Limited
- May 2008 - Present: Company Secretary, Precious Shipping Public Company Limited
- 1999 - 2020: Assistant Vice President (Finance & Accounts), Precious Shipping Public Company Limited

- 1996 - 1999 Finance Executive, Precious Shipping Public Company Limited
- 1992 - 1996 Senior Auditor, SGV-Na Thalang & Co., Ltd.

POSITIONS HELD IN OTHER COMPANIES Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By herself	-	269,800	-	269,800	269,800 (0.02% of total paid up shares)
By her spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

MS. WIMONWAN JAYSRICHAI

POSITION Vice President - Group Accounts*
*(*The person who supervises accounting in the Company, and is a qualified accountant who has the qualifications and conditions in accordance with the rules specified in the Notification of the Business Development Department)*

AGE 50 years

EDUCATION Master Degree in Financial Accounting from Chulalongkorn University
Bachelor Degree in Commerce and Accountancy from Thammasat University
Certified Public Accountant of Federation of Accounting professions

TRAINING
- November 2023 CFO training held by PwC Thailand (total 6 hours)
- June 2023 2nd DigitalCFO Asia Thailand Symposium 2023 held by DigitalCFO (total 6 hours)
- March 2023 Transfer Pricing Documentation held by NYC (total 7 hours)
- November 2022 Summary of financial reporting standards TFRS that have changed and come into force in 2023 held by the SET (total 3 hours)
- July 2022 Digital Asset and business growth opportunities (New S-Curve), held by the SET (total 6 hours)
- March 2022 Attended the "TCFD & SDGs Workshop: Advanced" held by the SEC (total 5 hours)
- February 2022 Upgrade financial personnel to become The Next Normal Financial Professional held by the SET (total 3 hours)
- September 2021 Preliminary to Corporate Sustainability, held by the Stock Exchange of Thailand ('SET') (total 2 hours) and M&A Trends, Direction, Key Points to Consider and M&A Strategies (total 5 hours)
- July 2021 The development of accounting systems in the digital era, held by the Federation of Accounting Profession (FAP) (total 6 hours)
- June 2021 Attended the "TCFD & SDGs Workshop: Advanced" held by the SET (total 5 hours)
  Financial Analysis, held by the Department of Business Development (DBD), Ministry of Commerce (MOC) (total 7 hours)
  Attended a seminar on Key points related to TFRS for PAEs which have to be adopted and the changes in 2021 held by the SET (total 6 hours)
  Guidelines for preparing financial reports for companies affected by COVID-19 held by the SET (total 6 hours)
- May 2021 Attended the "TCFD & SDGs Workshop: Beginners" held by the SET (total 5 hours)
- November 2020 Corporate Finance, held by the FAP (total 7 hours)
- May 2020 Cash Flow, held by the Department of Business Development (DBD), the MOC (total 6 hours)

EXPERIENCE
- 2021 - Present Vice President - Group Accounts, Precious Shipping Public Company Limited
- 2019 - 2020 Assistant Vice President - Group Accounts, Precious Shipping Public Company Limited
- August 2015 - 2019 Senior Manager : Group Accounts, Precious Shipping Public Company Limited
- 1999 - July 2015 Senior Manager : Accounts, Precious Shipping Public Company Limited
- 1995 - 1999 Senior Auditor, PricewaterhouseCoopers ABAS Ltd. (PwC)

POSITIONS HELD IN OTHER COMPANIES Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By herself	3,014	-	-	-	3,014 (0.00% of total paid up shares)
By her spouse and minor children (if any)	1,075,000	-	-	-	1,075,000 (0.07% of total paid up shares)

Ms. Wimonwan Jaysrichai is the spouse of Mr. Chandrasekar Sivaraman Venkatraman.

MS. NALINTHIP SANTINANON

POSITION Assistant Vice President (Accounts & MIS)
AGE 41 years
EDUCATION Master Degree in Accounting from Thammasat University
Bachelor Degree in Accountancy from Chulalongkorn University
Certified Public Accountant of Federation of Accounting professions

EXPERIENCE

- 2021 - Present: Assistant Vice President (Accounts & MIS), Precious Shipping Public Company Limited
- August 2015 - 2020: Senior Manager (Accounts & MIS), Precious Shipping Public Company Limited
- August 2009 - July 2015: Manager - Accounts, Precious Shipping Public Company Limited
- April 2003 - July 2009: Auditor, EY Office Limited

POSITIONS HELD IN OTHER COMPANIES Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By herself	-	-	-	-	-
By her spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

None of the Directors or anyone from the Management Team have been penalized for criminal and/or civil offences by the SEC under the Securities and Exchange Act B.E. 2535 and all relevant laws and regulations.

OTHER RELEVANT PERSONS IN THE ORGANISATION

- **Authorized Directors of the Company: Mr. Khalid Moinuddin Hashim, Mr. Kirit Shah, Mr. Ishaan Shah and Mr. Gautam Khurana** *(Signing Power: any two of the Authorized Directors with the Company's Seal).*
- **The person who takes the highest responsibility of finance and accounting in the Company: Mr. Gautam Khurana** *(his detailed profile is disclosed hereunder the sub-section of "Board of Directors - Profile" of this Enclosure 1: Information of Relevant Persons in the Organisation.*
- **The person who supervises accounting in the Company: Ms. Wimonwan Jaysrichai** *(her detailed profile is disclosed hereunder the sub-section of "Management Team - Profile" of this Enclosure 1: Information of Relevant Persons in the Organisation).*
- **Company Secretary: Ms. Somprathana Thepnapaplern** *(her detailed profile is disclosed hereunder the sub-section of "Management Team - Profile" of this Enclosure 1: Information of Relevant Persons in the Organisation).*

  In keeping with good corporate governance, the Company designated a Company Secretary viz. Ms. Somprathana Thepnapaplern, having duties and responsibilities in accordance with the Securities and Exchange Act and to be responsible for overseeing and advising the Board and the Management regarding applicable laws, rules, regulations and good corporate governance, besides taking the responsibility of holding the Board and shareholders' meetings. The additional tasks include assisting the Board to comply with resolutions and safeguard the Company's documents and information. The Company Secretary also provides any newly appointed director with the background of the Company's business, profile and industry along with all the relevant documents such as the Director's handbook, the Company's corporate documents, CG Policy Manual, Business Ethics and Code of Conduct Manual, Anti-Corruption Policy, laws, regulations and practices which are related to the trading of Company's shares.
- **Head of Legal and Compliance Department: Ms. Sirasa Supawasin** *(her detailed profile is disclosed hereunder the sub-section of "Board of Directors - Profile" of this Enclosure 1: Information of Relevant Persons in the Organisation).*
- **Head of the Internal Audit Department: Ms. Panida Satjadechachai**

POSITION	Internal Audit Manager
AGE	47 years
EDUCATION	Master's Degree in Accounting, Thammasat University
TRAINING	
November 2023	Seminar 'COSO - Enterprise Risk Management (ERM) 2017' by Thai Listed Companies Association (TLCA)
October 2023	Master Class training 'Environment, Social & Governance (ESG) & Climate Change Reporting' by Singapore Management University and the Stock Exchange of Thailand
November 2022	Certificate in ESG Management (2/2022) by the Stock Exchange of Thailand
June 2022	ISO27001:2013 Internal Audit Training Course by Bureau Veritas Thailand
November 2021	TCFD & SDGs Workshop: TCFD in Finance by UK PACT Green Recovery Challenge Fund and the Stock Exchange of Thailand
October 2021	TCFD & SDGs Workshop: ESG Risk Analysis and GHG Accounting by UK PACT Green Recovery Challenge Fund and the Stock Exchange of Thailand
October 2021	Personal Data Protection Law for Practitioners held by Law and Development Research Center (LDRC), Faculty of Law, Chulalongkorn University

June 2021	TCFD & SDGs Workshop: Advanced by UK PACT Green Recovery Challenge Fund and the Stock Exchange of Thailand
May 2021	TCFD & SDGs Workshop: Beginners by UK PACT Green Recovery Challenge Fund and the Stock Exchange of Thailand
November 2020	Accounting and Tax planning in general business held by Federation of Accounting Professions (FAP)
August 2020	Sustainable Supply Chain Management held by Corporate Social Responsibility Institute (CSRI)
June 2019	Company Secretary Program held by the Thai Institute of Directors (IOD)
November 2018	Anti-Corruption Working Paper Program held by Collective Action Coalition Against Corruption (CAC) and Federation of Accounting Professions (FAP)
June 2018	Sustainability Risk and Materiality Analysis held by Corporate Social Responsibility Institute (CSRI)

EXPERIENCE

August 2012 - Present	Internal Audit Manager, Precious Shipping Public Company Limited
2006 - 2012	Assistant Internal Audit Manager, Precious Shipping Public Company Limited

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2023:

Description	As of 1 Jan 2023	Acquisition in 2023	Disposal in 2023	Increase (Decrease) in 2023	As of 31 Dec 2023
By herself	-	-	-	-	-
By her spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

Enclosure 2 - Information on Directors in Subsidiaries

(as of 31 December 2023)

Name \ Details	PSL	Subsidiaries Nos. 1-12, 26	Subsidiaries Nos. 13-24	Subsidiaries No. 25	Subsidiaries Nos. 27-53	Subsidiaries Nos. 54-55
(1) Mr. Chaipatr Srivisarvacha	X					
(2) Mr. Kamtorn Sila-On	/					
(3) Mr. Khalid Moinuddin Hashim	//	/	/	/	/	/
(4) Mr. Gautam Khurana	//	/	/	/	/	/
(5) Mr. Khushroo Kali Wadia	/					
(6) Ms. Nishita Shah	/					
(7) Mr. Kirit Shah	/					
(8) Professor Dr. Pavida Pananond	/					
(9) Mr. Ishaan Shah	/	/	/	/		
(10) Ms. Pensri Suteerasarn	/					
(11) Ms. Sirasa Supawasin	/					
(12) Ms. Qiyu (Jackie) Wang	/					
(13) Mr. Chandrasekhar Sivaraman Venkatraman	//	/	/	/	/	/
(14) Mr. Narit Likkasittiphan		/	/			
(15) Mr. Akasit Lawsirirut		/				
(16) Mr. Panya Thangto			/			
(17) Mr. Henry Charles Mytton Mills					/	
(18) Mr. Ajaib Hari Dass					/	

Remarks: / = Director X = Chairman // = Executive Director

Enclosure 3

CORPORATE GOVERNANCE POLICY MANUAL

The corporate governance policy manual can be viewed on the Company's website, https://www.preciousshipping.com, under the 'Corporate Governance' section or scan the QR code to download the full report.

Enclosure 4

BUSINESS ETHICS AND CODE OF CONDUCT MANUAL

The business ethics and code of conduct manual can be viewed on the Company's website, https://www.preciousshipping.com, under the 'Corporate Governance' section or scan the QR code to download the full report.

Enclosure 5

GRI CONTENT INDEX

The GRI content index can be viewed on the Company's website, https://www.preciousshipping.com, under the 'Sustainable Development' section in the 'SD Framework & Strategy' subsection or scan the QR code to download the full report.

Greenhouse Gas Verification Certificate

Greenhouse Gas Verification Statement Number
TH-IE-24-500000617-001

The inventory of Greenhouse Gas emission in period
01/01/2023 – 31/12/2023 of

Precious Shipping Public Company Limited

8 North Sathorn Road, G, 7th, 8th and 9th floors, Silom, Bangrak, Bangkok 10500 THAILAND

has been verified in accordance with Verification Requirement of Carbon Footprint for Organization, January 2017 and ISO 14064-3:2019 as meeting the requirements of

Carbon Footprint for Organization

by Thailand Greenhouse Gas Management Organization

(Accounting and Reporting Requirements of Carbon Footprint for Organization Version 6, July 2022)

Scope1 (Direct GHG Emissions and Removals) = 10,815 tCO_2e
Scope2 (Energy Indirect GHG Emissions) = 87 tCO_2e
Scope3 (Other Indirect GHG Emissions) = 526,782 tCO_2e

For the following activities:

Servicing of Dry Bulk Shipping

Authorised by

Amnat Pisutsin
General Manager, SGS (Thailand) Limited
Date: 20/02/2024

SGS (Thailand) Limited, 100 Nanglinchee Road, Chongnonsi, Yannawa, Bangkok 10120, THAILAND

This Statement is not valid without the full verification scope, objectives, criteria and level of assurance available on pages 2 to 3 of this Statement.

PF-TH-I&E-AU-018/ Ver. 01/ 13.08.21/ Page 1 of 3

Schedule Accompanying Greenhouse Gas Verification Statement
TH-IE-24-500000617-001

Brief Description of Verification Process

SGS (Thailand) Limited hereinafter referred to as "SGS" has been contracted by Precious Shipping Public Company Limited hereinafter referred to as "PSL", for the verification of direct and indirect Greenhouse Gas Emissions in accordance with:

Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization (CFO by TGO) as provided by PSL in their Greenhouse Gas (GHG) Assertion covering GHG emissions of the period 01/01/2023 – 31/12/2023.

Roles and Responsibilities

The management of PSL is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS' responsibility to express an independent GHG verification opinion on the GHG emissions as provided in the GHG Assertion for the period 01/01/2023 – 31/12/2023.

SGS conducted a third party verification in the period of January 2024 to February 2024. The verification was based on the verification scope, objectives and criteria as agreed between PSL and SGS in Agreement Date 11/01/2024. The assessment included a desk review, responsible person interviewing and verification of organisation's activities data.

Level of Assurance

The level of assurance agreed is that of Limited assurance

Scope

PSL has commissioned an independent verification by SGS of reported GHG emissions of PSL arising from Servicing of Dry Bulk Shipping and associated activities, to establish conformance with the requirements of Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization within the scope of the verification as outlined below. Data and information supporting the GHG assertion were historical in nature and proven by evidence.

This engagement covers verification of emissions from anthropogenic sources of greenhouse gases included within organization's boundary and meets the requirements of Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization and ISO 14064-3:2019.

- The organizational boundary was established following: Control Approach (Operational Control)
- Title or description activities: Servicing of Dry Bulk Shipping.
- Location/boundary of the activities: 8 North Sathorn Road, G, 7th, 8th and 9th floors, Silom, Bangrak, Bangkok 10500 THAILAND.
- Physical infrastructure, activities, technologies and processes of the organization: Office and Fleet of ships.
- Types of GHGs included: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3
- GHG sources, sinks and/or reservoirs included:

  Scope 1 –
  Stationary combustion, Mobile combustion and Fugitive emission;
  Scope 2 –
  Purchased electricity;
  Scope 3 –
  Category13: Downstream leased assets.
- GHG information for the following period was verified: 01/01/2023 – 31/12/2023.
- Intended user of the verification statement: Client internal use, stakeholders communication and registration with TGO.

PF-TH-I&E-AU-018/ Ver. 01/ 13.08.21/ Page 2 of 3

Objective

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the GHG emissions are as declared by the organization's GHG assertion
- That the data reported are accurate, complete, consistent, transparent and free of material error or omission and
- Registration of Carbon Footprint for Organization with Thailand Greenhouse Gas Management Organization.

Criteria

Criteria against which the verification assessment is undertaken are Verification Requirement of Carbon Footprint for Organization, January 2017, Accounting and Reporting Requirements of Carbon Footprint for Organization Version 6, July 2022 and ISO 14064-3:2019.

Materiality

The materiality required of the verification was considered at 5% based on the needs of the intended user of the GHG Assertion.

Conclusion

PSL provided the GHG Assertion based on the requirements of Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization.

The GHG information for the period 01/01/2023 – 31/12/2023 disclosing emissions of

Scope1 - 10,815 metric tonnes of CO2 equivalent,

Scope2 - 87 metric tonnes of CO2 equivalent,

Scope3 - 526,782 metric tonnes of CO2 equivalent,

and gross emissions of 10,902 metric tonnes of CO2 equivalent (Scope1 and 2) or 537,684 metric tonnes of CO2 equivalent (Scope1, 2 and 3) are verified by SGS to a Limited level of assurance, consistent with the agreed verification scope, objectives, and criteria.

SGS' approach is risk-based, drawing on an understanding of the risks associated with reporting GHG emissions information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the amounts and disclosures in relation to the organization's reported GHG emissions.

Based on the process and procedures conducted, there is no evidence that the GHG assertion

— is not materially correct and is not a fair representation of GHG data and information, and

— has not been prepared in accordance with the related International Standard on GHG quantification, monitoring and reporting, or to relevant national standards or practices.

We planned and performed our work to obtain the information, explanations and evidence that we considered necessary to provide a Limited level of assurance that the GHG emissions for the period 01/01/2023 – 31/12/2023 are fairly stated.

This statement shall be interpreted with the Greenhouse Gas Assertion of PSL as a whole.

Limitation

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Precious Shipping Public Company Limited

No. 8, North Sathorn Road, G, 7th, 8th and 9th Floors, Silom, Bangrak, Bangkok 10500 Thailand

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Email : ir@preciousshipping.com

Home page : http://www.precioushipping.com