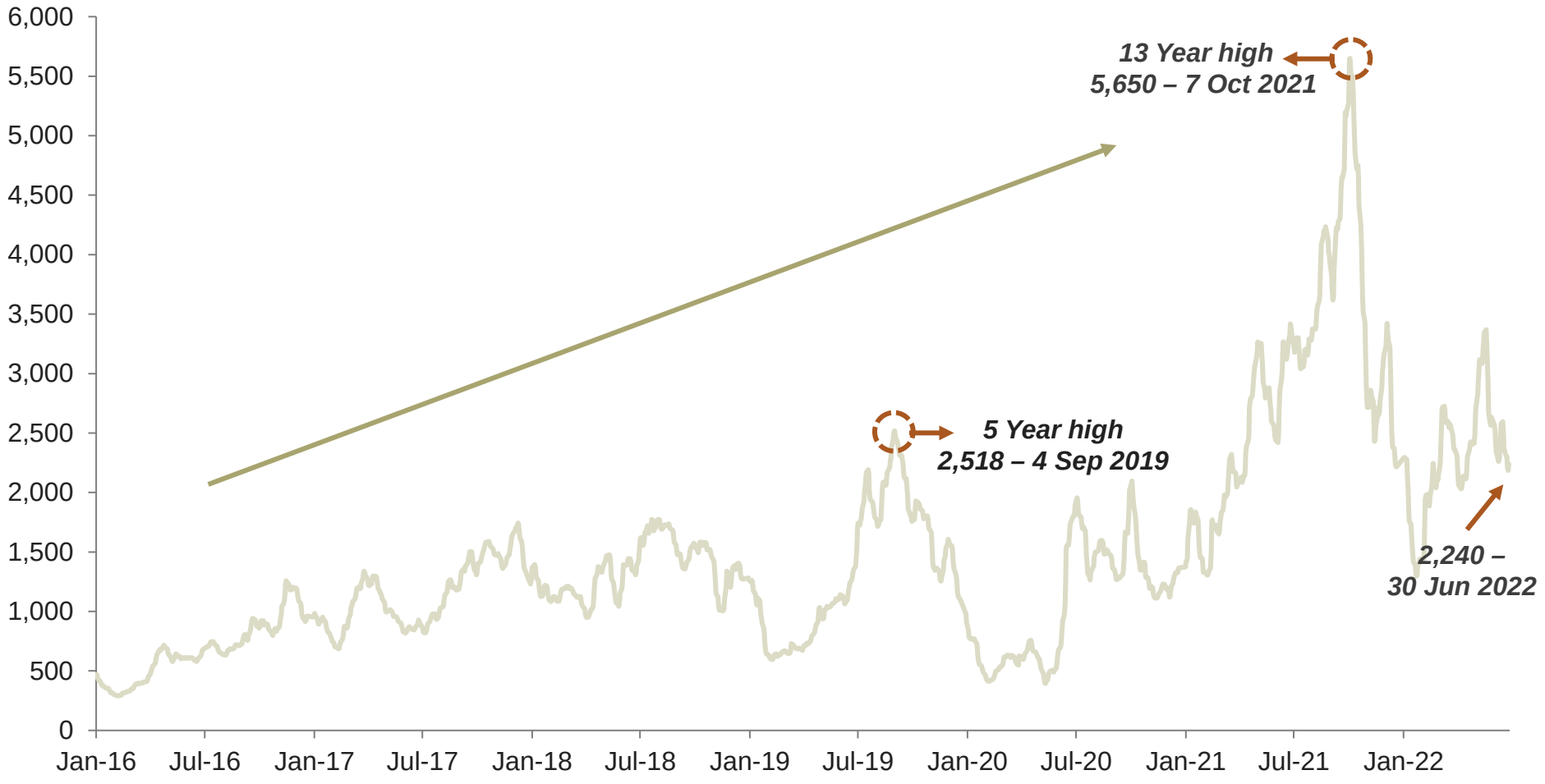
Precious Shipping Public Company Limited

SET Opportunity Day

10 Aug 2022

Dry Bulk Freight Markets

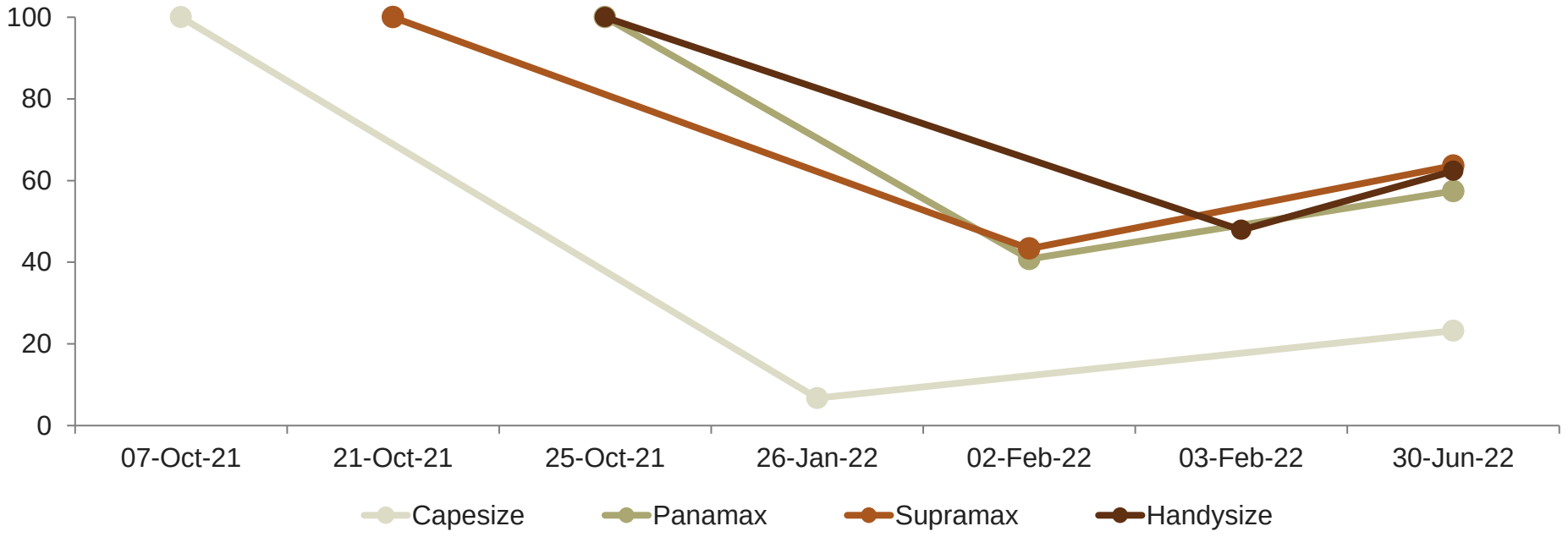
The BDI since start of 2016



Source: Clarksons, 30 Jun 2022

Capes, Panamax, Supras, Handy - Top to bottom and back up!

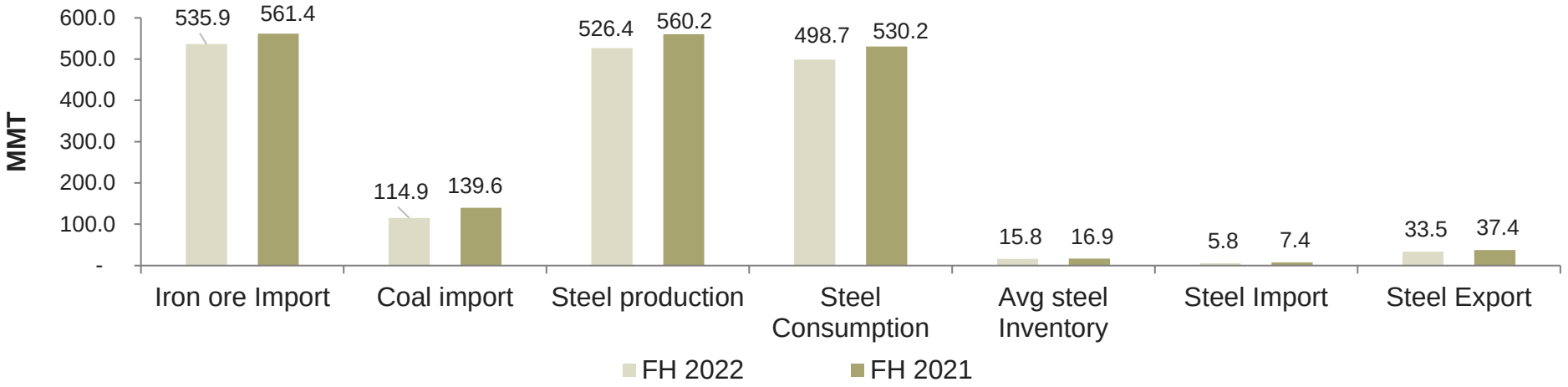
Date	Capesize TC Rate	% Change	Date	Panamax TC Rate	% Change	Date	Supramax TC Rate	% Change	Date	Handysize TC rate	% Change
07-Oct-21	86,953		25-Oct-21	38,952		21-Oct-21	39,860		25-Oct-21	37,109	
26-Jan-22	5,826	-93%	02-Feb-22	15,885	-59%	02-Feb-22	17,273	-57%	03-Feb-22	17,776	-52%
30-Jun-22	20,190	+247%	30-Jun-22	22,369	+41%	30-Jun-22	25,367	+47%	30-Jun-22	23,137	+30%



Despite China's faltering growth FH 2022 has been very good!

Latest available Data points on China in FH 2022 Vs FH 2021.

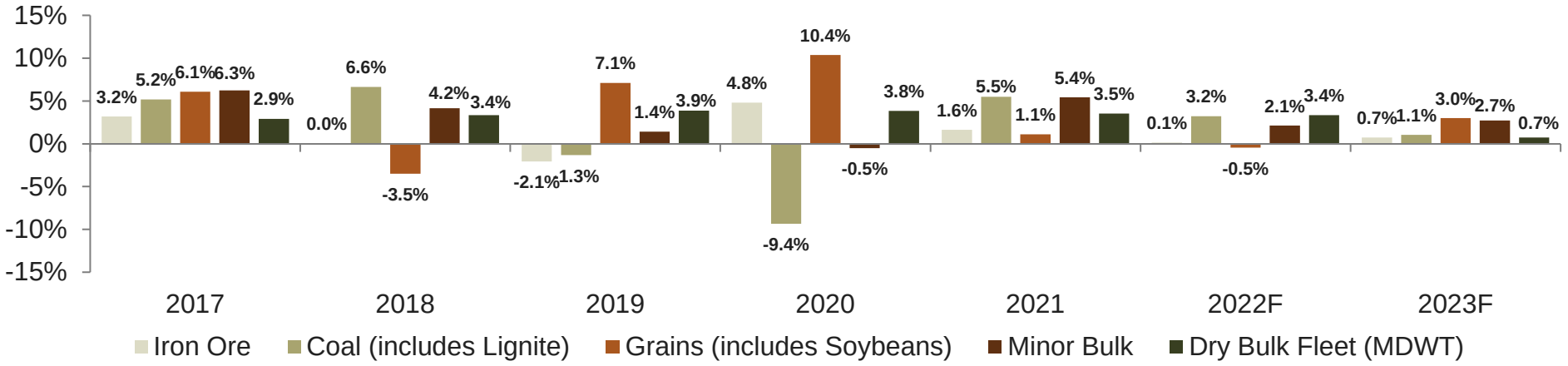
- China's Iron Ore imports in FH 2022 was 535.9 MMT Vs 561.4 MMT FH 2021 down 4.5%.
- China's Coal imports in FH 2022 was 114.9 MMT Vs 139.6 MMT FH 2021 down by 17.7%.
- China's Steel production in FH 2022 was 526.4 MMT Vs 560.2 MMT in FH 2021 down by 6.0%.
- Monthly average Steel inventory in FH 2022 was 15.8 MMT Vs 16.9 MMT FH 2021 down by 6.4%.
- Steel imports in FH 2022 was 5.8 MMT Vs 7.4 MMT in FH 2021 down by 21.5% .
- Steel exports in FH 2022 was 33.5 MMT Vs 37.4 MMT FH 2021 down by 10.5%.
- Steel consumption in FH 2022 was 498.7 MMT Vs 530.2 MMT in FH 2021 down by 5.9%.



Historical growth in seaborne dry bulk trade – billion tonne-miles

Seaborne Dry bulk Trade							
All Units In Billion Tonne-Miles	**2017**	**2018**	**2019**	**2020**	**2021**	**2022F**	**2023F**
Iron Ore	8,190	8,190	8,022	8408	8,545	8,557	8,619
Coal (includes Lignite)	4,881	5,204	5,136	4,655	4,911	5,069	5,122
Grains (includes Soybeans)	3,272	3,158	3,383	3,734	3,776	3,759	3,872
Minor Bulk	10,514	10,951	11,107	11,052	11,652	11,900	12,223
Total	**26,856.44**	**27,503.95**	**27,647.58**	**27,849.16**	**28,884.22**	**29,283.74**	**29,835.21**
Total % Change In Trade	**5.09%**	**2.41%**	**0.52%**	**0.73%**	**3.72%**	**1.38%**	**1.88%**
Dry Bulk Fleet (MDWT)	**813.53**	**840.82**	**873.43**	**906.99**	**939.15**	**970.7***	**977.9***
% Change in Dry Bulk Fleet (MDWT)	**2.93%**	**3.35%**	**3.88%**	**3.84%**	**3.55%**	**3.36%**	**0.74%**

% age increase over the previous year



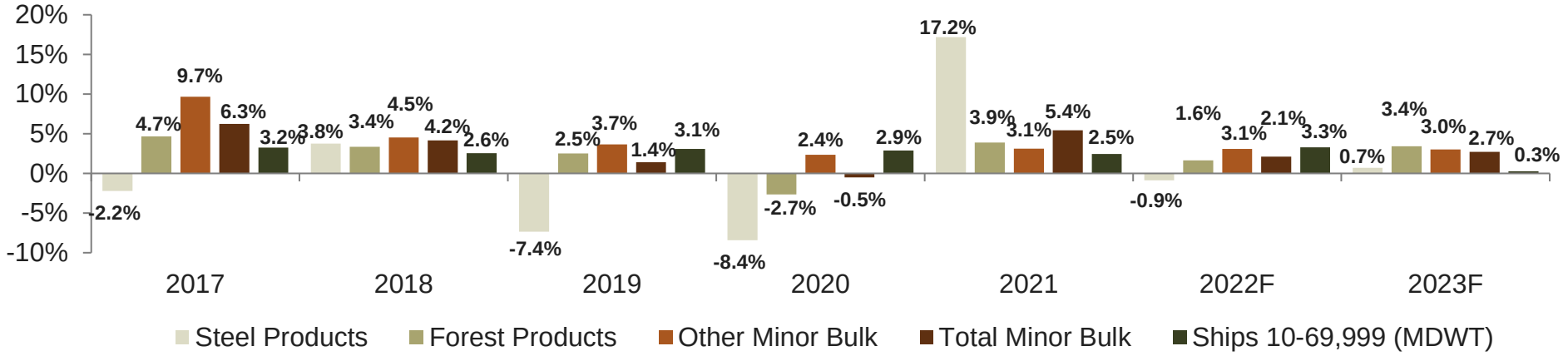
Source: Clarkson's, 7 Jul 2022

**2022F and 2023F figures from Clarksons Jul 2022 DBTO report*

Historical growth in seaborne minor bulk trade – billion tonne-miles

Seaborne Minor Bulk Trade							
All Units In Billion Tonne-Miles	**2017**	**2018**	**2019**	**2020**	**2021**	**2022F**	**2023F**
Steel Products	1,906	1,978	1,832	1,678	1,966	1,949	1,962
Forest Products	2,223	2,298	2,356	2,293	2,383	2,422	2,504
Other Minor Bulk	6,385	6,675	6,919	7,081	7,304	7,529	7,756
Total Minor Bulk	**10,514**	**10,951**	**11,107**	**11,052**	**11,652**	**11,900**	**12,223**
% Change In Minor Bulk	**6.25%**	**4.16%**	**1.42%**	**-0.49%**	**5.43%**	**2.12%**	**2.71%**
Ships 10-69,999 (MDWT)	**296.20**	**303.80**	**313.20**	**322.20**	**330.10**	**341.0***	**341.9***
% Change In 10-69,999 (MDWT)	**3.24%**	**2.57%**	**3.09%**	**2.87%**	**2.45%**	**3.30%**	**0.26%**

% age increase over the previous year

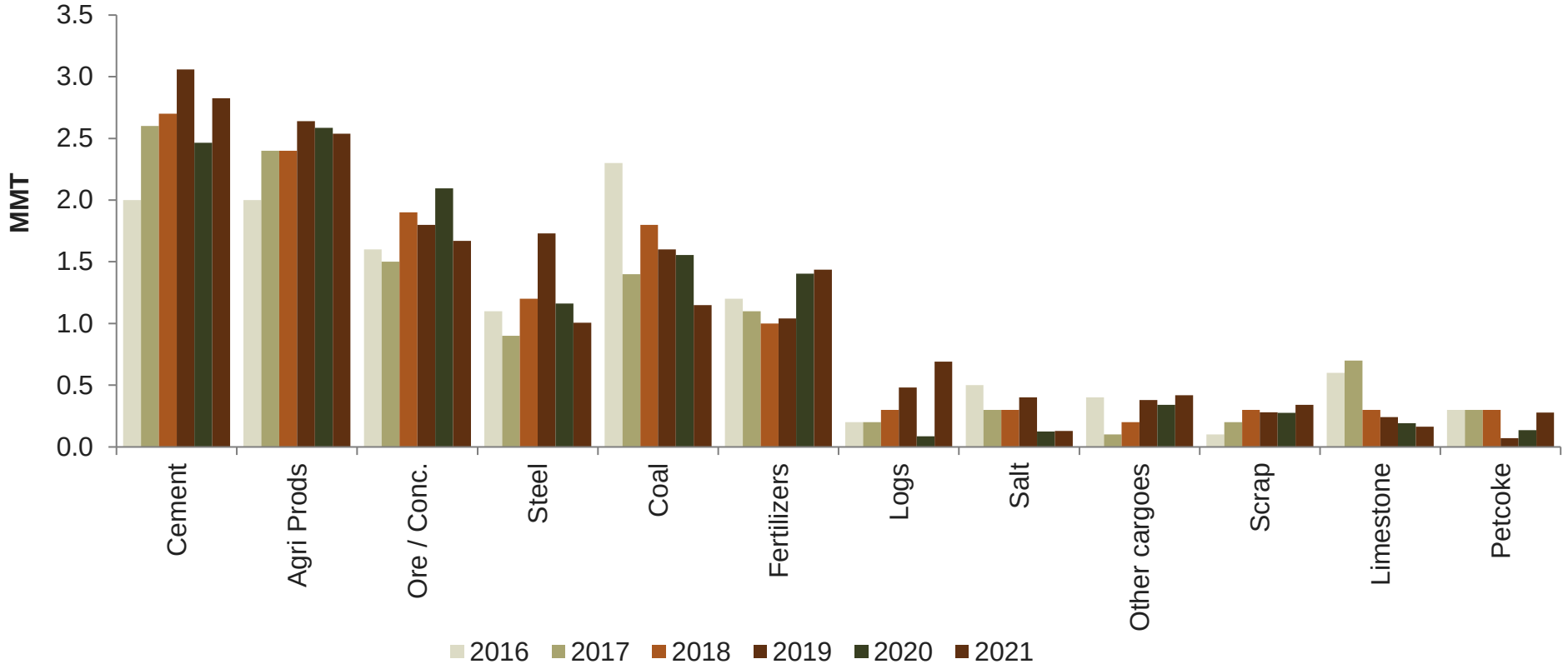


Source: Clarksons, 7 Jul 2022.

**2022F and 2023F figures from Clarksons July 2022 DBTO report.*

PSL cargo exposure: 2016 – 2021

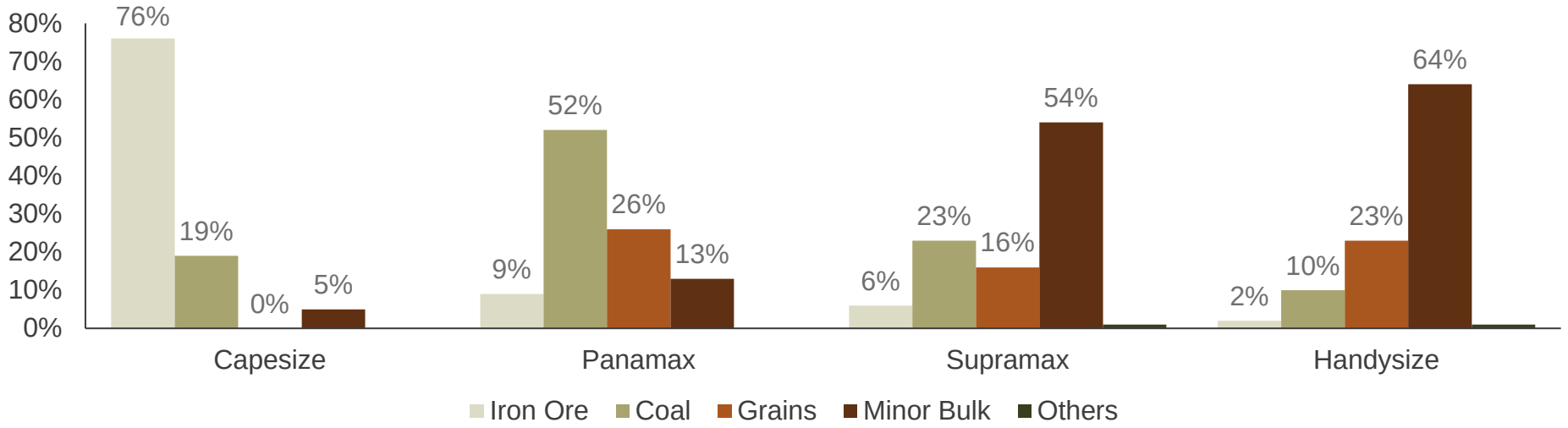
Bulk cargo in the aggregate amount of 12.3 MMT, 11.7 MMT, 12.7 MMT, 13.7 MMT, 12.4MMT, 12.6MMT was carried on PSL ships in 2016, 2017, 2018, 2019, 2020 & 2021, respectively.



Source: PSL

Commodities share by different dry bulk sectors

COMMODITIES	Capesize	Panamax	Supramax	Handysize
Iron Ore	76%	9%	6%	2%
Coal	19%	52%	23%	10%
Grains	-	26%	16%	23%
Minor Bulk	5%	13%	54%	64%
Others	-	-	1%	1%



Source: Maersk Broker as of 10 Mar 2022

Dry bulk fleet at the start of Q3 2022

Fleet Overview

Ship Type	DWT Range (MT)	Ships	Av Age (yrs)	Total DWT (m MT)	Av DWT (MT)	% of DWT
Handysize	10,000 – 39,999	4,208	13.22	113.57	26,990	11.91%
Supra/Ultramax	40,000 – 69,999	3,942	11.24	221.79	52,706	23.25%
Panamax	70,000 – 89,999	2,596	11.11	206.53	79,557	21.65%
Capesize	90,000+	2,258	9.81	411.91	182,420	43.19%
Total / Average		**13,004**	**11.60**	**953.79**	**73,346**	**100.00%**

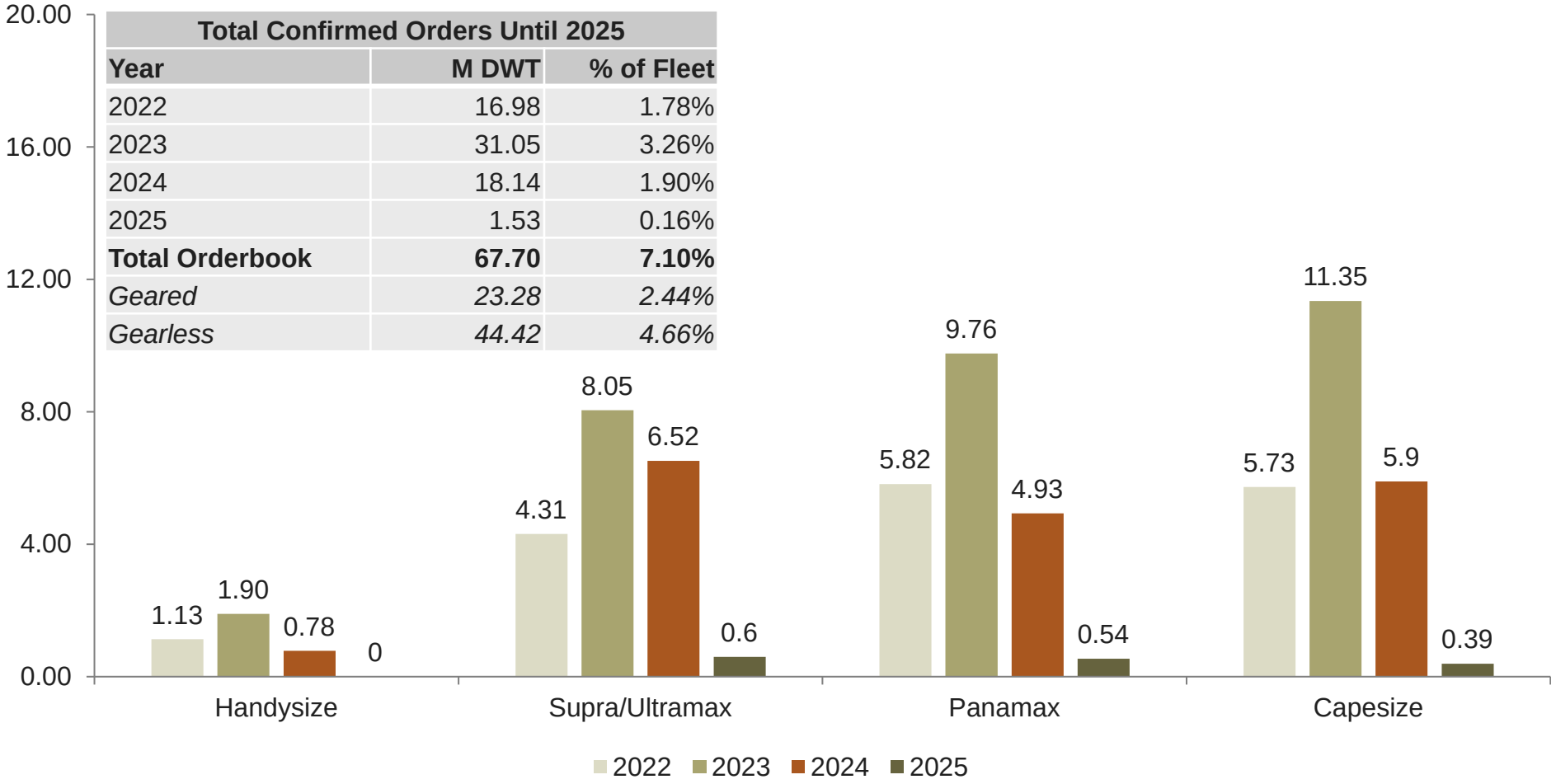
Changes in FH 2022

Ship Type	DWT Range (MT)	Ships No (%age)	DWT m MT (%age)
Handysize	10,000 – 39,999	+79 (+1.91%)	+1.72 (+1.54%)
Supra/Ultramax	40,000 – 69,999	+63 (+1.62%)	+3.54 (+1.62%)
Panamax	70,000 – 89,999	+56(+2.20%)	+4.60 (+2.28%)
Capesize	90,000+	+22 (+0.98%)	+4.78 (+1.18%)
Total / Average		**+220 (+1.72%)**	**+14.64 (+1.56%)**

Source: Clarksons as on 7 Jul 2022

Confirmed orders as of 1 Jul 2022 (MDWT) – 31 Dec 2025

Total Confirmed Orders Until 2025		
Year	**M DWT**	**% of Fleet**
2022	16.98	1.78%
2023	31.05	3.26%
2024	18.14	1.90%
2025	1.53	0.16%
Total Orderbook	**67.70**	**7.10%**
Geared	*23.28*	*2.44%*
Gearless	*44.42*	*4.66%*

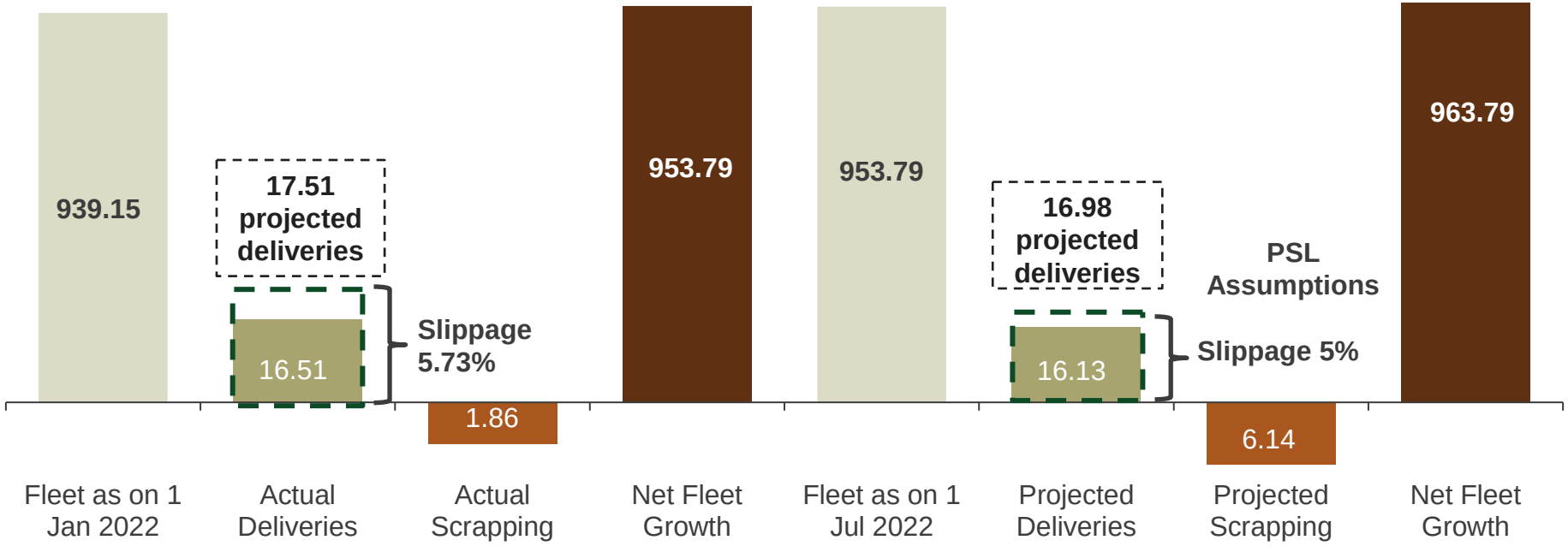


Source: Clarkson's as on 7 Jul 2022

PSL dry bulk supply side forecast

Actual data for FH 22. **PSL forecasts net fleet growth for 2022 at 2.62%,** assuming 5% slippage and 6.14 MDWT of scrapping in SH 22.

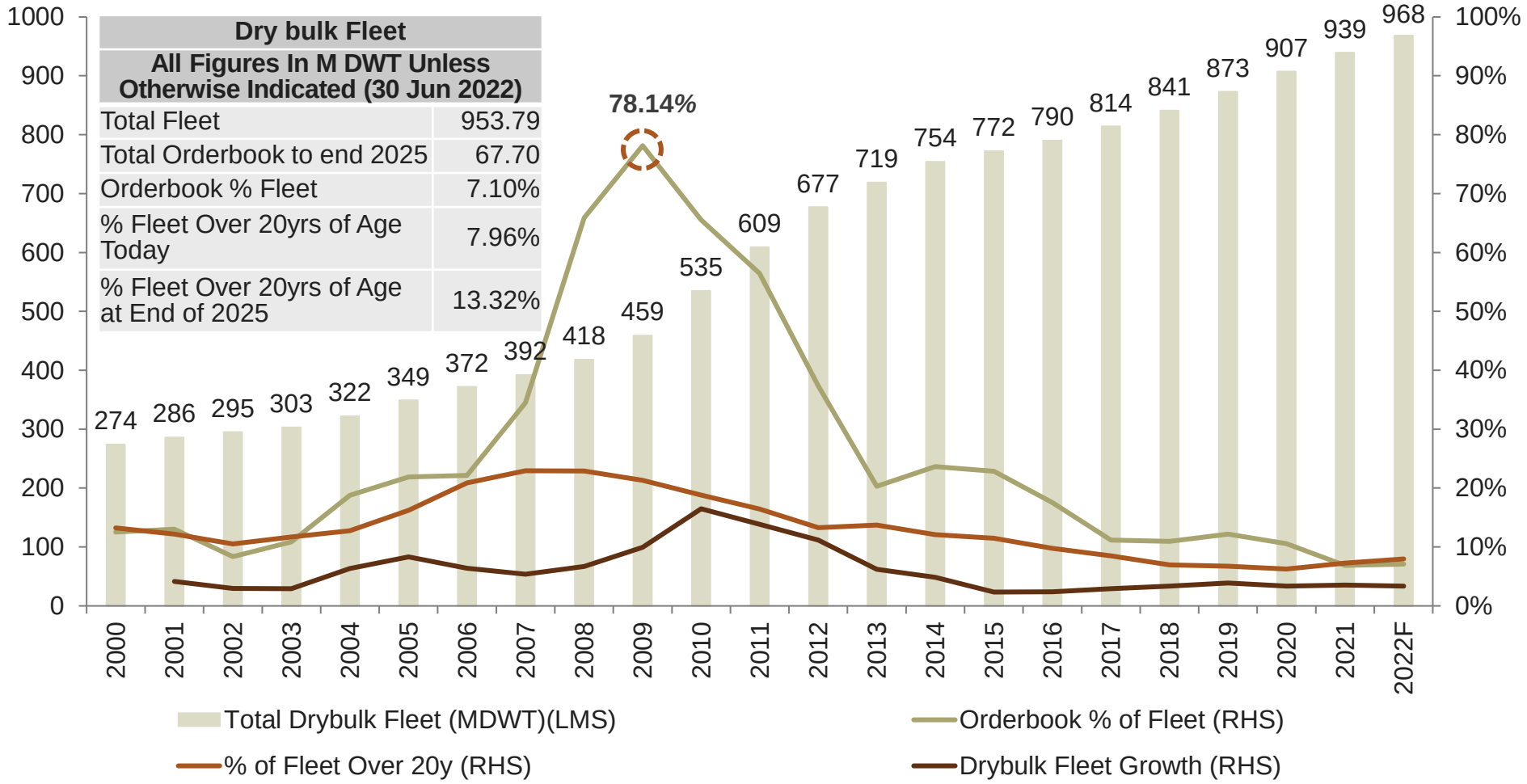
FH 2022 Net Fleet Growth = 14.64 MDWT, +1.54%. SH 2022 Net Fleet Growth = 10.00 MDWT, +1.05%



Source: Data from Clarksons as on 7 Jul 2022, PSL internal estimate.

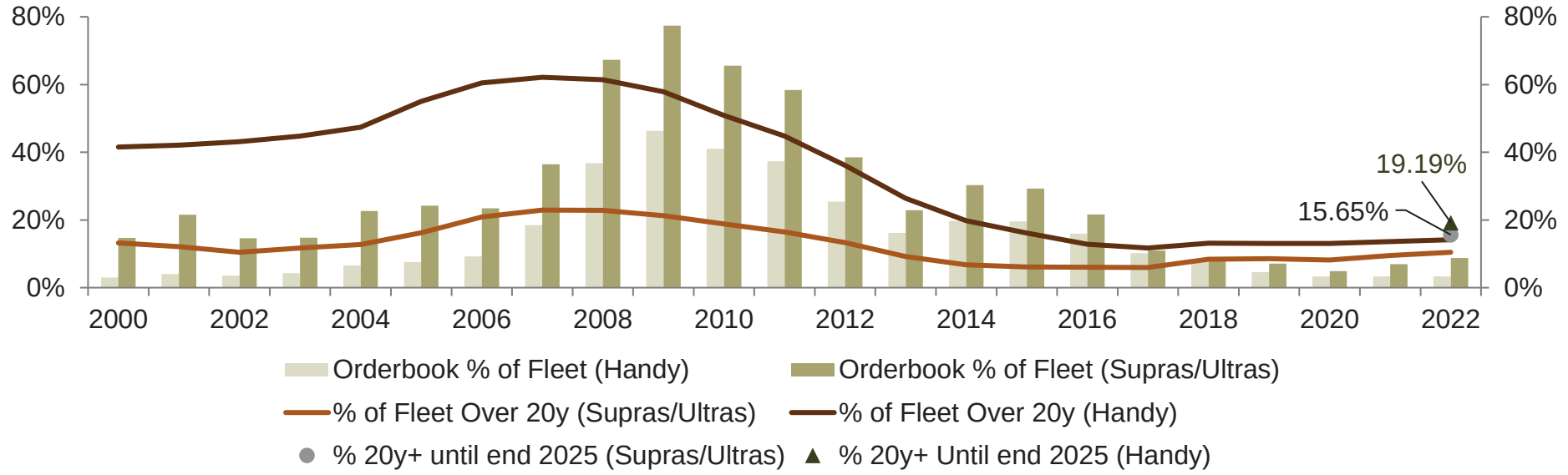
Putting orderbook figures in context – overall dry bulk fleet

Dry bulk Fleet All Figures In M DWT Unless Otherwise Indicated (30 Jun 2022)	
Total Fleet	953.79
Total Orderbook to end 2025	67.70
Orderbook % Fleet	7.10%
% Fleet Over 20yrs of Age Today	7.96%
% Fleet Over 20yrs of Age at End of 2025	13.32%



Source: Clarkson's, as on 7 Jul 2022 and Clarksons Jul 2022 DBTO report

Putting orderbook figures in context – geared vessels only



Handysize Fleet All Figures In MDWT Unless Otherwise Indicated (30 Jun 2022)	
Total Fleet	113.57
Total Orderbook	3.81
Orderbook % Fleet	3.36%
% Fleet Over 20yrs of Age Today	14.21%
% Fleet Over 20yrs of Age at End of 2025	19.19%

Supramax/Ultramax All Figures In MDWT Unless Otherwise Indicated (30 Jun 2022)	
Total Fleet	221.79
Total Orderbook	19.47
Orderbook % Fleet	8.78%
% Fleet Over 20yrs of Age Today	10.51%
% Fleet Over 20yrs of Age at End of 2025	15.65%

Source: Clarkson's, as on 7 Jul 2022

Why did the challenges in FH of 2022 not sink the freight market?

Challenges in 2022:

- China's dismal import/export performance.
- Russia-Ukraine war reduced grain, coal, and other commodity shipments.
- Central banks ended Covid stimulus, ended QE, and raised interest rates, to combat inflation.
- The US economy had two quarters of negative GDP growth (-1.6%, -0.9%).
- Low growth in ton-mile demand forecast by Clarksons for 2022/2023.
- Clarksons forecast higher net supply side growth than the low ton-mile demand growth.

Rescued by:

- The inefficiency in the dry bulk fleet.
- The very high price of bunkers slowing ships significantly.
- Very low ordering of new ships assisting the supply side growth to be constrained.
- Covid lockdowns, quarantines, and congestion buildup, helped reduce effective ship supply.
- Consumer resilience in USA and China kept demand growing.
- Consumers, corporates, governments, all wanting larger inventory, added to demand growth.

Results of the challenges and rescue items in FH 2022:

- The BDI averaged 2,279 points in FH 2022, +1% compared to FH 2021.
- The TC rates of index ships in Q2 2022 compared to Q2 2021 was: Capes -31%, Panamax +2%, Supramax +13%, and Handysize +22%. So only the Capes disappointed and the smaller sizes, once again, showed their resilience.
- China's stimulus of $2.3 trillion, according to Bloomberg it is $5.3 trillion, will kick in SH 2022.

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

Daily average Time Charter rate	2003 – 2009	2010 – 2020	2021	FH 2022
Capesize	67,101*	14,924***	33,333**	18,089**
Panamax	32,793*	10,965***	27,898**	24,876**
Supramax	28,013^^	10,765***	26,768**	26,983**
Handysize	18,753^^	8,789***	25,702**	25,782**
Demand Billion Ton-miles per year	+5.4%	+4.2%	+3.7%	1.4%
Chinese Stimulus	China enters WTO 2001	USD 578 bn (2009)	$667 bn (mid year 2020) (ROW $20 tn+)	$2.3 trillion^
Orderbook/Fleet ratio per year (start of each year)	+36.02%	+26.23%	+7.03%	+6.88%
Annual average % of 20-year-old (start of each year)	+18.38%	+11.27%	+6.25%	+7.26%
Annual average net supply growth	+6.8%	+6.4%	+3.6%	+3.36%

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 Q3 it was still 7.96% versus 7.10%, 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 calculates Chinese stimulus at $ 5.3 trillion!

^^1 Yr. TC 32K, 1 Yr. TC 52K used for years where there was no BHSI (2003-2006) or no BSI (2003-2005).

Source: Clarksons and Clarksons Jul 2022 DBTO report.

Difference between 2021, and 2022

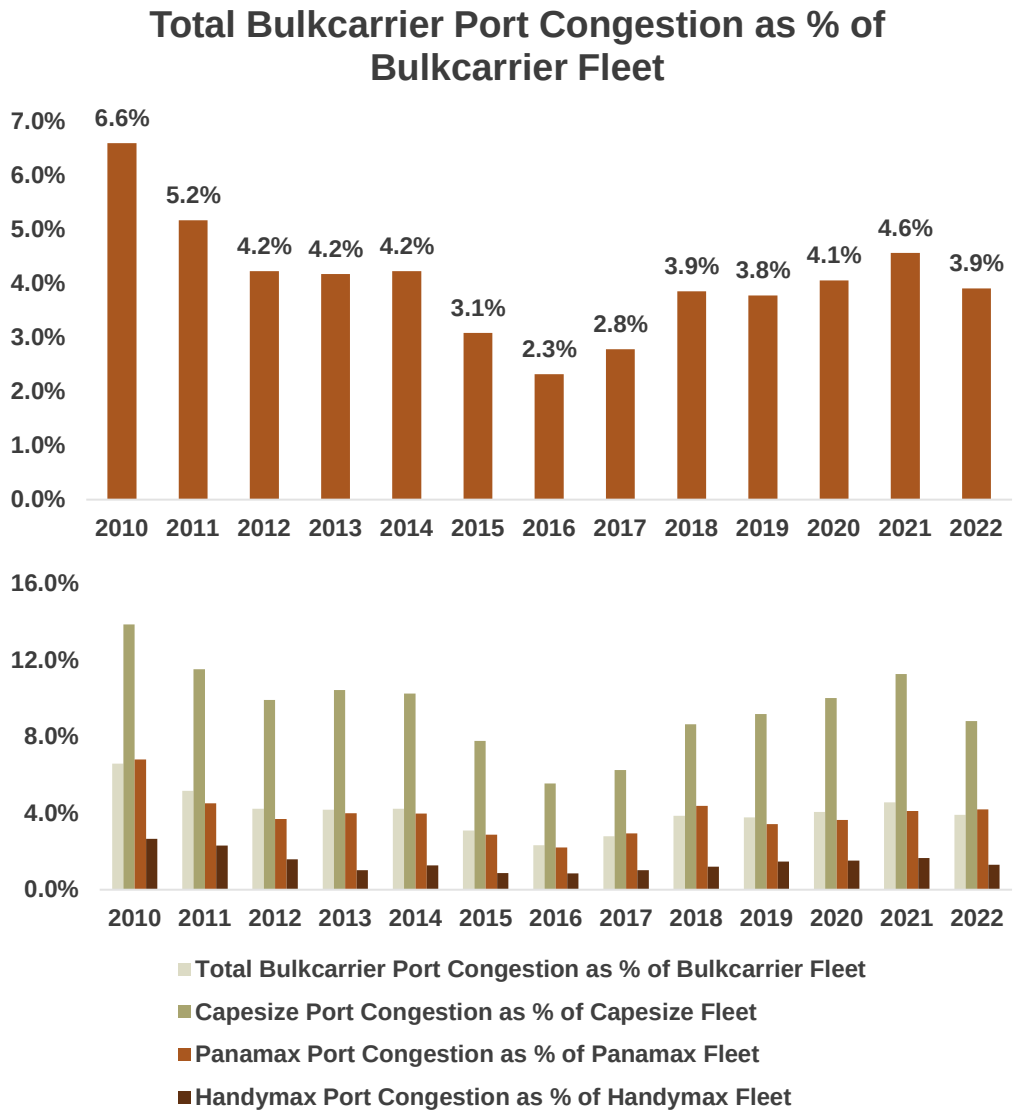
During 2021

- **Supply-Demand balance was reached by mid-2021; upward momentum in freight markets continued during 2021; speed of the freight market rise took everyone by surprise**.
- **GDP growth rates in China, and the ROW, started to rise sharply**.
- **Congestion peaked at start Q3 at 6.3% above the 7-DMA during 2016-2019 and averaged 4.6% in 2021**.
- **Evergrande became infamous in 2021**. **China is not bailing out 'bad' real estate developers**.
- **China put limits on polluting industries; steel production slowed;** p**ower shortages were magnified** due to shortage of coal; limits on CO2 emissions; sharp increase in coal prices; and **blue skies during winter Olympics**. To rectify this, **China increased coal production and coal imports; capped coal price; relaxed emission rules; increased power for residences; reduced power for industries**.

During 2022

- **ROW central banks started tapering QE and increasing interest rates. Only China, Russia and Japan have gone against this trend. World GDP slowed, likely the developed world is heading for a recession.**
- **Result: congestion dropped to 3.9% in FH 2022, with healthy dry bulk rates in Q4 21 and FH 22.**
- **All negatives are via government intervention BUT not a collapse of demand so can be reversed.**
- **China's real estate crisis requires more time to resolve; power will be evenly distributed.**
- **China's economic stimulus of $ 2.3 trillion, according to Bloomberg it totals $ 5.3 trillion, should get industrial production back to its trend line; Chinese GDP will be back at/above trend; and we may be surprised with the increase in rates in SH 22!**

Port Congestion



- This data is based on reports of vessels waiting at a selected number of ports globally.
- Total Port congestion stood at 4.6% of total bulk carrier fleet in 2021.
- In the FH of 2022, this figure dropped to 3.9% but will be dependent on China's Covid-zero policy and how strictly that is applied in the SH of this year.

Source: Clarksons 26 Jul 2022

DWT of dry bulk ships ordered in FH 22 versus FH 19, 20 and 21

Year	Avg. BDI	%age change versus 2022	New orders in MDWT	%age change versus 2022	Geared new orders in MDWT	%age Change versus 2022	Gearless new orders in MDWT	%age change versus 2022
FH 2019	895	+155%	20.12	-18%	6.03	-8%	14.09	-22%
FH 2020	685	+233%	28.79	-43%	6.60	-16%	22.19	-51%
FH 2021	2,257	+1%	21.69	-24%	5.12	+8%	16.57	-34%
FH 2022	2,279	-	16.51	-	5.53	-	10.98	-

Source: Clarkson's, 7 Jul 2022

Three Reasons why new ship orders have not gone ballistic even though rates have skyrocketed

1. **Container, Tanker, and Gas ships have booked all available slots** at shipyards and hence **dry bulk has been 'crowded out'** and can only **get ships in 2025** at the earliest.

2. **89 shipyards** in China, Japan, S. Korea, **delivered 433 dry bulkers in 2020** with a **forward orderbook** of just **572 bulkers from SH 2021 till 2025** compared to **261 shipyards** in China, Japan, S. Korea, **delivered 1,569 dry bulkers in 2011**!

3. **Despite dry bulk owners having enough money to invest in new build ships, current legislation and expected regulations, that will expedite the 'death' of IC fuel oil burning ships before they reach the end of their economic lives, is constraining the orderbook nicely**.

Key Industry Takeaways

The good news in 2021

- **Dry bulk supply-demand balance was finally reached by mid 2021.**
- China's **USD 667b steel intensive fiscal stimulus** announced on 22 May 2020 **pushed the BDI to 5,650 on 7th October from 1,374 points at the start of 2021**!
- **Material improvement in dry bulk demand and rates took place from SH 2020 onwards and likely to last but with extreme volatility.**
- **The BDI reacted positively to the strong world GDP in 2021 as a result of the Fiscal, Monetary and Steel intensive support of USD 20t**.
- **Time charter rates up to end FH 22 are higher than the average of the last 11-year rates!**
- **New ships ordered in FH 2022 have been very constrained.**

The bad news in 2021

- **Rates have declined after peaking on 7 October due to negative news** like Evergrande; pollution control measures; slowing steel production; power shortages; slowing PMI; blue skies for the Winter Olympics; **negative news from ROW** like persistent inflation; Federal Reserves taper starting; and interest rate hikes.

The likely future

- **Congestion dropped in FH 22 to 3.9% from 4.6% in 21, despite which healthy rates** in Q4 21 and FH 22.
- All negative factors caused by government decree and **not by a collapse in demand** and can be reversed.
- **China's real estate crisis requires more time to resolve; power will be evenly distributed.**
- **China's economic stimulus of $ 2.3 trillion, according to Bloomberg it totals $ 5.3 trillion, should get industrial production back to its trend line; Chinese GDP will be back at/above trend; and we may be surprised with the increase in rates in SH 22!**

Market Segmentation Q2 2022

Index	Index Ship DWT	Index Speed/Con (1)	PSL Avg Ship DWT	PSL Avg Speed/Con (1)	PSL Ship Number	Q2 2022 Average Index	Market Av. TC Rate (2)	PSL Av. TC Rate	Performance vs Benchmark
BHSI (Handysize)	38,000	Laden: 12K/18T Ballast: 12K/17T	30,766*	Laden: 12K/20T Ballast: 12K/20T	16 Handysize & 4 Cement Ships	1,531	USD 27,566	USD 21,400	-22.37%
BSI (Supramax)	58,000	Laden: 12K/24T Ballast: 13K/23T	59,198* (Supramax & Ultramax)	Laden: 12K/26T Ballast: 13K/24T	9 Supramax & 8 Ultramax	2,627	USD 28,901	USD 26,726	-7.53%

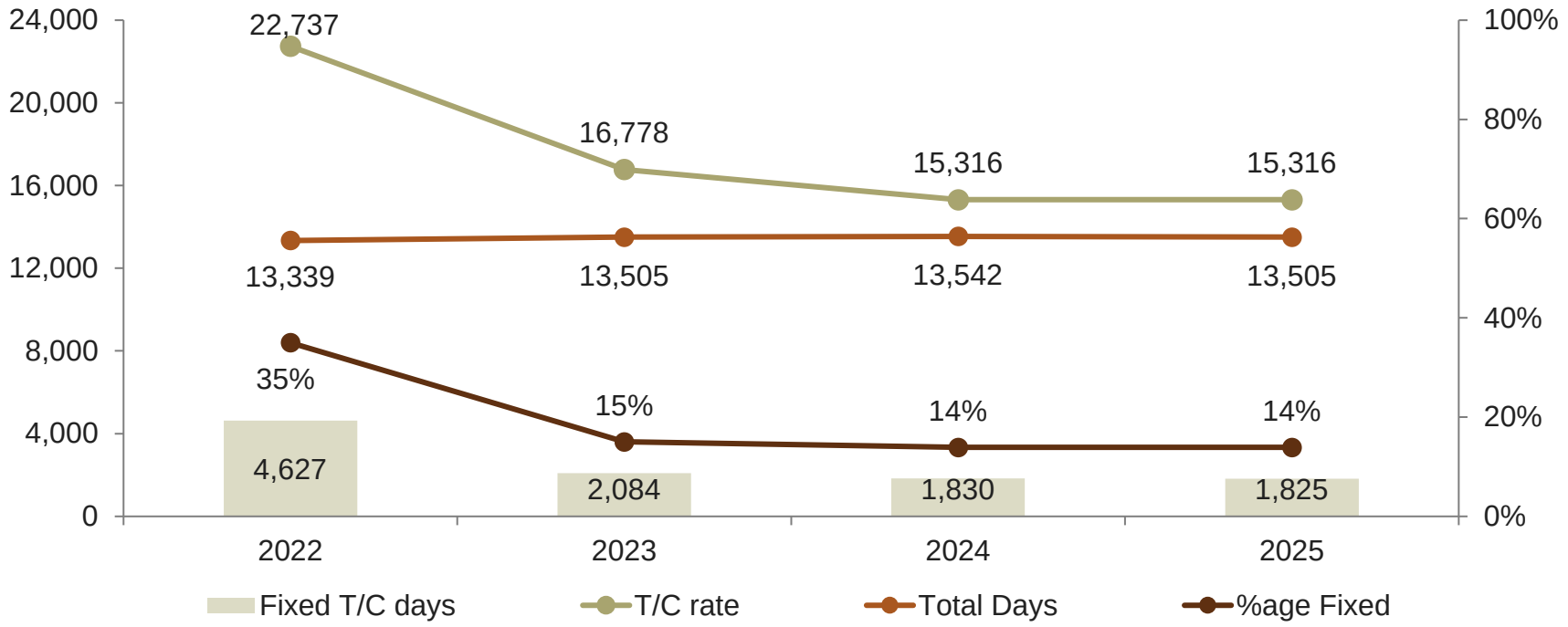
Notes:

1. *Basis eco-speed.*
2. ** Our Handy ships are rated at a discount to the index ship of 25% due to size and fuel consumption, Supras/Ultras combined at a 10% discount due to similar reasons.*
3. *PSL performance vs benchmark is -4.16% in the Supras/Ultras if Chayanee Naree, that is anchored at Lagos until late May 2022, was not considered.*

PSL's Strategy

Current and rolling 4-year forward book until 2025

Contract value	USD 105.21 m	USD 34.97 m	USD 28.03 m	USD 27.95 m	Total USD 196.15 m



- *This comprises charters on 7 ships on fixed rate charter and 7 ships on variable rate charters.*
- *Average T/C Rate/Day for the variable rate charters is estimated based on actual earnings for Q1&2 2022 and rates prevailing in Jul 2022 for the period thereafter.*
- *The first trip of Phatra Naree started on 15 Jun 2022 and is based on 37 ships from Q3 onwards.*

PSL Fleet

As of	31st Dec 2018	31st Dec 2019	31st Dec 2020	31st Dec 2021	25th Jul 2022
Number of Vessels	36	36	36	36	38
Average Age (Simple Avg)	7.3 years	8.3 years	9.3 years	10.3 years	10.5 years
Insured Value (US$ million)	700.30	650.00	650.00	747.55	799.15
Book Value (US$ million)	689.37	664.89	634.77	605.04	643.83
Total DWT	1,585,805	1,585,805	1,585,805	1,585,805	1,657,579
Total LDT	350,989	350,989	350,989	350,989	368,532
Average DWT per Vessel	44,050	44,050	44,050	44,050	43,621

Financials

Q2 2022 Highlights

- Prepaid USD 24.14 million of loans from BNP Paribas on 5 April 2022.
- PSL declared an interim dividend (No.1) of 50 Satang which was paid on 8 June 2022.
- Signed an MOA for the purchase of two secondhand Handysize vessels on 30 May 2022. Took delivery of Phatra Naree on 13 June 2022 and Pavida Naree on 25 July 2022.
- On 20 June 2022 Precious Grace Pte. Limited signed a USD 17.1 million loan agreement with Bangkok Bank (Singapore Branch). The loan drawdown took place on 24 June 2022.

Financial Profile

	H1-2022	2021	2020	2019	2018	2017
Cash & Cash Equivalents	$54.3m	$73.9m	$36.6m	$39.2m	$56.8m	$56.7m
Total Assets	$709.5m	$704.1m	$712.3m	$831.1m	$857.9m	$882.3m
Gross Debt	$216.7m	$245.9m	$318.3m	$391.7m	$432.8m	$469.4m
Net Debt	$162.4m	$172.0m	$281.7m	$352.5m	$376.0m	$412.6m
Equity	$463.9m	$429.8m	$337.4m	$383.3m	$391.2m	$377.5m
Gross Debt/Equity	0.47	0.57	0.94	1.02	1.11	1.24
Net Debt/Equity	0.35	0.40	0.83	0.92	0.96	1.09
No. of Vessels	37	36	36	36	36	36
EBITDA	$106.7m	$175.2m	$36.3m	$44.5m	$68.2m	$53.2m
Debt/EBITDA*	1.07	1.49	8.4	8.3	6.1	8.5
Daily Earnings	$22,956	$20,338	$8,332	$9,622	$11,063	$9,486
Daily Opex	$4,797	$5,090	$4,705	$4,778	$4,621	$4,355
Net Profit (Loss)	$87.0m	$137.0m	($40.8)m	($7.2)m	$14.1m	($3.8)m
Total Revenues	$145.1m	$272.1m	$119.9m	$135.3m	$153.6m	$130.2m

** Calculated per Debt Facility Agreements*

Operating Expenses

- These are the fixed costs required to run a ship and are evenly spread over 365 days.
- Our operating costs per ship per day for 2021 and H1'2022 were USD 5,090 and 4,797 respectively.

Breakdown of costs:

Particulars	2021		H1'2022	
	USD	%	USD	%
Crew costs	2,322	45.62%	2,281	47.55%
Manning Expenses	273	5.36%	284	5.92%
Victualing	172	3.38%	174	3.63%
Lube oils	186	3.65%	220	4.59%
Insurance	335	6.58%	365	7.61%
Repairs/Maintenance	169	3.32%	169	3.52%
Stores/Spares	610	11.99%	452	9.42%
Dry-dock/Special Surveys	561	11.02%	468	9.76%
Management Expenses	362	7.11%	310	6.46%
Misc. expenses	100	1.97%	74	1.54%
Total	**5,090**	**100.00%**	**4,797**	**100.00%**

OPEX Target For 2022: USD 4,960 per day per ship

Operating Expenses Comparison

- OPEX Comparison with Industry compiled by BDO LLP
- OPEX excluding dry dock and special survey cost
- Industry OPEX for 2021 will be published in October 2022

For Years	2016		2017		2018		2019		2020		2021
Particulars US$ (per day)	**Industry**	**PSL**	**Industry**	**PSL**	**Industry**	**PSL**	**Industry**	**PSL**	**Industry**	**PSL**	**PSL**
Crew Cost	2,673	2,728	2,678	2,646	2,646	2,660	2,611	2,659	2,624	2,619	2,767
Stores	586	370	563	375	532	379	509	376	507	343	424
Repairs & Maintenance	738	328	715	326	711	360	688	340	692	347	541
Insurance	444	302	420	298	384	295	357	329	361	324	335
Administration	797	358	776	391	747	448	727	477	719	462	462
Total Operating Costs	**5,238**	**4,086**	**5,152**	**4,036**	**5,020**	**4,142**	**4,892**	**4,181**	**4,903**	**4,095**	**4,529**

Note: OPEX industry is calculated by simple average OPEX of handysize and handymax.

Financial Highlights – Income Statement

Particulars	H1-2022	H1-2021	Q2-2022	Q1-2022	Q2-2021
Total Revenues - USD Million	145.13	107.09	76.25	68.88	62.58
Gross Profit - USD Million	117.08	66.99	62.43	54.65	42.36
Net Profit (loss) - USD Million	86.98	38.55	47.95	39.03	26.23
Gain (loss) on derivatives - USD Million	(0.02)	(0.27)	(0.00)	(0.02)	(0.13)
Exchange gain (loss) - USD Million	0.60	5.20	0.60	0.01	1.65
Net Profit (loss) excluding non-recurring items and exchange gain (loss) - USD Million	86.40	33.57	47.36	39.04	24.70
EBITDA - USD Million (Average per Ship)	106.67 (2.96)	55.40 (1.54)	57.46 (1.59)	49.21 (1.37)	35.28 (0.98)
Average TC Income per Ship per day (USD)	22,956	15,015	23,901	21,995	17,841
Average Ship Running Cost per Ship per day (USD)	4,797	4,988	4,683	4,914	5,043
Operating days (Average Number of Ships)	6,534 (36.10)	6,516 (36.00)	3,294 (36.20)	3,240 (36.00)	3,276 (36.00)
Earnings (loss) per share excluding non-recurring items and exchange gain (loss) (Baht)	1.88	0.67	1.05	0.83	0.50
Earnings (loss) per share (Baht)	1.89	0.77	1.06	0.83	0.53
Gross Profit Margin (%)	81.10	65.83	82.61	79.45	69.60
Net Profit Margin (%)	59.94	35.99	62.89	56.66	41.91

Financial Highlights – Financial Position

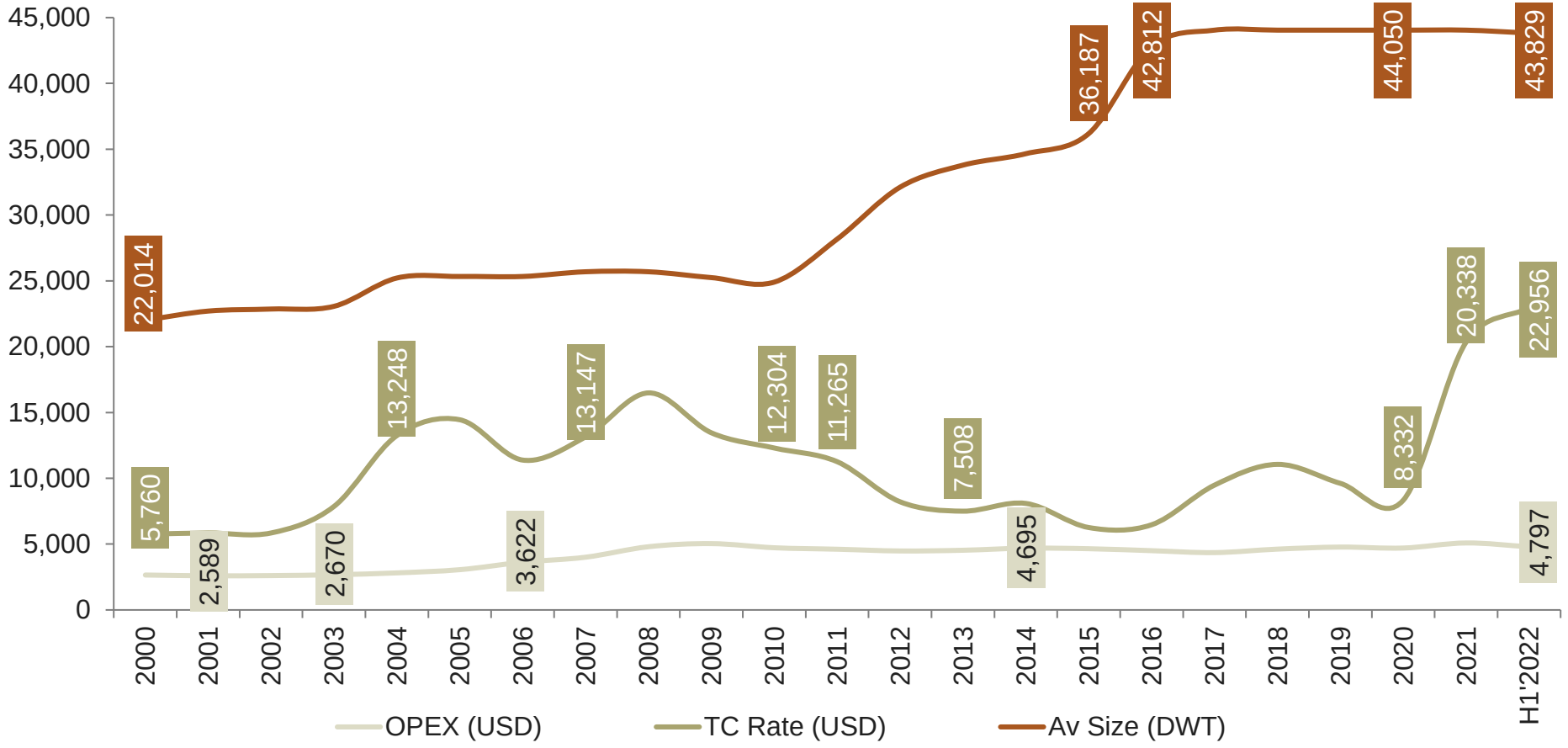
Particulars	30-Jun-2022	31-Dec-2021
Cash & Cash Equivalents - USD Million	54.31	73.85
Total Current Assets - USD Million	71.61	84.07
Ships Net - USD Million	617.83	605.04
Fixed Assets Net - USD Million	619.95	606.97
Total Assets - USD Million	709.50	704.09
Total Current Liabilities - USD Million *	17.40	15.20
Total Long-Term Loans - USD Million	216.72	245.90
Total Liabilities - USD Million	245.59	274.25
Total Shareholders' Equity - USD Million	463.91	429.84
Book Value per share (USD)	0.30	0.28
Book Value per share (Baht)	10.50	9.21
Return on Equity ^^ (%)	38.67%	34.61%
Return on Total Assets ^^ (%)	24.45%	18.75%
Total Liabilities / Equity Ratio	0.53	0.64
Number of Ships	37	36

* Excluding current portion of long-term loans in 2021 and 6M'2022

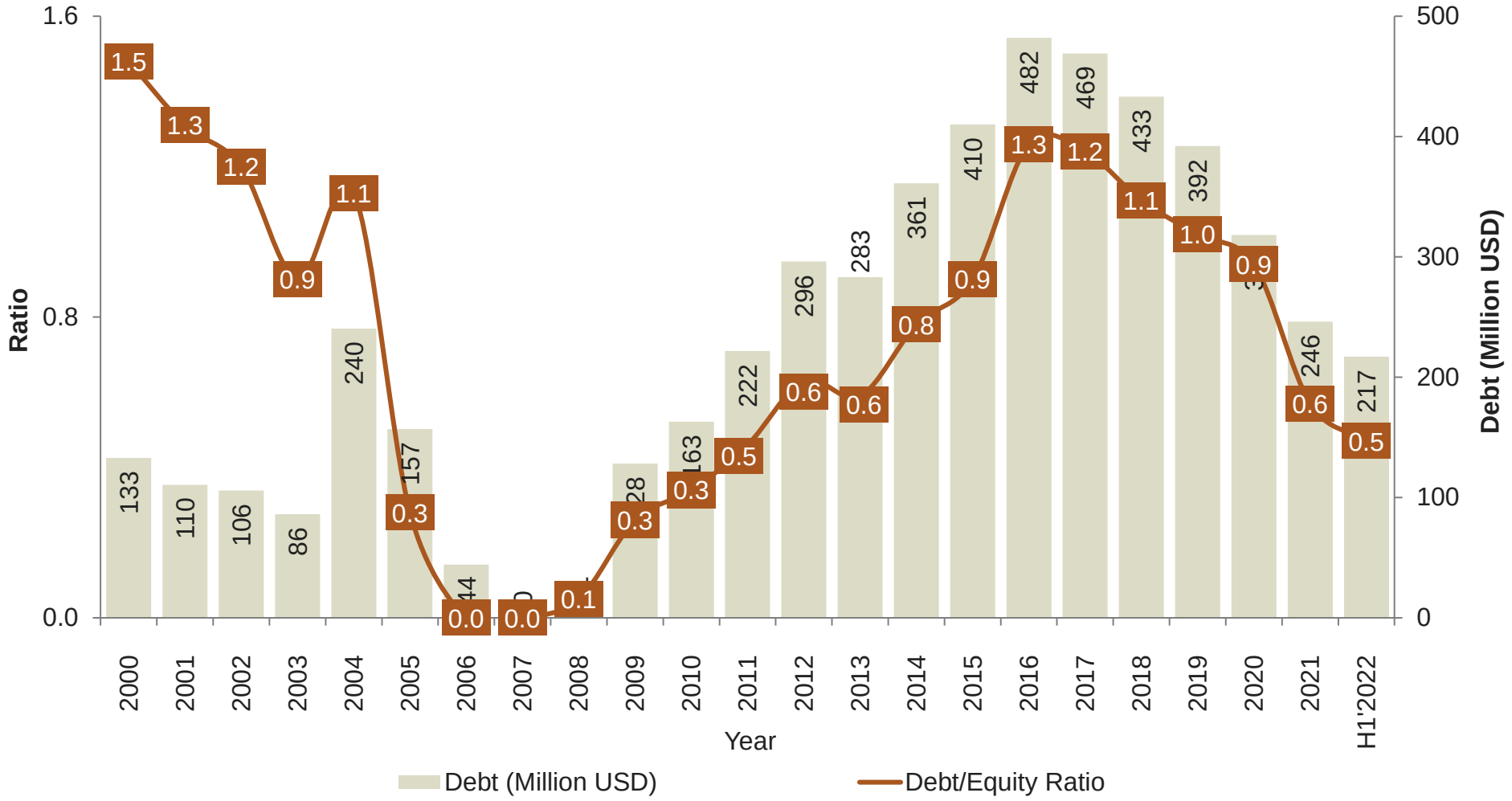
^^ Excluding exchange gain (loss) and non-recurring items

Average OPEX / TC Rates

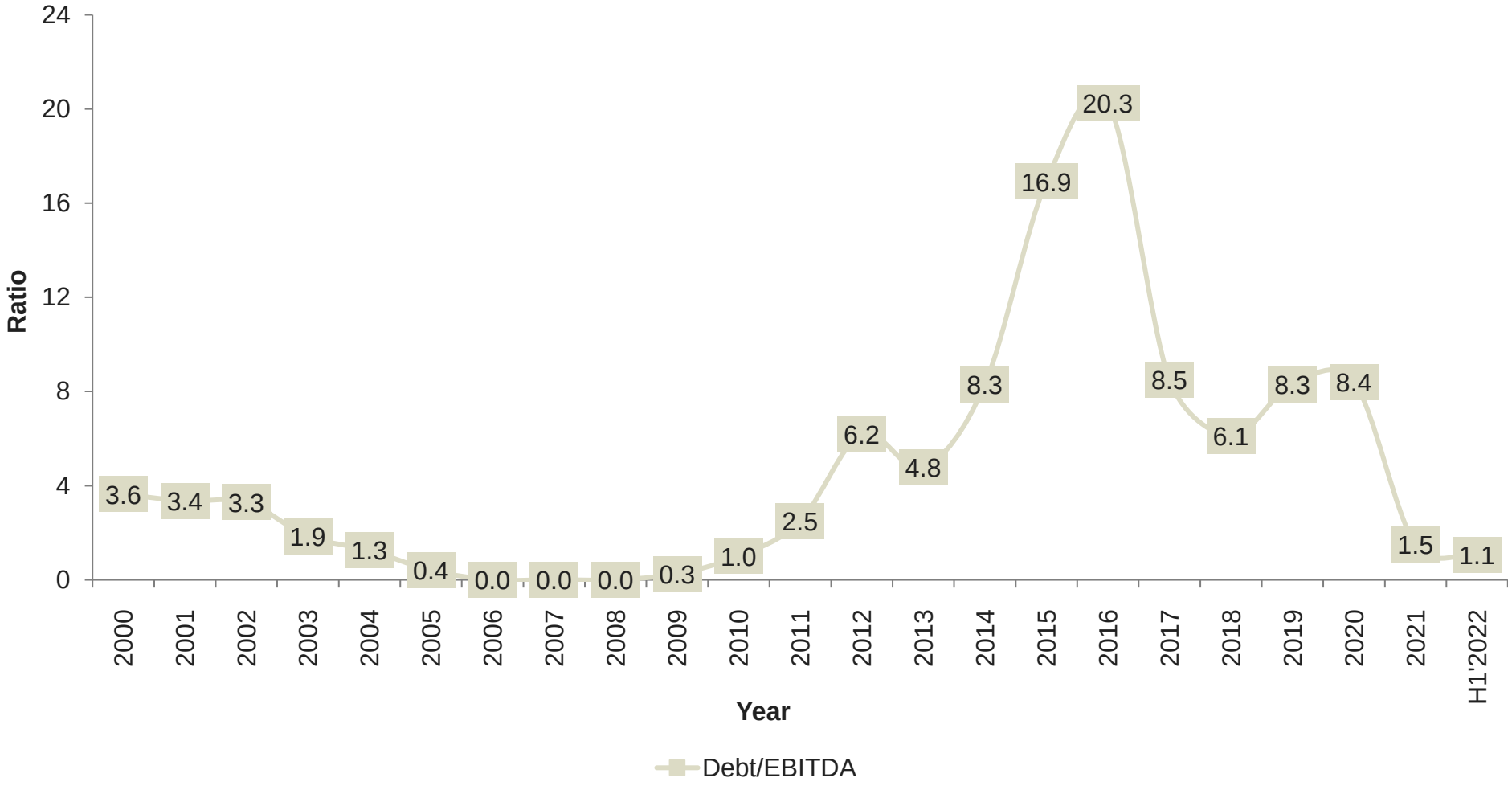
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	H1' 2022
Avg Age	15.6	15.7	15.8	16.6	17.4	19.0	20.0	19.6	20.6	17.1	15.4	14.2	11.4	11.4	10.5	9.8	5.8	6.3	7.3	8.3	9.3	10.3	10.6



Debt & Debt / Equity Ratio

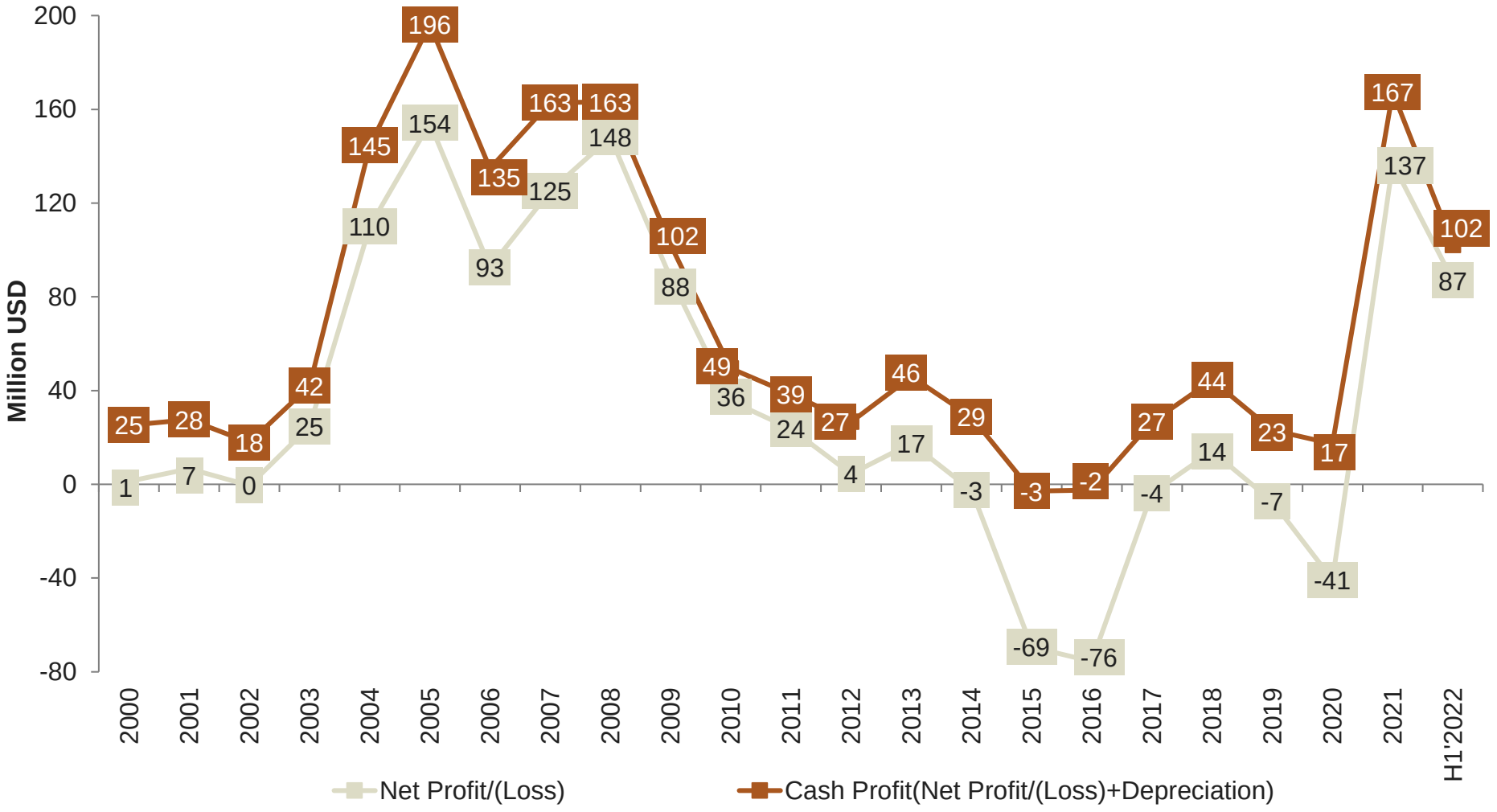


Debt / EBITDA

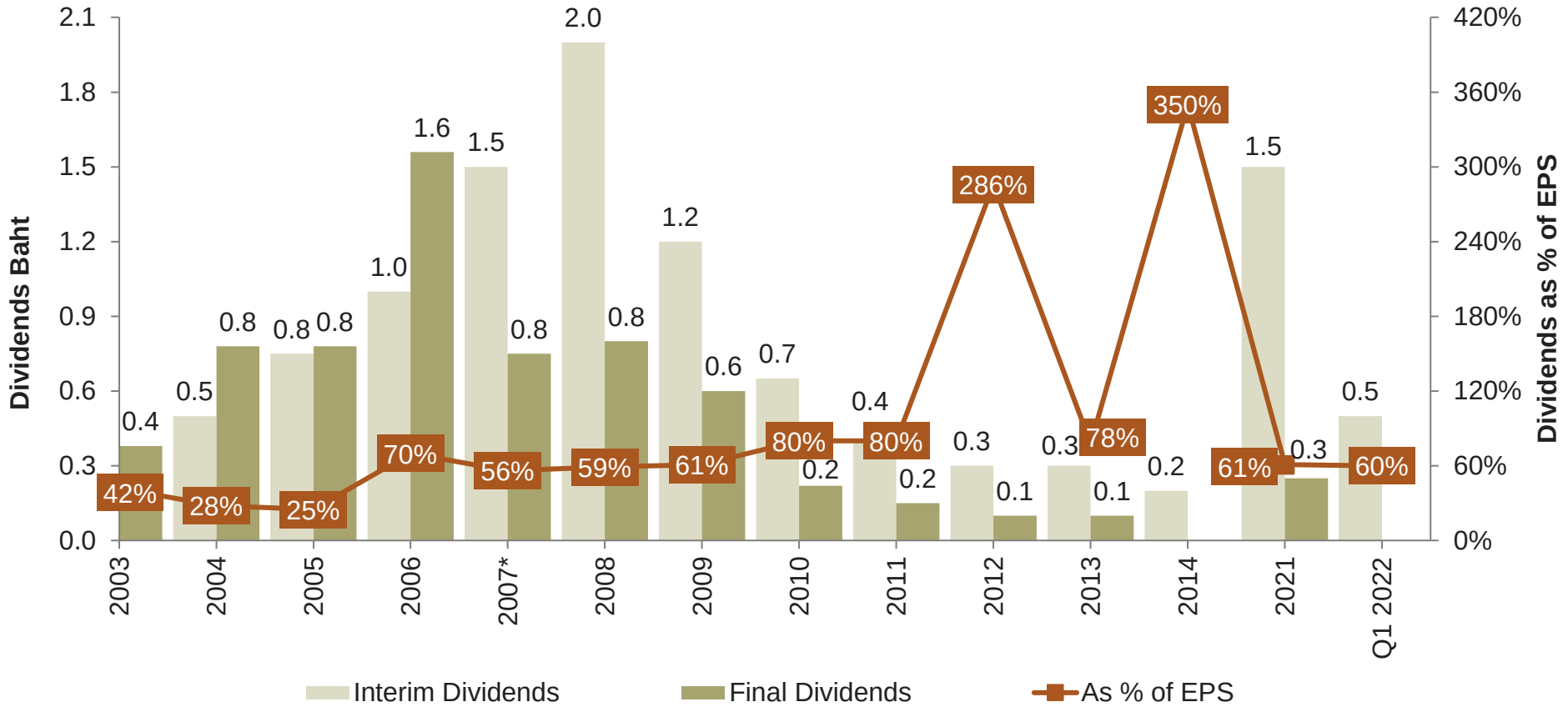


Debt / EBITDA calculated per Debt Facility Agreements

Net Profit / Cash Profit



Dividends



Dividend Policy

Not less than 25% of net profit

**2007 final dividend includes 1:1 bonus share at par*
All dividends shown adjusted for 1:1 bonus shares at par
No final dividends for 2014 and no dividends for 2015 - Q1'2021

PSL and ESG

PSL's ESG Footprint

Environment:

- PSL is always reducing its environmental impact via new technologies and innovations. We replaced older and less fuel-efficient vessels between 2013 and 2017 with **"eco-vessels"** resulting in reduction of CO_2 emissions. The PSL fleet's average gm CO_2/ton*nm has reduced from 12.884 in 2014 to 7.42 in 2021.
- Part of our fleet is retrofitted with fuel saving devices such as Mewis Duct, Pre-Shrouded Vanes and Hub Vortex Absorbed Fins leading to **energy savings ranging between 3-5%**.
- We have a **formal environmental policy statement and guidelines since 2009 based on ISO 14001:2004 standards updated to ISO 14001:2015** standards.
- PSL has joined the **Getting to Zero Coalition** as a founding member, an alliance of more than 150 companies within the maritime sector to explore commercially viable zero carbon emitting vessels or ZEVs.

Social:

- We have an **in-house training centre + a full-scale ship-simulator** to create awareness about environmental issues and crew responsibilities.
- PSL provided **60,000 free meals over 3 months for the needy in Bangkok starting 12 August 2021**.
- PSL is a signatory of the **'Neptune Declaration' covering seafarer well-being and crew change**.
- PSL has **deviated ships** at a huge commercial cost **to sign-off our seafarers** while meeting MLC requirements **during the Covid-19 pandemic**.
- PSL has been providing a **scholarship scheme for students** of the Merchant Marine Training Centre, Thailand as well as donations for other activities every year since 1995. PSL provides scholarship to 42 students each year.
- PSL built a **USD 1m 80 bed dormitory** for the Nakhorn Si Thamarat Institute, saving students long commute time and reducing their CO2 footprint.
- PSL providing a THB 1m donation to **Mechai Pattana School** in the rural Lamplaimat District of Buriram Province in 2022

Governance:

- PSL classified as a company with **"Excellent" Corporate Governance** for 12 consecutive years from 2010 to 2021, by IOD & National CG Committee.
- PSL earned 100 full AGM assessment scores for the fourth consecutive years from 2018 to 2022, by Thai Investors Association (TIA)
- PSL has been very pleased to **be the 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.
- PSL has been certified as a **member of Thailand's Private Sector Collective Action Coalition Against Corruption** (CAC) since August 2019.

Investor Relations

Investor Relations Activities – FH 2022

The Company has joined many events for press/analyst briefings, which are attended personally by the Managing Director, the Executive Directors and/or IR team. Some of the major events in which the Company participated in 6M 2022 are enumerated herein as under:

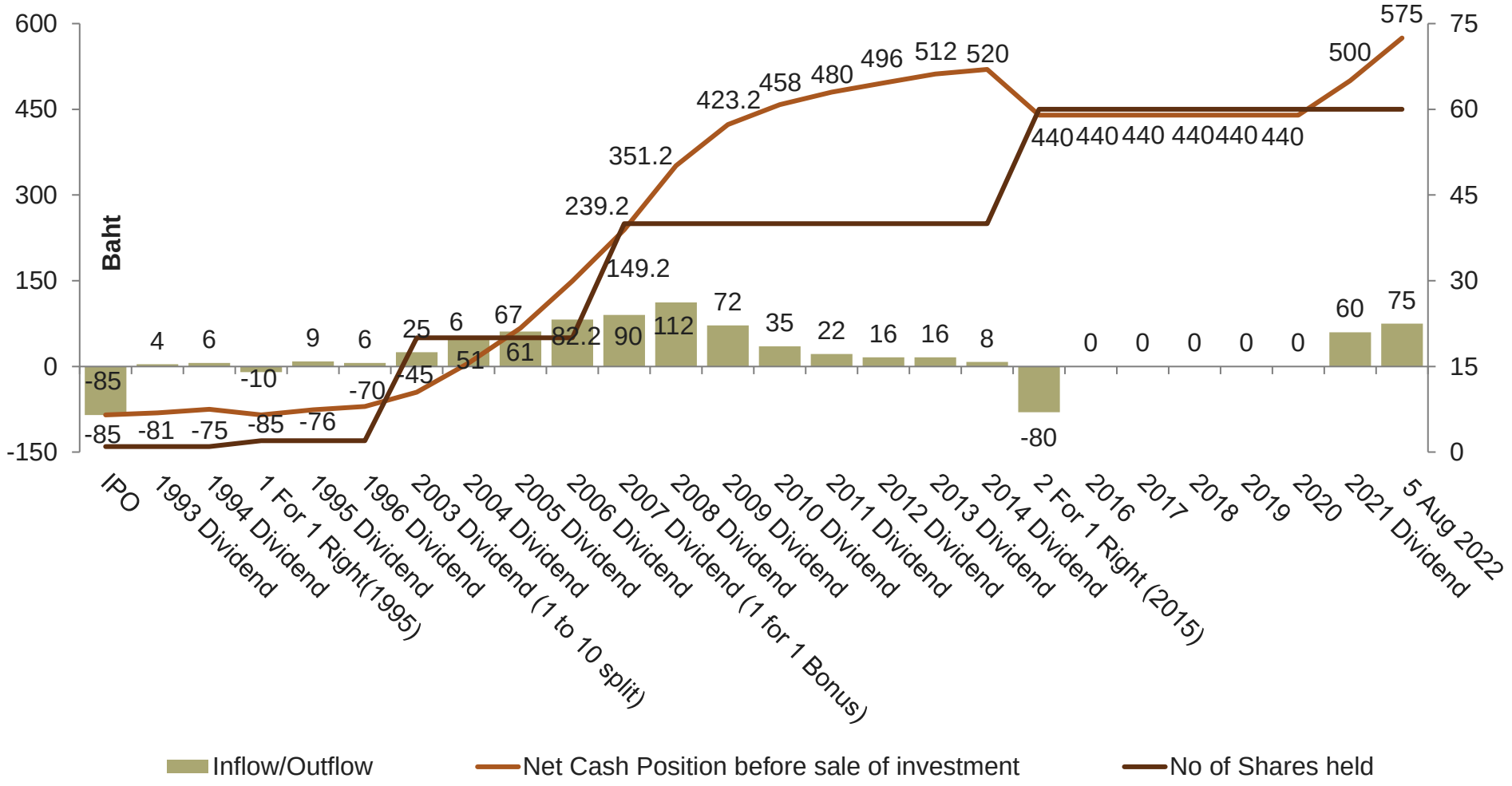
Year/Times	Analyst Meetings/ Communications	Investors Meetings/ Communications	Presentations Road shows	Press & TV Interview	Total
6M 2022	19	9	6	6	40

Virtual Conference / Meetings (Times)	Domestic	Hong Kong	Singapore	USA	Europe	Other countries
6M 2022	13	4	-	-	-	-

Year/Times	Analyst Meetings/ Communications	Investors Meetings/ Communications	Presentations Road shows	Press & TV Interview	Total
2021	69	19	11	14	113
2020	29	26	10	4	69
2019	15	52	13	5	85

Shareholder’s returns

Total Return to Shareholders: 1993 to 5 Aug 2022



Basis the 17.20 Baht/share price on 5 Aug 2022, stockholders have earned a 16.42% IRR since the IPO in 1993.

Final Food For Thought

- As described in the Industry section – **Demand is growing faster than Supply growth**, and this should be good **for the next couple of years**. **Minor bulks**, cargoes that PSL carries, are **growing faster than** other cargoes and certainly faster than **supply growth** in the geared sector.

- PSL is a Thai Corporate, but **we have zero business out of Thailand**. Covid-19 cases spiking in Thailand and the **weaker the Thai Baht, the stronger our EPS in Thai Baht as all our income is in USD**!

- We are **a Thai stock that is unconnected with the Thai economy**. Part of our **Bangkok expenses** are in Thai Baht and **would reduce with the weaker Baht**.

- **P/BV is not a good measure anymore, as asset values have gone up** significantly since the start of the pandemic **by 100% to 200%.**

- **Our debt continues to shrink**, and **surplus cash** generated from our business **continues to grow**. This should be **good news for our shareholders**.

Thank You !

Precious Shipping Public Company Limited

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Precious Shipping Public Company Limited

SET Opportunity Day Q2/2022 held on 10th August 2022

Questions & Answers

1. **What is the Company's estimation of demand for bulk cargo in the second half of 2022? Whether demand for SH of 2022 will be stronger than that for FH of 2022 and whether demand in 2022 will be stronger than in 2021?**

Answer: The Company cannot give any forward-looking statements. However, there are three catalyst points that should be taken into consideration:

- The first one is in the Black Sea - will the Ukrainian grain continue to move? Currently, there are about 20 million tons of grain from last year that need to be moved from silos in Ukrainian ports along the Black Sea. Furthermore, there are already 60 million tons of unharvested grain which are prepared for harvest at present. If these two lots of cargos come into the market, the first lot requires almost 1,000 ships, each of 20,000 DWT, to transport the cargoes. The second lot will require about 1,000 ships, as about 20 million tons will be exported from the impending harvest. You can see that the demand for ships suddenly in the Black Sea which had dropped down to zero because of the war stopping exports is now opening again. The market will benefit greatly if the first catalyst point continues.
- The second catalyst to consider is if China's coal consumption continues to rise. If it keeps going up, it means China's industrial production is also increasing. If that happens, you must understand that the supply of raw materials entering China would expand substantially.
- The final catalyst to consider is whether China begins importing coal from Australia. This has already made headlines. China initially wanted to avoid using Australian coal, but now they are more concerned about running out of coal due to the extraordinary hot temperatures they have been experiencing thus far and the extremely cold weather they experienced last year, which left them without enough power. In this sense, China is even considering lifting the current unofficial ban on imports of Australian coal. It will be a very successful end to the year 2022 if the third item also occurs or is officially announced.

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2. **Whether an increase in energy prices affects PSL?**

Answer: Although the increase in energy prices occurred in the first half of this year, our results for FH2022 are substantially better than those of FH2021.

3. **Is there any plan to increase the Company's fleet size in the second half of this year? If so, how much will it cost?**

Answer: No, the Company currently has no such plans.

4. **Is there any plan to scrap the Company's ships in the second half of this year?**

Answer: No, the Company has no such plans at this moment.

5. **How much is the total investment budget of the Company?**

Answer: Since we do not have any plans to buy ships, there is no investment budget.

6. **What is the reason that the Company's Supramax TC rates were substantially lower than the BSI rates. Will this trend continue in Q3?**

Answer: The Company cannot give any forward-looking statements. However, in our presentation, we have already explained the first part of your question on slide no. 21.

Precious Shipping Public Company Limited

SET Opportunity Day Q2/2022 held on 10th August 2022

7. **Will the Russian-Ukrainian War and the fear of a global economic recession affect the normal high seasonality of the dry bulk industry towards the end of the year?**

Answer: We have addressed this by addressing the first three questions, which effectively boil down to three catalysts that you need to be on the lookout for. You will observe that rates will increase if any one or more of these three catalysts materializes.

8. **At the moment, the average index for Q3 seems to be lower than that for Q1 and Q2. What were the major influences of this event?**

Answer: In the presentation, we discussed how a demand-supply equilibrium was achieved in 2021. Currently, when demand and supply are perfectly balanced, any slight change in demand (such as a drop) or any slight increase in supply (such as a surplus) will cause a rapid decline in the market. The identical event can also occur in reverse. A minor increase in demand will cause the rates to rise. Rates will also increase if supply decreases because of the aforementioned inefficiencies.

9. **How will the EEXI and CII affect the supply side?**

Answer: If you look at the press articles that are published in the shipping press, you will discover that people are projecting that EEXI will have an impact on anywhere between 70% and 90% of all dry bulk ships worldwide. Due to EEXI, they will have to slow down their speed. If you assume that the entire world fleet will be at sea for 200 days every year, you will find that if speed decreases by 1 knot, it would result in a 5.5% decrease in effective supply of ships.

10. **During the previous SET opportunity day, Management stated that there was no intention to acquire new vessels. What was the reason for the Company's acquisition of the new two vessels?**

Answer: Firstly, it was a good opportunity that presented itself, so we got these two very young ships. Secondly both these two ships have a very good EEXI score.

Precious Shipping Public Company Limited

SET Opportunity Day Q2/2022 held on 10th August 2022

11. The Company has several vessels built in 2005 and older in its fleet. What is the plan for these vessels?

Answer: We either sell them when rates are higher, or we lock them into longer-term charters. You will see that at the appropriate time.

12. If the situation between China and Taiwan is getting worse and ships are unable to sail through the area, how will this affect the sector?

Answer: It will increase ton-mile demand, but because the increase is not going to be significant, it will not have a substantial impact.