

Ref. : 2011-001

27 January 2011

To : **Director and Manager of the Stock Exchange of Thailand**

Subject : Submitting the Audited Consolidated Financial Statements for the year ended and as at 31 December 2010 and 2009.

We, Precious Shipping Public Company Limited, would like to notify the Stock Exchange of Thailand that the Board of Directors' Meeting of the Company no.1/2011 held on 27<sup>th</sup> January 2011 at 14.00 hours has approved the Audited Consolidated Financial Statements of Precious Shipping Public Company Limited and Subsidiaries for the year ended and as at 31 December 2010 and 2009 which are submitted herewith.

The main reasons for changes in the operating results between the two years are explained below.

For the year ended 31 December 2010, the Company and subsidiaries ("the Company") have earned a consolidated net income of Baht 904.69 million as compared to net income of Baht 3,047.06 million earned during the year 2009. The main reasons for changes are as follows:

1. The Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the year 2010 has decreased by about 45 percent over the Net Vessel Operating Income for the year 2009 mainly due to the lower number of vessels operated during the year 2010, due to the sales of the older vessels of the fleet and also because of the decrease in average earnings per day per Vessel from USD 13,459 for the year 2009 to USD 12,304 for the year 2010. Moreover, the lower average US Dollar/Thai Baht exchange rate during year 2010 compared to that in the year 2009 has also contributed to the lower vessel operating income of the year.

The income has been earned from an average of 21 vessels in the year 2010 as against an average of 33 vessels in year 2009. The fleet size as on 31 December 2010 was 21 vessels.

2. For the year 2010, the absolute Vessel running expenses are lower by 44 percent as compared to the year 2009 mainly due to the reduction in the average number of vessels operated during the year as explained above and the reduction in average Vessel operating expenses per day per Vessel from USD 5,040 for the year 2009 to USD 4,725 in the year 2010

(including depreciation/amortisation of the Drydocking/Special Survey expenses in both years). Moreover, the lower average US Dollar/Thai Baht exchange rate in the year 2010 compared to that in the year 2009 has also contributed to the lower vessel running expenses of the year.

3. The Company recorded gain on sale of vessels and equipment of Baht 390.28 million for the year 2010, while the gain on sale of vessels for the year 2009 was Baht 760.28 million. The gain of the year 2010 represents the gain on the sale of 5 old vessels, which were delivered in the first half of 2010.

4. Administrative expenses and management remuneration for the year 2010 have decreased by Baht 93.97 million as compared to the year 2009 due to the lower provision for staff bonus as compared to the year 2009 due to the lower net profit in this year based on which the staff bonus provision is made.

5. The Company recorded net exchange losses of Baht 112.24 million for the year 2010 as against exchange gains of Baht 43.63 million for the year 2009. The exchange losses are due to the appreciation of the Thai Baht against the US Dollar, which resulted in a gain on translation of US Dollar Long Term Loans denominated in US Dollars but which was then netted off by the higher loss on translation of the net current assets, most of which are US Dollar denominated.

6. The corporate income tax was Baht 81.92 million for the year 2010 as against Baht 45.54 million for the year 2009.

We trust you will find the above in order.

Yours sincerely,

For : **Precious Shipping Public Company Limited**

**(Khalid Moinuddin Hashim)**  
**Managing Director**

**(Khushroo Kali Wadia)**  
**Director**