



Precious Shipping Public Company Limited



The Annual General Meeting of Shareholders No.1/2022

Date: 4th April 2022

PSL Fleet

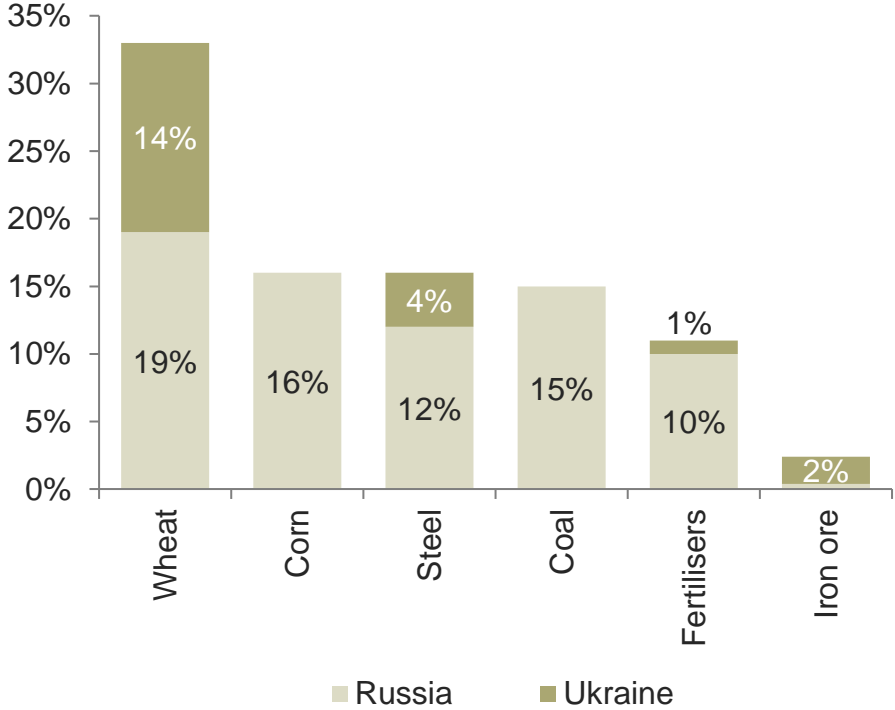
As of	31 st Dec 2017	31 st Dec 2018	31 st Dec 2019	31 st Dec 2020	31 st Dec 2021
Number of Vessels	36	36	36	36	36
Average Age (Simple Avg)	6.3 years	7.3 years	8.3 years	9.3 years	10.3 years
Insured Value (US\$ million)	673.00	700.30	650.00	650.00	747.55
Book Value (US\$ million)	717.19	689.37	664.89	634.77	605.04
Total DWT	1,585,805	1,585,805	1,585,805	1,585,805	1,585,805
Total LDT	350,989	350,989	350,989	350,989	350,989
Average DWT per Vessel	44,050	44,050	44,050	44,050	44,050

Impact of Russia-Ukraine Conflict on the Dry Bulk Market

Result of upended commodity markets due to Russia & Ukraine supplying over 15% of global grain, coal & steel

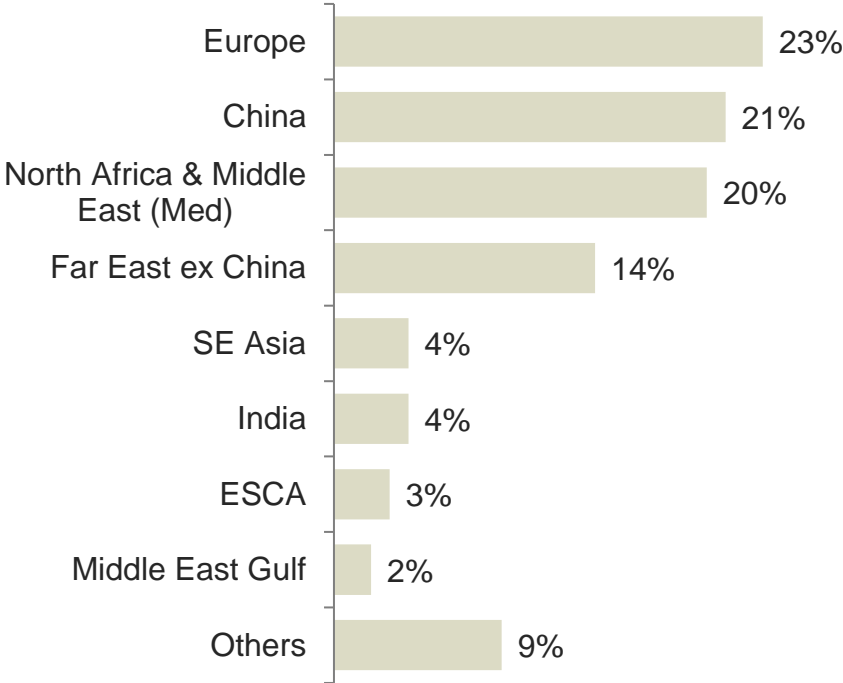
Share in global seaborne trade

% of 2021 exports



Destinations of Russia & Ukraine exports

% of 2021 exports

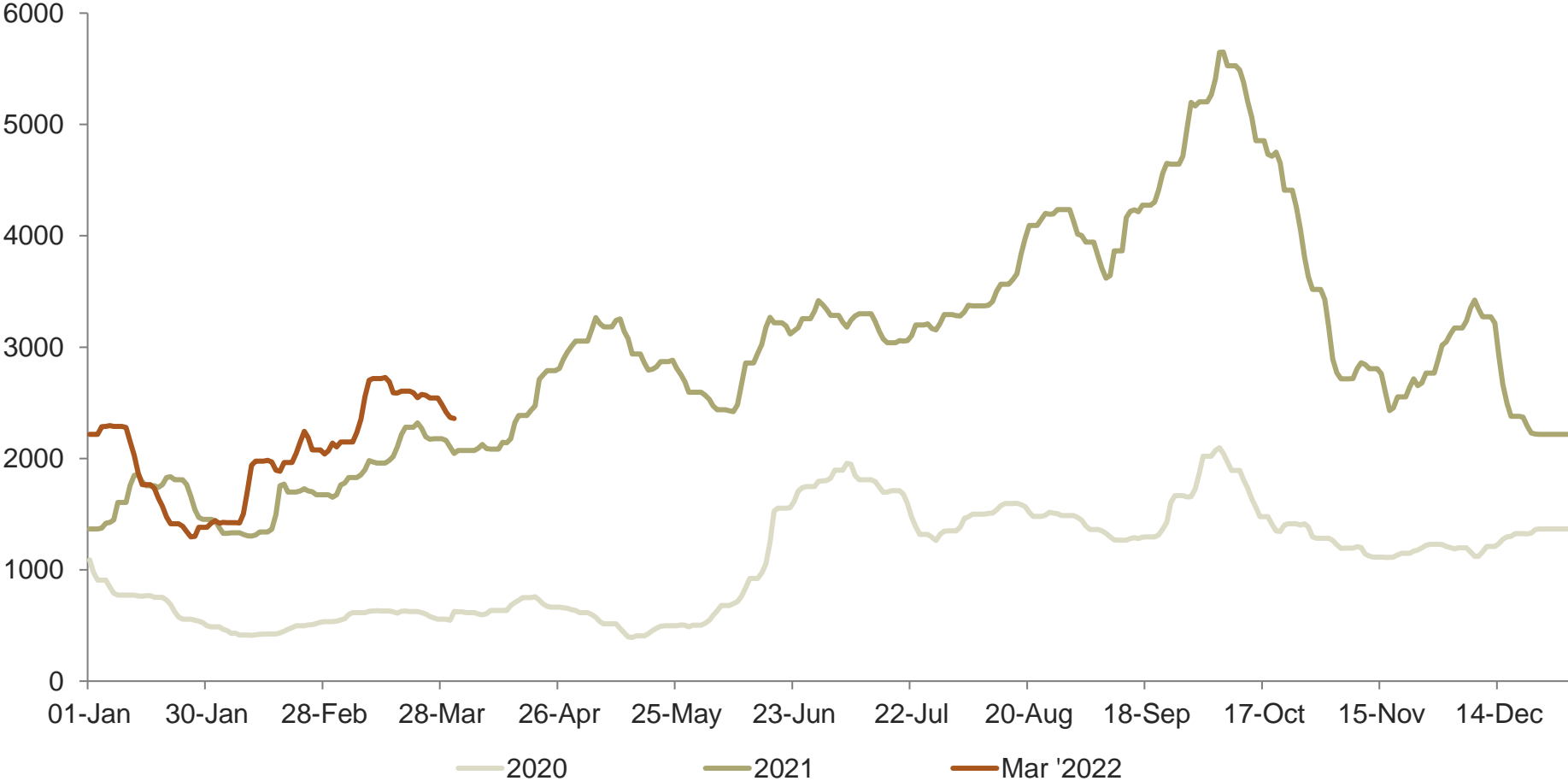


Source: Braemar ACM, March 2022

Lessons from the Russia-Ukraine Conflict

- Truth is the first casualty of war. Do not trust the mainstream media, they simply repeat their government positions.
- The Western powers do not honor their commitments as Ukraine has discovered.
- Inconvenient truths are unearthed during wars. About 30 labs in Ukraine are allegedly involved in developing lethal bio-agents.
- Hypocrisy of the West for white refugees was on full display. Brown/Black lives have no value.
- Innocent lives will pay the price for the blood-profits of the military-industrial complex. None of the people who started this war will ever pay such a price.
- A global food crisis is here, with a sharp rise in price of food items. Once again, it is the poor and colored people who will go hungry.
- Fossil fuel prices have skyrocketed. Green energy is good to talk about, but fossil fuel is used today.
- The real culprit is geopolitics that has created the current war, and stoked inflation to multi decade highs.
- ROW are raising interest rates. China instead cut interest rates, reduced RRR at banks, and lowered mortgage rates.
- 14.5% of seafarers are from Russia-Ukraine. If this war becomes lengthy, it will push up crewing costs for all ship owners.
- Grain from Russia-Ukraine to Turkey and North Africa will be substituted by longer ton-miles from India, Australia, USA/Canada, and South America.
- If the EU switches all its gas-based power plants to coal, then the annual import of coal would *increase* by 184 MMT.
- The iron ore exported by Ukraine to the EU will be replaced by longer ton-mile cargo from Canada, boosting freight rates.
- Wars lead to disruptions, and inefficiency, resulting in longer ton-mile, and higher freight rates.

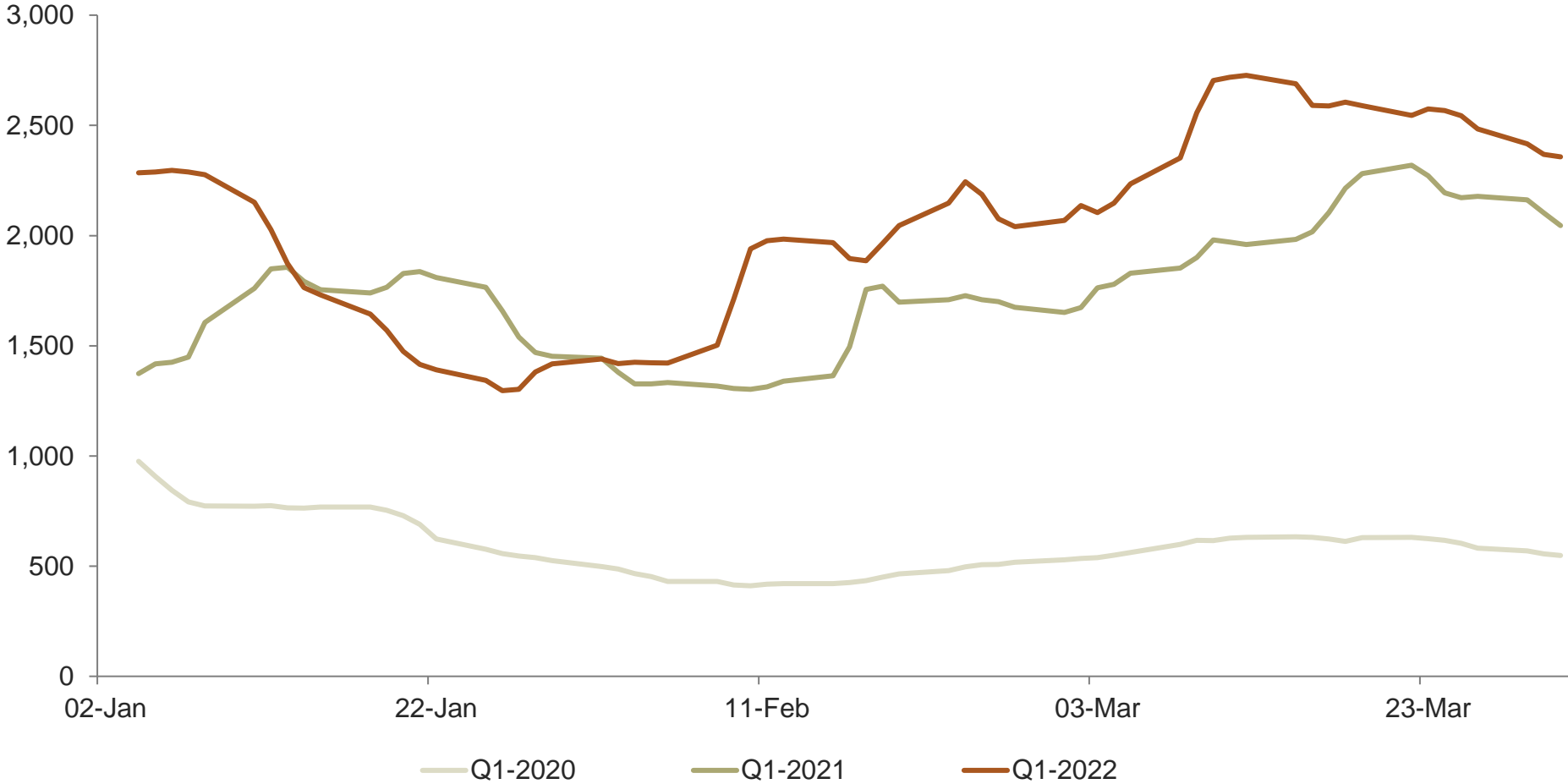
Y-O-Y Analysis Of The Baltic Dry Index



Source: Clarksons, 31 Mar 2022



Q-O-Q Analysis Of The Baltic Dry Index

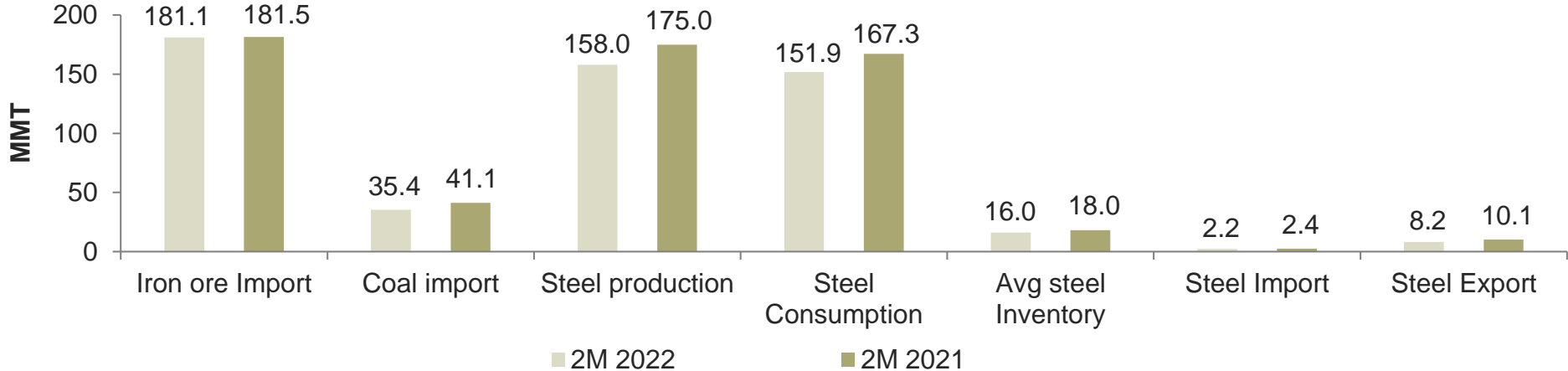


Source: Clarksons, 31 Mar 2022

Is China's Import Growth Sustainable?

Latest available Data points on China in 2M 2022 Vs 2M 2021.

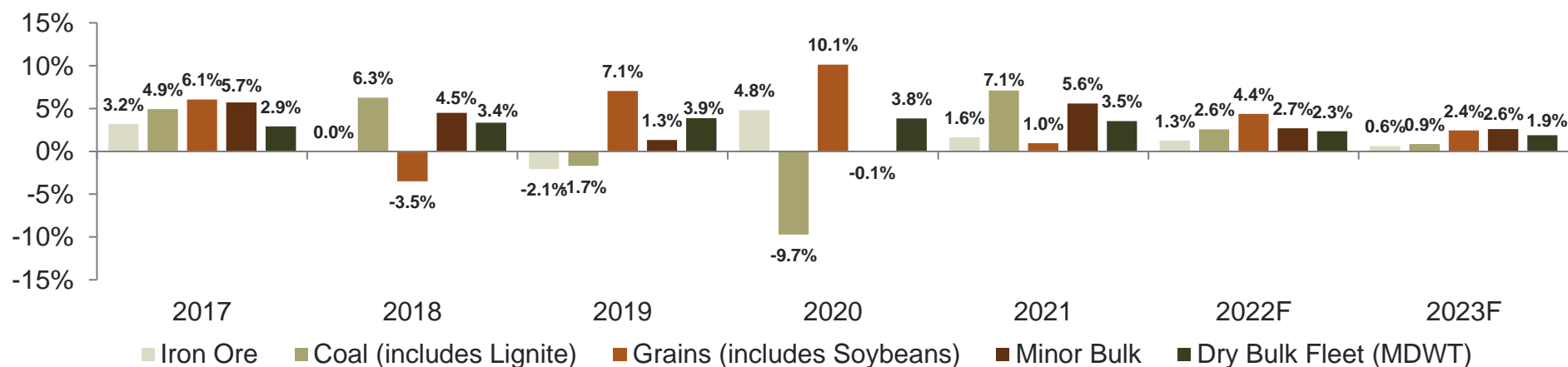
- China's Iron Ore imports in 2M 2022 was 181.1 MMT Vs 181.5 MMT 2M 2021 down by 0.2%.
- China's Coal imports in 2M 2022 was 35.4 MMT Vs 41.1 MMT 2M 2021 down by 13.9%.
- China's Steel production in 2M 2022 was 158.0 MMT Vs 175.0 MMT in 2M 2021 down by 9.7%.
- Monthly average Steel inventory in 2M 2022 was 16.0 MMT Vs 18.0 MMT 2M 2021 down by 11.1%.
- Steel imports in 2M 2022 was 2.2 MMT Vs 2.4 MMT in 2M 2021 down by 8.3% .
- Steel exports in 2M 2022 was 8.2 MMT Vs 10.1 MMT 2M 2021 down by 18.8%.
- Steel consumption in 2M 2022 was 151.9 MMT Vs 167.3 MMT in 2M 2021 down by 9.2%.



Historical Growth In Seaborne Drybulk Trade – Billion Tonne-Miles

Seaborne Drybulk Trade							
All Units In Billion Tonne-Miles	2017	2018	2019	2020	2021	2022F	2023F
Iron Ore	8,190	8,190	8,021	8408	8,546	8,654	8,708
Coal (includes Lignite)	4,870	5,176	5,089	4,594	4,921	5,047	5,091
Grains (includes Soybeans)	3,272	3,158	3,381	3,724	3,760	3,925	4,021
Minor Bulk	9,941	10,389	10,527	10,518	11,105	11,403	11,701
Total	26,272.56	26,913.63	27,018.75	27,245.57	28,331.66	29,028.67	29,519.97
Total % Change In Trade	4.82%	2.44%	0.39%	0.84%	3.99%	2.46%	1.69%
Dry Bulk Fleet (MDWT)	813.53	840.82	873.43	906.99	939.15	961.16	979.44
% Change in Dry Bulk Fleet (MDWT)	2.93%	3.35%	3.88%	3.84%	3.55%	2.34%	1.87%

% age increase over the previous year

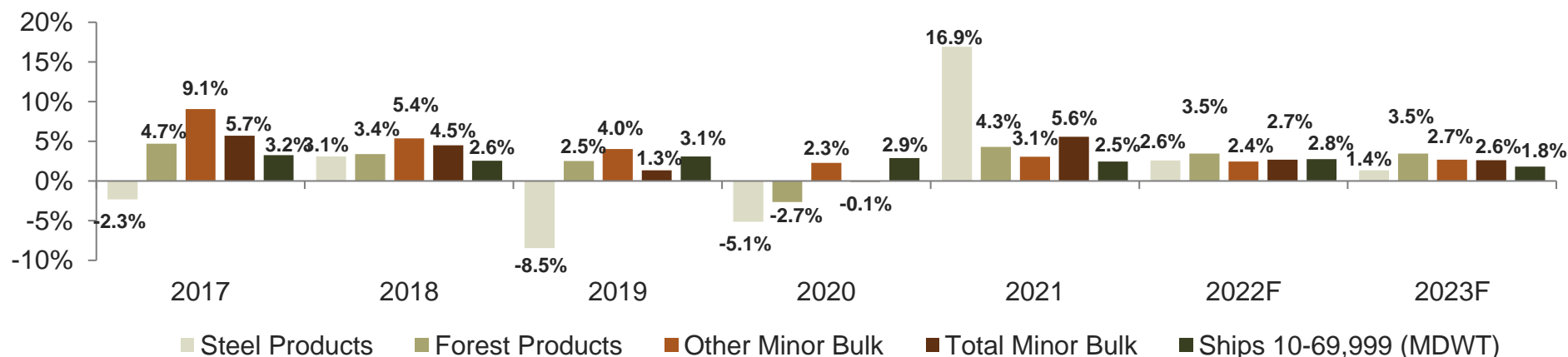


Source: Clarkson's, 22 Mar 2022

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	1,905	1,963	1,797	1,705	1,993	2,045	2,073
Forest Products	2,224	2,300	2,358	2,295	2,394	2,476	2,562
Other Minor Bulk	5,813	6,126	6,372	6,518	6,718	6,882	7,066
Total Minor Bulk	9,941	10,389	10,527	10,518	11,105	11,403	11,701
% Change In Minor Bulk	5.72%	4.50%	1.33%	-0.09%	5.58%	2.69%	5.37%
Ships 10-69,999 (MDWT)	296.20	303.80	313.20	322.20	330.10	339.23	345.33
% Change In 10-69,999 (MDWT)	3.24%	2.57%	3.09%	2.87%	2.45%	2.77%	1.80%

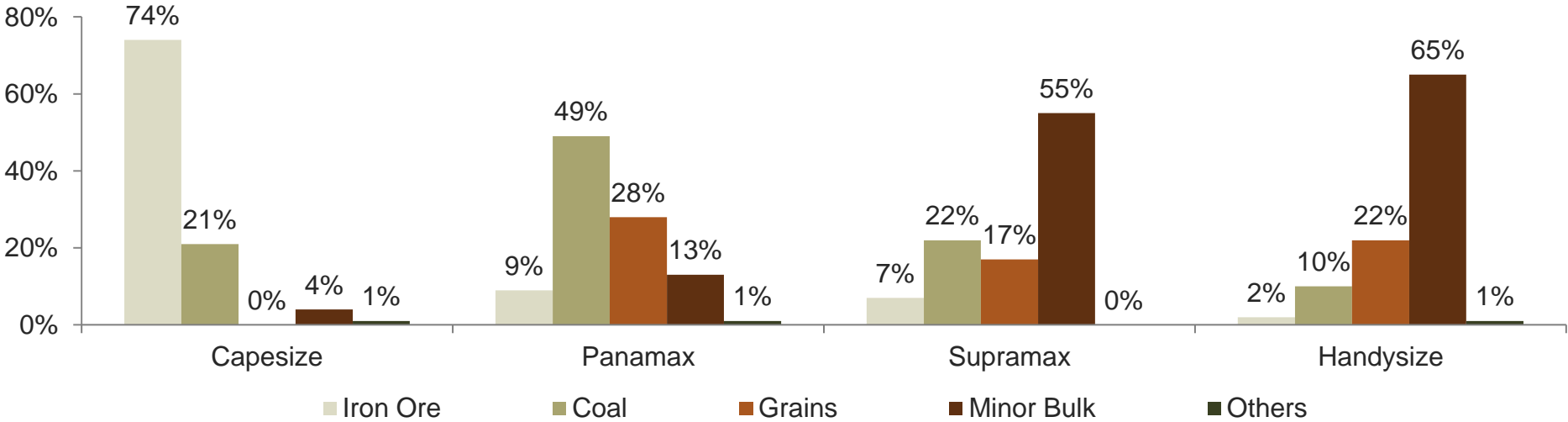
% age increase over the previous year



Source: Clarkson's, 22 Mar 2022

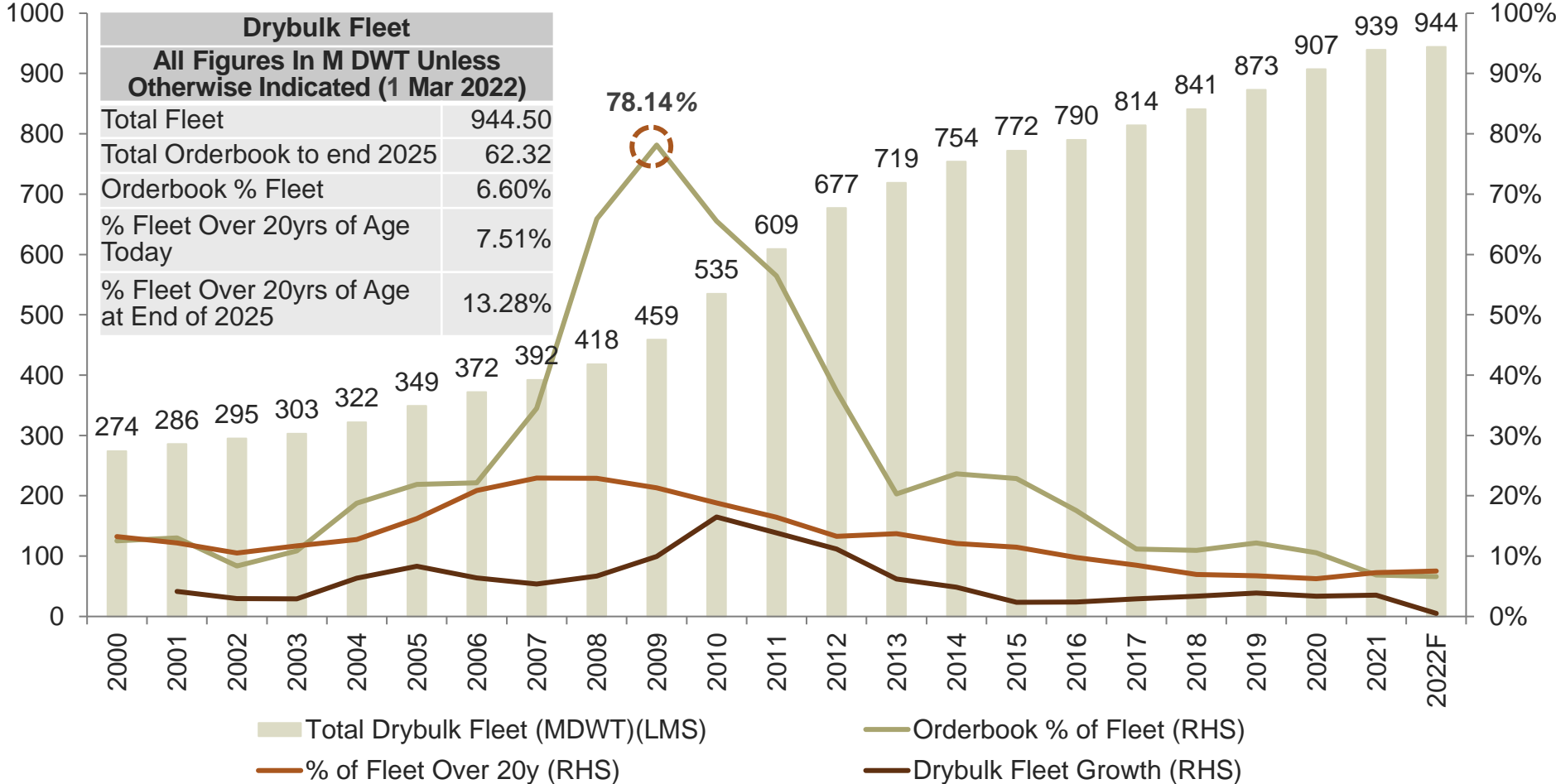
Commodities Share by Different Dry Bulk Sectors

COMMODITIES	Capesize	Panamax	Supramax	Handysize
Iron Ore	74%	9%	7%	2%
Coal	21%	49%	22%	10%
Grains	0%	28%	17%	22%
Minor Bulk	4%	13%	55%	65%
Others	1%	1%	-	1%



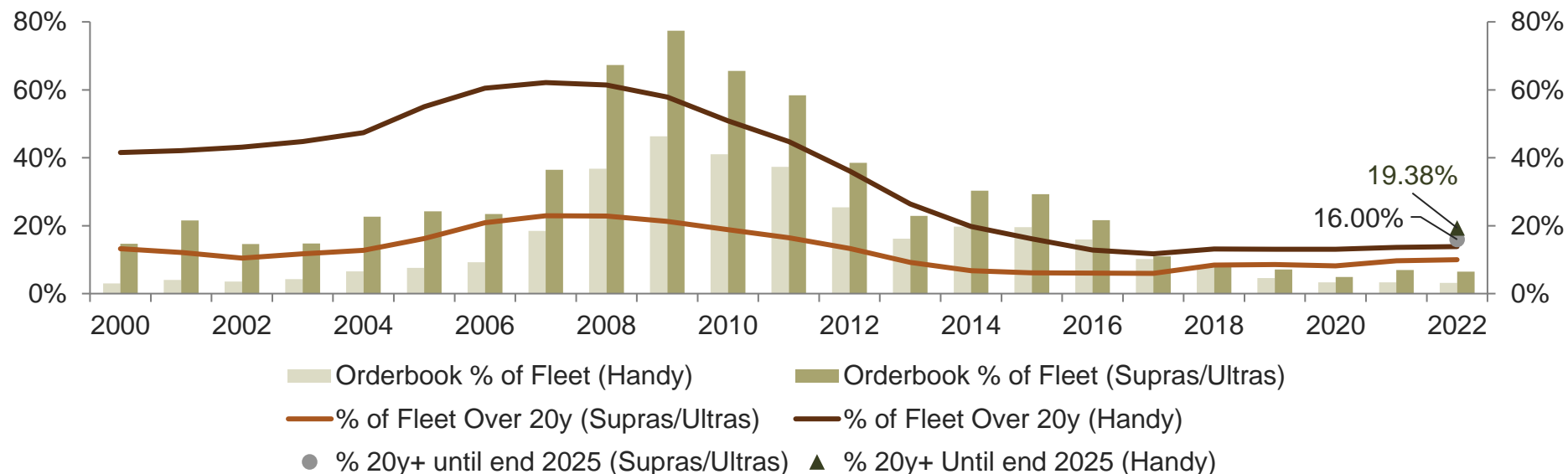
Source: Maersk Broker

Putting Orderbook Figures In Context – The Overall Dry bulk Fleet



Source: Clarkson's, as on 22 Mar 2022

Putting Orderbook Figures In Context – Geared Vessels Only



Handysize Fleet	
All Figures In M DWT Unless Otherwise Indicated (1 Mar 2022)	
Total Fleet	112.39
Total Orderbook	3.56
Orderbook % Fleet	3.17%
% Fleet Over 20yrs of Age Today	13.85%
% Fleet Over 20yrs of Age at End of 2024	19.38%

Supramax/Ultramax	
All Figures In M DWT Unless Otherwise Indicated (1 Mar 2022)	
Total Fleet	219.76
Total Orderbook	14.28
Orderbook % Fleet	6.50%
% Fleet Over 20yrs of Age Today	9.98%
% Fleet Over 20yrs of Age at End of 2024	16.00%

Source: Clarkson's, as on 22 Mar 2022

Differences in 2003-2009, 2010-2020, 2021, and 2022

Daily average Time Charter rate	2003 – 2009	2010 – 2020	2021	Q1 2022
Capesize	67,101*	14,924***	33,333**	14,778**
Panamax	32,793*	10,965***	27,898**	22,652**
Supramax	28,013 ^{^^}	10,765***	26,768**	24,548**
Handysize	18,753 ^{^^}	8,789***	25,702**	23,419**
Demand Billion Ton-miles per year	+5.4%	+4.2%	+4.0%	+2.5%
Chinese Stimulus	China enters WTO 2001	USD 578 bn (2009)	\$667 bn (mid year 2020) (ROW \$20 tn+ 2020/21)	-
Orderbook/Fleet ratio per 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%	+2.1%

2022 & The Future

At the start of 2022, for the first time in two decades, the 20+ year old fleet is larger than the forward order book!

Note: *BCI 172K (4TC), BPI 74K (4TC), BSI 52K (6TC), BHSI 28K (6TC).

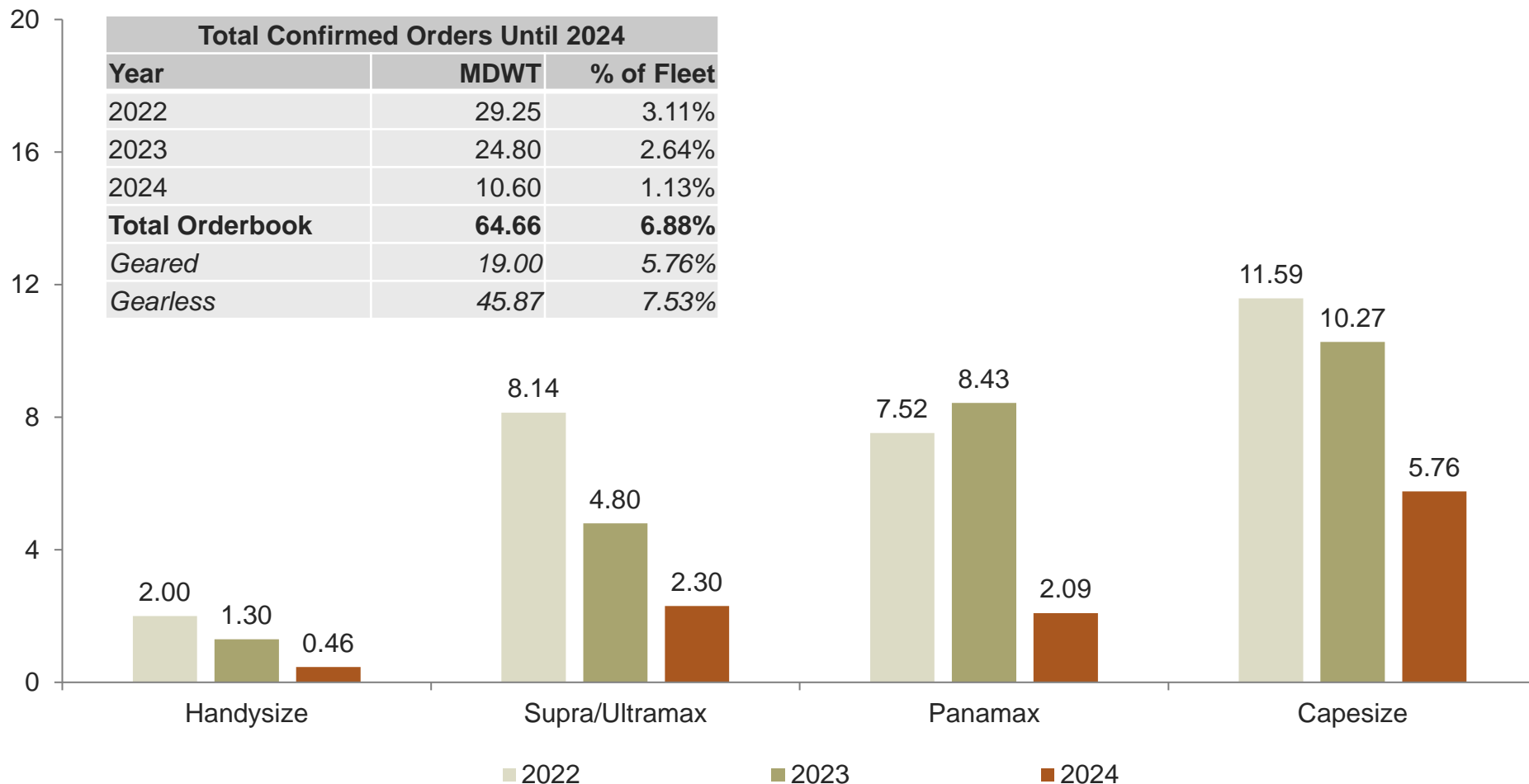
**BCI 180K (5TC), BPI 82K (5TC), BSI 58K (10TC), BHSI 38K (7TC)

***Combine of above two classification

^{^^}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, 22 Mar 2022

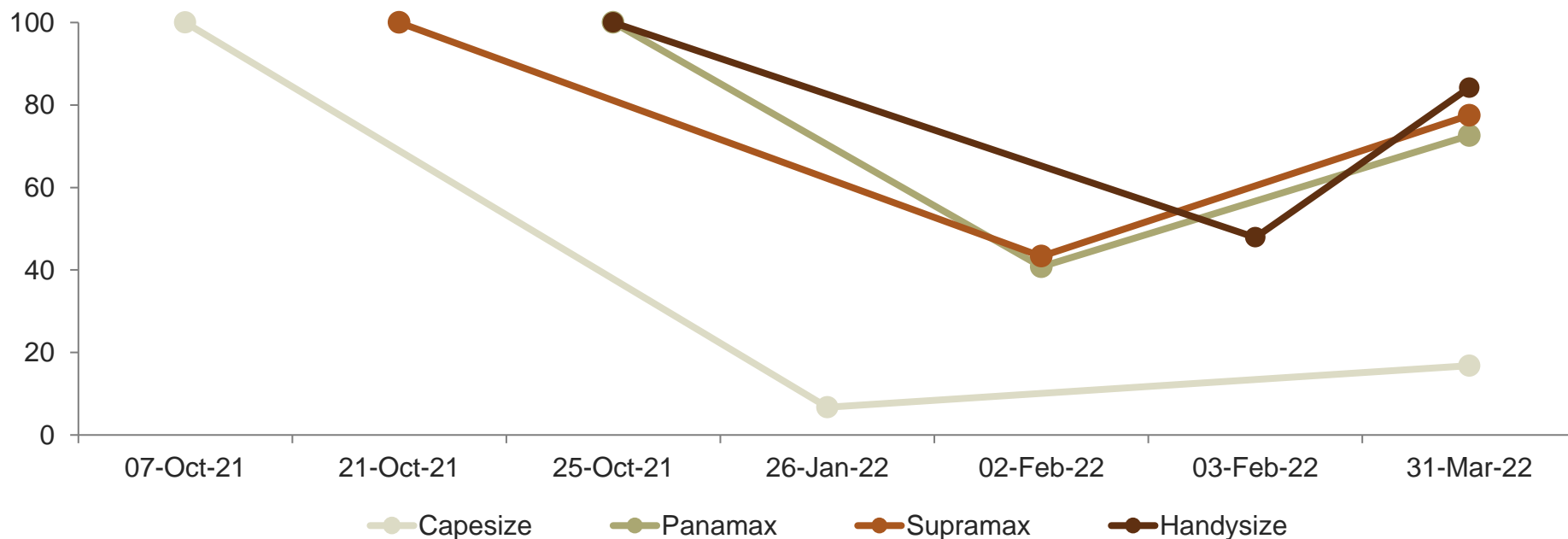
Confirmed Orders as of 31 Dec 2021 (MDWT) to 31 Dec 2024



Source: Clarkson's as on 6 Jan 2022

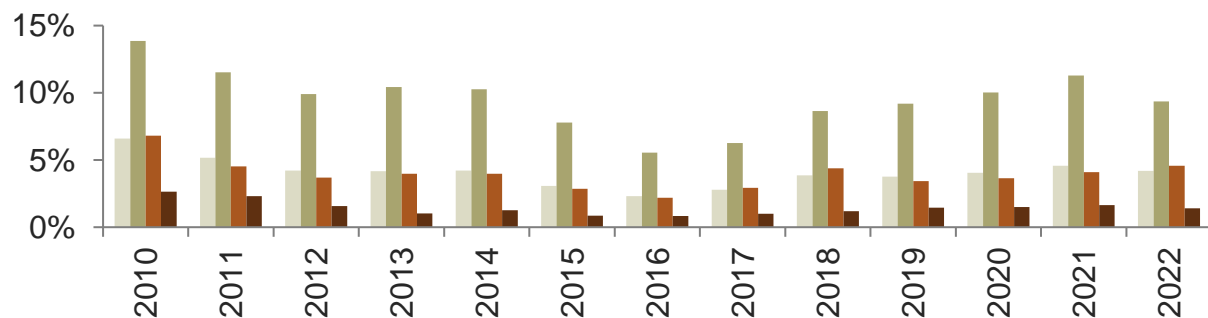
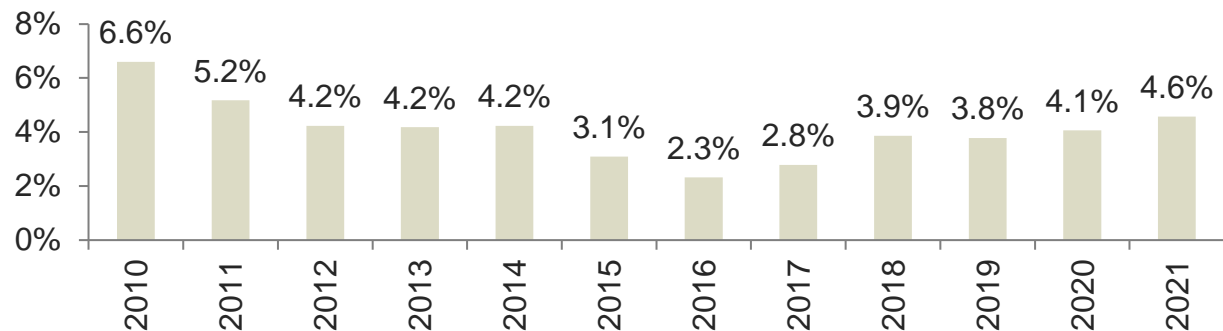
Capes, Panamax, Supras, Handy - Top to bottom and back up!

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%
31-Mar-22	14,593	+150%	31-Mar-22	28,273	+78%	31-Mar-22	30,883	+79%	31-Mar-22	31,236	+76%



Port Congestion in the Dry Bulk fleet

Total Bulkcarrier Port Congestion as % of Bulkcarrier Fleet



- Total Bulkcarrier Port Congestion as % of Bulkcarrier Fleet
- Capesize Port Congestion as % of Capesize Fleet
- Panamax Port Congestion as % of Panamax Fleet
- Handymax Port Congestion as % of Handymax Fleet

- Total Port congestion stood at 4.6% of total bulk carrier fleet in 2021.
- This data is based on reports of vessels waiting at a selected number of ports globally.
- If you ignore the 4 outlier years (2010, 2015, 2016, and 2017) **the annual average congestion over the last 12 years has been 4.3% so 2021 was never an exceptional year in terms of congestion** as has been made out by the analysts and the media.

Source: Clarksons 15 Jan 2022

Key Industry Takeaways

The Good News in 2021

- Supply/demand balance was reached in 2021.
- The BDI reached 5,650 on 7th October, from 1,374 points at the start of 2021!
- Material improvement in rates took place during 2021.
- Time charter rates in 2021 are higher than the average of the last 10-year rates!
- Average rates for the index ships in Q1 2022 are stronger than in Q1 2021.
- Market is likely to remain strong during 2022/2025 but with extreme volatility.
- New ships ordered in 2021 are up on 2020 (+62% due to low base effect from Covid-19) and on 2019 (+46%), but for geared ships it is -6% and +49% respectively.

The Bad News in 2021

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

Q4 2021 and the likely Future

- As a result, congestion dropped in Q4; weaker, yet healthy, rates in Q4 2021 and Q1 2022.
- Above negative factors caused by government decree and **not by a collapse in demand** and can be reversed.
- **By Q2 2022** we expect that the **China real estate crisis will have passed; China power will increase; China industrial production will be up** to its trend line; **Chinese GDP will be back** at/above trend and we **may be surprised, once again, at the strength of the market in 2022!**



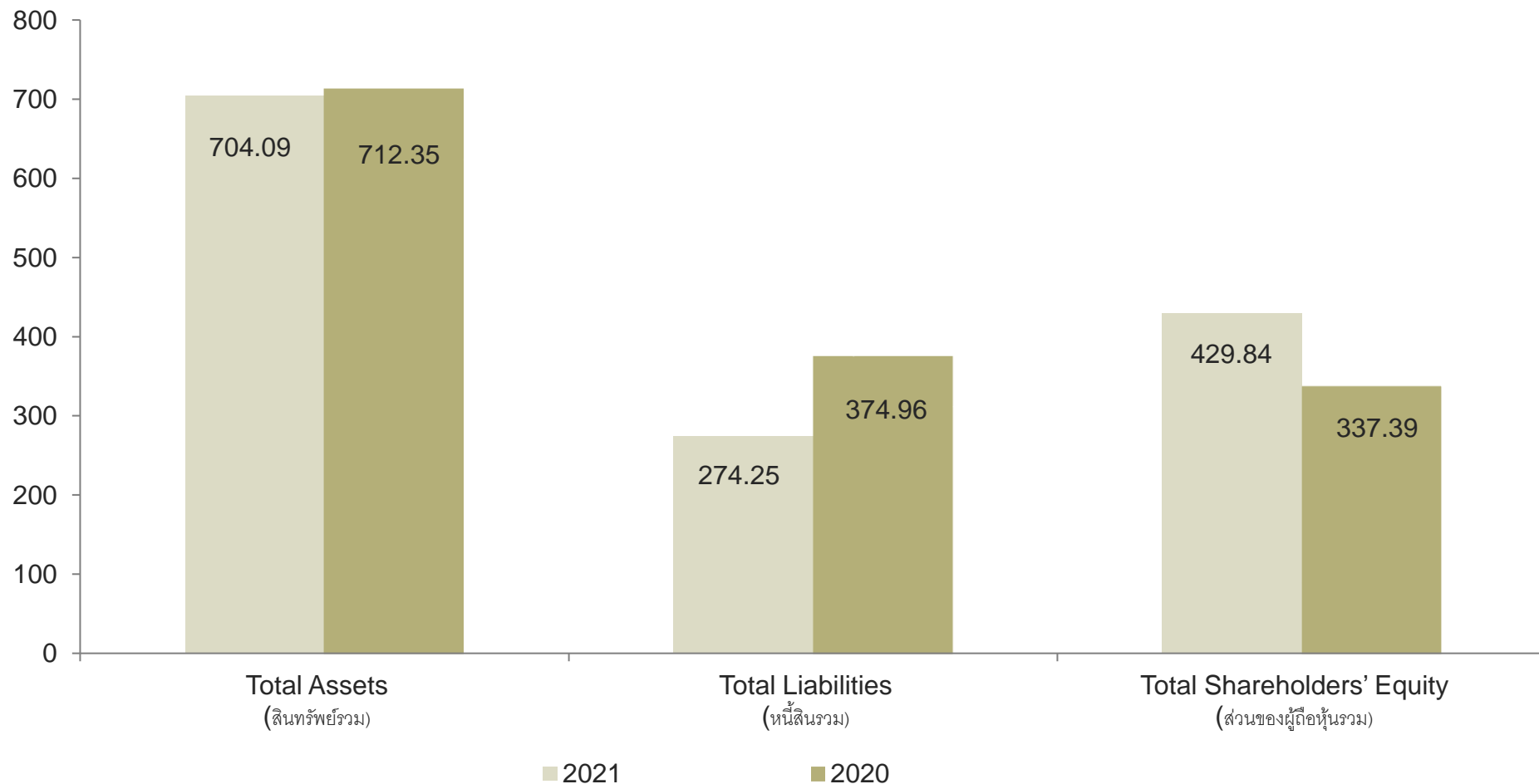
Financials

Financial Highlights – Income Statement

Particulars	รายการ	2021	2020
<i>(Unit : US\$ Million / หน่วย: ล้านดอลลาร์สหรัฐ)</i>			
Total Revenues	รายได้รวม	272.09	119.85
Net Profit (Loss)	กำไร (ขาดทุน) สุทธิ	136.96	(40.80)
Net Profit (Loss) excluding Exchange gain (loss) and Non-recurring items	กำไร (ขาดทุน) สุทธิ ไม่รวมกำไร (ขาดทุน) จากอัตราแลกเปลี่ยนและรายการพิเศษต่างๆ	132.76	(13.24)
EBITDA	กำไรก่อนหักดอกเบี้ยจ่าย ภาษีเงินได้ ค่าเสื่อมราคา และรายจ่ายตัดบัญชี	175.17	36.25
<i>(Unit : US\$ / หน่วย: เหรียญสหรัฐ)</i>			
Average TC Income per Ship per day	รายได้เฉลี่ยต่อวันต่อลำ	20,338	8,332
Average Ship Running Cost per Ship per day (OPEX)	ค่าใช้จ่ายในการเดินเรือเฉลี่ยต่อวันต่อลำ	5,090	4,705
<i>(Unit: Baht / หน่วย: บาท)</i>			
Earning (Loss) per share	กำไร (ขาดทุน) ต่อหุ้น	2.87	(0.83)

Financial Highlights - Financial Position

US\$ Million - ล้านบาทสหรัฐ



2021 Highlights – redemption of bonds & refinancing

- **PSL206A** was fully redeemed on 23 April 2021.
- **EXIM Loan** amounting to USD 10.00 million was signed on 30 April 2021. The proceeds were used to refinance a loan previously provided by EXIM.
- **CA-CIB Loan** amounting to USD 38.35 million was signed on 21 June 2021. The proceeds were used to redeem THB 1,163.16 million of PSL211A's outstanding amount on 22 July 2021.
- **IFC, EXIM and TTB Loan** amounting to USD 85.00 million was signed on 29 June 2021. The proceeds were used to repay existing vessel indebtedness and make the final redemption payment for PSL211A in Q3.
- **PSL211A** was fully repaid on 27 September 2021.
- **In 2021, PSL** entered into long-term charter contracts for two vessels at levels linked to the underlying index for vessels of that size. Four additional vessels were fixed on similar long-term charters in 1Q 2022. The variability of rate under this type of time charter allows us to fully capture the upside in the market, although it also exposes us to the risk of a fall in freight rates.

2021 – Highlights for dividend

- **PSL** declared an interim dividend No.1 of 50 Satang and paid on 10th Sep 2021.
- **PSL** declared an interim dividend No.2 of 50 Satang and paid on 13th Dec 2021.
- **PSL** declared an interim dividend No.3 of 50 Satang and paid on 11th March 2022.
- Apart from dividend No.1 - No. 3, PSL declared a final dividend of 25 Satang, to be paid on 28th April 2022 (after the E-AGM approval). Total dividend for the year 2021 is Baht 1.75 per share.



Anti-Corruption Activities

The Company maintains high ethical standards, with a view to upholding its position against any form of bribery and corruption.

Anti-Corruption activities are as follows:

- Conducting regular bribery and corruption risk assessment to review mitigation measures;
- Training provided to executives and staff members to increase awareness and understanding of the corruption risks businesses may face;
- Implementation of a monitoring system to ensure the effectiveness of the relevant policies and procedures.

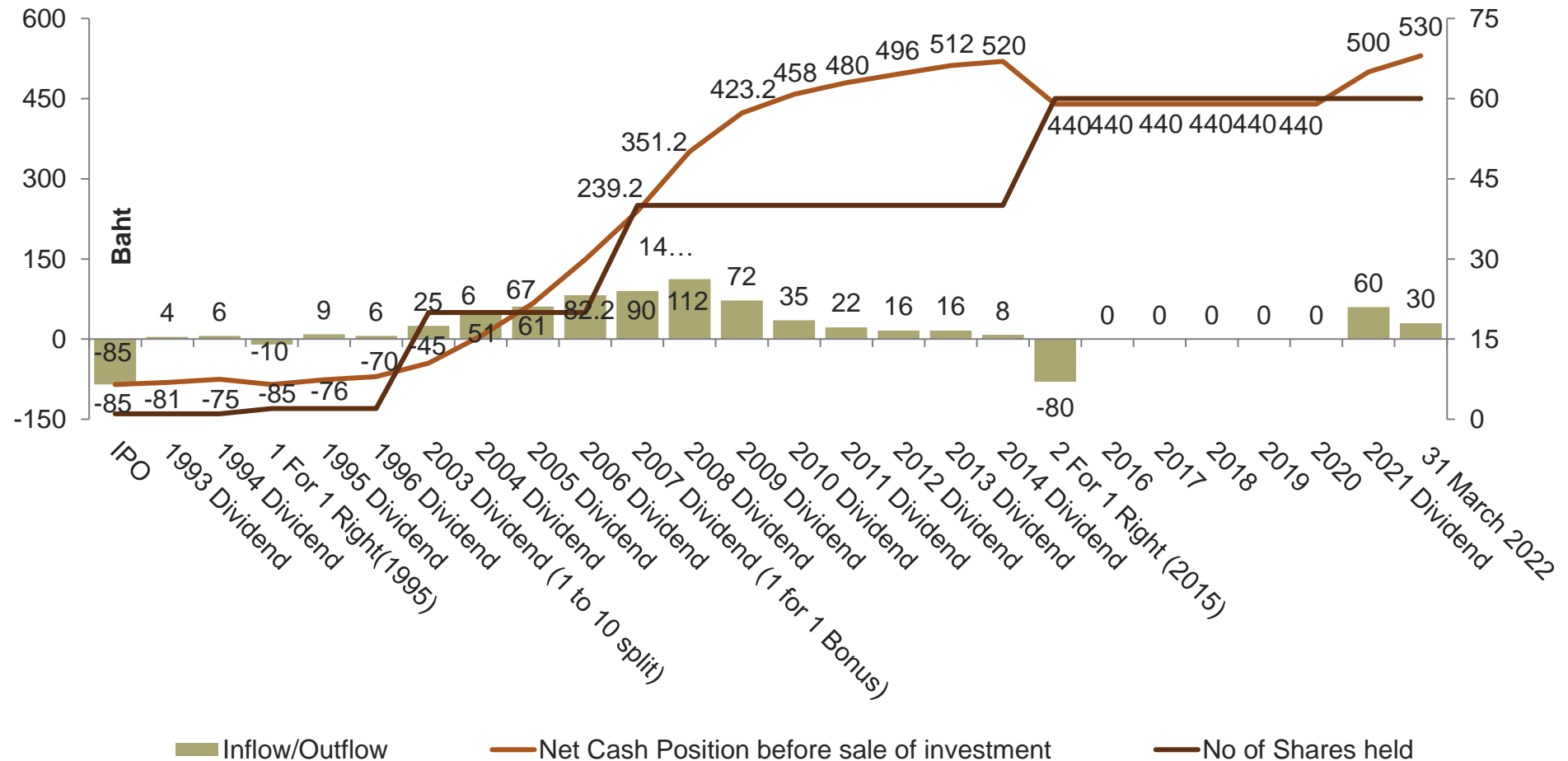
In August 2019, the Company was certified as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC).





Shareholder's returns

Total Return to Shareholders: 1993 to 31 March 2022



Basis the 17.10 Baht/share price on 31 March 2022, stockholders have earned a 16.4% 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**.
- PSL is a Thai Corporate, but **we have zero business out of Thailand**. **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

Website: www.preciousshipping.com | E-mail: psl@preciousshipping.com, ir@preciousshipping.com