



Precious Shipping Public Company Limited



ANNUAL REPORT 2021



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



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FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS

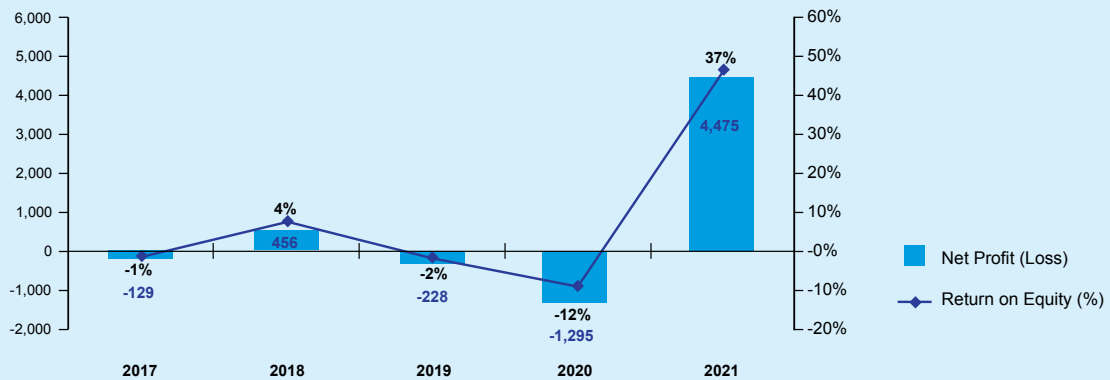
Unit : Baht Million

Details	2021	2020	2019	2018	2017
Vessel Operating Income	8,611.75	3,726.30	4,144.28	4,929.11	4,328.90
Vessel Operating Costs	2,085.50	2,009.05	1,984.15	2,065.54	1,990.23
Gross Profit	6,526.25	1,717.25	2,160.13	2,863.57	2,338.67
Total Revenues	8,814.26	3,751.06	4,183.03	4,970.12	4,394.63
Total Expenses (excluding depreciation & loss on impairment & loss on sales of vessels & losses on settlement agreement)	3,146.83	2,970.56	3,245.23	3,351.25	3,364.08
Depreciation	1,213.65	1,213.01	1,183.43	1,184.95	1,169.84
Loss on settlement agreement	0.00	868.72	0.00	0.00	0.00
Share of profit from investment in associate held by a subsidiary	22.80	10.81	19.85	24.42	10.00
Profit (Loss) before Corporate Income Tax	4,476.61	(1,290.42)	(225.78)	458.34	(129.29)
Corporate Income Tax	1.68	4.44	2.71	2.14	0.19
Net Profit (Loss)*	4,474.93	(1,294.85)	(228.49)	456.20	(129.48)
Total Current Assets	2,809.51	1,937.89	1,680.52	2,317.15	2,250.59
Property, plant and equipment	20,284.98	19,124.56	20,097.55	22,409.26	23,474.67
Total Assets	23,530.50	21,396.85	25,060.55	27,836.91	28,833.24
Total Current Liabilities	1,916.60	3,339.31	4,712.25	2,308.47	1,333.91
Long-Term Loans - net of current portion	6,809.26	4,730.34	5,011.89	7,150.29	9,483.37
Total Liabilities	9,165.49	11,262.56	13,501.50	15,141.45	16,497.75
Paid-up Capital	1,559.29	1,559.29	1,559.29	1,559.29	1,559.28
Total Shareholders' Equity	14,365.02	10,134.29	11,559.05	12,695.46	12,335.49
Cash flow from Operating activities	5,895.43	1,863.96	1,890.41	2,256.03	2,010.43
Cash flow from (used in) Investing activities	(235.35)	997.09	(427.48)	(272.23)	(1,636.57)
Cash flow used in Financing activities	(4,422.60)	(2,928.40)	(2,009.32)	(1,983.65)	(949.42)
Book Value per share (Baht)	9.21	6.50	7.41	8.14	7.91
Earnings (loss) per share (Baht)	2.87	(0.83)	(0.15)	0.29	(0.08)
Gross Profit Margin (%)	75.78	46.08	52.12	58.10	54.02
Net Profit Margin (%)	50.77	(34.52)	(5.46)	9.18	(2.95)
Return on Equity (%)	36.53	(11.94)	(1.88)	3.65	(1.00)
Return on Total Assets (%)	19.92	(5.57)	(0.86)	1.61	(0.42)
Total Liabilities/Equity Ratio	0.64	1.11	1.17	1.19	1.34
Number of Ships (As at end of the Year)	36	36	36	36	36
Exchange rate 1 USD to THB for statement of financial position	33.4199	30.0371	30.1540	32.4498	32.6809
Exchange rate 1 USD to THB for Income statement (Average for the year)	32.1156	31.3382	30.9637	32.3223	33.8038

* Net Profit (Loss) means Net Profit (loss) attributable to equity holders of the Company

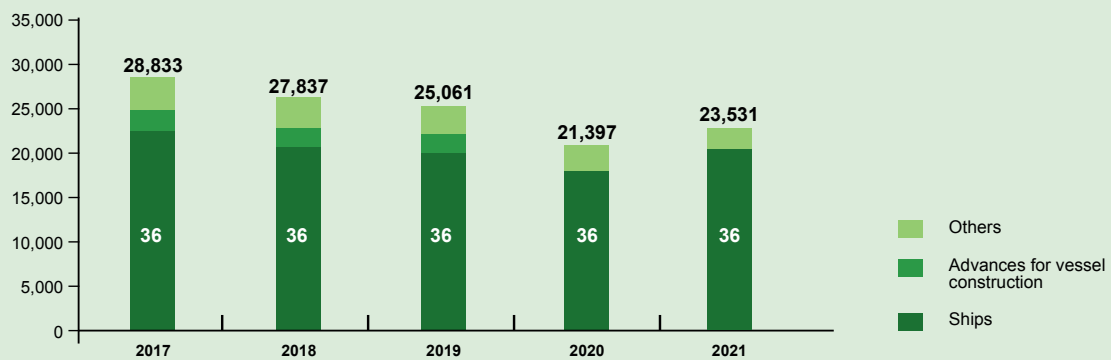
Net Profit (Loss) and Return on Equity

Unit : Baht Million



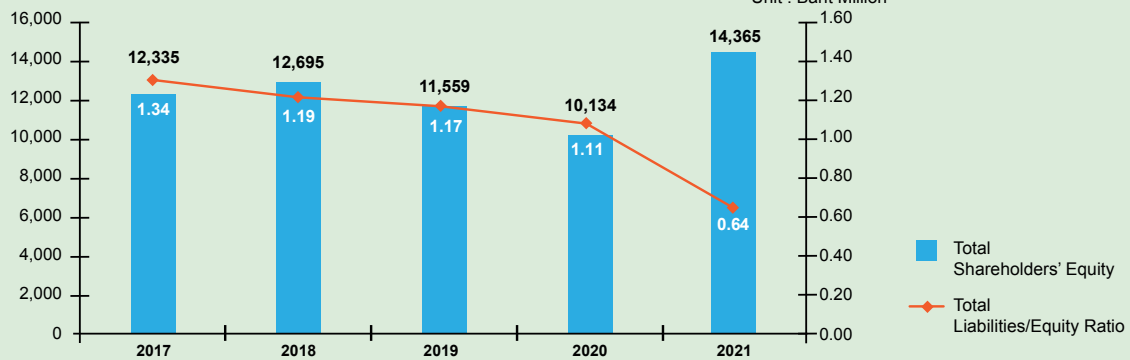
Total Assets

Unit : Baht Million



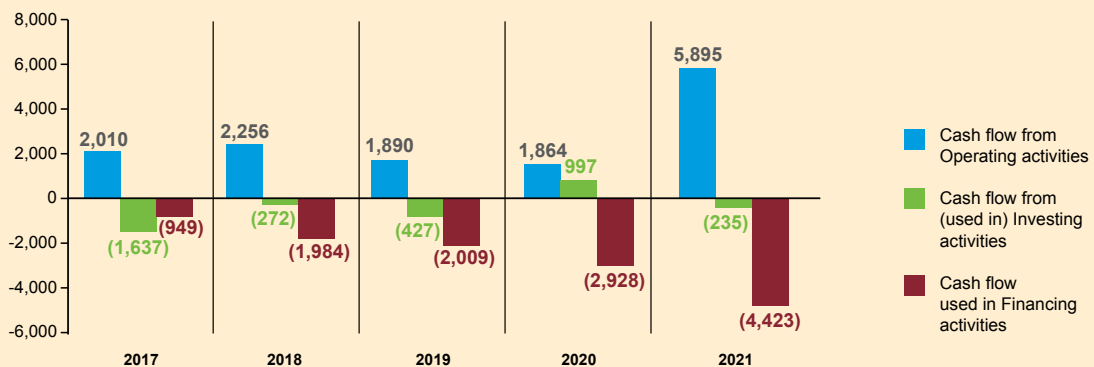
Shareholder's Equity and Total Liabilities / Equity Ratio

Unit : Baht Million



Cash Flows

Unit : Baht Million







THE BOARD OF DIRECTORS' REPORT



MESSAGE FROM THE BOARD OF DIRECTORS' REPORT



Chaipatr Srivisarvacha
Chairman of the Board of Directors

TO THE SHAREHOLDERS:

The directors are pleased to present the 33rd Annual Report of the Company along with the Audited Financial Statements as on 31 December 2021.

BDI Developments:

- Please watch this beautiful [video](https://www.youtube.com/watch?v=5QCB7q38yIQ) by BIMCO & ITN on the role of ships and the 1.7 million seafarers who serve on them.
- The dry bulk market will have the same macro issues of supply/demand balance dominating its narrative. Please see the 'Differences in 2003-2009, 2010-2020, 2021, and the future' section for a comprehensive explanation.
- Average quarterly time charter rates for Capes (180K DWT) were \$ 17,126 per day in Q1, \$ 31,120 in Q2 \$ 42,379 in Q3, and \$ 42,645 in Q4. Capes started

the year at \$ 16,656 on 4th January, reached a peak of \$ 86,953 on 7th October, a trough of \$ 10,304 on 12th February, and then closed out the year at \$ 19,176 on 24th December with the average for 2021 being \$ 33,333. Average quarterly time charter rates for Panamax (82K DWT) were \$ 18,493 in Q1, \$ 26,052 in Q2, \$ 33,629 in Q3, and \$ 29,253 in Q4. Panamaxes started the year at \$ 12,272, reached a peak of \$ 38,952 on 25th October, a trough of \$ 12,272 on 4th January, and then closed out the year at \$ 23,158, with the average for 2021 being \$ 26,898. Keep in mind that Capes spend 74% of their time on iron ore and 21% of their time on coal. When you have that much of concentration risk of 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.

- Average quarterly time charter rates for Supras (58K DWT) were \$ 16,633 in Q1, \$ 25,538 in Q2, \$ 34,269 in Q3, and \$ 30,472 in Q4. Supras started the year at \$ 11,305, reached a peak of \$ 39,860 on 21st October, a trough of \$ 11,242 on 5th January, and then closed out the year at \$ 25,188, with the average for 2021 being \$ 26,768. Average quarterly time charter rates for Handies (38K DWT) were \$ 16,610 in Q1, \$ 22,507 in Q2, \$ 32,194 in Q3, and \$ 31,370 in Q4. Handies started the year at \$ 12,040, reached a peak of \$ 37,109 on 25th October, a trough of \$ 11,695 on 12th January, and then closed out the year at \$ 26,384 with the average for 2021 being \$ 25,702. Against the larger Capes/Panamaxes, 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!
- In our Annual Report for 2020, we wrote that the 'pundits proclaimed that the dry bulk market was condemned to perdition. But just as the pundits were murmuring our last rites, China and its USD 667 billion stimulus plan announced in May (2020), brought the dry bulk market and demand roaring back into life!' The roar let out by the dry bulk freight market in 2021, with average rates earned by our fleet for the year at \$ 20,338, was heard by all. The index ships had annual averages of \$ 33,333 (Capes), \$ 26,898 (Panamaxes), \$ 26,768 (Supras), and \$ 25,702 (Handy sizes).
- In 2020 we wrote that when '4 times as much DWT is delivered (2012 and 2016) as is ordered in any year then the BDI has increased in the subsequent year by 31% and 70% (2013 and 2017)'. In 2020 48.66 MDWT was delivered, while 13.86 MDWT was ordered (or 4 times), and the average BDI for 2021 at 2,943 points was 176% higher than the average BDI in 2020 at 1,066 points. In 2021 37.62 MDWT was delivered, while 37.65 MDWT was ordered, so the 4X rule should not apply. Let us see what happens to this rule as the pundits believe that we will have an equally strong year in 2022 as we had for 2021.
- In 2020 we wrote 'Covid-19 induced congestion delays, deviations for crew changes adding to ton-miles, and delays due to 14-day quarantine of ships have all tightened supply of ships' and that proved accurate in 2021. We expect more fleet inefficiencies for 2022 as we do not see Covid-19 fading away anytime soon. This factor will tighten net effective supply of ships, aided by the very low ordering activity in 2021, to easily counteract the increased supply generated from the faster speeds that ships are expected to sail at in stronger markets.
- Due to geopolitical tensions between China and Australia, coal normally shipped in larger gearless ships, increasingly moved on Supras/Ultramax from other alternate suppliers, resulting in increased ton-mile demand for alternate coal supplies to China and from alternate customers for Aussie coal.
- Increased ton-mile growth in demand for grain, helped the smaller size ships, as did the moving out of cargoes from containers to Handies, to reach heights not seen even in the 2003/2009 boom.
- 2021 was, therefore, a story of a demand side recovery aided by supply tightness due to Covid-19 related inefficiencies despite increased speeds (2 knots) which failed to spoil the dry bulk party. This leads us to believe that demand supply is in perfect balance and freight markets will be characterized by extreme volatility and sharp rate movements in both directions as we have seen in all of 2021. We expect more of the same in 2022.



Mr. Khalid Moinuddin Hashim
Managing Director

- In 2022, according to Clarksons, ton-mile demand is expected to grow by 2.2% while net increase in supply is expected to grow by 2%. With the built-in inefficiencies in the net supply of ships due to Covid-19 related disruptions, this gap between demand and supply in 2022 should widen in favor of the ship owners and we should see a similar year as we had in 2021.
- Shipments of specialized ores required for renewable energy and battery production will provide additional ton-mile demand for the smaller size ships.
- Coal-fired power plants in Southeast Asia currently stand at 90 Giga Watts (GW) with capacity expected to grow by 80% to 162 GW by 2030. Coal imports in this region are therefore expected to almost double over the next 8 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.
- Australia exported a total of 882.5 MMT of iron ore, for a -0.4% drop y-o-y. Brazil's iron ore exports rose by +4.1% y-o-y to 347.9 MMT. As longer ton-mile replaced shorter ton-mile, it positively affected the Cape sector in 2021.
- Ton-mile demand growth, estimated by Clarksons at +4.2%, during 2021 was higher than net supply growth of +3.55%.
- India's rice exports rose by 45% from a year ago to 21.4 MMT in 2021.
- World steel production reached 1.9 BMT in 2021, up 4.5% from 2020. China's hog population is surging after eradication of African Swine Fever requiring larger imports of Soybeans and corn.
- American consumers have paid down debt dramatically during Covid-19 as compared to the GFC so could be on a spending spree once infection rates start to slow down. Consumer spending accounts for 70% of USA GDP!
- China imported 96.6 MMT of Soybean down 3.77% in 2021 compared to 2020.
- China imported 28.35 MMT of corn up 152% in 2021 compared to 2020.
- China imported 9.77 MMT of wheat up 16.6% in 2021 compared to 2020.
- China imported 1,126 MMT of iron ore down -3.82% in 2021 compared to 2020.
- China imported 324 MMT of coal up +6.4% in 2021 compared to 2020.
- China produced 1,031 MMT of Steel down -2.2% in 2021 compared to 2020.
- China exported 66.9 MMT of Steel up +24.6% in 2021 compared to 2020.
- China imported 14.3 MMT of Steel down -29.5% in 2021 compared to 2020.
- China's PMI index was 50.5 during 2021 due to various stimulus measures by the Chinese government.
- China's 2021 GDP growth was 8.1%. The Chinese government have certainly stimulated economic activity and increased demand for dry bulk commodities.
- In Jan 2022, IMF calculated world GDP grew by 5.9% in 2021. IMF revised 2022 world GDP growth to +4.4% and +3.8% for 2023. The latest January IMF forecast for 2022 GDP growth rates, revised from the last reported outlook in October 2021, was Australia +4.1%, Canada +4.1%, China +4.8%, France +3.5%, Germany +3.8%, India +9.0%, Indonesia +5.6%, Italy +3.8%, Japan +3.3%, Netherlands +3.3%, Saudi Arabia +4.8%, South Korea +3.0%, Spain +5.8%, Thailand +4.1%, United Kingdom +4.7% and United States +4.0%. There were no changes to forecast for 2022 GDP growth rates for Denmark +3.0%, Greece +4.6%, New Zealand +3.3%, Norway +4.1%, Sweden +3.4%, Switzerland +3.0%, Taiwan +3.3% and United Arab Emirates +3.0%.
- Containerships ordered in 2021, were the most since 1996, at 4.2m-teu, taking the total orderbook to 5.7m TEU. The orderbook to fleet ratio for Container ships at the start of 2022 is 23% compared to start of 2021 figure at just 11%.
- The current orderbook to fleet ratio, at the start of 2022, for the dry-bulk sector is 6.88% (for the geared sector 5.76% and for the gearless sector 7.5%) or the lowest annual reading for over 20 years!
- Recycling of dry-bulk vessels has gone down from 15.1 MDWT in 2020 to 5.47 MDWT (-64%) in 2021.
- PSL's exposure to the smaller geared segments means that it will be exposed to low growth in net supply of 2.54% in 2022, according to Clarksons.
- Ships 20 years or older, comprising about 68.17 MDWT or 7.26% of the existing fleet (36.47 MDWT of the geared fleet or 11.05% and 31.7 MDWT of the gearless fleet or 5.21%) at the end of 2021 would be ideal candidates for recycling.
- Net supply growth in 2021 of 3.55% was less than ton-mile demand growth of +4.2% according to Clarksons. The expectations for 2022 and 2023 is that ton-mile demand will exceed net supply growth in each of these two years.
- Another way to look at market prospects would be to compare the current forward orderbook of 66.66 MDWT (till end of 2024) as a percentage (6.88%) of the existing fleet at the end of 2021 and see that it was never as low in the last two or more decades!
- Growth in supply by end of 2022 and 2023 of 2.11% and 1.77% (939.15 MDWT to 958.94 MDWT by end 2022 and then to 975.89 MDWT by end 2023), conservatively assumes recycling of just 8 MDWT/year and slippage of just 5% per year in 2022 and 2023.

- If our reading of net supply growth pans out, then 2022 and 2023 should be good years considering the world GDP growth rates of 4.4% and 3.8% projected by the IMF.
- Healthier recycling is expected during 2023 due to the large number of 20+ year old ships in the world fleet, pressures from BWTS/IMO2020, Special Survey costs on these older ships, and additional regulatory pressure from adoption of EEXI & CII regulations on 1st January 2023, that will force some of them to early recycling.

Key Supply Side Developments:

We started 2021 with 906.99 MDWT and have increased to 939.15 MDWT (+3.55%) at the start of 2022. If we were to apply slippage of 5% (it was actually 2.11% for 2021) to the scheduled deliveries in 2022 and 2023 and assume scrapping reaches 8 MDWT (it was actually 5.47 MDWT during 2021) we would be left with a net fleet growth of 2.11% (939.15 MDWT to 958.94 MDWT of which 330.10 MDWT to 336.94 MDWT for the geared sector, 609.05 MDWT to 622 MDWT for the gearless sector) by end of 2022 and 1.77% by end of 2023 (958.94 MDWT to 975.89 MDWT of which 336.94 MDWT to 340.42 MDWT for the geared sector, 622 MDWT to 635.47 MDWT for the gearless sector.) Congestion, ballasting ships, slowing speeds in 2023 especially due to EEXI/CII regulations, and Covid-19 quarantine delays, will further assist in supply side tightening.

Key Economic Developments:

China

China has been hit economically by the following: Delta and the Omicron variant clashing with its Covid-zero policy; lockdowns; greening industrial policy; strict enforcement of emission targets; power cuts from shortages/high coal prices; blue skies policy till the end of the winter Olympics; and getting to grips with the real estate sectors out-of-control debt. Going after the Tech companies, laudable though the goals might have been, the implementation has left a lot to be desired creating short term unemployment and a large wipe out of the gains within the stock market, further pressuring the Chinese economy. China has a history of letting weaker companies collapse to ringfence and make the system safer. During the 1997 Asian Crisis the turmoil in the Guangdong housing market resulted in even big state-owned enterprises, that were active in real estate, defaulting. Therefore, when Chinese authorities decided to let the chips fall where they may, in the Evergrande unwinding, it should not have come as a surprise. China's boom in real estate and infrastructure development, as can be seen by the handling of Evergrande, is coming to an end, with investment moving into higher-end manufacturing and green projects. A downturn in the real estate sector may result in a slowing of demand for steel, cement, home appliances, furnishings, and other allied industries. In the first week of January the authorities ordered Evergrande to demolish 39 buildings in Hainan province that were built illegally. During January 2022, the Chinese real estate sector required \$197 billion to cover maturing indebtedness with potentially defaulting investment-grade Shimao missing a loan payment deadline on 6 January and Yuzhou Group in the week that followed. If the real estate balloon is to deflate in an orderly manner, and not to explode, then this must be managed adroitly by the authorities. On the other hand, China needs affordable housing on a massive scale. Pushing the real estate sector via policy directives towards affordable housing, like the recently lowered bank reserve requirement ratios, the first interest rate cut in two years, and lowered mortgage lending benchmark interest rates, could reverse the current inherent ills and satisfy real demand for affordable housing. Chinese households are the biggest savers in the world and invest 70% of their savings in real estate. With the current ills of the real estate sector, such savings are now being diverted into the stock markets where daily traded volumes, since July 2021, have doubled to \$155 billion compared to 2019/2020 and have held steady at that doubled level since then. The middle class continues to expand, making consumption a bigger story for China's future. However, the yield on Chinese junk-bonds remain sky high, indicating stress despite the PBOC reducing reserve requirement ratios for banks. The 20th National Party Congress takes place in November 2022, the Chinese government will want the economy to perform smoothly in the runup to this event as President Xi Jinping stands for an unprecedented 3rd term in office. Therefore, the prospects for the Chinese government to go into economic growth mode in 2022 is expected, soon after the winter Olympics, and would be a boon for the dry bulk markets.

Americas

USA Inflation: During 2021 USA saw more jobs created at higher rates, and lower unemployment. However, the whiplash from pandemic and lockdowns resulted in massive delays at ports with the number of ships waiting outside LA/LB, to discharge containers full of cargoes, reached unheard of records. The ultimate outcome, of booming demand with inventories disappearing into thin air, can only result in prices going up. Result: inflation in USA, according to the Economist, by the 3rd week of December at 6.8% was at a 39 year high; supply chains were under duress; higher interest rates could destabilize over-leveraged borrowers, and sharply correct sky-high asset prices. But please keep in mind that you are comparing inflation in 2021 versus 2020 when USA was going through a particularly challenging period with Covid-19 destroying all modes of travel resulting in very low gas prices. If you compare 2021 gas prices with 2020, they have certainly gone up, but that is because of a low base effect. But keep in mind that underinvestment in fossil fuels will lead to higher energy prices in the medium term till such time as renewables are able to take up a larger portion of energy production. Big pharma in USA is out to 'kill' you with their exorbitant pricing. Take the Covid-19 cure from Merck, costs \$ 17 to make, but sold to the

government at \$ 742!! If you do not have inflation with this type of price gouging, then what were you expecting, and consider this: Merck was given a rather large subsidy to discover this cure by Uncle Sam! And finally, the tariff barriers put in place for all the imports that come from China is aiding and abetting the inflation story. If this was removed, it would certainly help lower inflation. And, yet stock markets in the USA are at all-time highs, making a mockery of conventional economic wisdom which has been stood on its proverbial head. To fight this persistent inflation the Fed and several other Central Banks, are terminating their QE programs, and are signaling higher interest rates as early as March 2022. If we look at oil, it has a big element of geopolitical risk embedded in it, raising its price. If USA and NATO would only start listening to Russia and understand their own reaction if Russia were to arm the Mexican border with nuclear missiles aimed at America, then this silly standoff at the Ukrainian border would be history. The second element of high CPI in the developed world is linked to secondhand car prices skyrocketing. This is a result of not enough new cars coming off the assembly line due to lack of chips due to supply chain disruptions. When combined with Covid-19 pushing those who can afford a car to buy one and shun public transport, secondhand car prices behaving in this irrational manner is easily understood. This can be resolved when there are more new cars rolling off the assembly line or when Covid-19 becomes endemic. And food prices going up are a direct result of climate change hurting crop yields with either too much or too little rainfall. Combined with fear from Covid-19 impacting countries ability to feed their populations, restocking of food grains has increased significantly and that has fed into higher prices. Once again, all these three factors will NOT be corrected by higher interest rates and, in fact, may make their prices, and inflation, escalate further. If higher interest rates do not do the trick to combat inflation, then financial markets will get hurt, and Central Banks will walk back QE tapering and rate hikes.

USA Infrastructure: In terms of infrastructure repairs and refurbishment, the Water Works Association (WWA) needed \$ 60b to replace all lead pipes so that drinking water becomes safe for all children anywhere in the USA. But thanks to the divisions within the Democratic party and partisan politics, this was watered down to just \$ 15b. Now the WWA must decide which children will get safe water to drink and those that will continue to drink lead tainted poisonous water in the richest country in the world! If USA is serious about its infrastructure refurbishment, it will be a real shot in the arm for the dry bulk markets with demand for cement, steel, and log cargoes!

Indonesia

Indonesia's announcement on 1st January of the ban of coal exports for the month of January is a double-edged sword. On one edge we will have a shortage of cargoes in the immediate future from Indonesia to their major customers China, India, South Korea, and Japan, all relatively short sailing distances. On the other edge, that same coal demand will have to be replaced via longer ton-mile sailings from South Africa or Colombia or North American continent, increasing ton-mile demand for ships. Meetings that were scheduled for the 5th January to resolve this issue between the coal miners and the Indonesian authorities, failed to take place. In the meantime, about 100 fully/partially loaded ships were awaiting news anxiously if they could complete their planned voyages and another 40+ ships headed to load coal in Indonesia were in a similar quandary. However, latest news on 28th January indicates that 759 Indonesian miners have been allowed to continue coal exports. We expected that this ban would be overturned quickly as the Indonesian government could ill afford to lose a lot of tax dollars from this stoppage of coal exports! As we have repeatedly emphasized, any disruption to normal trade flows is positive for ton-mile demand.

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

Daily average Time Charter rate	2003 – 2009	2010 – 2020	2021
Capesize	67,101*	14,924***	33,333**
Panamax	32,793*	10,965***	27,898**
Supramax	28,013**	10,765***	26,768**
Handysize	18,753**	8,789***	25,702**
Demand Billion Ton-miles per year	+5.4%	+4.2%	+4.2%
Chinese Stimulus	China enters WTO 2001	USD 578 bn (2009)	\$667 bn (mid year 2020) (ROW \$20 bn+)
Orderbook/Fleet ratio per year	+36.02%	+26.23%	+7.03%
Annual average % of 20-year-old (start of each year)	+18.38%	+11.27%	+6.25%
Annual average net supply growth	+6.8%	+6.4%	+3.55%

The Future

- Order book to fleet ratio at start of 2022 = 6.88% of existing fleet compared to 78.14% at start of 2009.
- 5.47 MDWT recycled in 2021 versus 5.56 MDWT recycled in 2008.
- 1.57 MDWT recycled in 2021 in the geared sector versus 2.28 MDWT recycled in the geared sector in 2008.

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

**BCL 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 -2005) or no BSI (2003 -2005).

Source: Clarkson

If you look at the time charter rates for the period 2003-2009 it was the highest for the Capes compared to the other two periods. For the Panamax and Supras, during 2003-2009, rates were almost 3X higher than in the 2010-2020 period but almost equal to rates in 2021. For the Handy size, 2021 was 3X higher than in 2010-2020 and almost 1.5X higher than in 2003-2009. However, demand growth rate in ton-miles in the three periods was not significantly different. What was different was, of course, the average orderbook to fleet ratio being highest in 2003-2009 dropping by 27% in 2010-2020 and by 80% in 2021! 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 1.1X in 2021 with the figure dropping at the start of 2022 to just 0.95X. This indicates weak supply growth in the future and indicates strong markets could continue for quite a few years.

Rates started out in 2021 at a low level and then accelerated to a peak on 7th October with the BDI hitting a 13 year high at 5,650 points, and since then, has fallen consistently. Why did rates accelerate in this fashion and then fall so quickly? Demand/supply for dry bulk at the start of 2021 was in perfect balance, and as ton-mile estimated demand by Clarksons grew at 4.2% compared to net fleet growth at 3.55%, rates skyrocketed! But when 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 rates fell for the opposite reasons that they skyrocketed to a peak on 5th October. This was not helped by the central bankers of the ROW tapering QE and indicating 3 to 7 interest rate hikes starting in March of 2022 to combat inflation. With demand/supply being in balance, volatility will be the name of the game for the dry bulk freight markets!

The geared sector, Supras and Handy sizes, had lower volatility in rates due to the reasons expressed here but also because they had the slowest net growth rate in DWT in supply of ships in 2021 at 2.84% (Supras), 2.03% (Handy) versus 4.22% (Capes), and 3.82% (Panamax).

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. By letting the big real estate developers suffer, China may have finally controlled this sector and got them to focus on affordable housing that the common man needs, would love to own, and live in, via policy means like the recently lowered reserve requirement ratio for banks, the first interest rate cut in two years, and lowered mortgage lending benchmark interest rates. A win-win solution for all, with the real estate developers likely pushing up steel requirements back to the levels before the Evergrande debacle. That would be a big win for the dry bulk sector.

The winter Olympics starts on 4th February and ends on the 20th of the month, with the Chinese government signaling, that the measures put in place that slowed down the economy starting in November 2021, will be reversed before the end of Q1 2022. When that happens, rates will start to climb, and we may, once again, visit the highs reached in 2021.

The other important event in China is the CCP meeting scheduled in November 2022 when President Xi Jinping would be up for an unprecedented 3rd term in office. For a leader wanting such a tenure, the economy moving forward at a high growth rate is a must, hence no stone will be left unturned to ensure a growth-oriented economy before the congress meets.

As can be seen, all the reasons for the slowdown in Q4 2021 and into Q1 2022 are due to decisions made by governments, be it in China (dry bulk is very dependent on China) or in the free world (Fed Reserve raising interest rates between 3 and 7 times in 2022). These decisions have curtailed demand, but when reversed, they will allow demand to flourish once again, and we could be back at the same pint we were at the start of 2021!

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

In terms of operations, during the year under review, the total revenues of the Company were Baht 8,814.29 million (2020: Baht 3,751.06 million) and the Company reported a 13-year high net profit figure of Baht 4,474.93 million (2020: net loss of Baht 1,294.85 million, including a one-time loss of Baht 868.72 million in relation to the settlement agreement with Sainty Shipyard). The shareholders' equity of the Company is Baht 14,365.02 million (2020: Baht 10,134.29 million) while the total assets of the Company increased during the year to Baht 23,530.50 million (2020: Baht 21,396.85 million). The increase in total assets is mainly due to an increase in cash and cash equivalents although the depreciation of the Thai Baht against the US Dollar was also a contributing factor. The Company operated 36 vessels in both 2020 and 2021.

In 2021, the dry-bulk freight markets continued their uptrend driven by further economic expansion in major economies and supported by benign vessel supply. The Company's vessels achieved an average time charter equivalent rate of USD 20,338 per day per vessel in 2021, 2.4X higher than the average time charter equivalent rate of USD 8,332 per day per vessel achieved in 2020. The net vessel operating income (net of voyage disbursements and bunker consumption) was 153% higher than the previous year. The average vessel running cost per day per vessel (average Opex per Day) increased from USD 4,705 in the previous year to USD 5,090 in 2021, mainly on account of higher crew expenses related to covid-19 restrictions and store/spares expenses. Absolute vessel running expenses (Opex) in Thai Baht terms, increased by about 14%. The average technical downtime was 7 days per vessel (average vessel age of 10.3 years in 2021), as 8 vessels underwent dry-docking and special survey during the year.

We conducted an “in-house” exercise again this year to determine total return to shareholders, which was calculated for the 28 years that we have been operating as a listed entity. Based on the closing share price of Baht 22.70 per share on 16th September 2021 (our first day of trading on the SET was 16th September 1993) and assuming you had subscribed at the IPO, at the end of 28 years you would have obtained a 16.82% 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Av. BDI	6,390	2,617	2,758	1,549	920	1,206	1,105	719	673	1,145	1,353	1,353	1,066	2,943
Net Profit (loss) \$m	148.1	88.1	35.5	23.6	4.5	17.5	(2.5)	(69.41)	(75.61)	(3.76)	14.1	(7.25)	(40.80)	136.96
Av. No. of Ships	44.12	32.79	21.39	21.91	30.44	38.93	41.66	45.46	40.29	36.02	36	36	36	36
Profit (loss) / Ship \$m	3.36	2.69	1.66	1.08	0.15	0.45	(0.06)	(1.53)	(1.88)	(0.10)	0.39	(0.20)	(1.13)	3.80

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; pre-paid a lot of our secured loans coming due in 2018 and 2019; and 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. During the year 2021, we made an early redemption of our two outstanding bonds that were extended last year and raised USD 133.45 Million through the signing of three new loan facilities.

Our Fleet: At the end of 2021, our fleet comprised of 36 ships on the water (8 Ultramax, 9 Supramax and 19 Handysize) with an aggregate capacity of 1,585,805 DWT. This works out to an average of 44,050 DWT per ship, with an average age of about 10.3 years. In a highly capital-intensive business characterized by high leverage and unpredictable and volatile cycles, the timing of the purchase of ships is possibly the single most important decision that must be made.

The average Time Charter Equivalent (TCE) earning of our Fleet in 2021 was USD 20,338 per day per ship. Our average daily Operating Expense (Opex) for 2021 was higher than our target of USD 4,750 per day per ship reaching a figure of USD 5,090 per day per ship. This was mainly due to the extraordinary circumstances surrounding crew changes being hampered by nonavailability of flights; Covid-19 tests pre/post flights; 14-day quarantine impositions in expensive hotels; chartered flights costing an arm and a leg; deviating ships at tremendous cost, where practical, to complete crew changes together with the increase in store/ spares expenses.

Market Segmentation for 2021: During 2021 the Baltic Handy Size Index (BHSI) averaged 1,428 points, as derived from an average Time Charter (TC) rate of 25,702 per day. In comparison, our Handy size fleet earned USD 18,804 and underperformed the BHSI TC rate by 26.84%. During 2021 the Baltic Supramax Index (BSI) averaged 2,434 points, as derived from an average TC rate of USD 26,768 per day. In comparison, our Supra/Ultra fleet average earnings were USD 22,053 per day and underperformed the BSI TC rate by 17.61%. Our target has been to outperform both the indices.

Type of Vessel	2021 Avg Index Time Charter Rate in \$ (A)	PSL average Time charter Rate in 2021 in \$ (B)	PSL Ship difference from Index Ship in % (C)	PSL long Term Time Charter Ship Adj (D)	A*(C+D) = (E) in \$	PSL True Time charter rate in \$ (B+E)	PSL True performance VS Index ship in %
Handy	25,702	18,804	25%	9.67%	8,912	27,716	+7.8%
Supra	26,768	22,284*	10%	2.93%	3,462	25,746	-3.8%

* PSL average time charter rate in 2021 for Supramax ships includes Q4 earning of 16 ships because one ship was detained in Nigeria during Q4.

The two reasons for our underperformance in 2021 are: Firstly, our ships are ‘different’ from the index ships. On an apples-to-apples comparison, our Handy ships are ranked 25% below and the Supras are 10% below the index ship TC rates. Secondly, the 7 handy ships, out of our fleet of 19, on long term charter were fixed at \$16,809 per day and the one Supra, out of our fleet of 17, at \$13,421 per day, both well below the average TC rate for the index ships (BHSI \$25,702 and BSI \$26,768). If we had applied these two adjustment factors to our result, our ‘true’ performance would have beaten the handy index by 7.8%, and underperformed the supra index by just 3.8%, as shown in the above table.

Long Term versus short term Charters: The long-term charters, over 1 year, are shown in the chart below. As can be seen, our forward four-year rolling book is currently at the 16% level with a visible revenue stream of USD 139 million.

Year	2022	2023	2024	2025
Total Available Days	13,140	13,140	13,176	13,140
Fixed T/C Days*	2,936	1,866	1,830	1,825
%age Fixed T/C Days	22%	14%	14%	14%
Av. T/C Rate/Day in** USD	18,385	15,560	15,316	15,316
Contract value in million USD	53.98	29.03	28.03	27.95

* This comprises charters on 5 ships on fixed rate charter and 4 ships on variable rate charters

** Average T/C Rate/Day for the variable rate charters is estimated based on rates prevailing in January 2022 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.

Update on the Chayanee Naree drug smuggling incident:

- On 5th 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 18th 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 19th 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 9th 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 (9th October 2021).
- On 13th October 2021, drugs were found in a hold of the Vessel.
- On 29th 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 8th 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. There are no charges against the other 19 crew members on board the Vessel.
- The insurers of the Company have issued two Letters of Undertaking ("LOU") to the NDLEA, as security for the release of the Vessel and the 19 crew members that have not been charged. Subsequently, on 13th January 2022, the Federal High Court of Nigeria ordered the release of the Vessel and the 19 crew members on board the Vessel.
- The three crew members who have been charged, are required to remain in Nigeria until legal proceedings are completed. They have been granted administrative bail against security provided by the Company and have been allowed to move from an NDLEA detention facility to a hotel.
- On 31st January 2022, we were informed that 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. The Company is required to provide additional security for moving these 7 crew members from the Vessel to a hotel.
- The Company is in the process of obtaining departure clearances from the Nigerian Navy and other government agencies. The Company is also arranging to send certain crew replacements on board the Vessel. The Company expects that the Vessel should be able to sail out of Nigeria soon thereafter.
- The Company is working closely with its insurance company and legal counsel to ensure that the case is fully resolved as early as possible.

Annual Benchmarking:

Marine Money's 2020 annual benchmarking issue showed that among 22 globally listed peers in the dry-bulk sector, we had the second-highest total return to shareholders of 0.0% compared to a sector average of -25.4%. Our overall performance ranking came in at the middle of the pack among dry-bulk companies.

The Ever Given:

The Ever Given is the infamous ship that got stuck in the Suez Canal, disrupting the smooth flow of ships between East and West for a week in March 2021. It brought Shipping into the mainstream news headlines for more than a couple of weeks displacing everything, including the dreaded pandemic, into second place in our 24-hour news cycle. It also highlighted that the world is more inter-connected than what the mainstream media and our politicians can either grasp or would like us to

understand. It confirmed, once and for all, that shipping is the glue of Globalization that binds us all together. It also brought into sharp relief that supply chain disruptions can be caused by things that we take for granted, like the smooth sailing of ships through narrow waterways like the Suez Canal, that can go horribly wrong, as happened in this case. And, finally, it showed the world just how important the maritime industry is in our consumer-driven world.

Supply Chain Disruptions:

The maritime industry is one of the most efficient links in the supply chain system, so when it gets disrupted, it creates inefficiencies that result in an immediate increase in ton-mile demand. Covid-19 has disrupted supply chain systems, as well as all aspects of life and business. Port congestion is seeing no letup as China's covid-zero policy combined with omicron, the most transmissible variant, is creating more, not less congestion in Chinese ports. Global ports are caught up in the ripple effects flowing from Chinese ports. Demand for goods is the pull creating congestion, while congested ports are the push driving congestion. Lack of investments in existing port facilities and a paucity of modern, automated ports has exacerbated the supply chain disruption flowing back and forth around the globe. Productivity has been the first victim of omicron, reducing the number of covid impacted port workers from their jobs. Pilots, the critical element that starts port productivity, are in short supply due to infections and quarantine. Ships that arrive from omicron hit countries, sit at quarantine anchorages, disrupting ports. Ship staff, the glue that binds globalization, face Covid tests, delays, isolation, and longer stays on board. Truckers hit by the pandemic, add to this lack of productivity, with cargoes stuck at ports. Assessing resilience, dependability, diversity, digitalization, productivity, risk mitigation, and inventory levels at all links in the supply chain has become critical for businesses and governments. Inventory levels at businesses and countries remain woefully inadequate to account for current disruptions, despite inventory restocking being at all-time highs. The new mantra is 'just-in-case' versus 'just-in-time' from the past.

Climate change and GHG emissions:

Heat waves, fires, drought, out of control hurricanes and tornadoes, floods, and massive 100 foot waves will be the norm in 2022 and beyond. Climate change is here, not in another decade, or two, or four, but right now. Bloomberg states that '21 of the hottest 22 years since 1880' have occurred since the start of 2000, and the ocean subsurface in 2021 broke the annual heat record set in 2020. This will make storms, hurricanes, tornadoes, and ocean waves, ever more powerful. Climate change will lead to weather related disruptions with heightened congestion at ports, slower speeds at sea due to stronger/bigger waves, and loss of containers from ships, a regular occurrence. Oceans absorb almost a 3rd of all CO₂ emitted by mankind. This has made oceans extremely acidic, will result in the death of coral reefs, and a corresponding reduction in the fish population. GHG emissions will continue to rise as the climate change impact will result in greater demand for electricity with fossil fuel burning, CO₂ belching power plants, increasing the amount of CO₂ that we put into the atmosphere. This will start a vicious cycle with greater power demand from factories, warehouses, transport/delivery organizations, to cool homes, workplaces, theatres, stadiums etcetera, demanding more power from fossil fuel burning power plants releasing even more CO₂ into the atmosphere creating ever more climate change, heat, fires, droughts, floods, storms....and the cycle goes on-and-on. Food production will be hit hard by climate change, and we may find ourselves facing food insecurity no matter how wealthy the nation we live in. This will focus governments on building up buffer stocks of food grains to avoid sharp price increases in food staples with the resultant inflation that it would bring. Larger grain movements, coupled with weather related inefficiencies in reducing net ship-supply, will be ton-mile demand positive for the dry bulk freight market.

The World Inequality Lab published the World Inequality Report 2022 (in December 2021). Three things stand out in this report. First, from 1995 to 2021, the top 1% wealthiest people took 38% of the growth in global wealth, while the bottom 50% got just 2%. The richest 10% accounted for 52% of global income, while the bottom 50% earned just 8.5%. Second, in 1820, the wealth inequality between nations was just 11% while the maximum inequality was within the people of each country. By 1980, due to colonization and the industrial revolution, the Developed world had the highest ever concentration of global wealth at 57%. Global wealth distribution between countries narrowed by 2020, following the economic ascent of China and India, but wealth inequality within each country climbed to 68% as Developing countries allowed their wealth to be monopolized by their rich, even as the wealth gap, between Developed and Developing world, narrowed. And, finally, in the period 1850 to 2020, 49% of CO₂ emissions was between North America (27%) and Europe (22%). A recent IMF study stated "the richest countries represent 16% of the world population but about 40% of CO₂ emissions. The poorest countries, about 60% of the world's population, account for less than 15% of emissions." Ergo, increasing wealth disparity and increased CO₂ emissions go hand in hand!

Regulatory Developments:

The Economist came out with a beautiful film entitled "How chemical pollution is suffocating the seas" and is a must-watch 18 minutes that will change the way you view the business-as-usual world that we live in. [Please click here to see this film.](https://www.youtube.com/watch?v=Fv8xGzVtUBM) (https://www.youtube.com/watch?v=Fv8xGzVtUBM)

Decarbonization is the new buzz word and made its first appearance in TradeWinds in December 2015. It appeared in

just 27 articles from then until April 2018. And has since appeared in TradeWinds more than 1,300 times! So, before you get lost in the details, let me remind you that Shipping carries around 90% of all cargoes in the world and is responsible for less than 2.5% of greenhouse-gas (GHG) emissions. The Economist stated in their issue dated 29th September 2021 that 'according to the UN's Food and Agriculture Organization, raising animals for meat, eggs and milk accounts for 14.5% of global GHG emissions.' And the Economist of 5th October asks a very valid question, 'if beef emits 31 times more CO₂ per calorie of food than tofu does, and coal emits 24 times more CO₂ per unit of energy output than hydropower, then why are we phasing out coal but not beef?' The EU has included shipping in its Emissions Trading Scheme (ETS) while giving a free pass to the livestock industry and has proposed exempting Private Jets from their planned jet fuel tax even though private jets are the most polluting of all aircraft on a passenger-mile basis. And here we are, grappling with Zero Emission Vessels (ZEVs), while no one is talking about curtailing the emissions from the livestock business or penalizing private jets? Personally, I have become a vegetarian since the start of 2020, and that represents my effort to save the planet from global warming by not supporting the livestock industry. Our office executive lunch, served every weekday, has become fully vegetarian since the start of 2020, representing our collective effort at reducing GHG emissions during our mid-day meal.

The IMO adopted the Energy Efficiency Existing Ship Index (EEXI) as amendments to Marpol Annex VI that will enter into force on 1st January 2023. EEXI describes the CO₂ emissions per cargo ton-mile, by determining the standardized CO₂ emissions related to installed engine power, transport capacity and ship speed. Statistics suggest a bulker (30k to 60k) built pre-EEDI (Energy Efficiency Design Index) i.e., ships built pre-2013 may require a 30% to 40% power reduction (2.5K - 3.5K speed reduction from today's speeds) but ships built post-EEDI may require just 4% power reduction (0.2K speed reduction) to comply with EEXI. Implementation of engine power limitation and energy-saving device technologies will be used by owners to choose the solution best suited for their ships and will be very positive for increasing rates in the dry bulk markets. We will be getting all our ships rated for EEXI and Carbon Intensity Indicator so that we will be in full compliance prior to the new laws coming into force.

The IMO has agreed to debate and arrive at a solution on market-based mechanisms (MBMs) to reduce the CO₂ footprint from shipping. This could be via a carbon levy on each tonne of fuel. The Solomon Islands and Marshall Islands have suggested a \$100-per-tonne levy of CO₂ released, which is a \$300-per-tonne levy on fuel oil. The idea of any MBMs is to make current bunker fuel as expensive as, say, ammonia. So, the price of fuel oil must reach \$1,500 per tonne, the current price is about \$600 per tonne, to match the cost of future fuels for zero-emission vessels. It is hoped that pressure from the EU's ETS will help prod and push the IMO into taking a strong stand on MBMs via a carbon-based levy. The funds collected from any IMO MBMs via a fuel-based levy could be used in many ways to make a level playing field for greener fuels, from subsidies to research and development. These include:

- To subsidize the difference between a ton of fuel oil and two tons of ammonia (that is when their energy output equivalence is reached) for the first movers in ZEVs.
- To make the cost of fuel for transporting goods on IC engine ships identical to ZEVs for the end-user.
- To fund research and development to produce ZEVs, their designs, their regulations, and their infrastructure.
- To develop green well-to-wake ZEV fuels and their land-based support infrastructure.
- To allow the IMO to put a deadline for prohibiting the physical delivery of IC engine ships from 2030, or some earlier agreed date.
- To allow the IMO to mandate recycling of IC engine ships that are older than 20 years of age from 2030, or some earlier agreed date.
- To make shipyards produce ZEVs at a scale that newbuild ZEVs would cost roughly the same as an IC engine ship.
- To make it a level playing field for charterers to select ships purely based on GHG emissions and no other economic factor.

And if you thought that such MBM price increases, eventually borne by the end consumer, would cost a small fortune, you could be forgiven. According to Boston Consulting Group's calculations, it would add just \$600 to the price of a car, \$3 to the price of a smartphone or \$1 to a pair of jeans. That is a small price to pay for preventing climate catastrophe.

Covid-19:

Covid-19 has become synonymous with delays; supply chain disruptions; lockdowns; higher inflation due to the massive government-led stimuli creating demand that far outstrips supply. Economic recovery from the pandemic has been very uneven for 3 reasons. Countries were hit by Covid-19 and went into lockdowns, hurting their economies, at different times; uneven rates of vaccinations in rich and poor countries; and high levels of stimuli in rich countries and lack of it in poor countries, has made the recovery patchy. In 2022 we will get to grips with the labor market; the impact of work-from-home; fear of working in office with infected people; prioritizing a better work-life balance; and demand for better wages and working conditions. For the Maritime Industry, the impact of Omicron will be to make crew change even more difficult and that is a challenge that we will have to face head-on in 2022.

Omicron has been designated a virus of concern due to the large number of mutations to its spike protein, which makes it 70 times more transmissible than the Delta variant, according to various news articles. The good news on this variant is that though caseloads are spiking, hospitalizations and death rates have not yet risen, and the bad news is that it is so infectious that the sheer number of cases can overload the health care system of any country. In response, several countries have halved isolation periods and so far, it appears that this decision has been justified. If the UK Prime Minister, Harold Macmillan was alive, and was asked today what the greatest challenge was for a statesman, he would have probably replied: 'Jabs in arms, dear boy, jabs in arms.' The problem is that we have too many craven politicians but not a single statesman who can make such a simple mantra of 'jabs in arms' a worldwide reality. The good news from South Africa's announcement on 1st January 2022 was that it was past the peak of the Omicron wave. The bad news was American Omicron cases crashing through 1.35 million cases on 10th January; Europe reporting that at current infection rates more than 50% of their population could be infected by Omicron within weeks. All this could portend that we are at the beginning-of-the-end of the pandemic, perhaps?

Omicron, and other yet to be discovered variants, will make 'only work from office' impractical. Only 'working from home' will suffer from the lack of networking, human contact, and sparks created when working together, with creativity being compromised. As a result, the future of work will be some sort of a hybrid between only working from home or only from office. Each business and industry will develop norms that work best for them, while keeping diversity and equality in mind, and business leaders will be guided by such industry wide best practices.

For those who have lost loved ones or those that have lost their livelihoods due to Covid-19, 2021 has been a devastating year, with higher prices and inflation eating into their meagre savings. Climate change has ripped apart communities and created a new wave of climate-refugees. While others have prospered via spiking stock prices, elevated profits, higher home prices, increased asset values, and skyrocketing commodity prices with Elon Musk, the richest man on earth, named as Times 'Man of the Year 2021.' Shame on Time magazine for genuflecting to wealth during a pandemic that has crippled the poor.

The Industry Outlook:

A truncated supply of new ships is expected for the next few years. The fleet stood at 906.99 MDWT at the start of 2021 and by the end of the year had grown to 939.15 MDWT. During the year, 5.47 MDWT was recycled, and 37.62 MDWT was delivered, thus making net fleet growth of 3.55%. The existing orderbook stood at 64.66 MDWT (deliveries up to end of 2024), or 6.88% of the world fleet at the start of 2022. Specifically, in the geared segment, net fleet growth was 2.56% in 2021 in the Handy/Supra/Ultra segment and the existing orderbook for the geared fleet stood at 19 MDWT (deliveries up to end of 2024), or 5.76% of the geared world fleet at the start of 2022. This 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 upcoming regulatory impacts or the current age profile of the fleet. At the start of 2022, 7.26% (68.17 MDWT) of the world dry bulk fleet (11.05% or 36.47 MDWT of the geared dry bulk fleet) was over the age of 20, and 11.9% (111.58 MDWT) of the world dry bulk fleet (15.8% or 52.32 MDWT of the geared dry bulk fleet) will be over 20 by the end of 2024 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 old or older will find it difficult to compete against younger more fuel-efficient vessels. It is our opinion that going into 2022, recycling should pick up, and new orders should slow as new regulations like EEXI, and CII will come into force on 1st January 2023. Ships 20 years or older, comprising 68.17 MDWT or 7.26% of the existing fleet (36.47 MDWT of geared ships or 11.05% and 31.7 MDWT of the gearless fleet or 5.21%) at the start of 2022 would be ideal candidates for recycling as they would have to invest in ballast water treatment systems, IMO 2020, expensive special surveys, and face regulatory-led recycling in 2023 due to EEXI, and CII.

The Cape sector (90,000+ DWT: 2,236 ships of 407.12 MDWT at the start of 2022): 143 ships of 27.62 MDWT or 6.78% of the existing DWT are scheduled for delivery up to end of 2024. In this sector, 145 ships of 23.72 MDWT or 5.8% will be over 20 years of age by end of 2024 and some or all of them are likely to be recycled during 2022 to 2024.

The Panamax sector (70,000 – 90,000 DWT: 2,540 ships of 201.93 MDWT at the start of 2022): 218 ships of 18.04 MDWT or 8.93% of the existing DWT are scheduled for delivery up to end of 2024. In this sector, 474 ships of 35.54 MDWT or 17.60% will be over 20 years of age by end of 2024 and some or all of them are likely to be recycled during 2022 to 2024.

The Supra/Ultramax sector (40,000 – 70,000 DWT: 3,879 ships of 218.25 MDWT at the start of 2022): 263 ships of 15.25 MDWT or 6.99% of the existing DWT are scheduled for delivery up to end of 2024. In this sector, 640 ships of 32.12 MDWT or 14.72% will be over 20 years of age by end of 2024 and some or all of them are likely to be recycled during 2022 to 2024.

The Handysize sector (10 - 40,000 DWT: 4,129 ships of 111.86 MDWT at the start of 2022): 137 ships of 3.75 MDWT or 3.35% of the existing DWT are scheduled for delivery up to end of 2024. In this sector, 813 ships of 20.20 MDWT or 18.06% will be over 20 years of age by end of 2024 and some or all of them are likely to be recycled during 2022 to 2024.

When reading the above numbers please keep in mind that Slippage was 2.11% and recycling accounted for 5.47 MDWT in 2021. Slippage has averaged 14.99% over the last 5 years (2017 to 2021) and recycling accounted for 9.842 MDWT annually over the last 5 years (2017 to 2021). Both slippage and recycling fluctuate inversely with the BDI and availability of finance.

On a net basis, the global fleet increased by 3.55% in 2021. According to Clarksons, the fleet is forecast to grow at 2.0% while ton-mile demand (for dry bulk seaborne trade) will grow at 2.2% in 2022. This gap between expected demand growth and expected supply growth in 2022 should make for an increasingly strong but volatile market. As supply and demand came into perfect balance at the start of 2021, the market would be characterized by extreme volatility as 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 ending up at the recycling yards. Deliveries in 2021 at 37.62 MDWT were muted when compared to average annual deliveries for the decade of 50.43 MDWT per year (2012 to 2021) 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. As a result, the level of pollutants reaching the air that we breathe, as well as the 'acid' rain that results from such emissions, has been reduced.

International Maritime Organization (IMO) conventions:

International Maritime Organization (IMO) conventions are constantly updated to match demands for enhanced steps to protect the environment. 'IMO 2020' as the regulation on the global cap on sulphur levels is referred to colloquially, entered into force on 1st January 2020. The regulation mandated that sulphur levels in fuel oils consumed by ships outside emission control areas not to exceed 0.5% by mass (referred to as Very Low Sulphur Fuel Oil or VLSFO). While there were concerns initially in the industry regarding world-wide availability of VLSFO, the oil industry stood up to the challenge and ensured that the product was made available all over the world. There remain some concerns regarding the quality of VLSFO being supplied at several ports and suitability for use on ship's equipment that were designed primarily for use with fuels with higher sulphur levels which contributed towards lubricity as well as optimum viscosity.

The alternative to VLSFO was installing Exhaust Gas Cleaning Systems - also referred to as exhaust gas scrubbers or simply scrubbers - in which case vessels could continue using high sulphur fuel oils (HSFO; Sulphur content of up to 3.5%) and the scrubbers would then be expected to wash down and 'scrub' the exhaust gases to reduce the sulphur content to below 0.5% levels. The inherent drawback with such a system was that the wash water which would have to be discharged at sea would contain all the additional sulphur in the form of sulphuric and sulphurous acids; thereby polluting the seas instead! Several countries the world over have already banned discharging of wash water in their territorial waters; thereby requiring owners going with the scrubber option to carry on board adequate reserves of VLSFO in addition to HSFO. In addition to the high costs involved in purchasing scrubber units, a downtime of about two to three months for installing the equipment, there remain technical challenges in designing fail-safe scrubbing systems; a fact that became evident when several scrubber units installed on vessels failed in service; some within a few months after installation requiring expensive repairs, towage to nearest port on account of the main engine breaking down because of scrubber failure etc.

Ships need to take ballast - basically sea water - in dedicated ballast tanks on board, so that the ship remains stable when there is no cargo on board and so that the ship's propeller is kept well submerged in the water. Administrations of most countries in the world insist on stringent ballast water management practices on board ships so that potentially invasive aquatic life forms from one part of the world do not get deposited in their waters, thereby affecting the local eco-system. Hence the need for regulations that require ships to treat the ballast water taken in the ballast tanks by means of approved Ballast Water Treatment Systems (BWTS) which need to be installed on board. The IMO Ballast Water Management Convention entered into force on 8th 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. 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 first renewal of IOPP (International Oil Pollution Prevention) certificate after 8th September 2019. There are a few IMO approved treatment plants presently in the market have not yet met the more stringent USCG approval requirements. There is also a separate schedule provided by the USCG for installation of BWTS defined mainly by the number of USCG approved BWTS that were available in the market. USCG as well as IMO approved BWTS have already been fitted on 28 vessels in PSL's fleet. Of the remaining 8 vessels, which currently are required to exchange the ballast water taken at ports with ballast taken at over 200 nautical miles from any coast so that they may be permitted to discharge the ballast water at the next port, 7 vessels will be fitted with such approved BWTS in 2022 and one in early 2023.

As a result of initiatives from the International Labor Organization (ILO), working and living conditions of crewmembers on board are receiving increased importance. To formalize this and ensure uniform compliance, ILO has adopted the Maritime Labour Convention 2006 (MLC 2006). A Maritime Labour Certificate (MLC) and a Declaration of Maritime Labour Compliance (DMLC) is required on board to ensure compliance with the Convention for all ships above 500 tons in international trade. These certificates are to be obtained from the Flag state and their recognized organizations after verification and surveys on board each vessel. The MLC 2006 has attained the required number of member state ratifications in August 2012. All ships were required to meet the compliance requirement and have valid certificate for compliance with MLC 2006 before 20th August 2013. In April 2014, the ILO agreed to make several amendments to the MLC to implement the principles agreed back in 2009 by the joint IMO/ILO financial security working group. These amendments have entered into force on 18th January 2017. Thailand ratified MLC 2006 on 7th June 2016 and as a result MLC 2006 entered into force for Thai flagged vessels from 7th June 2017. The Statement of Compliance (SOC) with MLC 2006 which was being issued till date on our Thai flagged vessels has now been replaced with a Marine Labour Certificate. This is a welcome development and facilitates smooth trading of Thai flagged vessels worldwide, as it eliminates the risk of the SOC not being acceptable in some countries. Singapore had ratified MLC 2006 earlier. Hence the Company's vessels that are registered in Singapore have already been compliant all along. Ships that are subject to MLC 2006 are now 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 in case a vessel is abandoned (Regulation 2.5). A further certificate will be required for liabilities for contractual claims arising from seafarer personal injury, disability, or death (Regulation 4.2). P+I Clubs of the respective vessels have provided such certificates for all ships in our fleet.

Focus on the environment is becoming even more important. It is no longer just fashionable to say we are "Going Green"; organizations world-over are being pushed by their stakeholders to become more environment-conscious, guided by compliance with the newer regulations. IMO, along with the ICS have put in place regulations which will apply to shipping globally. One of these is the mandatory reporting of CO₂ emissions (measured in grammes/tonne-mile) on voyages, like the European Union MRV rules (Monitoring, Reporting, Verification of CO₂ emissions), which has been implemented from January 2018 for all vessels operating in the EU region. IMO also requires all vessels to implement a fuel consumption data collection system (DCS) from January 2019. This requires vessels to report annual fuel oil consumption worldwide to IMO through the flag administration. The regulation also requires the existing SEEMP plans to be updated and certified by the flag authority or a RO.

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. These regulations will in turn phase out older, less efficient vessels. We have taken the initiative to prepare in advance for these regulations by monitoring and collecting CO₂ emissions data on all vessels in the fleet. The company has arranged for all vessels to report such fuel consumption data to a RO approved by the flag, from 1st January 2019 onwards. The vessels are always operated with clean hulls by using efficient anti fouling paints and by hull cleaning, when necessary, as this increases efficiency thereby reducing carbon emission. The new acquisitions for the fleet have been selected primarily on their 'Eco' operational characteristics. 'Eco' operation will be possible with larger cargo hauls on vessels with very fuel-efficient engines, and through optimized use of waste heat from the engines (even the exhaust gases from the auxiliary engines are diverted through the boiler to use the available heat). These new Ultramax vessels with larger cargo carrying capacity operate with substantially lower CO₂ emissions.

The 'Getting to Zero Coalition':

The Getting to Zero Coalition is a partnership between the Global Maritime Forum, the Friends of Ocean Action, and the World Economic Forum. It builds on the Call to Action in Support of Decarbonization launched in October 2018 and signed by more than 70 leaders from across the maritime industry, financial institutions, and other stakeholders, as well as on the Poseidon Principles - a global framework for climate-aligned ship financing - launched on 18th June 2019. PSL is a member of the Getting to Zero Coalition and will help design the GHG reduced future of the maritime transportation industry. A key starting point to reach this goal is to have commercially viable zero-emission vessels (ZEVs) operating along deep-sea trade routes by 2030. This will require both developing vessels as well as the future fuel supply chain, which can only be done through close collaboration and deliberate collective action between the maritime industry, the energy sector, the financial sector, Governments and IGOs. Research presented at the working session shows that the short term-ambition - adopted by members states of the IMO in April 2018 - of reducing international shipping's emissions per transport work by at least 40% by 2030, will not be enough to prevent shipping's adverse impact on the climate. This revealed the need to develop policies, demand drivers and funding mechanisms to motivate and de-risk first-mover investments; adopt policy instruments and market-based measures to close the competitiveness gap between conventional and zero-emission fuels and associated infrastructure; explore and narrow down technologies, fuel options and transition pathways; identify and grasp global opportunities for green energy projects that can propel maritime shipping's decarbonization and contribute to sustainable and inclusive growth in developing economies - while making sure no countries are left behind. Coalition members are now

prepared to move ahead of regulators to develop the technologies and business models needed to meet decarbonization targets. The maritime industry's first movers stand steadfast to take the steps needed to develop, test, and scale the technologies required to decarbonize international shipping. The sector focuses on how to eliminate emissions and is leaning its efforts into the advance of fuel and technology offerings that avoid emissions altogether. New marine fuels, derived from abundant untapped renewable resources, could bring substantial development gains, but will require significant changes to ships, ports, and operations.

Global Warming and Green House Gases (GHG):

Shipping may be the cleanest, environmentally friendly, and most fuel-efficient mode of transportation, but a major source of carbon dioxide and GHGs. When it comes to decarbonization, the maritime sector must play an even larger role in addressing climate change as the sector is a key stakeholder when it comes to both the causes and solutions related to the issue.

Awareness of the detrimental effects of Global Warming, GHGs, and Sulphur dioxide pollution has become widespread and focus on the environment has come under the spotlight. Organizations world-over have become more conscious about the environment than ever before, and shipping is no exception.

As per the 'Fourth IMO GHG study' that was published in early 2021, as of 2018, total CO₂ emitted by international shipping was to the tune of 2.5% of the global CO₂ emissions. Besides CO₂, ships also release a handful of other global warming pollutants like Black Carbon (BC) and Nitrous Oxide (N₂O), which exacerbate global climate change and ocean acidification. These pollutants contribute to global climate change either directly, by acting as agents that trap heat in the atmosphere, or indirectly by aiding in the creation of additional greenhouse gases. To put that in perspective though, livestock, on the other hand, is responsible for 9.9% of GHG according to the United States Environmental Protection Agency.

On a positive note, through the years 2008 to 2018, the carbon intensity of international shipping improved roughly by 30%, and the total GHG emissions from shipping dropped by 7%, despite a 40% growth in maritime trade. However, during the years 2012 to 2018, the total GHG emissions from maritime shipping rose from 977 MMT to 1,076 MMT, while short-lived climate pollutants like black carbon and methane emissions rose by 12% and 150% respectively.

The year 2020, had seen an unprecedented decline in global emissions by 7%, which was a result of temporary behavioral changes in response to the massive economic disruption caused by the coronavirus pandemic and measures taken to contain it. Carbon intensity in shipping also improved by 11% in the year 2020, relative to 2018.

To formalize PSL's commitment towards preserving and conserving the environment and reducing our carbon footprint, we are ISO 14001: 2015 certified.

The IMO has used 2008 as a Baseline to plan and develop a roadmap for the comprehensive strategy on reducing GHGs from ships.

Likewise, PSL has used 2008 as its baseline to monitor the average decline of CO₂ emissions over its entire fleet.

A clear understanding of established goals and targets over the years has led to a steady decline in the overall CO₂ emissions and an improvement of the ship's operational carbon intensity.

Since 2014, the Company has been maintaining and evaluating emission records for the entire fleet, a credible baseline to evaluate progress. Over the years, the older vessels were phased out and additional fuel efficient "ECO" vessels were acquired. In the year 2014, the average carbon intensity per transport work was estimated at 12.884 Grams CO₂ per Tonne - Nautical Mile.

IMO's latest regulations on Green House Gas Emissions and the introduction of EEXI and CII- the game-changer:

In line with 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 will enter into force on 1st January 2023. Introduction of these new regulations will have a very major effect on the shipping industry as a whole and will challenge ship owners like never before. Below we explain briefly what these two terms -EEXI and CII- mean and how the regulations have impacted the shipping industry.

EEXI - Expressed in Grams of CO₂ emitted per tonne-mile of transport work, EEXI is dependent solely on the design parameters of the main and auxiliary engines such as designed power, cargo carrying capacity and 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 based on the type and size of the vessel. 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. One such corrective measure would be to install Energy Saving Devices (e.g., Mewis Duct). The reduction in the 'attained EEXI' by installing ESDs however is very marginal. To continue operating, most of the vessels in the global merchant fleet, except

for some of the newer vessels built after 2013, will need to limit the maximum power developed by the main engine. This is referred to as EPL (engine power limitation), whereby the MCR (maximum continuous rating) - which is the maximum power that the main engines were originally designed for is limited either mechanically (on the mechanical engines) or electronically.

Older vessels will typically need to limit the maximum power of the main engine between as much as 20 and 50%! This basically implies that the 80% of the global fleet will need to reduce the speeds at which they usually operate up to as much as 20% if not more.

CII - is also expressed in Grams of CO₂ emitted per tonne-mile. CII however is an operational measure and is calculated based on the actual quantity of CO₂ emitted over a period of one year, the cargo carrying capacity of the vessel and the actual distance steamed by each vessel during the period.

As with the EEXI, reference (or required) values of CII for 2019 are calculated for each type of ship by means of a mathematical formula agreed upon by the IMO and represents the required CII for each type of vessel. The attained CII, over a period of 1 year, is then calculated. Vessel's will then be awarded a 'rating' on a scale of A to E- with A representing a very good (low CII with attained CII less than required 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 rating (i.e., CII levels) would have to drop to 'C'. In each case a corrective action plan must be implemented and approved by the RO. Further, the required CII level would be reduced 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 36 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 periodic survey in 2023. After the survey in 2023, these vessels will operate at speeds which would be lower than the speeds that are currently described in our commercial contracts by around 1.5 to 2 knots. The remaining 13 vessels, of which 4 are cement carriers to which the regulations do not apply, one a general cargo vessel to which the requirements apply less stringently, and the remaining are of the newer generation eco-optimized vessels which already comply with the regulations, will remain unaffected by the EEXI regulation.

The IMO has now standardized the method for calculating the Carbon Intensity Index (CII) for ships. In line with the prescribed 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 (NKK for PSL's fleet), we have calculated the CII for the past three years for all the vessels in PSL's fleet. The average CII figures for each type of vessel in PSL's fleet are as indicated in the table below.

Vessel Types	2019			2020			2021		
	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	40,738.42	14.36	4	38,764.85	12.95	4	42,030.55	13.65
Handysize	15	210,168.71	7.99	15	185,053.74	7.72	15	198,769.11	7.89
Supramaxes	9	148,624.32	6.40	9	137,970.40	6.11	9	149,800.48	6.42
Ultramaxs	8	130,489.14	4.61	8	118,974.06	4.53	8	131,048.50	4.55
Total	36	530,020.59	7.55	36	480,763.05	7.19	36	521,648.64	7.42

As can be noted from the table, the average CII for PSL's fleet of vessels in the year 2021 was 7.42 grams of CO₂ emitted per tonne-mile.

New technology/concepts:

There are already conceptual designs on small crafts that try to eliminate or minimize the human effort onboard ships. Some experts in automation visualize that in the next twenty years or so, ships may be totally un-manned with automated equipment using sensors, smart digital systems, and other technologies, which can be monitored and controlled from shore-based stations, completely removing the element of "Human Error" on board. Although the concept of such autonomous vessels appeared unrealistic initially, bold steps were made in this direction in 2017, both in the industry and by regulators. In May 2017, Yara and Kongsberg, introduced the concept of the autonomous, zero emission 120 TEU container vessel Yara Birkeland. The vessel is an 80 metres long container feeder. She completed her maiden voyage from Oslo to Porsgrunn in Norway, around 110 nautical miles, in mid- November 2021. The vessel's engines are powered by high energy Lithium ion 'Leclanche' batteries which are recharged by green hydro-electric power. Trials on autonomous mode are apparently still ongoing.

In October of 2017 Rolls-Royce partnered with Google and introduced Augmented Reality software as part of their remote operation solutions for autonomous vessels. Simultaneously with these developments in autonomous shipping, IMO's Maritime

Safety Committee agreed to map out a new international legal framework for the safe operation of autonomous ships, as operating a completely unmanned vessel brings a host of legal issues into focus. Stakeholders in shipping need to keep abreast of these developments to ensure the most beneficial application of the technology. Stakeholders would do well to keep in mind that while there is little doubt that most accidents occur primarily because of human error, the number of such accidents that are prevented solely because of human intervention cannot be downplayed.

Unavoidable Increase in Operating Expenses:

Costs for supplies, spare parts, lubricants, paints, and consumable stores have increased substantially over the past one year; as also the costs for moving spare parts both by air or sea freight. Further, expenses for crew change have increased disproportionately since the last quarter of 2020 and has been high since then. Crew changes which were invariably carried out in Asia during the pre-covid days are now not possible with most of the countries in the Far east as well as Southeast Asia not permitting crew travel both in and out of their countries. As a result, we have had to carry out crew changes at ports in Western Europe, USA, and a handful of countries in South America, which has increased our transportation costs. In addition, we have had to incur costs for accommodating crew members at designated quarantine centres on their arrival back to their home countries. These increased expenses for crew changes are likely to continue into 2022 and until the situation worldwide returns to the pre Covid-19 levels. Insurance costs were under control, because of our favorable claims record and because of our long-standing, mutually beneficial relationship with the insurers and brokers. Daily operating expenses for year 2021 were around 8% higher than our daily figure for 2020.

Other regulations and conventions:

There are specific IMO Conventions, and regulations mandated by individual countries, to control the emission of Nitrogen oxides, Halons and CFCs from ships. These regulations are expected to become more stringent in the coming years. Certain states in the USA are likely to require ships calling their ports to use shore power which is greener than the power generated on board ships. 'Bonnet' technology is another concept, presently available only in certain ports, which can receive the exhaust gas from ships for treatment before discharging into the atmosphere.

To formalize the Company's commitment towards preserving and conserving 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 18th 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. PSL vessels have implemented the SEEMP as required by MARPOL Annex VI regulations from January 2013. Vessels have also fully implemented the more stringent garbage disposal regulations required by MARPOL Annex V which came into force from January 2013.

With effect from 31st December 2020, EU Regulation on Ship Recycling have been applicable to foreign ships in EU waters. Ships comply by having an 'Inventory of Hazardous Materials (IHM)' certificate issued by a Recognized Organization. The certificate basically lists both the quantity as well as all the locations on board vessels where materials considered to be potentially harmful to humans and the environment are present. Although both time consuming as well as expensive, the company prepared for compliance with the regulation well in advance. The company's senior technical superintendents were trained by Classification Societies to acquire the necessary competencies to complete the procedures to obtain IHM compliance for all vessels. All PSL's vessels are in full compliance and were certified well before the EU deadline of 31st December 2020.

The Safety of Life at Sea (SOLAS) convention may have amendments in the future. This is driven by one of the worst maritime disasters in US history - the loss of the US-flagged ro-ro vessel El Faro and its 33 crew, which sank in the Bahamas in October 2015 while trying to navigate through Hurricane Joaquin. The detailed USCG investigation report, published in September 2017, highlighted several errors, mainly by the Master, and includes 36 recommendations on safety and seeks several amendments in the SOLAS convention.

With the melting of the polar ice cap due to global warming, and the consequent increase in navigability through the northern route, on 1st January 2017, the IMO has adopted the Polar Code and related amendments in 2014 - 2015 to make it mandatory under both SOLAS and the International Convention for the Prevention of Pollution from Ships (MARPOL). The code's focus is on the safety of ships, seafarers and passengers who are on board in the harsh polar environment and the regulations to prevent discharge of Oil, Noxious liquid substances in bulk, Sewage and Garbage. IMO's sub-committee on Pollution prevention and response agreed in principle in 2020 to draft amendments requiring vessels navigating through Arctic waters to not carry any grade of Heavy Fuel oil. The regulation is expected to enter into force on 1st July 2024.

Technologies currently available for improving Energy Efficiency:

The shipping industry is concerned with reducing fuel consumption and carbon emissions. Technological advancement and design modification are being used extensively to address these concerns. 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, a fin system which provides a pre-swirl to the ship wake which reduces losses in the propeller stream, PRE-SHROUDED VANES, a device which reduces the rotational energy loss of the propeller slipstream by generating pre-swirl flow for energy-saving and HUB VORTEX ABSORBED FINs, a set of fins fitted on the cap of a propeller to reduce energy losses by propeller hub vortex. 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.

PSL is committed to further reducing its carbon footprint and is monitoring the progress being made on the following fronts.

Air lubrication systems uses "Bubble technology" to decrease the resistance between the ship's hull and the water by supplying air to the ship's underside creating a carpet of microbubbles that coat the entire flat bottom of the vessel. The technology works in all maritime conditions, is not weather dependent, and does not constrain or negatively impact the normal operational profile of the vessel. With the optimum ship hull design, the air lubrication system is expected to achieve between a 10% to 15% reduction of CO₂ emissions, along with significant fuel savings. Air lubrication is an EEDI-approved technology and for some sectors of the merchant fleet struggling to achieve the requisite efficiency score, it could offer a potential solution.

Nanotechnology fuel treatment uses a multi-functional fuel additive that contains a molecular catalyst that ensures maximum fuel efficiency. The additive can also reduce engine wear, meaning the time between maintenance can be extended: particles work on existing carbon build-up within the engine to effectively blast away residue. NanOx™ from Martek Marine is one of the most exciting nanotechnology fuel treatments to hit the market. Nanoclusters improve viscosity by more than 30% for an improved fuel/air mix, boosting engine power by more than 10%. Enhanced fuel atomization in the tank & injectors offers over 7% fuel savings and micro-explosions in the cylinders enable more complete combustion, lowering emissions by 25% and enabling savings on CO₂ too. Nano-catalysts remove carbon deposits and prevent future build-up, diminishing engine wear to reduce maintenance and spares costs.

New Bulbous bow designs reduce wave-making resistance by producing its own wave system that is out of phase with the bow wave from the hull, creating a reduction in resistance made by the waves. Volume, vertical extension of the center of volume, longitudinal extension, and shape, are all elements considered in the design. The characteristics of the bow must be carefully balanced with the shape of the entrance and the transition towards the forward shoulder and bilge. Bulbs are most effective at a specific speed-length ratio and draft. Changes in speed and draft significantly change the wave created, meaning that reductions in draft or speed can lead to increases in resistance and this being the case, compromises in the bulb design are often needed to provide good performance over the expected range of operating drafts and speeds.

Onboard DC Grid A power distribution system introduced by ABB helps vessels reduce their fuel consumption, cut noise, and trim their environmental impact, by matching the power that the engine needs. By ensuring the engine runs at varying speeds for ultimate fuel efficiency at each load level, fuel consumption can be dramatically reduced. Recent tests using DC Grid power distribution on a platform supply vessel showed reduced fuel consumption of up to 27%, in addition to 30% engine room noise reduction, leading to improved working conditions aboard the vessel.

Low Loss Hybrid Energy System (LLH) by Wartsila is an innovative technology that utilizes different power sources in combination with energy storage devices to operate the prime movers closest to their optimum performance. A key feature of the system is its ability to reduce transient engine loads that cause increased fuel consumption and added emissions. By increasing the power redundancy, the system allows the engine to operate closer to its optimum design point where it has the highest efficiency and least emissions. Reduced maintenance and increased system performance through rapid response from the energy storage system are also among the benefits offered. The overall hybrid control system is the key element in the total control and stability of the ship's electrical system and the energy flows. In addition to annual fuel savings of up to 15%, depending on the type and configuration of the engine and mission profile, the LLH ensures a substantial reduction in exhaust gas emissions.

Fuel Oil Emulsion (FOE) technology (FOE) allows blended fuels to burn more completely than unmodified fuels and so uses less fuel, lowers emissions, and the engines run cooler and so would require less maintenance. This would reduce the use of fuel and the level of emissions giving a significant financial saving.

Solar and wind power technologies are being experimented with and are showing some promise.

Most of the above technologies however are still at a nascent stage. The effectiveness and viability can only be assessed after they have been in service for a reasonably long period of time and after reliable data on the performance is available.

PSL is committed to further reducing its carbon footprint by continuing to upgrade systems on existing vessels, analyze its operating profiles by considering shorter ballast passages, larger cargo hauls and slow steaming. Additionally, we are currently exploring the possibility of installing solar panels on our vessels to supplement the electrical power generated by

the ships' auxiliary engines. The technology involved currently is relatively new and there is very little data available in the public domain. If this proves to be viable, it will result in a reduction in CO₂ emissions per vessel of around 5 to 6 tons per day. We also intend to replace all the conventional light bulbs on board our vessels with LED lamps to reduce power consumption and thereby the quantity of CO₂ emitted.

Future Fuels:

Biofuels could play a valuable role in reducing CO₂ emissions from the marine sector over the next few years. From a technological perspective they are the easiest to adopt, as they can be blended with existing marine fuels and utilized by existing vessels. Biofuels would also not require significant delivery infrastructure investment. However, Biofuels are likely to be the preferred fuel for the aviation and road sectors, given the high energy density relative to alternative clean fuels and therefore there simply may not be adequate volumes available to the marine sector over the long-term. That said, Biofuel blends are likely to gain traction in the coming years, as this is the easiest short-term solution to reducing carbon emissions in the marine sector.

Hydrogen as a fuel is attractive because it emits no carbon or other pollutants when used. Existing hydrogen manufactures can produce 'blue' or low-carbon hydrogen by capturing and storing the carbon emitted during the production process. However, research is underway to develop energy-efficient processes for producing 'green' hydrogen from water via thermochemical processes using renewable energy. Another potential approach to produce carbon-neutral fuels involves chemically processing green hydrogen together with carbon or nitrogen to produce gaseous or liquid fuel. The energy density of hydrogen gas is relatively low, and it would need to be liquefied and stored under pressure to be viable as fuel, creating a transportation and storage challenge. A unit of cooled liquid hydrogen has less than half the energy of diesel and requires more than double the space to store it. Furthermore, significant infrastructure investments will be necessary to store and transport the cryogenic liquid which has a -253°C boiling point. Given these limitations, Hydrogen is unlikely to gain the kind of traction that we have seen with Ammonia.

Ammonia: While it could be several years before it is adopted at scale, Ammonia does enjoy the privilege of having the largest share of zero-emission vessel prototype projects worldwide. Its molecular makeup (NH₃) allows for a carbon and sulphur-free combustion. Today, most commercially available Ammonia is derived from fossil fuels, which makes its green credentials less than pristine. That will change once Ammonia is produced at scale through a renewable energy powered electrolysis process, a development that is expected to take place in the latter half of this decade. Early adopters of Ammonia as a fuel are likely to be, Niche vessels operating in regions with strict emission controls and on fixed routes, Ammonia Tankers and LPG Tankers capable of transporting Ammonia. This will likely be followed by energy guzzlers such as large Cruise and Container carriers on routes where Ammonia as fuel is easily available. Bulk carriers, which consume about 5% of total marine fuel consumed globally will unlikely be early adopters because of their varied trade routes. The key to the adoption of Ammonia-powered vessels would be the establishment of safety and training standards which could take several years given the more complex nature of the fuel.

Methanol is a safe, cost-effective, and globally available marine fuel with global production of 110 MMT. The main feedstock in production is natural gas. However, it could be 100% renewable, as it can be produced from a variety of renewable feedstocks or as an electro-fuel. Methanol fuel produces no sulphur emissions, very low levels of nitrogen oxide emissions, and is biodegradable. It can also be blended into existing fossil fuels. Current dual fuel Methanol engines have performed well, and upcoming technologies will further improve on this performance. Methanol is a liquid at ambient temperature. However, since the flash point of Methanol is very low (around 9 to 10 deg C), carriage as well handling of methanol can be hazardous, would require specially designed storage tanks and would need an inert atmosphere to be maintained in the tanks all the time.

Liquefied natural gas (LNG) is the other choice open to maritime operators being both a proven and commercially available solution. At present, there are around 120 ships already operating on dual-fuel gas engines. LNG is mostly comprised of Methane, a highly potent GHG and far more harmful to the environment than CO₂. Methane traps 86 times more heat in the atmosphere than the same amount of CO₂ over a 20-year period. LNG fell in stature after many members of the scientific community began to publish studies that examined the "well-to-wake" emissions of methane, referred to as 'Methane slip'. Methane slip takes place mainly during flaring (burn off at the point of production), but also at the point of consumption.

Liquefied petroleum gas (LPG) is a combination of Propane (C₃H₈) and Butane (C₄H₁₀). The fuel is readily available globally and is lauded as a clean, energy-efficient, and portable fuel with an affordable price tag. It is currently sourced mainly from natural gas and oil production activities. However, in the wake of new technologies and techniques, LPG can also be produced from renewable sources. There are more than 1,000 LPG storage facilities around the world that can be used for LPG bunkering, and more than 700 small size LPG carriers, that can be used for ship-to-ship bunkering. LPG is at least as attractive an energy source as LNG, with shorter payback periods, lower investment costs, and lower sensitivity to fuel price scenarios. So far, LPG as a marine fuel has only been tried on LPG carriers. It is unlikely that owners in sectors other than LPG will adopt the fuel widely, given the increased capital cost and complexity relative to ships burning existing fuels.

Carbon Capture and Storage - A complex method, that involves trapping carbon dioxide emissions at its source of production or directly from the air and transporting it to a storage location usually in coal seams, aquifers, depleted oil and gas reservoirs, and other spaces deep under the surface of the Earth. Commercial viability is a major challenge at the present time. Several oil majors as well as Shipping companies are researching solutions to lower costs. If they are successful in doing so, this technology has the potential to become dominant as it would imply that existing fuels can continue to be used.

Electrification Semi-Electric and Electric vessels are gaining momentum, energy storage in batteries and optimized power control can provide significant reductions in fuel consumption, maintenance, and emissions. While improved battery technology has helped the new generation of electric European ventures get afloat, Electric and hybrid ships need more efficient and lighter batteries for a breakthrough. Energy density has increased considerably over the last 30 years, however, it is not yet enough to supply large ships with energy for long distances. The development of charging infrastructure and technologies for faster charging of the batteries are also crucial and hence ocean-going vessels are unlikely to become completely electrified soon.

Crew training at PSL's Maritime Training Center:

As previously reported, the Company set up a full-fledged Maritime Training Center at its Head Office in Bangkok in March 2008. The PSL Training Center includes a state-of-the-art Bridge Navigation Simulator for training of maritime personnel. Vessel-type specific Simulator recreates the actual maneuvering characteristics of the ship and its bridge controls as it enters a specific major port and provides ideal conditions in which Officers get hands-on experience for effective bridge teamwork and competence in ship-handling and navigation. This is a significant step taken to train and equip our Officers and Crew to take better care of themselves and their ships, all with a view to ensuring safety of the crew, cargo, and the ship by preventing accidents, thus helping to preserve the environment. In the current scenario of a worldwide shortage of trained personnel, and the rapid promotions that is a natural result of such a shortage, this is a major step to provide specialized training that would otherwise have been acquired 'on the job'. In February 2020, the Bridge Navigation Simulator was upgraded to the latest design. This involved a total renewal of all projectors, panels, consoles, and the software updated as per the requirements of our fleet.

The International Convention on Standards of Training, Certification and Watch-keeping for Seafarers 1978, which establishes the basic requirements for seafarers was revised in 1995 and again in June 2010 in a conference in Manila, known as the Manila amendments, brought about more stringent requirements for global standards of competency for seafarers. The Manila amendments have entered into force on 1st January 2017. The PSL training and fleet department had been preparing in advance so that, by the date of enforcement, all vessels had seafarers with the required training and certificates on board our ships.

Maritime Resource Management (MRM):

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 The Swedish Club, a member of the International Group of P&I Clubs, and one of the few insurers providing Hull as well as P&I insurance covers. 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), 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. 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 taken the step of organizing specialized courses conducted by experienced and proficient guest teachers.

The use of "Electronic Chart Display and Information System" (ECDIS) has become mandatory for new ships built from July 2013. All the vessels in the fleet are equipped with ECDIS with the onboard software updated to the latest version. Officers are required to complete specialized ECDIS I generic training as part of their competency certificates.

PSL is committed to ensure that navigating officers are fully conversant with ECDIS equipment prior joining the vessel. Officers are given generic ECDIS training at approved institutes. Realizing the fact that certification alone does not make an officer fully familiar and confident to use ECDIS, PSL Training Centre has equipped itself and developed ECDIS training/familiarization courses. After attending the approved ECDIS generic training course, officers are required to undergo further ECDIS familiarization course at our in-house facility.

The training department also keeps abreast of imparting awareness to Officers on the risks due to increased incidents of the liquefaction of cargoes, such as iron ore fines, coal, manganese ore fines, and nickel ore. More than a hundred seafarers have lost their lives over the past eight years on vessels which have capsized due to the liquefaction of such cargoes. The latest cargo entry in the list of solid bulk cargoes susceptible to liquefaction that can cause catastrophic results is "bauxite". When subjected to sufficient dynamic loading, very wet fine-grained bauxites go through a process of slumping and dynamic separation, with the upward expulsion of water/slurry. This may result in free surface effect of liquid sloshing about which could significantly affect the vessel's stability, leading to the risk of the ship capsizing. In response, the IMO's Sub-Committee on Carriage of Cargoes and Containers issued new guidance on the carriage of bauxite, requesting adequate safety precautions to be taken when carrying this cargo.

During the year 2021 with the Covid-19 pandemic showing little signs of relenting, we continued to train our officers online. A total of 1,444 sea going officers and crew members attended a total of 16 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.

We provide below a summary of the courses conducted during the year and the number of crew members who were trained.

- Number of courses conducted at the Training facility in 2021: 4 Courses

1) Bridge Team Competency I
2) Bridge Team Competency II
3) Bridge Team Management
4) ECDIS – Electronic Chart Display & Information System

- Number of courses conducted On-Line in 2021: 16 Courses

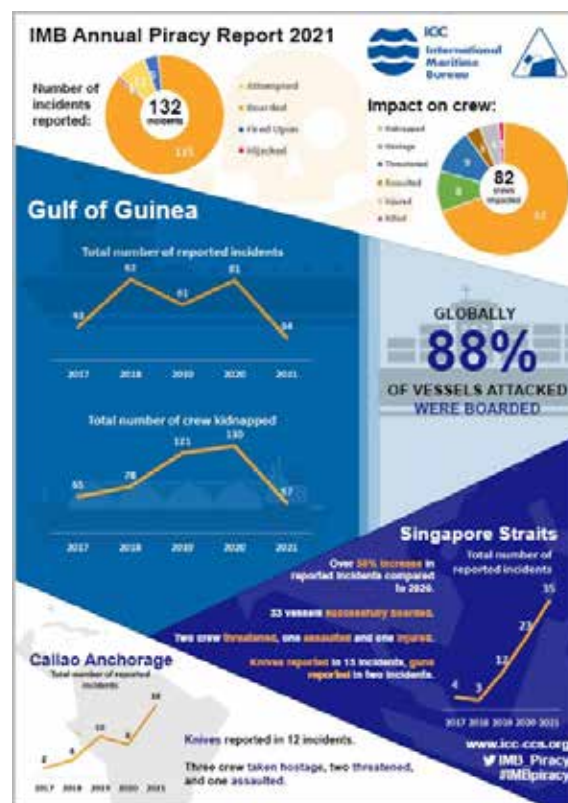
1) Maritime Resource Management	9) ME Basic
2) Maritime Professional Briefing	10) ME Advance
3) Chief Mate Course	11) Basic English
4) Command course	12) Elementary Maritime English
5) EOW	13) Intermediate English
6) OOW	14) Upper Intermediate English
7) RT-Flex Basic	15) Shipboard Safety for Rating
8) RT-Flex Advance	16) Maritime cyber-security awareness

- Number of seafarers trained in 2021: 1,444 (Online)
- Total Man-days for training in 2021: 4,168.4 man-hours
- Additional course on Maritime Cyber Security Awareness for Seafarers was conducted online for the whole year in 2021, with total number of 527 seafarers were trained on the topic of Maritime Cyber Security Awareness (Officers and Engineers: 437, Ratings: 90)
- Additional course on Port State Control inspections was combined with the MPB course, and was conducted online during 2021
- Additional course on EEXI and CII introduced. Will commence by end Jan 2022.

The Scourge of Piracy:

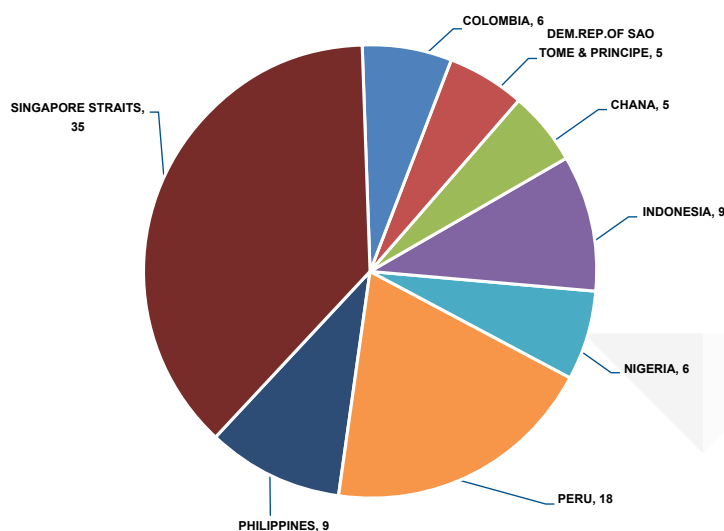
The Scourge of Piracy continues to be a serious concern to all the stake holders in the shipping industry, especially ship owners, the crewmembers on board, and their families. To help visualize, imagine being marooned on a small island from where there is no possibility of running away or escaping, no protection available from any kind of law enforcement agencies, absolutely nothing to defend oneself with and being attacked by a group of thugs, trained, and armed with military grade firearms!

The International Chamber of Commerce's International Maritime Bureau (IMB)'s annual piracy report for 2021, revealed that the maritime piracy and armed robbery attacks reached the lowest recorded level since 1994. In 2021, the IMB Piracy Reporting Centre received 132 incidents of piracy and armed robbery against ships as against 195 incidents reported in 2020. Incidents comprise 115 vessels boarded, 11 attempted attacks, five vessels fired upon, and one vessel hijacked. The chart below reveals the number of incidents region-wise. The overall reduction in reported incidents in 2021 is attributed to a decline of activity reported within the Gulf of Guinea region which has seen a decrease from 81 reported incidents in 2020 to 34 in 2021.



The following eight locations contributed to 71% of the total of 132 incidents reported during the year.

CHART A: The following eight location contributed to 71% of the total of 132 incidents reported in the period January-December 2021



Country-wise piracy incidents were reported as indicated in the table below:

TABLE 2: ACTUAL and ATTEMPTED incidents by location, January – December 2021

Location	Actual attacks		Attempted attacks	
	Boarded	Hijacked	Attempted	Fired Upon
SE ASIA				
Indonesia	8		1	
Malacca Straits	1			
Malaysia	2			
Philippines	9			
Singapore Straits	33		2	
EAST ASIA				
Vietnam	1			
INDIAN SUB-CONT				
India	2			
AMERICAS				
Brazil	3			
Colombia	6			
Ecuador	1		1	2
Haiti	4			
Mexico			1	
Peru	17		1	
AFRICA				
Angola	4			
Benin	2			
Cameroon	1			
Dem. Rep. of Congo	1			
Dem. Rep. of Sao Tome & Principe	4			1
Equatorial Guinea	1			1
Gabon	2	1	1	
Ghana	3		2	
Guinea	3			
Gulf of Aden			1	
Liberia	1			

All our vessels trading in the region observe all the BMP guidelines to deter piracy along with armed escort vessels arranged by the company as necessary and where possible.

PSL has taken an active role in reporting to the IFC (Information Fusion Centre), a centre for monitoring the movement of all vessels in Southeast Asian waters. The IFC is based in the Singapore Naval Base and relays information to all regional Marine Coastguard units and has been effective in tackling piracy in the region.

Cybersecurity:

As modern and technologically advanced newer ships become increasingly connected and software-dependent on their day-to-day systems, cyber security continues to be a key area requiring increased attention to control operational and safety risks on these ships, while remaining a major issue to be tackled by shipping companies during their board meetings worldwide. We continue assessing this threat to increase our overall security posture and to nurture a secure environment within which the organization can work and minimize the risk of any security breach.

Cyber risk is seen as an area where the threads in the global risk environment come together, and the scale and sophistication of risks keeps growing. This is also fueled in part by geopolitical trends, more state sponsored attacks could add to those cyber-attacks that are financially motivated. Cyber exposure is growing in companies due to the rapid increase of interconnected devices, due to emerging technologies use onboard ships, and the use of artificial Intelligence. The prime focus of our industry will now be our ability to respond to these ever-increasing Cyber-attacks.

The IMO resolution MSC.428(98) on Maritime Cyber Risk Management in SMS has already come into effect from 1st of 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 1st January 2021. We have already completed this on all our vessels.

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

- Our present systems incorporated in Office environment and onboard ships are "robust" enough with the understanding that both IT and OT systems may be involved in cyber security incidents.
- During 2020, we have undergone a Vulnerability Assessment and Penetration Testing in the office IT infrastructure by Nettitude, a subsidiary of Lloyds Register and a member of CREST which is recognized globally as the cyber assurance body for the technical security industry. A vulnerability assessment was also done on a sample vessel in the fleet. Based on the gap analysis report, we have acted and completed all the recommended measures both in the office and on board 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.
- In 2021, we have started upgrading all the switches connecting to our servers with the latest secured versions (will be completed by Q1/2022).
- 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, and to ensure safe and efficient operations of our fleet:

- at all levels of the company, from senior management ashore to the crew on-board, are involved in the safety and security culture onboard each vessel;
- in company policies, by considering how to align cyber risks with the existing security and safety risk management requirements contained in the ISPS and ISM Codes; and
- in relevant onboard procedures, by including new related requirements in in-house training programs, day to day operations of the vessel and maintenance of critical cyber systems, if any, that may exist onboard.

Digitalization:

During 2021, due to the Covid-19 pandemic, most employees continued to work remotely from home as was found necessary. There were no problems in continuing the business operations in a normal way without any disruptions. This was possible because the Management at PSL has always been fully committed to support digitalization and we had been regularly going through the process of identifying and transforming the working procedures at PSL, which we are committed to continue. At PSL continuous training is the key to keep staff and seafarers up to speed with new technology which we take very seriously. After our dedicated Training Center was forced to go into remote-operation mode in mid-2020 due to the Covid pandemic, the training of our crew continued normally on online platforms throughout 2021, with good feedback from the trainers and crew.

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 5.15 million, which works out to about 253% of our original Investment made in years 2002-2003.

In Conclusion:

Demand:

The environment for 2022 is going to be characterized by extreme volatility, as it was for 2021, for the same reason that demand/supply came into perfect balance at the start of 2021. Downside risks for 2022 will include, amongst others, Geopolitical tension hot spots like Ukraine; China importing lower quantities of Coal and Iron Ore; real estate, steel production, cement/aluminum manufacturing slowing down and negatively impacting GDP rates in China in Q4 2021, and likely, in Q1 2022 to reduce pollution and have blue skies during the winter Olympics (4th – 20th February 2022); QE tapering in USA; interest rate hikes in USA and other major economies; higher oil prices negatively impacting world economic growth rates; and Protectionism increasing. But it is not all doom and gloom. The upside potential for 2022 consists of, amongst others, fiscal and monetary stimulus by some governments; China lowering interest rates, lowering reserve ratio requirements of their banks, lowering mortgage rates, and promising more stimulus; China importing more high-grade iron ore as they combat pollution and shift to higher grades of steel production; China importing more coal to reduce pollution, to reduce the terrifyingly high annual death toll at coal mines invariably accompanied by protests from the relatives of those that have perished; 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 would become obsolete well before their retirement age, higher recycling rates due to regulatory pressure; the US economy continuing to outperform expectations; and weaker currencies in the Euro zone and Japan helping them to export their economies out of trouble. Most importantly, with geopolitical tensions increasing centered around the war rhetoric over Ukraine, China 'banning' 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 records this century.

Supply:

Under the current conditions, approximately 11.90% (111.58 MDWT) of the existing world fleet would be over 20 years of age between 2022-2024 if no ships are recycled till the end of 2024. 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 2022 to 2024 many of these ships would be forced to take the decision to head to the recycling yards in Asia.

With respect to the 6.88% of new ships (64.66 MDWT) scheduled to be delivered to the end of 2024, 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:

Unlike the horror show of 2020, which will be remembered as the year in which financial markets capitulated as global shutdowns hit trade, 2021 will be remembered as the year of the V-shaped recovery and the return of confidence to financial markets. The pendulum had swung, and how!

Dry-bulk vessel earnings reached levels not seen since 2008 and perhaps, more importantly, it was felt that freight market would remain resilient for several years to come.

Banks were open for business again, as were debt capital markets although curiously this didn't result in increased financing volumes as cash-rich container and dry-bulk owners chose to pay down debt rather than take on new debt. Bank financing continued to be challenging for small private ship-owners, although medium and large publicly listed owners were able to access bank debt.

Decarbonization remained at the top of the agenda in the year of COP 26. A significant number of zero-carbon fuel pilot projects were announced during the year and many of these, we believe, will prove to be technically viable. That said, the commercial viability of these new projects remains a big question mark and large-scale adoption can only take place if meaningful market-based measures are adopted by the IMO.

In 2021, we closed a USD 85m sustainability linked financing with International Finance Corporation (IFC), EXIM Bank of Thailand and TMBThanachart Bank. As part of the financing, we amended several of our internal processes to conform to IFC's very progressive performance standards, which we believe will make us a better and more resilient organization.

This year, we also rekindled our relationship with Credit Agricole, who provided us with a USD 38.35m financing package secured by six vessels. Credit Agricole CIB was the very first lender to have ever given us a ship-mortgage-backed loan way back in 1988.

According to Clarksons, the Shipping Industry (excluding offshore) as a whole, raised USD 30.46 Billion from capital markets in 2021 compared to USD 36.30 Billion in 2020. USD 20.19 Billion came in from Bonds and USD 9.51 Billion from Public Equity. USD 768 Million of public equity was raised through primary offerings (IPOs), a very similar figure to the USD 766 Million raised through IPO's in 2020 although much higher than the USD 15 Million raised through primary offerings in 2019. The container shipping Company Zim line had the largest IPO in 2021 raising USD 217.5 Million through a listing on the NYSE while the second largest IPO was that of the dry-bulk Company Taylor Maritime, which raised USD 160 Million on the London Stock Exchange. Like in 2020, the debt capital market was dominated by issuances by Container companies with issuances by dry-bulk companies largely absent.

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

14 February 2022



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 2021, PSL operates 36 dry bulk ships including 4 cement carriers (the “Fleet”), amounting to 1,585,805 DWT in aggregate. The Fleet comprises 20 ships that are registered under the Thai flag and 16 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 19 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 - 39,999 DWT, and 2) Supramax/ Ultramax sector, ships with 40,000 - 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 which 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 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 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 propeller 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 2019 and 2021)

2019

- **Resignation of Director and Change in Management and Executive Board**

On 5 April 2019, the Company notified the SET that the Company had received the resignation of Mr. Jaipal

Mansukhani from the position of Director of the Company with effect from 5 April 2019. Accordingly, Mr. Jaipal Mansukhani ceased to be a member of the Board of Directors of the Company and consequently as a member of the Executive Board of Directors of the Company ("Executive Board") from 5 April 2019. Further, Mr. Khushroo Wadia, who was Director (Finance) and had served as Executive Director on the Executive Board of the Company, also resigned from the Executive Board of the Company and accordingly ceased to play an active role in the management of the Company and all of its subsidiaries with effect from 5 April 2019. However, it may be noted that Mr. Khushroo continued to remain on the Board of Directors of the Company, albeit now without any executive management role.

Mr. Gautam Khurana, Chief Financial Officer of the Company, replaced Mr. Khushroo Wadia as Director (Finance) with effect from 5 April 2019. The Board of Directors of the Company also appointed Mr. Gautam Khurana as Executive Director on the Executive Board and Mr. Kodakaraveetil Murali Menon, Director (Technical) of the Company, as Executive Director on the Executive Board. Following the aforementioned appointments, the Executive Board comprised of Mr. Khalid Hashim, Mr. Gautam Khurana, and Mr. Kodakaraveetil Murali Menon.

- **Registration of the reduction of the registered capital of the Company by way of cancellation of the unissued shares and the consequent amendment to Clause 4 of the Company's Memorandum of Association.**

On 17 April 2019, the Company notified the SET that the resolutions of the Annual General Meeting of Shareholders No. 1/2019 held on 4 April 2019, which approved the reduction of the registered capital of the Company in the amount of Baht 51,965,068, from Baht 1,611,256,930 to Baht 1,559,291,862 by way of cancellation of 51,965,068 unissued shares at Baht 1 par value per share. The Company completed registration of the reduction of the registered capital of the Company and the consequent amendment to Clause 4 of the Memorandum of Association of the Company in accordance with the aforementioned resolutions, with the Department of Business Development, the Ministry of Commerce on 9 April 2019.

- **A connected transaction**

On 18 November 2019, the Company notified the SET that the Meeting of the Board of Directors of the Company No. 5/2019 held on Monday, 18th November 2019 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 Mrs. Vijayalakshmi Hashim, spouse of Mr. Hashim.

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

On 26 November 2019, the Company notified the SET that the following 7 wholly owned Thai subsidiaries of the Company completed their liquidation processes due to absence of any operations, since these subsidiaries did not own any vessels.

1. Precious Rivers Limited
2. Precious Seas Limited
3. Precious Stars Limited
4. Precious Cliffs Limited
5. Precious Hills Limited
6. Precious Mountains Limited
7. Precious Cities Limited

- **New credit facility of USD 28 million from Export-Import Bank of Thailand**

On 16 December 2019, the Company notified the SET that on 13 December 2019, the Company and certain Thai subsidiaries of the Company executed a USD 28 million term loan facility with Export-Import Bank of Thailand. The purpose of the Loan Facility is 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.

2020

- **Amendment to the Company's registered address**

On 30 January 2020, the Company notified the SET that on 30th January 2020, the Company registered the amendment of the Company's registered office address with the Ministry of Commerce in its official documents as follows:

Old registered office address: No. 8 Cathay House, 7th Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500.

New registered office address as amended: No. 8, North Sathorn Road, G, 7th, 8th and 9th floors, Silom, Bangrak, Bangkok 10500.

- **Amendments to the Secured Loan Agreement from BNP Paribas**

On 16 April 2020, the Company notified the SET that on 15 April, 2020, the Company along with its Singaporean subsidiaries, Precious Skies Pte. Ltd. and Precious Tides Pte. Ltd., as Joint Borrowers, executed a first amendment and restatement deed (“Deed”) in relation to the Loan Agreement of up to USD 42 million (disclosure made to the SET on 30 December 2014) which originally was for financing two 64,000 DWT Ultramax Dry Bulk Vessels (i.e. M.V. Savitree Naree and M.V. Savita Naree). The aforesaid Deed is mainly to upsize the original Loan by an additional loan amount of up to USD 10.6 million (“Upsize Loan”).

- **Resolutions of the Debenture Holders’ Meeting No. 1/2020 of PSL206A**

On 19 May 2020, the Company notified the SET of the resolutions of the Debenture Holders’ Meeting No. 1/2020 of “Debentures of Precious Shipping Public Company Limited No. 2/2559 Due B.E. 2563” (“PSL206A”) which was held on 19 May 2020 at 2.00 p.m. at the office of Christiani & Nielsen (Thai) Public Company Limited located at 727 Lasalle Road, South Bangna Sub-District, Bangna District, Bangkok 10260 as summarized below:

1. Approved the extension of PSL206A’s maturity date by 1 year and 6 months and revision of the redemption date from 9 June 2020 to 9 December 2021 and approved the amendment of Terms and Conditions, debentures’ certificate and name of the debentures to be in line with the amendment of the maturity date.
2. Approved the amendment of the interest rate of the debenture to be 6.5 percent per annum by calculating the new rate from (and including) 9 June 2020 in accordance with the Terms and Conditions, including the amendment of Clause 2.1 and related content of the Terms and Conditions and debentures’ certificate to be in line with the amendment of the debentures’ interest rate.
3. Approved the amendment of Clause 11 of the Terms and Conditions regarding the redemption and repurchase of debentures by adding Clause 11.5 Redemption of Debentures before the due date by the debentures’ issuer and approved the amendment of the name of debentures and debentures’ certificate to “Debentures of Precious Shipping Public Company Limited no. 2/2559 Due B.E.2564 with the Issuer’s Right to Early Redemption” to be in line with the above matter.
4. Approved the payment of the principle at 20 percent of the total outstanding amount of debentures with interest on 9 June 2020.

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

On 28 May 2020, the Company and certain subsidiaries of the Company executed a USD 10,100,000 term loan facility (“Loan Facility”) with Export-Import Bank of Thailand. The purpose of the Loan Facility is for partial redemption of the Debentures of Precious Shipping Public Company Limited No. 2/2016 due 2021 as extended) (PSL206A).

- **Appointment of two new Directors**

The Annual General Meeting of Shareholders of the Company No. 1/2020 held on Wednesday, 8 July 2020 at 10:30 hours by electronic means (“E-AGM”) which was broadcast from the Company’s office located at No. 8 North Sathorn Road, Silom, Bangrak, Bangkok 10500 approved the appointment of Ms. Pensri Suteerasarn as a new Independent Director and Ms. Sirasa Supawasin as another Director.

- **Appointment of the new Chairman of the Board of Directors and the new Chairperson of the Nomination Committee**

With reference to the retirement of Mr. Thira Wipuchanin at the Annual General Meeting of Shareholders of the Company No. 1/2020, the Board approved the following appointments by the resolutions of the Meeting of the Board of Directors of the Company No. 6/2020 held on Wednesday, 8 July 2020 at 12.00 hours at the Registered Office of the Company.

- Mr. Chaipatr Srivisanvacha, Independent Director, as the new Chairman of the Board of Directors of the Company with effect from 8 July 2020.
- Ms. Pensri Suteerasarn, Independent Director, as the new Chairperson of the Nomination Committee for a 2-year term with effect from 8 July 2020 in replacement of Mr. Chaipatr Srivisanvacha who is now appointed as the Chairman of the Board of Directors of the Company.

- **Execution of the Settlement Agreement between the Company and Sainty Marine Corporation Ltd. (currently known as Jiangsu Guoxin Corporation Ltd.) (“Sainty”)**

On 10 July 2020, the Company and Sainty executed an amicable settlement agreement in order to fully and finally settle any and all of their disputes and claims in relation to the eleven shipbuilding contracts for eleven 64,000 DWT bulk carrier vessels bearing hull nos. SAM13009B (M.V. Issara Naree), SAM13010B (M.V. Inthira Naree), SAM14017B, SAM14018B, SAM14019B, SAM14020B, SAM14021B, SAM14022B, SAM14023B, SAM14027B, SAM14028B which were under the arbitration and court proceedings in London.

- **Resolutions of the Debenture Holders’ Meeting No. 1/2020 of PSL211A**

On 30 July 2020, the Company notified the SET of the resolutions of the Debenture Holders’ Meeting No. 1/2020 of “Debentures of Precious Shipping Public Company Limited No. 1/2559 Due B.E. 2564” (“PSL211A”) which was held on 30 July 2020 at 10.30 a.m. at Bussarakam ballroom and Pailin room, the Avani Atrium Hotel, No. 1880 New Petchburi Road, Bangkok, Huay Kwang, Bangkok, Thailand 10310 as summarized below:

- Approved the extension of PSL211A’s maturity date by 1 year and 6 months and revision of the redemption date from 22 January 2021 to 22 July 2022 and approved the amendment of Terms and Conditions, debentures’ certificate and name of the debentures to be in line with the amendment of the maturity date.
- Approved the amendment of the interest rate of the debenture to be 6.75 percent per annum by calculating the new rate from (and including) 22 January 2021 in accordance with the Terms and Conditions, including the amendment of Clause 2.1 and related content of the Terms and Conditions and debentures’ certificate to be in line with the amendment of the debentures’ interest rate.
- Approved the amendment of Clause 11 of the Terms and Conditions regarding the redemption and repurchase of debentures by adding Clause 11.5 Redemption of Debentures before the due date by the debentures’ issuer and approved the amendment of the name of debentures and debentures’ certificate to “Debentures of Precious Shipping Public Company Limited no. 1/2559 Due B.E.2565 with the Issuer’s Right to Early Redemption” to be in line with the above matter.
- Approved the payment of the principle at 20 percent of the total outstanding amount of debentures (either in single or multiple payments) on or before 22 January 2021 and such payment is not required to be made on any interest payment date.

- **Reporting on 2nd partial early redemption of the PSL206A Debentures**

On 18 September 2020, the Company notified the SET that the Company had exercised the right to redeem 40% of the outstanding principle of the PSL206A Debentures, equivalent to THB 627.20 million. The payment of this partial early redemption was made along with the accrued interest to the Debenture holders on 22 October 2020.

- **Reporting on 1st partial early redemption of the PSL211A Debentures**

On 21 September 2020, the Company notified the SET that the Company had exercised the right to redeem 10% of the total principal amount of the PSL211A Debentures, equivalent to THB 359 million. The payment of this partial early redemption was made along with the accrued interest to the Debenture holders on 22 October 2020.

- **Reporting on 2nd partial early redemption of the PSL211A Debentures**

On 14 October 2020, the Company notified the SET that the Company had exercised the right to early redeem another 10% of the total principal amount of the Debentures (THB 3,590 million), equivalent to THB 359 million. The payment of this 2nd partial early redemption was made along with the accrued interest to the Debenture holders on 16 November 2020. After this 2nd partial early redemption, the outstanding principal of the PSL211A Debentures was THB 2,872 million.

- **Receipt of lump sum charter hire from Ultratech Cement Ltd., India**

With reference to the 5 long term charters made between 5 of the Company’s subsidiaries in Singapore, viz. (i) ABC ONE Pte. Ltd., (ii) ABC TWO Pte. Ltd., (iii) ABC THREE Pte. Ltd., (iv) ABC FOUR Pte. Ltd. and (v) Precious Comforts Pte. Ltd., as the Owners, and Ultratech Cement Ltd., India, as the Charterers, in respect of 4 cement carriers (M.V. Danaya Naree, M.V. Apinya Naree, M.V. Boonya Naree and M.V. Chanya Naree) and 1 Supramax dry bulk vessel (M.V. Apiradee Naree), respectively (collectively as “Vessels”), on 16 October 2020, the Company notified the SET that around the end of August 2020, each of the Owners executed a supplemental agreement with the Charterers, to amend the payment terms under each of the charters, whereby the Charterers agreed to pay the daily charter hire for a period of one year (1st October 2020 – 30th September 2021) in advance on or before

1st October 2020 in exchange for a discount from the Owners of 5%. On 1st October 2020, the Owners received the aggregate net lump sum charter hire for all 5 Vessels in the amount of USD 25.23 million from the Charterers.

- **Change in Management and Executive Board**

On 16 November 2020, the Company notified the SET that Mr. Kodakaraveettil Murali Menon, who is Director (Technical) and Executive Director on the Executive Board of Directors ("Executive Board") of the Company and had been with the Company for over 32 years planned to retire from the Company in all capacities at the end of 2020. As such, the Board of Directors of the Company had appointed Mr. Prashant Mahalingam who then was Vice President (Technical) and has been employed by the Company since 1993, as Mr. Menon's replacement as Director (Technical) and as Executive Director on the Executive Board with effect from 1st January 2021. Following the aforementioned appointment with effect from 1st January 2021, the Executive Board comprises of Mr. Khalid Hashim, Mr. Gautam Khurana, and Mr. Prashant Mahalingam.

- **New Loan Agreement of USD 6 million with SinoPac Capital International (HK) Limited, Hong Kong**

On 18 November 2020, the Company notified the Stock Exchange of Thailand that on 17 November 2020, the Company's Singaporean subsidiary, Precious Visions Pte. Ltd., (the "Subsidiary") as the Borrower and the Company as the Guarantor executed a USD 6 million Senior Secured Amortizing Term Loan Agreement with SinoPac Capital International (HK) Limited to refinance the Supramax Dry Bulk Vessel (M.V. Chayanee Naree).

- **Reporting on 3rd partial early redemption of the PSL206A Debentures**

On 27 November 2020, the Company notified the SET that the Company exercised the right to early redeem another 30% of the outstanding principal amount of the PSL206A Debentures (THB 940.80 million), equivalent to THB 282.24 million. The payment of this 3rd partial early redemption was made along with the accrued interest to the Debenture holders on 5 January 2021. After this 3rd partial early redemption, the outstanding principal of the PSL206A Debentures was THB 658.56 million.

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

- **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. This variable rate currently stands at about USD 37,000 per day

- **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, 15th 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.

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. 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.

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

Revenues	2019		2020		2021	
	Amount (Baht Million)	% of Total Revenue	Amount (Baht Million)	% of Total Revenue	Amount (Baht Million)	% of Total Revenue
Time Charter Income	3,334.21	79.71	2,874.43	76.63	7,722.88	87.62
Voyage Charter Income	810.07	19.36	851.87	22.71	888.87	10.08
Total Vessel Operating Income	4,144.28	99.07	3,726.30	99.34	8,611.75	97.70
Other income	38.75	0.93	24.76	0.66	202.54	2.30
Total Revenues	4,183.03	100.00	3,751.06	100.00	8,814.29	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 of 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.

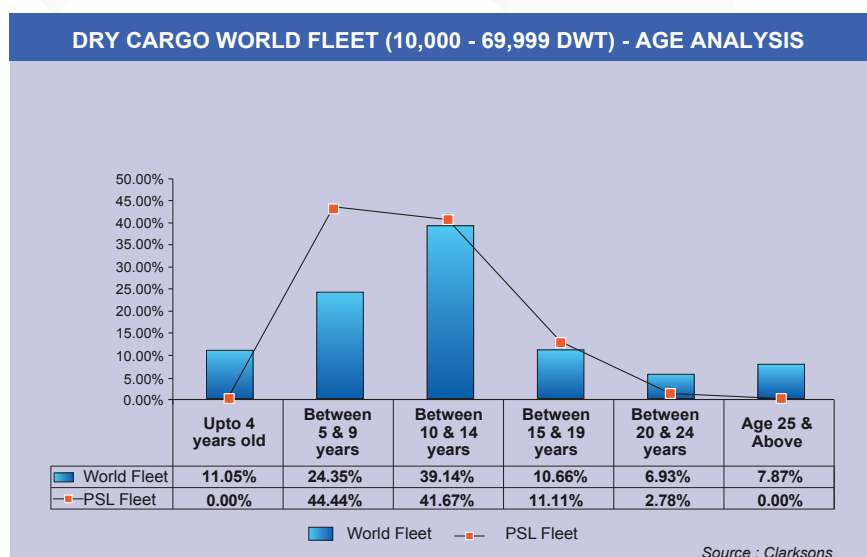
Each ship sails across the globe, depending on the requirements of PSL's charterers. The Fleet is hired on both, time charters as well as voyage charters, with a typical duration of 1 - 3 months. The mix between the two types of business had historically been equal, until the year 2004 when this changed to an extent that almost all the ships were on time charters. In 2005 and 2006, the proportion of voyage charters increased marginally as compared to the year 2004. However, during the years 2007 - 2010, the equation changed again and about 99% of vessel employment were time charters and only about 1% was voyage charters, except during year 2009 where the proportion of voyage charters was marginally higher at 6%. However, during the years 2011 - 2021, the proportion of voyage/time charters changed with an increase in percentage of voyage charters to around 6% to 17% from 0.5% in 2010.

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 10 years, is younger than the world's fleet average age of about 12 years.

An age-wise analysis as of 1 January 2022 of PSL's fleet vis-a-vis the World Fleet (10,000 - 69,999 DWT) is given in the following graph



2.2 Business Operations

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

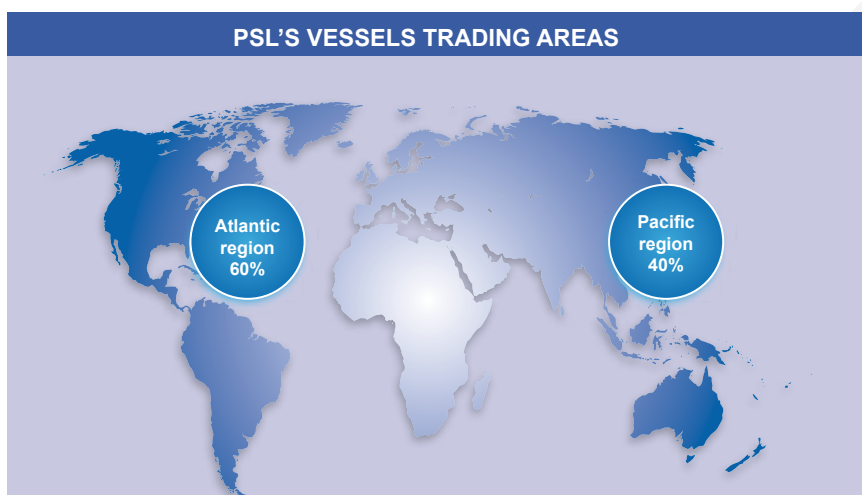
i Commodities/Cargoes Carried

Commodity	(Number of Voyages and % of Total Voyages)					
	2019		2020		2021	
Cement	130	32.66%	114	29.77%	125	32.22%
Agricultural Commodities	63	15.83%	71	18.54%	67	17.27%
Steel	50	12.56%	43	11.23%	35	9.02%
Fertilisers	28	7.04%	34	8.88%	40	10.31%
Specialised Ores	43	10.80%	50	13.05%	39	10.05%
Coal	33	8.29%	36	9.40%	26	6.70%
Forest Products/Logs	13	3.27%	4	1.04%	21	5.41%
Others	38	9.55%	31	8.09%	35	9.02%
Total	398	100.00%	383	100.00%	388	100.00%

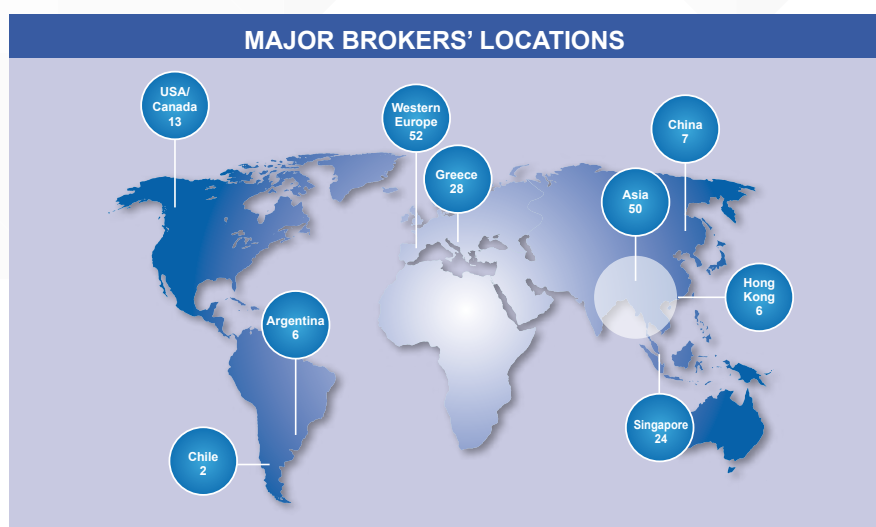
ii Voyage Charters v/s Time Charters

Charter	(Number of Voyages and % of Total Voyages)					
	2019		2020		2021	
Voyage Charters	32	8.04%	34	8.88%	24	6.19%
Time Charters	366	91.96%	349	91.12%	364	93.81%

iii Vessel Trading Areas for the year 2021



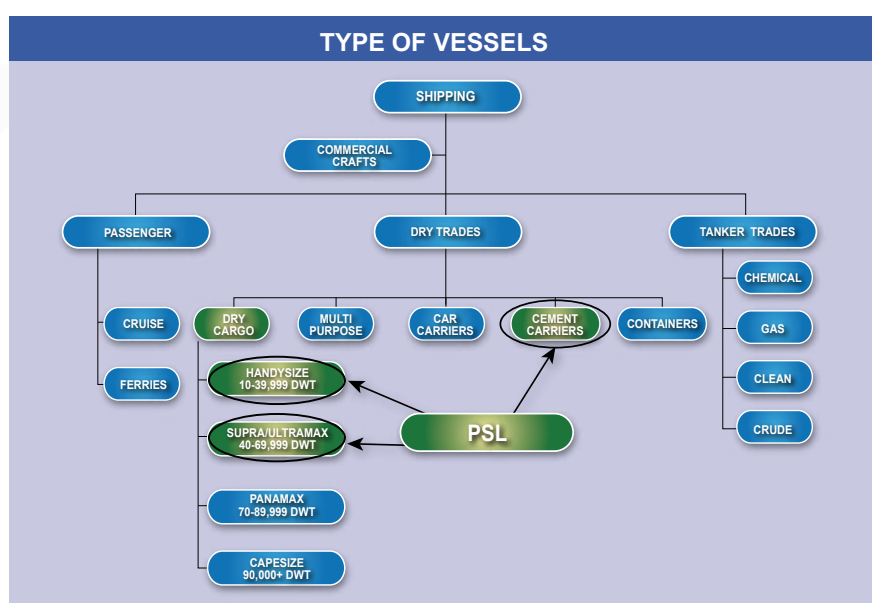
IV Marketing network and major broker locations



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:



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.

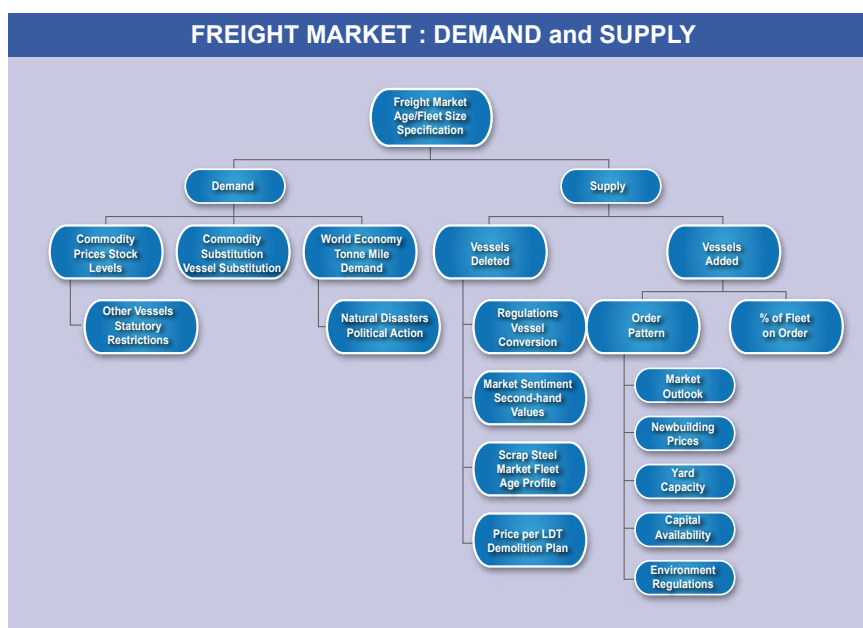
The vessel supply picture is also very fragmented. As of 31 December 2021, there were 8,008 ships with DWT of between 10,000 and 69,999. The largest shipowner in this sub-group has a fleet of only about 125 ships or about 2% market share of capacity in DWT terms. The majority of the owners are private companies with a small number of vessels.

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. Thereafter, since the end of 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 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 demand for commodities. Recovering demand and tightening vessel supply have kept freight rates buoyant in late 2020 and through 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.

3.2 Demand - Supply

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



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 were no longer included in computing the BDI. A multiplier of 0.1 was applied.

The BDI is computed by applying the following revised formula.

$$((\text{Average Capesize TC} \times 40\%) + (\text{Average Panamax TC} \times 30\%) + (\text{Average Supramax TC} \times 30\%)) \times 0.1.$$

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 Mediterranean 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:

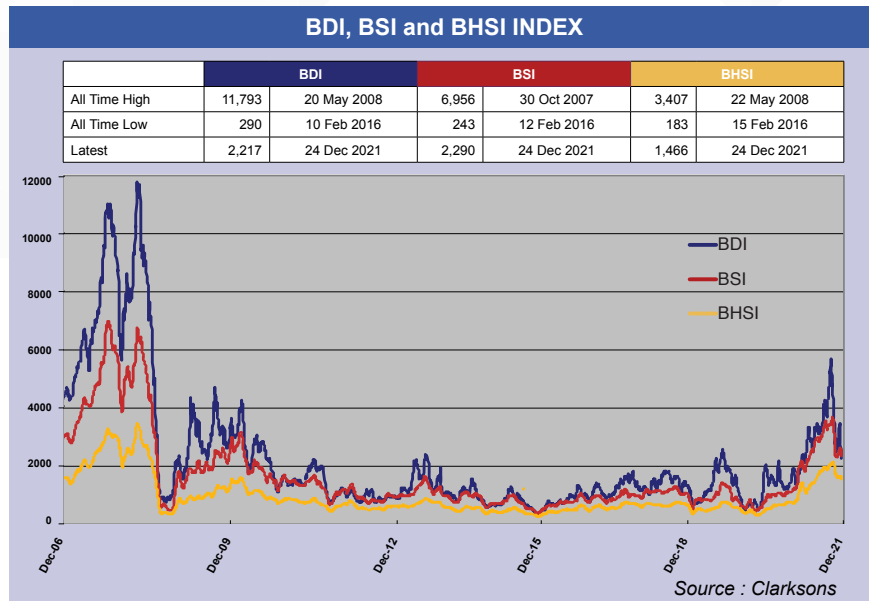
- 38,200 DWT self trimming single deck geared bulk carrier on 10.538 m draught, non - scrubber fitted.
- 180 m length, 29.8 m breadth. 5 holds and 5 hatches. 47,125 cubic metres space for loading cargo.
- Speed of 14 knots loaded with cargo on a consumption of 26mt of fuel oil per day at sea, speed of 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 to the end of 2021.



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 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 2021, PSL has 20 ships registered under the Thai flag and 16 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 has entered into force on 1 March 2018, and collection of fuel consumption data has 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 also controlled by the MARPOL regulations. Caribbean Emission Control Area (ECA) became mandatory from 1 January 2014. The emission standards applicable will be the same as those for the North American, North Sea and Baltic ECA, i.e. vessels were allowed to use only Low Sulphur Fuel Oil (LSFO) with a maximum of 1% sulphur content during the first phase from January 2014 until January 2015. The second phase began in January 2015, when vessels in all ECAs must use fuel with a maximum sulphur content of 0.1%.

The third phase which stipulates a global cap of 0.5% on the sulphur content of marine fuel came into force on 1 January 2020. This was initially expected to be even more challenging for some time due to the uncertainty regarding the availability and cost of compliant fuel. The transition, however, was relatively smooth and now after a whole year of the regulation entering 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 of scrubber unit on vessels, however, presented several challenges both technical as well as financial. Several design flaws became apparent during the past year with most of the commercially available scrubbers, which frequently led to breakdowns at sea. There were a few cases where the ships were left immobilized/incapacitated due to extensive damages 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 will enter 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 CO₂ emissions per cargo tonne-mile, by determining the standardized CO₂ 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 type and size of the vessel. 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 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). Nine 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. The engine power for the remaining 23 vessels will have to be limited by installing EPL, 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 CO₂ 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, an 'enhanced SEEMP' (Ship Energy Efficiency Management Plan) will be prepared for all of PSL's vessels before 1 January 2023. This document will outline methods by which fuel consumption and thereby GHG emissions may be reduced to ensure that required CII levels are not exceeded.

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) and Bureau Veritas (BV). All four 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 co-operate 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. Hence 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 have been maintaining 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.

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.

As of the end of December 2021, 28 of PSL’s fleet of 36 vessels have been installed with BWTS that are approved by both the IMO as well as the USCG. The remaining vessels will also be fitted with USCG approved BWTS as per the respective IMO/USCG compliance dates over the next couple of years.

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. 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 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 Bosphorus 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.
 - From 1 January 2022, the requirement within the national sulphur emission control areas will be tightened and ships will have to switch to fuel oil not exceeding a sulphur content of 0.10% from entering a national sulphur emission control area until having left.
 - 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.
 - CO₂ 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 for 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 CO₂ 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.

17. 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 2021

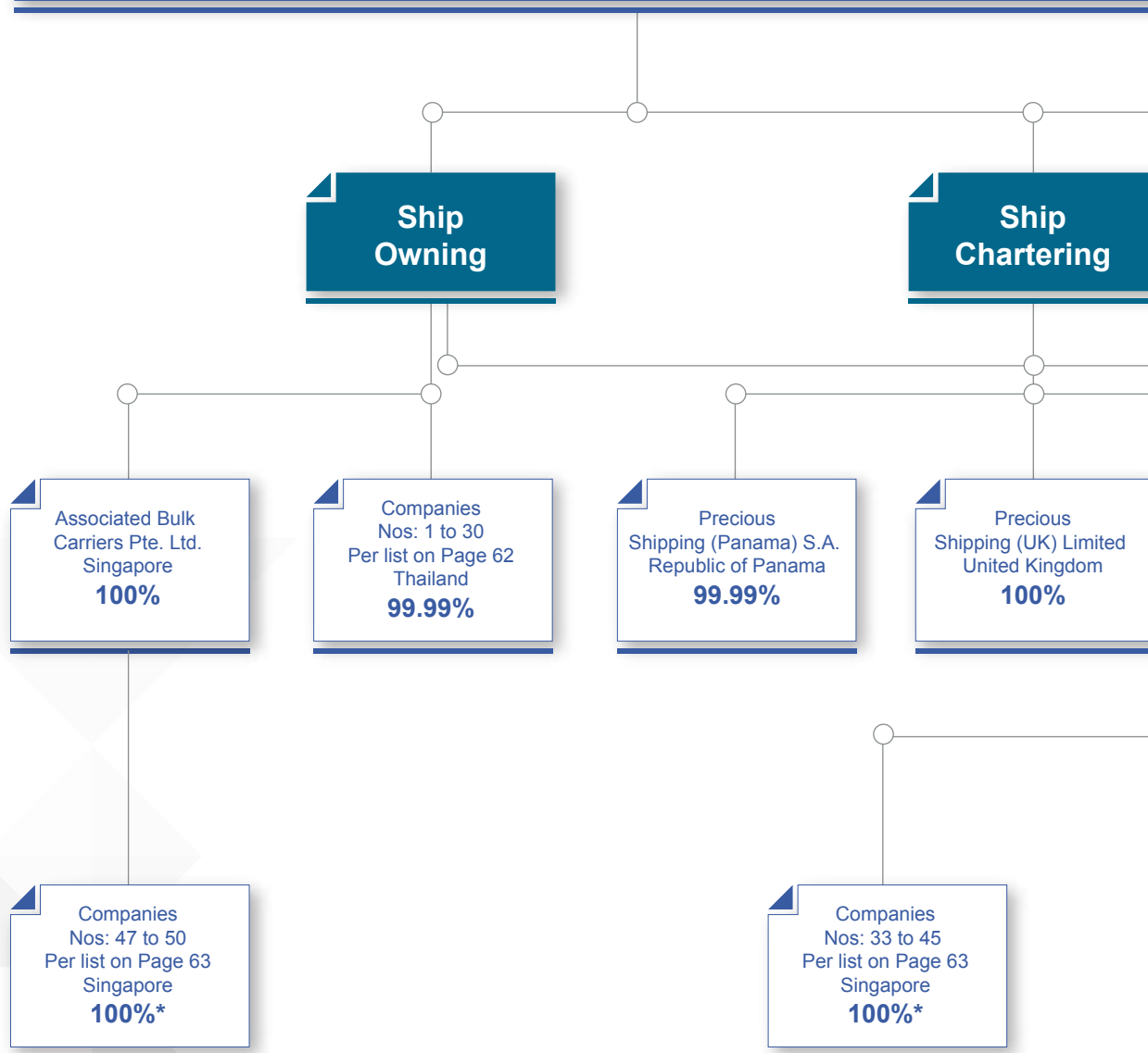
No.	Vessel Name	Flag	Year Built	Dead Weight Tonnes (DWT)	*Net Book Value (Million US\$)	**Insured Value (Million US\$)
1	Rattana Naree	Thai	2002	28,442	6.32	8.00
2	Rojarek Naree	Thai	2005	29,870	10.25	11.00
3	Nalinee Naree	Thai	2005	31,699	11.46	12.10
4	Chamchuri Naree	Thai	2005	33,733	10.77	11.30
5	Charana Naree	Thai	2005	33,720	10.76	11.30
6	Mookda Naree	Thai	2009	30,162	11.51	12.00
7	Mayuree Naree	Thai	2008	30,193	10.95	11.60
8	Mallika Naree	Thai	2008	30,195	11.30	12.00
9	Lanna Naree	Thai	2012	33,843	13.79	17.00
10	Latika Naree	Thai	2012	33,869	13.74	17.00
11	Ananya Naree	Singapore	2011	33,857	20.28	21.00
12	Benjamas Naree	Singapore	2012	33,780	20.31	21.00
13	Chintana Naree	Singapore	2013	33,945	17.36	18.00
14	Vipha Naree	Singapore	2015	38,851	17.85	22.00
15	Viyada Naree	Singapore	2016	38,716	18.58	23.50
Handysize 15 Vessels		Total		494,875	205.23	228.80
		Average		32,992	13.68	15.25
16	Kanchana Naree	Thai	2011	56,920	19.12	20.00
17	Kirana Naree	Thai	2011	56,823	19.52	20.00
18	Warisa Naree	Thai	2010	53,839	10.61	18.50
19	Wariya Naree	Thai	2011	53,833	11.38	19.50
20	Wikanda Naree	Thai	2013	53,857	12.53	21.00
21	Apiradee Naree	Singapore	2012	56,512	19.45	21.00
22	Baranee Naree	Singapore	2012	56,441	19.24	21.00
23	Chayanee Naree	Singapore	2012	56,548	19.49	21.00
24	Darane Naree	Singapore	2012	56,588	19.51	21.00
Supramax 9 Vessels		Total		501,361	150.85	183.00
		Average		55,707	16.76	20.33
25	Inthira Naree	Thai	2014	63,468	21.36	25.00
26	Issara Naree	Thai	2014	63,516	21.43	25.00
27	Sarita Naree	Thai	2015	62,964	21.41	27.00
28	Sarika Naree	Thai	2015	63,023	21.36	27.00
29	Savitree Naree	Singapore	2016	63,016	21.50	28.00
30	Savita Naree	Singapore	2016	62,970	21.93	28.00
31	Sunisa Naree	Thai	2016	63,007	22.17	28.00
32	Sarocho Naree	Singapore	2017	63,047	22.84	29.00
Ultramax 8 Vessels		Total		505,011	174.00	217.00
		Average		63,126	21.75	27.13
33	Apinya Naree	Singapore	2014	21,136	18.29	29.50
34	Boonya Naree	Singapore	2014	21,159	18.80	29.50
35	Chanya Naree	Singapore	2014	21,114	18.61	29.25
36	Danaya Naree	Singapore	2015	21,149	19.26	30.50
Cement Carriers 4 Vessels		Total		84,558	74.96	118.75
		Average		21,140	18.74	29.69
36 Vessels		Total		1,585,805	605.04	747.55
		Average		44,050	16.81	20.77

Remarks * Net Book Value is as per US Dollars (functional currency) financial statements as on 31 December 2021.

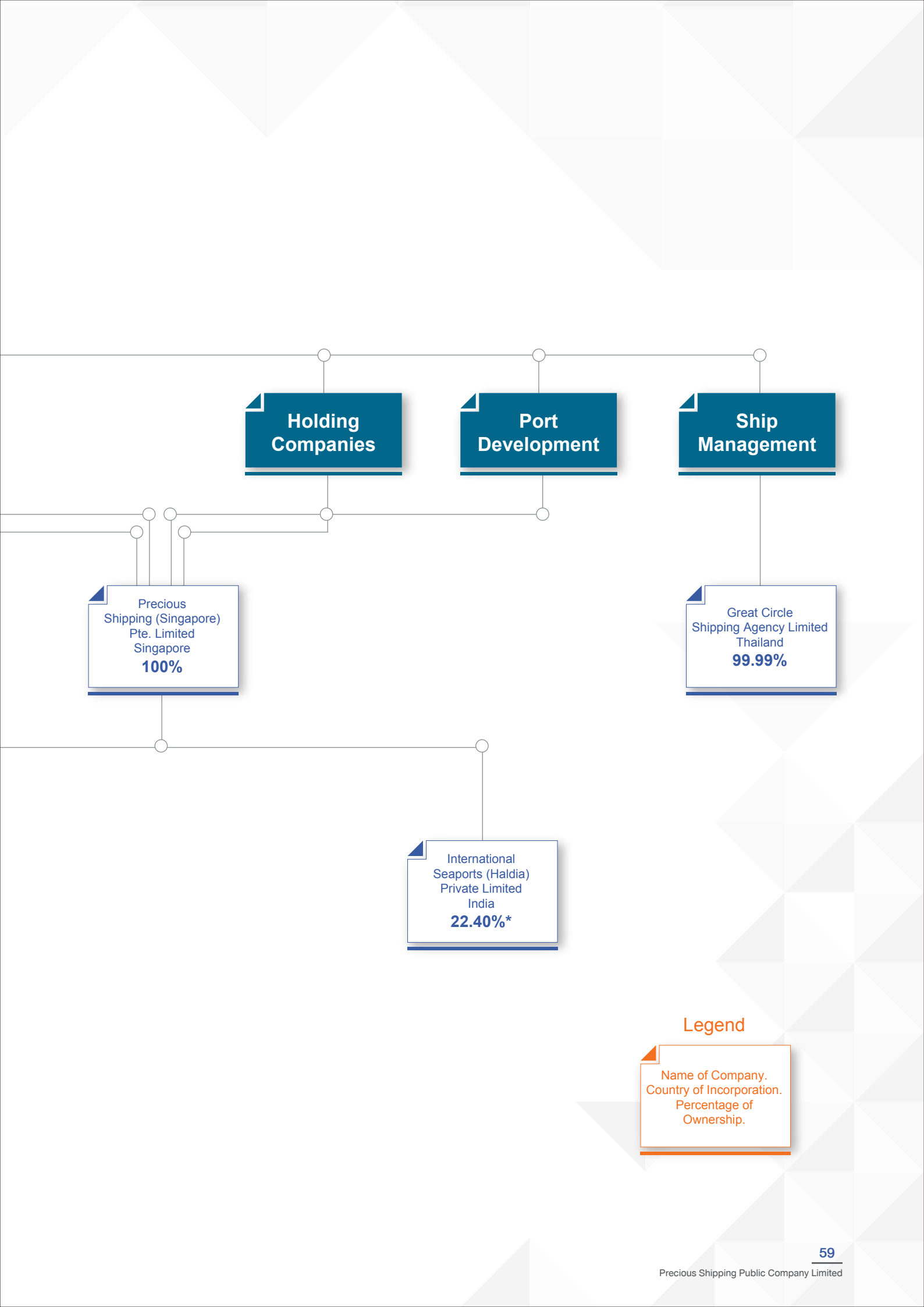
** Insured Value means agreed value to be received from the insurer in case of total loss of the Vessel.

CORPORATE STRUCTURE

Precious Shipping Public Company Limited, Thailand (PSL)



* Represents indirect ownership of PSL



Holding Companies

Port Development

Ship Management

Precious Shipping (Singapore) Pte. Limited Singapore
100%

Great Circle Shipping Agency Limited Thailand
99.99%

International Seaports (Haldia) Private Limited India
22.40%*

Legend

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

CORPORATE INFORMATION

(As of 31 December 2021)

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, 7 th , 8 th , 9 th 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 13 December 2021
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)
Debentures of Precious Shipping Public Company Limited No. 1/2016 Due 2022 with the issuer's right to early redemption	
ThaiBMA Symbol	PSL211A
Issue Size	Baht 3,590 million
Outstanding Size	Nil
Type of Debentures	Unsubordinated and Unsecured Debentures
Issue Date	22 January 2016
Offering to	Public offering
Initial Par Value	1,000 Baht per unit
Current Par Value	Nil
Tenor	6.5 years
Maturity Date	22 July 2022
Interest Rate (Coupon)	5.25% per annum (22 January 2016 – 21 January 2021) 6.75% per annum (22 January 2021 – 21 July 2022)
Interest Payment	Quarterly
Early Redemption	Call option
Issue Rating	BBB- by TRIS Rating Co., Ltd., announced on 13 December 2021
Debenture Holder's Representative	Krung Thai Bank Public Co., Ltd.
Registrar	Krung Thai Bank Public Co., Ltd.
Governing law	Thai law
Redemptions	1) 22 October 2020: THB 359.00 million 2) 16 November 2020: THB 359.00 million 3) 30 April 2021: THB 287.20 million 4) 22 July 2021: THB 1,163.16 million 5) 27 September 2021: THB 1,421.64 million (Final Redemption)
Debentures of Precious Shipping Public Company Limited No. 2/2016 Due 2021 with the issuer's right to early redemption	
ThaiBMA Symbol	PSL206A
Issue Size	Baht 1,960 million
Outstanding Size	Nil
Type of Debentures	Unsubordinated and Unsecured Debentures
Issue Date	9 December 2016
Offering to	Private Placement to Institutional Investors and High Net Worth Investors
Initial Par Value	1,000 Baht per unit
Par Value	Nil
Tenor	5 years
Maturity Date	9 December 2021
Interest Rate (Coupon)	5.00% per annum (9 December 2016 – 8 June 2020) 6.50% per annum (9 June 2020 – 8 December 2021)
Interest Payment	Quarterly
Early Redemption	Call Option
Issue Rating	Unrated
Debenture Holder's Representative	Krung Thai Bank Public Co., Ltd.

Registrar	Krung Thai Bank Public Co., Ltd.
Governing law	Thai law
Redemptions	1) 9 June 2020: THB 392.00 million 2) 22 October 2020: THB 627.20 million 3) 5 January 2021: THB 282.24 million 4) 12 March 2021: Baht 329.28 million 5) 23 April 2021: Baht 329.28 million (Final Redemption)
Share Registrar	<ul style="list-style-type: none"> • 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
Debenture Registrar & Debenture Holder's Representative	<ul style="list-style-type: none"> • 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
Main Banks	<ul style="list-style-type: none"> • 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
Auditor	<ul style="list-style-type: none"> • 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 Website: http://www.ey.com/TH/en/Home
Main Legal Counsel	<ul style="list-style-type: none"> • WATSON, FARLEY & WILLIAMS ASIA PRACTICE LLP 6 Battery Road #28-00 Singapore 049909 Telephone: 65-6532-5335 Facsimile: 65-6532-5454 E-mail: singaporeinfo@wfw.com Website: http://www.wfw.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 Minerals Limited	Baht	230,000,000	230,000,000	99.99	Shipowner
5	Precious Lands Limited	Baht	306,000,000	306,000,000	99.99	Shipowner
6	Precious Lakes Limited	Baht	184,000,000	184,000,000	99.99	Shipowner
7	Precious Oceans Limited	Baht	175,000,000	175,000,000	99.99	Shipowner
8	Precious Planets Limited	Baht	270,000,000	270,000,000	99.99	Shipowner
9	Precious Diamonds Limited	Baht	205,000,000	205,000,000	99.99	Shipowner
10	Precious Sapphires Limited	Baht	144,000,000	144,000,000	99.99	Shipowner
11	Precious Emeralds Limited	Baht	366,000,000	366,000,000	99.99	Shipowner
12	Precious Rubies Limited	Baht	259,360,000	259,360,000	99.99	Shipowner
13	Precious Opals Limited	Baht	249,360,000	249,360,000	99.99	Shipowner
14	Precious Garnets Limited	Baht	379,000,000	379,000,000	99.99	Shipowner
15	Precious Pearls Limited	Baht	173,000,000	173,000,000	99.99	Shipowner
16	Precious Flowers Limited	Baht	336,000,000	336,000,000	99.99	Shipowner
17	Precious Forests Limited	Baht	286,000,000	286,000,000	99.99	Shipowner
18	Precious Trees Limited	Baht	202,000,000	202,000,000	99.99	Shipowner
19	Precious Ponds Limited	Baht	124,000,000	124,000,000	99.99	Shipowner
20	Precious Ventures Limited	Baht	202,000,000	202,000,000	99.99	Shipowner
21	Precious Capitals Limited	Baht	200,000,000	200,000,000	99.99	Shipowner
22	Precious Jasmines Limited	Baht	147,000,000	147,000,000	99.99	Shipowner
23	Precious Orchids Limited	Baht	217,000,000	217,000,000	99.99	Shipowner
24	Precious Lagoons Limited	Baht	140,000,000	140,000,000	99.99	Shipowner
25	Precious Resorts Limited	Baht	140,000,000	140,000,000	99.99	Shipowner
26	Precious Comets Limited	Baht	141,000,000	141,000,000	99.99	Shipowner
27	Precious Ornaments Limited	Baht	156,000,000	156,000,000	99.99	Shipowner
28	Precious Moons Limited	Baht	1,000,000	1,000,000	99.99	Shipowner
29	Precious Venus Limited	Baht	298,800,000	298,800,000	99.99	Shipowner
30	Precious Neptune Limited	Baht	298,800,000	298,800,000	99.99	Shipowner

Sr No.	Name of Subsidiaries and Associated Companies	Currency	Registered Capital	Issued and paid-up Share Capital	Percentage of Shareholding	Category of business
31	Great Circle Shipping Agency Limited	Baht	210,000,000	210,000,000	99.99	Manager of Ships
32	Precious Shipping (Singapore) Pte. Limited	SGD	20,000,000	15,000,000	100	Holding company/ Chartering
33	Precious Comforts Pte. Ltd.	SGD	50,000	50,000	100*	Shipowner
34	Precious Sparks Pte. Ltd.	SGD	50,000	50,000	100*	Shipowner
35	Precious Visions Pte. Ltd.	SGD	180,000	180,000	100*	Shipowner
36	Precious Bridges Pte. Ltd.	SGD	50,000	50,000	100*	Shipowner
37	Precious Forests Pte. Ltd.	SGD	50,000	50,000	100*	Shipowner
38	Precious Fragrance Pte. Ltd.	SGD	50,000	50,000	100*	Shipowner
39	Precious Thoughts Pte. Ltd.	SGD	50,000	50,000	100*	Shipowner
40	Precious Tides Pte. Ltd.	SGD	50,000	50,000	100*	Shipowner
41	Precious Skies Pte. Ltd.	SGD	50,000	50,000	100*	Shipowner
42	Precious Glories Pte. Ltd.	SGD	50,000	50,000	100*	Shipowner
43	Precious Wisdom Pte. Ltd.	SGD	50,000	50,000	100*	Shipowner
44	Precious Grace Pte. Ltd.	SGD	50,000	50,000	100*	Shipowner
45	Precious Sonnets Pte. Ltd.	SGD	1	1	100*	Shipowner
46	Associated Bulk Carriers Pte. Ltd.	USD	2	2	100	Holding company
47	ABC ONE Pte. Ltd.	USD	50,000	50,000	100*	Shipowner
48	ABC TWO Pte. Ltd.	USD	50,000	50,000	100*	Shipowner
49	ABC THREE Pte. Ltd.	USD	50,000	50,000	100*	Shipowner
50	ABC FOUR Pte. Ltd.	USD	50,000	50,000	100*	Shipowner
51	Precious Shipping (Panama) S.A.	USD	10,000	10,000	99.99	Shipowner/ Chartering
52	Precious Shipping (UK) Limited	USD	10,000	10,000	100	Chartering
53	International Seaports (Haldia) Private Limited	Indian Rs	445,000,000	440,580,200	22.40*	Berth construction and Development

*(represents indirect ownership of shares)

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

SUBSIDIARY 1-30	Registered Office is at 8/27-28, 7 th Floor, Cathay House, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand. Tel : 66-2 696-8800 Fax : 66-2 236-7654, 633-8460
SUBSIDIARY 31	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 32-50	Registered Office is 20 McCallum Street, #19-01 Tokio Marine Centre, 069046 Republic of Singapore.
SUBSIDIARY 51	Registered Office is at c/o ADR Building, 13 th Floor, Samuel Lewis Avenue, Republic of Panama.
SUBSIDIARY 52	Registered Office is at 130 Shaftesbury Avenue, 2 nd Floor London W1D 5EU United Kingdom.
ASSOCIATE 53	Registered Office is at 105, Park Street, Flat No. 27 Kohinoor Building, 5 th Floor, Kolkata - 700 016, West Bengal, India.

MAJOR SHAREHOLDERS AND DIVIDEND POLICY STATEMENT

Major Shareholders per share register as on 31st December 2021 and 2020

No.	Name	As on		As on	
		31 st December 2021		31 st December 2020	
		No. of shares	Percentage	No. of shares	Percentage
	Globex Corporation Limited	442,857,535	28.40%	442,857,535	28.40%
	Graintrade Limited	130,086,266	8.34%	130,086,266	8.34%
	Ms. Nishita Shah *	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 ** / ***	693,018,347	44.45%	693,018,347	44.45%
2	Thai NVDR Limited	176,104,228	11.29%	87,070,359	5.58%
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%	131,526,275	8.44%
4	STATE STREET EUROPE LIMITED	36,870,900	2.37%	-	0.00%
5	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	21,672,900	1.39%	-	0.00%
6	Krungsri Dividend Stock LTF-D	20,766,900	1.33%	-	0.00%
7	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	20,503,893	1.31%	15,893,293	1.02%
8	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED	14,782,000	0.95%	-	0.00%
9	BANQUE PICTET & CIE SA	14,756,100	0.95%	14,428,500	0.92%
10	BNY MELLON NOMINEES LIMITED	13,329,800	0.85%	-	0.00%
11	Other shareholders (apart from the Top Ten shareholders as mentioned above)	425,960,519	27.32%	617,355,088	39.59%
Grand total		1,559,291,862	100.00%	1,559,291,862	100.00%
		Total : 16,679 shareholders		Total : 8,527 shareholders	

* Ms. Nishita Shah who is the Director of the Company is also the Director and Shareholder of Globex Corporation Limited, Graintrade Limited and Unistretch Limited

** 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."

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 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, 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 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 (being in possession of sound knowledge and skills required for operations), are responsible for assessing and monitoring the respective risks at the operational level. The results of risk assessment for various activities are reported periodically to the Executive Board of Directors and the Board of Directors for their consideration.

2. SIGNIFICANT RISK FACTORS

The Company has classified the various risk factors viz. **Operating Risk, Financial Risk and Market Risk**. In view of the weakness in the Dry Bulk Shipping Market over much of the last decade, the Company additionally identified and categorized a special risk associated with maintaining and expanding capacity, which has been classified as "**Capacity Replacement and Expansion Risk**". Although the Company has made considerable progress in mitigating this risk since the Year 2013, this has been retained this year also as the Company continues to be exposed to this risk until the Company's stated objectives in this respect are fully achieved as the company might strategically grow or even reduce the fleet in the future, depending on the shipping cycle.

The Company is also exposed to **ESG Risk** - environmental, social and governance risks which may affect its relationships with the stakeholders viz. investors, customers, suppliers, media, industry associations, employees, government, and regulatory bodies.

The Company is aware of the emerging risks that may impact its business if it is not proactively managed. The Company also strive to identify and assess the impact of such risks as explained under the caption of "**Emerging Risks**" below.

Apart from the above risks which the Company is exposed to, an investor in the Company's shares is also exposed to additional risks on the investment in the Company's shares. The risks associated with this investment are explained hereunder as **Investment Risk**.

OPERATING RISK

The Company, as an owner and operator of ocean-going vessels operating world-wide in the tramp trade, is exposed to risks of marine disaster, environmental mishaps resulting in substantial claims, cargo/property loss or damage and business interruptions due to accidents or other events caused by mechanical failure, human error, political action in various countries, labor strikes, terrorist actions, cyber-attacks, piracy, adverse weather conditions and other such circumstances and events. These could result in increased costs and/or loss of revenues. However, to cover against most of these risks, which are standard for an international shipowner/operator, insurance covers are available in the international marine insurance market. Accordingly, the Company is adequately covered against such aforesaid circumstances and events.

The operations of the Company depend on extensive and changing environment protection laws and other maritime regulations. 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. However, the Company is vigilant on these issues and maintains internationally prescribed safety and technical standards apart from relevant insurance covers.

An important regulation that was put into force on 1st January 2020, was the IMO 2020 Sulphur cap regulation under which all ocean-going vessels are required to consume low Sulphur fuel oil to power their diesel engines and boilers. As an alternative to burning low Sulphur fuel oil, some Shipowners have installed Scrubbers on board their vessels, enabling them to continue burning the lower grade high Sulphur fuel oil. Scrubbers perform the function of cleaning the main engine exhaust gases but result in the production of toxic wash-water. In most cases, this toxic wash-water is discharged into the sea, effectively transferring pollution from the air into the ocean. Given the harmful impact of this toxic wash-water on marine life, most major trading nations have banned the discharge of this wash-water in their harbors, thereby nullifying much of the economic benefit derived from this equipment. The Company has chosen to implement the IMO 2020 Sulphur regulation by burning compliant low Sulphur fuel oil rather than installing scrubbers. This decision was vindicated for two main reasons. Firstly, there continued to be an increased frequency of breakdowns associated with scrubbers which impacted vessel operations and therefore the earnings of vessels which have installed this equipment. Secondly, most major trading nations banned the discharge of wash-water from open-loop scrubbers, rendering them inoperable much of the time when they reached or were in most ports.

The Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) regulations coming into force in 2023 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. 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.

The operations of ships and the management of the Company as a public company listed on the Stock Exchange of Thailand requires skilled personnel to be employed as crew to operate its ships and skilled managers to be employed at the corporate level with appropriate knowledge and experience. Sourcing and retaining qualified personnel is crucial for the business operations of the Company. This continues to remain a crucial risk factor. The Company mitigates this risk through the adoption of a fair staffing policy and has thus far been quite successful in sourcing and retaining highly skilled and qualified personnel. 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 ships.

As a publicly listed company, the Company is required to comply with various 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 and/or

other legal action against the Company and its senior management. 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.

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. At the outset, the Covid-19 pandemic resulted in significant operational difficulties. Routine crew changes and vessel inspections were virtually impossible due to global travel restrictions. Pandemic related disruptions have created bottlenecks in crew change, leading to a surge in business costs. Such rising costs may put pressure on the Company's profitability. The situation has eased somewhat as certain countries have begun to allow crew changes to take place. That said, the situation is still far from normal and so the Company has been diverting many of its vessels to ports in Thailand to effect crew changes. While some governments are working to achieve the global target of vaccinating 70% of the population by end of 2022, any new variants capable of weakening vaccine effectiveness may increase the risk of reinfection. Even though the world is transitioning back to normalcy, re-emergence of Covid-19 may negatively impact the Company's operations and its financial condition.

Human resource management is crucial for business success. The Company believes that its future growth is highly dependent on its human capital and that an improper human resource management may have an adverse effect on its operations. Therefore, the Company's HR risk management focuses on managing risks around hiring, compliance, employee growth and recruiting qualified specialists and talents.

FINANCIAL 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 in 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. In recognition of this risk, the Company has attempted to maintain 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 into 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. The Company's hedging strategies may not be effective and may incur financial losses due to unfavorable exchange rate movements. As on 31st December 2021 the Company has one loan facility which is denominated in Thai Baht and has converted the exposure into US Dollars through a USD/THB Swap.

The prolonged weakness in the dry bulk shipping sector, with the Baltic Dry Index (BDI) reaching 290 points in February 2016, the lowest point in its long history, caused huge losses and numerous bankruptcies among ship owners and consequently losses to international shipping banks. During that period, it was extremely difficult to raise new debt from international shipping banks and as such, the Company sought funding through the issuance of Thai Baht Debentures. On 22 January 2016, the Company issued Unsubordinated and Unsecured Debentures No. 1/2016 of Baht 3,590 million due in 2021 with THB fixed interest rate of 5.25% per annum. The entire proceeds were swapped into US Dollars, amounting to USD 99.72 million with USD fixed interest rate of 5.99% per annum. On 30 July 2020, the bondholders' meeting of PSL211A approved extension of the maturity date by 1.5 years with amended terms and conditions. Thereby the coupon rate was increased from 5.25 percent per annum to 6.75 percent per annum starting from 22 January 2021. PSL211A was fully redeemed on 27th September 2021. Additional details hereof have been provided in the "**Notes to Financial Statements**" section of this Report.

On 9 December 2016, the Company issued Unsubordinated and Unsecured Debentures No. 2/2016 of Baht 1,960 million due in 2020 with THB fixed interest rate of 5.00% per annum. The entire proceeds in the amount of USD 54.90 million were swapped into US Dollars at a USD fixed interest rate of 5.75% per annum on 4 January 2017. On 19 May 2020, the bondholders' meeting of PSL206A approved extension of the maturity date by 1.5 years with

amended terms and conditions. Thereby the coupon rate was increased from 5 percent per annum to 6.50 percent per annum starting from 9 June 2020. PSL206A was fully redeemed on 23rd April 2021. Additional details hereof have been provided in the “**Notes to Financial Statements**” section of this Report.

The Company also maintains almost all its Bank balances in US Dollars, whereby there is no risk of realizing any loss on these balances in US Dollar terms. However, it must be noted that the Company is exposed to an exchange loss in Thai Baht terms on translation of its US Dollar denominated Assets, Liabilities, Income and Expenses, arising out of the Currency translation from US Dollars to Thai Baht in the Thai Baht Financial Statements and on the part of the expenses of the Company which are incurred in Thai Baht.

Several of the Company’s debt facilities carry interest at floating rates based on LIBOR (London Inter-Bank offered rate) and as such, the Company is exposed to fluctuations in its interest rates due to changes in the LIBOR. Libor has been phased out for new borrowing contracts from 1 January 2022. Although the phase out of Libor has not impacted any of the Company’s existing loan agreements as yet, it is possible that some of its lenders will require it to change the benchmark rate for some of its credit facilities and interest rate swaps. Libor discontinuation may impact financial markets in Thailand and elsewhere. The Company has in the past entered, and in the future may enter into, interest rate swaps to convert the interest portion of its debt from a floating to fixed rate, so as to hedge the risk of adverse interest rate movements. The Company’s hedging strategies may not be effective and may incur losses due to unfavorable interest rate movements. In addition, its financial conditions and financial arrangements could be adversely affected to the extent of any unhedged exposure to interest rate movements.

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. This leads to a decrease in capacity as happened in the previous years when the Company sold 35 of its 54-ship fleet. 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. However, in recognition of this risk, the Company had put in place credit facilities for the newbuilding contracts signed in the Years 2013 and 2014 and on delivery of the ships, the Company’s capacity has been restored adequately.

As explained under the caption “**Market Risk**” below, the market values of ships have generally experienced high volatility. For example, there had been a significant decline from historically high levels reached in early 2008 and although ship values have come up somewhat, they continue to remain below those levels. 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, ships may also be undervalued due to the failure to recognize the valuation concept of a “willing seller and willing buyer” basis, (because of numerous distress sales in the market) which is a requirement as per the Company’s loan agreements. If the value of the Company’s ships falls below the minimum asset value required to be maintained under its loan agreements, its lenders may demand it to provide alternate security, deposit margin money or may demand prepayment of the relevant facility, as mentioned in the foregoing paragraph. If the Company is unable to pledge additional collateral to offset the decline in ship values, the lenders could accelerate its debt and foreclose on its ships pledged as collateral for the loans. For example, in 2015 - 2016, the Company was required to place additional collateral to offset the decline in the values of ships which were mortgaged to certain lenders, for which the Company placed cash deposits with these lenders as additional security. In 2017 the market values of ships made a recovery and therefore, all cash deposits placed as additional collateral were released back to the Company.

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 loan. During the initial period of the year 2021, the Company was unable to meet the debt to EBITDA ratio covenant under a certain loan agreement due to the weakness in the dry bulk shipping sector caused by the Covid-19 outbreak. However, the Company received a waiver for testing of this financial covenant for the period up to 30 June 2021. The Company was compliant with this financial covenant after that date.

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.

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 access debt capital markets. Such restricted access to debt capital markets may adversely affect the company's ability to raise new finance or refinance its existing credit facilities and debentures.

MARKET RISK

The shipping industry and market has been highly cyclical and seasonal, experiencing volatility in profitability, vessel values and freight rates, resulting from changes in the supply of and demand for shipping capacity. Charter hire rates can be extremely volatile leading to large potential variations in financial results and profitability. This has been explained in the section on **"Nature of Business and Industry"** of this Report. The Company had, in the past, marketed all its ships in the spot market and had therefore been exposed to market fluctuations and the cyclical nature of the business. The degree of charter hire rates tends to fluctuate between various asset classes with the largest ships having the highest uncertainty. Having said that, since most of our ships are in the geared sector (Handy, Supramax and Ultramax) of the industry, the Company is immune, to an extent, to such extreme 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.

The demand side of the Company's business is generated by the quantity of cargo its vessels are required to transport. The generation of this demand is mainly dependent on world trade and economic growth. Severe depression in growth and trade could reduce the demand for ships. The spurt in demand for dry bulk shipping capacity in the past has largely been driven by the demand from China (supplemented by India and ASEAN) which is importing commodities and raw materials in huge quantities for infrastructure projects and the property sector. The global economy is projected to grow at 4.2 percent in 2022 and at 3.2 percent in 2023, down from previous projection, due to the recent resurgence in covid cases, disrupted supply chain and rising inflationary prices. Global economic recovery has been weak in 2021 mainly because of lingering Covid-19 and supply chain chaos. So far, the recovery was largely driven by strong consumer spending and revenge buying fueled by the stimulus packages. Trade in goods rebounded strongly in 2021, surpassing the pre-pandemic levels. However, as of 23 December 2021, 98 countries have not met the goal of vaccinating 40 percent of their population as per the World Health Organization. Moreover, the recovery in 2021 remained uneven and slowed considerably as the impacts of fiscal and monetary stimulus packages began to recede. Therefore, the dry-bulk shipping industry may be adversely affected due to uneven recovery across the globe. Resurgence in covid cases and a slower than expected economic recovery could depress dry-bulk freight rates. Supply chain bottlenecks and disruption of already strained supply chain caused due to Covid-19 may put inflationary pressures on prices, restricting the growth of economies around the world. Furthermore, China's zero covid policy and stringent port restrictions could adversely impact global recovery. As China is a major source of demand for Dry-bulk cargoes, further lockdowns or changes in the economic or political environment of this nation, may materially impact dry bulk demand for cargoes such as iron ore and coal. Since the end of pandemic is yet uncertain and the virus may further evolve, Covid-19 may continue to negatively impact the shipping industry.

The increasing trend of protectionism could lead to a reduction in global trade volumes. Equally, an escalation of international hostilities, particularly between major economies, could result in increased volatility, crimping business spending and thereby affecting demand for shipping. The Company is exposed to the risk of reduced earnings and/or fall in asset values if there is any downturn in the market.

Traditionally, clients in the smaller ships sector did not take ships on long term contracts and preferred to do the majority or all their business only on the spot market. This situation had, of course, changed intermediately between the Years 2004 and 2009, because of the increase in freight market volatility, leading to a change in strategy of the Company as well as that of its clients. Since then, the Company has been fixing a portion of its fleet on longer term charters, keeping the Company insulated somewhat from the volatility of the spot markets and ensuring visibility and stability in its revenue stream. This was a significant change made in 2004 in the Company's strategy of doing business, whereby the Company had deviated from its traditional policy of trading on the spot market with Voyage Charters and/or Time Charters of very short durations. During the Year 2007, the market continued to move significantly higher until it reached a peak in the middle of the Year 2008, after which the industry witnessed a sharp drop in market rates to levels close to all-time lows. There was a recovery in the dry bulk markets in 2009 from the second quarter, which lasted till the end of the second quarter of 2011, but the situation deteriorated thereafter because of the large supply of new vessels which entered the market between 2009 and 2015. This influx of new vessels coupled with the slowdown in China also contributed to the drop in the BDI in during the Year 2015-2016. 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. While the freight market staged a robust recovery in 2021, customers (charterers) still largely refrained from entering long term charters at attractive rates.

The strategy of locking in future earnings via long term contracts (Long period Time Charters) at high rates when the markets are performing well exposes the Company to counterparty risk. In case of a fall in the market and consequent fall in freight rates, the Company's customers (charterers) with whom the Time Charters are signed could default on their obligations, because of which, the Company will not be able to achieve the higher contracted freight rates and would be forced to contract these ships in a depressed market when rates would be lower. The Company is always conscious of the counterparty risk associated with its Time Charters and accordingly takes steps in analyzing the counterparty risk of its potential charterers, particularly those with whom the Company signs longer Time Charters, and such contracts (charters) are signed only with first class charterers with the highest possible credit rating. It is for this reason that right through the depressed market, the Company did not suffer any losses on account of defaults by the Company's charterers and even during the current weak period, there has been no default on any of the Company's long-term charters.

The Company's ships ply in international waters and are quite evenly distributed all over the world without concentration in any area. As such, the Company is not exposed to a risk of geographical concentration of the Company's market and its customers. Therefore, any major adverse change in the market conditions in any one area of the world due to war, political action, or any other reason should not result in a significant drop in revenues. However, any changes in the economic or political environment of any major trading nations might impact the Company's revenues.

The Company's revenues for its dry-bulk vessel fleet, are generated from a range of customers and therefore the Company is for the most part, not dependent on any single customer for its revenue stream. As such, it can be said that the Company is not exposed to concentration risk for its dry-bulk fleet and so a loss of business from one customer shall not have a significant impact on the Company's business. That said, the risk profile of the Company's four cement carriers is different in that all these vessels are chartered to a single customer, under long term charters which will cover the useful life of these ships. For 2021, the income from this one major customer was Baht 813.78 million equivalent to 10% of total net vessel operating income of the Group (2020: Baht 765.44 million equivalent to 21% total net vessel operating income of the Group). To mitigate counterparty risk, the Company conducted due diligence of this customer and ensured that this customer was financially capable to meet its obligations under the long-term charters. The significance of this customer increased during the extremely weak market of the recent past because income from this customer is fixed in nature under long term charters, whereas the rest of the Company's revenues weakened along with the prolonged cyclical decline in the Shipping Market.

CAPACITY REPLACEMENT AND EXPANSION RISK

As explained above, 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. Between the Years 2007- 2010 and then during the Year 2016, the Company sold 35 and 13 of its oldest vessels respectively, thereby reducing its Fleet size substantially. If the Company wishes to maintain capacity, a replacement of the recycled/sold ships must be undertaken. Replacement of recycled/sold ships could be achieved by purchase of second-hand ships from the open "Sale & Purchase" market. However, due to the boom in the International Shipping market during the Years 2003 - 2007, the values (cost) of second-hand vessels were at unprecedented highs and the Company did not deem it prudent to be buying ships at such inflated values and exposing itself to the risks of an impairment charge on its assets as a result of a fall in the market values of ships in case of a sustained downturn, that appeared to have been triggered in the latter half of the Year 2008. If the ship values had not fallen appreciably or in fact increased, although the Company may have wanted to replace all its recycled/sold ships with younger and bigger ships, the Company may not have been able to buy enough second-hand (or new ships for immediate/early delivery) ships and the inability to buy reasonably priced ships exposed the Company to the risk that the Company would not replace its capacity. However, since the last quarter of the Year 2011 the Company has been able to acquire new/second-hand vessels at reasonable values.

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. This was to mitigate the risk of depletion of the Company's fleet, while simultaneously expanding the fleet in terms of deadweight tonnage and significantly decreasing the fleet's average age, among other benefits. The Company has since completed this program and taken delivery of certain ships. While the Operating and Market risks associated with these new ships have been discussed above, the Company is also exposed to several distinct risks arising out of a Fleet Rejuvenation Plan, as discussed below:

- **Risks associated with disputes against a ship builder:** Disputes with a shipbuilder entrusted with building new vessels, as part of the Company's capacity expansion plans, may hinder the shipbuilding process and lead to a delay or in a worst case the non-delivery of vessels. The occurrence of such disputes could lead to the Company failing to achieve its expansion targets and could also result in operational losses.
- **Risks associated with disruptive technological advancements in the shipping industry:** The shipping industry, as with all other industries in the present day, is susceptible to the advent of disruptive technological advancements. New technologies are being developed and adopted at the fastest rate in history. Given the pace of rapid technological advancement, the Company is exposed to the risk that a disruptive technology would render the Company's vessels obsolete in the early stages of its economic life.
- **Risks associated with disruptive regulatory changes:** Various national governments and international regulatory bodies have begun requiring 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. The Company has decided to hold-off on ordering any further newbuilding's until the impact from the wave of regulatory changes currently taking place in the industry, is fully assessed.
- **Risks associated with a Cyclical Industry:** The Company is exposed to the risk that the Shipping Market remains in a cyclical downturn for a sustained period and in such case, the market values of the new ships could drop to levels much lower than cost and if this drop is considered permanent, it may expose the Company to an impairment charge in the Company's accounts and the lower values may also cause a default under the "Loan-to-Value" covenant required to be maintained in accordance with the Company's loan facility agreements.

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. To mitigate this risk, the

Company actively manages its liquidity position and monitors its compliance with all its financial covenants and ensures that it takes all steps necessary to remain in compliance with all its obligations by raising funds as and when required at the best possible terms.

ESG RISK

The Company is exposed to ESG risk – environmental, social and governance risks which may impose greater financial or operational risks. The Company firmly believes that the incorporation of ESG principles in its corporate strategy will create the most value for itself and its shareholders in the long run.

- **Environmental risk:** 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. Its 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. For instance, the Company replaced several older and less fuel-efficient vessels between 2013 and 2017 with "eco-vessels" equipped with large cargo hauls and lower fuel consumption because of better hull lines, lower lightship, and efficient electronically controlled engines. The Company is also a member of the Getting to Zero Coalition aiming to explore commercially viable zero-emission fuels.
- **Social risk:** The Company is also exposed to social and community risks which may affect its relationships with society and the communities around it. Certain actions or events may expose the Company to risks that may impact the relations of the Company at a community or societal level. Risks includes health and safety of company workers, labor strife, human right violations, and corruption by company officials.

Fostering a culture of safety is integral to the long-term success of its business. The Company invests considerable resources in training crews, developing guidelines, and monitoring compliance to ensure that operations are carried out with utmost safety.

Continuing changes in the work environment due to Covid-19 also pose challenges for the business. The Company has taken steps such as working from home, enhanced cleaning and disinfecting offices, travel restrictions and facilitating social distancing, to ensure safety and wellbeing of all employees.

As part of the Company's community engagement, in 2021, it distributed 60,000 meals to underprivileged communities in Bangkok.

- **Governance risk:** The Company is committed to maintaining a harmonious relationship with all its stakeholders (workforce, community, governments etc.) and to address any concerns on a timely basis.

The Company has formalized its commitment to preventing corruption and anti-competitive practices through its Anti-Corruption policy.

The Company is subject to various labor, human rights, safety and local laws or regulations. 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.

A breach of these laws or regulations can affect the operations of the Company. The Company has created policies which serve as a guideline for employees, to ensure that these laws or regulations are not breached.

The Company is also exposed to the risk that inadequate governance can adversely impact its operations and undermine investors' confidence. Its corporate governance structures ensure utmost transparency in reporting of operational and financial performance. The Company's business ethics and code of conduct policies are implemented to ensure that business is conducted via ethical governance framework.

The details of mitigation of ESG risks have been explained in the "**Sustainability Report**" section of this Report.

EMERGING RISKS

The emerging risks that could affect the Company's business over the next five years and beyond are as follows:

- **CLIMATE CHANGE RISK:** Climate change is one of the world's most pressing challenges today. Recognizing the urgency of the challenge, world leaders met at COP 26 and agreed to commit to accelerating the pace of decarbonizing their economies with the aim limiting global warming to 1.5 degrees C (2.7 degrees F). A recognition of this need to change, drove the UN agency that regulates shipping, the International Maritime Organization (IMO), to target a 40% reduction in carbon intensity by 2030, a 70% reduction in carbon intensity by 2050 and a 50% cut in the aggregate greenhouse gas emissions from the global fleet by 2050 compared with 2008 levels. The Company is a member of the Getting to Zero Coalition, a partnership between the Global Maritime Forum, World Economic Forum and Friends of Ocean Action, whose objective is to have commercially viable zero-emission vessels (ZEVs) operating along deep-sea trade routes by 2030.
- **THREAT AND CYBERSECURITY RISK:** In the conduct of its operations, 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. Therefore, 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:
 - 1) Promote employee awareness of technology use through training programs to ensure employees have knowledge and understanding of how to use technology effectively and to prevent the business from cyber threats. A test on employee awareness and understanding about IT's policy and cybersecurity is also organized on an annual basis.
 - 2) IT policy outlining the preventive measures to protect and safeguard its information technology systems in business operations from possible cyber risks and threats.
 - 3) Next generation firewall protection that restricts malicious internet traffic.
 - 4) Latest virus and malware protection programs to protect its data.
 - 5) Spam filtering and virus protection on all inbound and outbound emails. Using a reliable and secure email hosting provider that meets the standard and provide top notch security.
 - 6) A data backup policy to ensure data recoverability in the event of a system outage or a cyber-attack.
 - 7) 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.
- **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. With Personal Data Protection Act (PDPA) coming into effect from June 2022, 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

implementations to fully comply with the Law and to prevent any personal data breach or misuse. 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.

INVESTMENT RISK

If the weakness experienced in the Dry Bulk Shipping Market in the recent past returns, the Company may need to call for additional capital from its Investors. If any Investor is unable to subscribe to an additional capital call, if any, then such investor risks having his/her shareholding in the Company diluted.

Apart from the above risks which the Company is exposed to, an Investor investing in equity shares of the Company is exposed to the risks associated with the equity investment in the Company as a company listed in Thailand, which include the following:

- 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, slowdown in 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.
- Since the investment in the equity shares is made in Thai Baht currency, the Investor is exposed to the exchange risk associated with the investment due to the fluctuation of the Investor's investment currency as against the Thai Baht whereby the Investor may suffer a loss in the Investor's own investment currency terms if the Thai Baht depreciates against the same when the equity shares are sold and the proceeds thereof are remitted back to the Investor after converting the same into the Investor's investment currency.
- 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.



SUSTAINABILITY REPORT



Message From The Board Of Directors

To the Shareholders,

We are pleased to present the Company's Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards, Carbon Disclosure Project (CDP) Reporting Framework, Task Force on Climate-Related Financial Disclosures ('TCFD') and the United Nations' Sustainable Development Goals (SDGs). This report covers the Company's performance on material issues that matter most to stakeholders in the year 2021 and communicates our material analysis on economic, environmental, social, sustainability governance and ethical issues that are relevant to stakeholders and may potentially impact the Company.

The Board of Directors reviews the Vision & Mission Statement and Core Values on an annual basis to ensure alignment with any change in circumstances. In 2021, the Board of Directors conducted a review of the Vision and Mission Statement as well as the Core Values. The Company's Vision and Mission Statement is "to be the most distinguished Shipping Company in the world, providing an exemplary level of services and solutions to facilitate global trade". We believe this can be achieved with an unwavering focus on the Company's Core Values, viz. Integrity, Sustainability, Tradition, and Innovation. These Core Values act as a beacon for all that we undertake to do at the Company.

The Sustainability Report summarises the Company's interactions with its stakeholders and reflects the Company's continuous search for ways to improve at all levels. We welcome comments, suggestions, and views on this Report, and we assure you that each response is and will be taken very seriously and considered for appropriate action.

On behalf of the Board of Directors of Precious Shipping Public Company Limited, we would like to express our gratitude to all those who have contributed to the success of the Company.

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

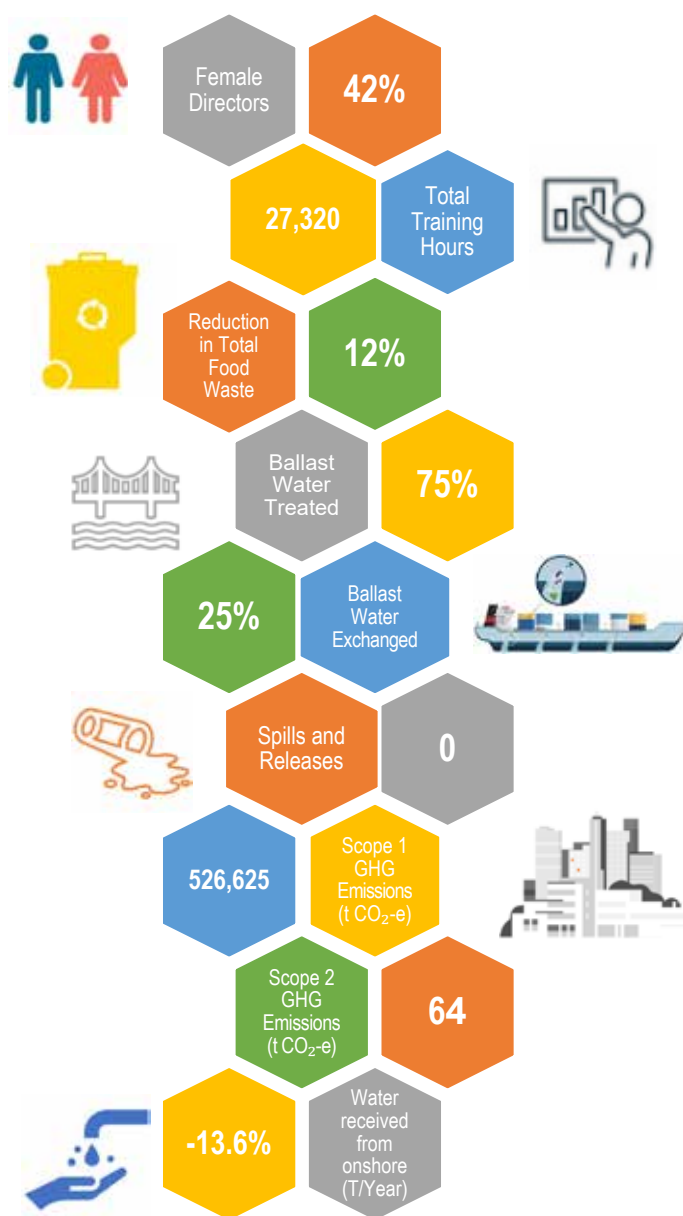
Managing Director

14th February 2022



Highlights

PSL's vessels are especially designed to operate in the demanding conditions of the Baltic Sea. We are a dry cargo ship-owner operating in Handysize, Supramax and Ultramax sectors of the tramp freight market. Our fleet size now stands at 36 ships with a total capacity of 1,585,805 DWT.



This Report has been prepared in accordance with the GRI Standards: Core option. In addition, the Sustainability Report also provides information on the Company's alignment with the UN's Sustainable Development Goals (SDGs), Carbon Disclosure Project (CDP) Reporting Framework and Task Force on Climate-Related Financial Disclosures ('TCFD') to improve transparency of the Company's climate-related risks and opportunities and consistent climate-related financial disclosures for use by stakeholders to provide high-quality information in their mainstream filings.

Scope of the Report

The data and information contained in this Report relates to Precious Shipping Public Company Limited and all its wholly owned subsidiaries.

Boundary and limitations of the Report

Data in this report has been collected from the Company's operations as listed above and there are no changes with respect to the boundary as compared to our 2020 Report.

Process for defining the content of the Report

We have defined the content of the Report through research with key stakeholder groups to gain their feedback on requirements and preferences. Data is provided and reviewed by Senior Management prior to submission to the Managing Director for approval. The Final Report is approved by the Company's Board of Directors.

Sustainability Report Overview

The Company places the highest priority on delivery of long-term value and sustainable returns to its shareholders. The Report also includes information relating to the performance of the Company and its subsidiaries based in Thailand and elsewhere. The focus of the Report is on the main businesses which have a material impact on the achievement of long-term sustainability. The Company acknowledges that its unique character, with its ships trading all over the world, majority of which are flying the Royal Thai flag, obliges it to act as the country's ambassador to the world, and the Company takes this responsibility very seriously.

The Company presents its performance in terms of its economic, environmental, social, and sustainable impact. Through this approach, the Company strives to create value for stakeholders by complying with all applicable regulations and carrying out its business activities according to its vision and core values. In executing its business strategies and achieving its performance targets, the Company gives the highest regard to transparency, accountability, responsibility, independence, and fairness.

Further information on the Company's Corporate Governance, risk management and mitigation strategies, all of which are part of the Company's sustainability measures, can be found in the relevant chapters under the **Board of Directors' Report, Organization Structure, Corporate Governance Report, Internal Controls and Risk Management** sections of this Annual Report.

This Report addresses activities and data that fall within the Company's financial year for the period from 1 January to 31 December 2021.

Sustainable Value Chain

Input

Sustainable Framework & Strategy

Output/
Value Creations

Stakeholders

Our 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.

2020

Our Fleet:
36 vessels,
1,585,805 dwt
Average fleet
age: 9.3
years*

Total
employees:
925
employees
(ashore and
onboard)

Shareholders'
equity: USD
337.39 million*

Total assets:
USD 712.35
million*

(* As of 31st
December 2020)



Integrity

Sustainability

Core Value

Tradition

Innovation

2021

- Shareholders' equity: USD 429.84 million [^]
- Total assets: USD 704.09 million [^]
- Net profit: USD 136.96 million [^]
- Dividend payout ratio: 61%
- Reduced average intensity of carbon emissions in grams per ton-mile: From 12.9 in 2014 to 7.42 in 2021
- Reduced water sourced from onshore in 2021: 13.6% compared to 2019
- Installed ballast water treatment plants: 78% of the fleet
- Insider trading incident: Zero
- Human rights incident: Zero
- Employee training: 27,320 hours
- Community support: Donated 60,000 meal boxes to communities in Bangkok impacted by Covid-19
- Education support: Donated 20 Computers set to a rural elementary school

(* As of 31st December 2021)



Shareholders



Customers



Suppliers



Regulators



Community



NGOs

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 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 propeller 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 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.

Stakeholder Engagements



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 because of its business operations. The Company engages its stakeholder groups in a variety of ways, with the frequency and communication mechanisms based on the most effective means of facilitating dialogue. The Company has also 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 utmost confidentiality.

Currently, the Company categorises and prioritises 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.

Shareholders



Customers



Employees



Creditors/ Financial Institutions



Community & Society



Regulators



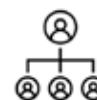
Suppliers



Investors



Independent/ Public Organizations & NGOs



Stakeholder Engagement Activities

Stakeholders	Stakeholders Expectations	Key Action and Engagements
Shareholders	<ul style="list-style-type: none"> • 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 for giving feedback to the Company • Easy accessibility to Management of the Company 	<ul style="list-style-type: none"> • Creation, preservation, and enhancement of long-term value for our shareholders • Disclosing timely, concise, and relevant information • Responsive to all inquiries • Frequent communications through company visits, roadshows and meetings • Direct channel of communication to Board/ Management open for every Shareholder • Shareholder Meetings at least once a year, plus quarterly SET Opportunity Day Meetings (Videos of these Meetings available on the Company's website) • Quarterly newsletters from the CEO • Annual Report and other reports, such as press releases, etc.
Customers	<ul style="list-style-type: none"> • Professional service with fair charter rate • Commitment to agreements 	<ul style="list-style-type: none"> • Develop services to respond to diverse needs • Provide efficient, reliable, and professional services and solutions to all our customers • Provide substantive reply to any query promptly • Conduct customer satisfaction surveys • Follow terms of agreements
Employees	<ul style="list-style-type: none"> • Appropriate compensation and welfare • Career advancement and succession • Competency enhancement • Positive and good work environment • Security and safety at work 	<ul style="list-style-type: none"> • 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 employee satisfaction survey
Creditors/ Financial Institutions	<ul style="list-style-type: none"> • Ability to repay debts and punctual payment • Fair returns on loans and service fees • Commitment to agreements • Transparent information sharing 	<ul style="list-style-type: none"> • Full compliance with all terms in 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
Community & Society	<ul style="list-style-type: none"> • Improvement in quality of life • Support community activities • Environment protection 	<ul style="list-style-type: none"> • Support the local community on a regular basis • Meet with key community stakeholders to plan and execute community development projects • Put in place and implement appropriate measures to reduce the environmental impact from the Company's operations

Stakeholders	Stakeholders Expectations	Key Action and Engagements
Regulators	<ul style="list-style-type: none"> • Compliance with relevant laws, rules and regulations • Good Corporate Governance and transparency • Sufficient and timely information disclosures 	<ul style="list-style-type: none"> • Follow guidelines in doing transactions with the State, code of conduct and participate in academic collaboration • Periodic internal assessment of regulatory compliance • Regular disclosures through SET • Regular participation in meetings and activities of related agencies • Annual Report and other reports, such as press releases, etc. • Complaint handling channels and remedial measures
Suppliers	<ul style="list-style-type: none"> • Fairness and equal opportunity in the procurement process • Fair prices • Reputation and credibility • Honor payment terms 	<ul style="list-style-type: none"> • Ensure that terms and conditions for suppliers are based on industry norms and practices • Follow agreed terms and conditions • On-time payment • Complaint handling channels on the website
Independent/ Public Organizations & NGOs	<ul style="list-style-type: none"> • Collaboration to drive forward sustainable development 	<ul style="list-style-type: none"> • Dialogue through industry associations • Direct engagement to foster closer cooperation
Prospective Investors	<ul style="list-style-type: none"> • Return on investment • Business growth and sustainability • Fair and transparent operations • Risk Management • Appropriate channels for monitoring the Company's performance • Easy accessibility to Management of the Company 	<ul style="list-style-type: none"> • Direct & Open channel of communication to Management • Frequent meetings and conference calls/ Q&A sessions • Regular disclosures through SET • Presentation/Roadshows 11 times in 2021 • Annual Report and other reports, such as press releases, etc.



Materiality Assessment

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.

2021 Materiality Matrix

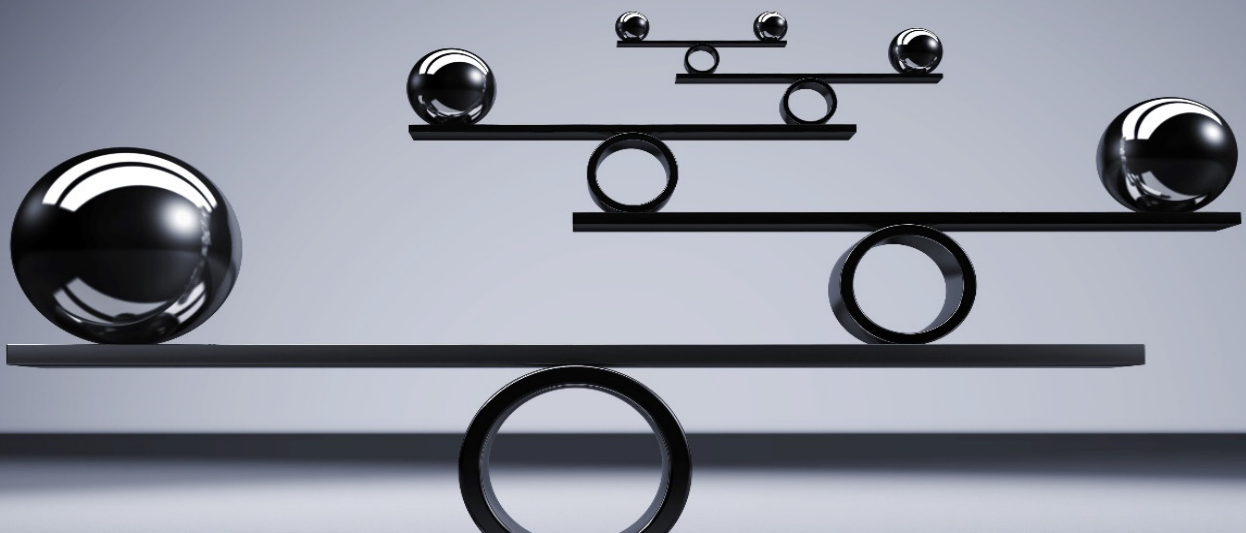


This materiality matrix presents 9 topics for each sustainability-related category, which the Company focuses on.

These 9 topics are the most material for this Sustainability Report. The Company recognizes the value of broadening its engagement with its stakeholders to improve its Materiality Assessment and increasing the relevance of information within its Report based on stakeholder priorities.

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), 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 which 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 annual basis: by incorporating to this Report, stakeholder feedback from outside stakeholders received through multiple channels, such as Opportunity Day/Investor meetings, the Company website, Regulatory Authorities, and press coverage of the Company.








Contribution to Sustainable Development Goals

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 ready to achieve the international sustainable development along with the Company's business growth and stakeholder benefits.

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.

Materiality Topics	Key Stakeholders	Our Commitments	Targets 2030	Our efforts	SDGs
Risk and opportunities arising from climate change.	<ul style="list-style-type: none"> Regulators Shareholders Investors Communities & Society 	To identify and assess the impact of extreme climate changes.	<ul style="list-style-type: none"> Incorporate climate change & natural disaster scenarios into our Risk Management Framework. 	<ul style="list-style-type: none"> Introduce TCFD framework and support transparent reporting of climate change related risks. 	
Carbon footprint & Emissions	<ul style="list-style-type: none"> Regulators Charterers Shareholders Investors Communities & Society 	To reduce carbon footprint and harmonize the Company's efforts towards environmental conservation.	<ul style="list-style-type: none"> Reduce CO2 emissions per transport work (ton DWT) at least 40% by 2030, compared to 2008. Becoming a player in new energy transportation and supply that supports Decarbonization and carbon neutrality. 	<ul style="list-style-type: none"> Joined 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 2021 by 32.87 %, compared to 2008. 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 consumptions and emissions per vessel, by installing wake equalizing ducts on 11 vessels in the fleet. 	
Effluents & waste	<ul style="list-style-type: none"> Regulators Communities & Society 	To protect and conserve the environment and to rank environmental considerations equally with commercial and operational factors.	<ul style="list-style-type: none"> Recycle ships in an environmentally responsible manner. Reduce the fresh water received from ashore by at least 25% in 2029, compared to 2019 as the baseline year. Maintain zero oil spills. 	<ul style="list-style-type: none"> 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/when any of the vessels are recycled, they are done so in an environmentally safe and sustainable manner. 	 

Materiality Topics	Key Stakeholders	Our Commitments	Targets 2030	Our efforts	SDGs
Anti-Corruption	<ul style="list-style-type: none"> Employees Charterers Suppliers Regulators 	To conduct business ethically with a zero-tolerance approach to bribery and corruption.	<ul style="list-style-type: none"> Maintain zero incidents of corruption. 	<ul style="list-style-type: none"> Provide training sessions for employees (covered 100% of employees). Promote our policy to employees and suppliers. There were no cases of ethical breach reported in 2021. 	
Economic Performance	<ul style="list-style-type: none"> Shareholders Employees Investors 	<p>To create, preserve and enhance long term value for our shareholders.</p> <p>To be good stewards of Capital.</p>	<ul style="list-style-type: none"> Build long term value through sustainability Control operational cost. Focus on customer needs and on exceeding their expectations. 	<ul style="list-style-type: none"> Yearly evaluation of operational performance and efficiency. Consider investment in new technologies to improve operational efficiency. 	
Training & Educations	<ul style="list-style-type: none"> Employees Communities & Society 	To reinforce positive attitudes towards health & 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.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> A total of 1,444 sea going officers and crew members attended a total of 16 courses that were conducted online and 4 courses that were conducted at our training centre in Bridge Team Competency during the year. In addition, 527 seafarers underwent a cybersecurity course. 	
Occupation Health & Safety	<ul style="list-style-type: none"> Employees 	To conduct business with the highest standards of safety, occupational, and health conditions.	<ul style="list-style-type: none"> Achieve zero work-related fatalities. Stabilize lost-time injury rate at below 0.30 (per 1 million hours worked). 	<ul style="list-style-type: none"> 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. 	
Diversity and Equal Opportunity	<ul style="list-style-type: none"> Employees Suppliers Regulators 	To be a fair and caring employer offering its staff equitable opportunities to develop and grow.	<ul style="list-style-type: none"> Promote a diverse workforce with an inclusive culture. 	<ul style="list-style-type: none"> Established Diversity and Inclusion Policy. 	






Sustainable Management Performance

Corporate Governance, Ethics, and Integrity

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 fulfil its responsibility to the shareholders. It is the duty of the Board of Directors 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 of Manual and the 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.

Governance Data

Information	Board of Directors	Audit & Corporate Governance Committee	Risk Management Committee	Nomination Committee	Remuneration Committee
Member (Persons) 	12	3	4	3	3
Independent Directors (%) 	42%	100%	75%	100%	67%
Chairman 	Independent Chairman	Independent Chairman	Independent Chairman	Independent Chairman	Independent Chairman
Female Directors (%) 	42%	67%	50%	67%	33%
Attendance Ratio 	100%	100%	100%	100%	100%

Anti-Corruption

The Company has developed a reputation in the industry of having zero tolerance towards any form of corruption or unethical behaviour. The senior management has always enforced this policy throughout the history of the Company. 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, employees at all levels. The Company continued with this practice in 2021. This No Gift Policy reinforces the Company’s compliance with the Anti-Corruption Policy and good corporate governance principles.

In 2021, 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)



Mr. Gautam Khurana (left), Director (Finance) of the Company, received the CAC certificate of membership from Mr. Kulvech Janvatanavit (right), Chief Executive Officer of the Thai Institute of Directors Association (IOD), at an awards ceremony held on 18th October 2019. The CAC aims to tackle corruption, build a critical mass of clean and transparent businesses and uplift compliance standards of private companies.

Compliance assessment against anti-corruption

No. of operations assessed for corruption risk	2
Office	129
• Governance Body Members	14
• Non-Governance Body members	115



Overview

The Board of Directors recently approved a new Self-Evaluation Tool for Countering Bribery and an Anti-Corruption Policy. This newly adopted policy, which is an embodiment of the age-old stance of the Company, against any form of corruption or unethical behaviour, has been communicated to every member of the Board of Directors and each of the Company’s employees.

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 impact or risks of impact on stakeholders arising from its business or from wrongful action, or violation of the Code of Conduct, illegal acts, etc. As such, the Company ensures that none of its affairs are conducted with/through any unethical individual/corporation/organization.

Compliance against corruption incidents

Total number of confirmed incidents of corruption	0
No. of incidents in which employees were dismissed or disciplined for corruption	0
No. of incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0
No. of public legal cases regarding corruption brought against the organization	0
No. of public legal cases regarding corruption brought against the employees	0

Economic Performance

The Company's Senior Management had set up goals for 2021 with targets that were both realistic and aggressive as follows:

Daily earnings per vessel to be higher than the corresponding industry benchmark



Refer to "Market Segmentation/Benchmarking" in the Board of Directors' Report, for the Company's performance in 2021 as against this target

Daily Operating costs per vessel to be at least 15% lower than the industry average as published by BDO LLP



15%



Refer to "PSL OPEX comparison with Industry" in the Management Discussion and Analysis, for the Company's performance in 2021 as against this target.

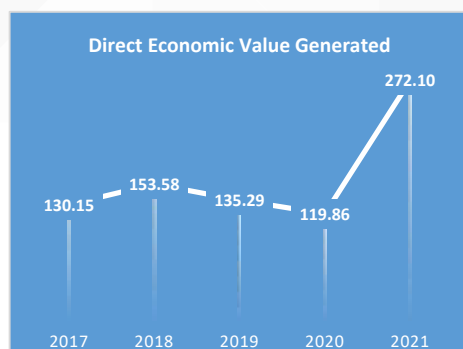
Drive sustainable growth



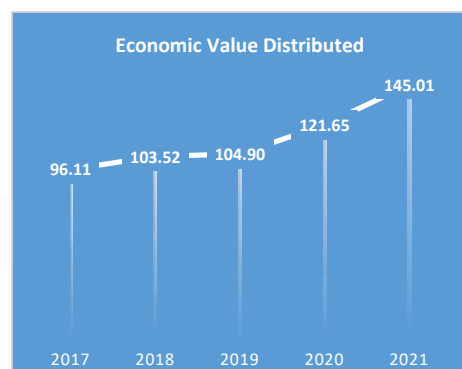
The Company's operations contribute to national economies by generating economic benefits for different stakeholder groups. The related direct monetary flows indicate the extent of added value.



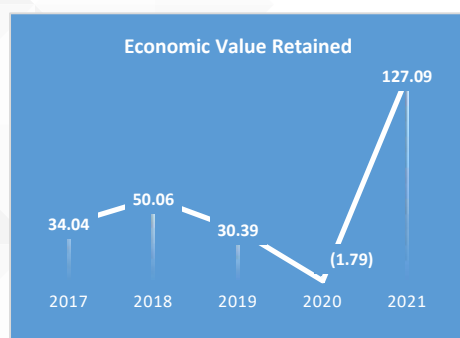
Direct Economic Value Generated and Distributed (Million USD)



Description	2017	2018	2019	2020	2021
Vessel Operating Income	128.21	152.32	134.05	119.08	265.61
Revenue from financial investments	0.70	1.15	0.96	0.27	0.06
Revenues from sale of assets	0.94	0.00	0.01	0.00	0.02
Other income	0.30	0.11	0.27	0.51	6.41
Total Direct Economic Value Generated	130.15	153.58	135.29	119.86	272.10



Description	2017	2018	2019	2020	2021
Operating Costs (excluding crew costs)	24.04	28.79	29.18	29.58	28.70
Employee wages and benefits (including crew costs)	42.98	44.08	44.84	40.99	52.71
Finance costs (paid to lenders)	25.01	25.48	22.64	18.88	12.94
Dividend distribution	0.00	0.00	0.00	0.00	47.10
Tax payments to governments	0.08	0.09	0.12	0.12	0.14
Community Investments	0.04	0.04	0.05	0.06	0.13
Other payments	3.96	5.04	8.07	32.02	3.29
Total Economic Value Distributed	96.11	103.52	104.90	121.65	145.01



Description	2017	2018	2019	2020	2021
Depreciation, amortization, and Impairment loss	34.63	36.64	38.23	38.71	37.79
Provisions	(0.22)	(0.11)	0.02	0.28	(0.28)
Transfer to (from) Reserves	(0.37)	13.53	(7.86)	(40.78)	89.58
Total Economic Value Retained	34.04	50.06	30.39	(1.79)	127.09



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 complies with the country legislation that the Company operates in.

Environment Performance

The Company recognizes that irresponsible shipping operations will inevitably lead to catastrophic environmental impact, 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.



1. Reduced CO2 emissions per ton DWT by 32.87 % as compared with that in 2008.
2. Formalized our Environment Protection Policy Statement in line with 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").
3. Achieved around 5% savings in energy/reduction in emissions per vessel by installing wake equalizing ducts on 11 vessels in fleet.
4. 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 in-house training described here under.
5. 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.
6. In-house training programs are conducted for all staff (serving at 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 centre and through internal audit visits to vessels.
7. The Company uses best endeavours to influence and encourage all vendors associated with the Company to comply with environmental standards/good practices.
8. Completed IHM (Inventory of Hazardous Materials) certification for all the vessels in the fleet.

PSL's Task Force on Climate-related Finance Disclosures (TCFD) Report

This report outlines the most significant environment-related maritime regulations and the Company's compliance therewith; the report also outlines the Company's internal emergency and quality control systems and CO2 reduction efforts. To address climate change and its impact, we have adopted the TCFD framework to identify climate change related risks and incorporate them into our management policies. The TCFD framework provides a progress update across each of the TCFD pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

Core Elements of Recommended Climate-Related Financial Disclosures



Governance

The organisation's governance around climate related risks and opportunities.

Strategy

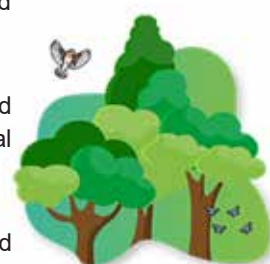
The actual and potential impacts of climate related risks and opportunities only organization's business, strategy, and financial planning.

Risk Management

The processes used by the organization to identify, assess, and manage climate related risks.

Metrics and targets

The metrics and targets used to assess and manage relevant climate related risks and opportunities.



Source: *Implementing the recommendations of the task force on climate related financial disclosures, June 2017.*

Governance

Board oversight of climate-related risks and opportunities

The Board of Directors ("the Board"), through the Risk Management Committee, fosters sound risk management oversight and effective corporate governance to ensure the Company creates sustainable long-term value for stakeholders. The Board has oversight across the Company's Environmental, Social and Governance (ESG) risks, opportunities, and policies, including those pertaining to climate change and to support management in achieving strategy and business objectives. ESG strategies and issues are discussed with the Board of Directors annually and more frequently as needed. PSL's board considers climate related issues when reviewing the Company's risk management policies.

The Risk Management Committee ensures that business risks are identified as well as monitored on an on-going basis that effective mitigation measures are in place. The Risk Management Committee oversees the implementation of risks and controls related to climate issues that affect the Company and its stakeholders, as well as the delivery of strategies to manage climate-related risks & opportunities to ensure that all climate change-related risks and opportunities are elevated at the Board level.

Management's role in assessing and managing climate-related risks and opportunities

The Managing Director is a member of the Risk management Committee and is responsible for monitoring the Company's risks in all areas.

The responsibility of climate management is entrusted to the Director (Technical), who ensures that energy efficiency and CO2 reduction measures are evaluated throughout the operation. The Director (Technical) is responsible for all the vessel operations, including the implementation of measures to improve operational performance, while the Director (Finance) is responsible for monitoring the expectations of external stakeholders and recommends strategies to address climate change that meets these expectations and reports the results thereof to the Managing Director and the Risk Management Committee.

Our Strategy- Future Ready Shipping

Shipping is the most efficient low-cost transportation and is important to the growth and development of any economy. That said, the Shipping industry does take a toll on the environment as it accounts for between 2.5-3% of global CO2 emissions. Climate change is unequivocally one of the major long-term risks that need our undivided attention.

Extreme climate change and its cascading effect could negatively impact the growth of shipping industries. An assessment of the impact of shipping on our environment and society will enable us to foster sustainable economic growth while preserving the environment for our future generations.

PSL's core philosophy has been to embrace ESG principles into its governance. This report represents our commitment towards a low carbon pathway and our vision for ESG driven growth. We aim to imbibe in every part of our operations, long-term measures which will serve to minimize our environmental impact.

Identification of Climate Risks & Opportunities

Risks and Opportunities			Potential Impact to the Company	Strategy & Risk Management
Transition Risk	Policies, Laws & regulations	<ul style="list-style-type: none"> Meeting new carbon and climate related regulations. (Medium & long term: 3-20 years) 	<ul style="list-style-type: none"> Increased costs from complying with complex and newly evolving regulations. Increased costs from operating low carbon ships and an inability to pass on these costs to end users Surge in carbon prices Impact ability to charter vessels due to poor environmental ratings. 	<ul style="list-style-type: none"> Participating in programs to reduce fuel consumption Investing in fuel saving devices Integrating carbon pricing into operations and strategic decisions Incorporating climate change and ESG consideration into Governance
	Technology	<ul style="list-style-type: none"> Commercial Viability of Green Vessels and transition to zero emission fuels (Long Term: more than 10-20 years) Use of energy efficient fuel saving devices and retrofits (Medium-Term: more than 3-10 years) Use of voyage and emission data to correlate and draw patterns (Medium-Term: more than 3-10 years) 	<ul style="list-style-type: none"> Reduction in carbon footprint Reduction in overall fuel consumption Improved performance of our Ships Increased capital expenditure Increased operating cost 	<ul style="list-style-type: none"> Endeavor to explore and invest in new technologies to continue improvement in emission related performance Highly experienced technical team to identify and implement new technologies and top emerging trends Committed to continuous advancement and automation of operations to ensure the highest level of operational efficiency Balancing risk and rewards

Risks and Opportunities			Potential Impact to the Company	Strategy & Risk Management
	Market	<ul style="list-style-type: none"> Increased operational concerns <p>(Long-Term: more than 10-20 years)</p>	<ul style="list-style-type: none"> Increased demand for low carbon ships Adverse impact on earning and valuation of older ships which have higher consumption 	<ul style="list-style-type: none"> Tracking the Company's carbon emissions Setting internal targets to minimize environmental Impact Investing in commercially viable carbon neutral ships
		<ul style="list-style-type: none"> Path to carbon neutrality <p>(Long-Term: more than 10-20 years)</p>	<ul style="list-style-type: none"> Leading position in the industry in adoption of commercially viable zero-emission ships 	<ul style="list-style-type: none"> R&D in low emission technologies Explore the use of commercially viable zero/low emission fuels
	Reputation	<ul style="list-style-type: none"> Stakeholders' Concern – Delay in Zero-emission fleet <p>(Medium Term: more than 3-10 years)</p>	<ul style="list-style-type: none"> Impact on company's operations and market share 	<ul style="list-style-type: none"> Work on the development of low carbon ships Participate in industry programs such as the Getting to Zero coalition to explore commercially viable options
Physical Risks	Acute	<p>Climate Change – Increase temperature</p> <ul style="list-style-type: none"> Increased frequency and severity of weather events. <p>(Medium Term: 3-10 years)</p>	<ul style="list-style-type: none"> Damage to people, assets, and environment Increase in costs due to unexpected re-routing of ships 	<ul style="list-style-type: none"> Integrating weather conditions and climatic changes in our operational strategy Using shipping data to track weather patterns and events
	Chronic	<ul style="list-style-type: none"> Long-term changes in climate patterns could result in new storm patterns <p>(Long Term: more than 10-20 years)</p>	<ul style="list-style-type: none"> Increase in costs due to mitigating and potential operating expenses including legal and insurance 	



Risk Management of Climate Change

Natural Disaster and Climate Change

PSL's tramp trade is exposed to natural risks and extreme climate changes around the world. Frequency of weather events and natural disasters could cause damage to our people, property or environment and could negatively impacting our business. Therefore, we need to address and plan for such extreme weather events.

Adverse climate changes could negatively impact agricultural productivity, affecting the availability and supply of agri-cargoes around the world. This could impact the demand for our ships.

Adverse climate changes and rise in sea levels could impact shipping routes causing unplanned re-routing. Proper planning and use of technologies can help mitigate risks from unplanned rerouting.

The Company through its highly experienced team and technological advancement endeavour to consider these factors into its operations for the safety of its people and environment and to limit potential impacts of these factors on its business.

Emission Policies

Regulators have proposed various measures and emission policies to impose carbon taxes and emission limits in an effort to reduce shipping's carbon footprint. Introduction of carbon pricing policies require companies to pay a price for each ton of carbon emissions released. Compliance of such policies, volatile fuel prices, speed limits and a surge in carbon prices could cause a significant increase in the cost of our operations.

The Company has a multi-pronged strategy to reduce its environmental footprint. Firstly, the Company is developing a range of emission reduction solutions in-house, which it intends to test on of its ships in the coming years. Secondly, the Company is supporting industry wide efforts to develop low/zero emission ships. Thirdly, the regulatory environment permitting, the Company may consider offsetting part of the emissions from its fleet through the purchase of carbon offsets, as an interim measure until commercially viable zero emission vessels hit the market. Through these programs, we aim to align our emission reduction goals with our stakeholders' expectations.

Targets

The Company is working to reduce environmental impact in line with its medium and long-term targets. 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 reduce overall greenhouse gas emission by 50% from 2008 levels by 2050.

The average Carbon Intensity Index (CII) for year 2021 was 7.42 grams per tonne-mile. By 2026 we aim to reduce the CII level to 6.0 grams per tonne-mile, i.e., a reduction of around 19%.

Sustainable Financing

PSL is committed to integrating ESG principles into its operations 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 TMBThanachart Bank. As part of their due diligence, the lenders hired the services of a third-party consultant to conduct an Environmental and Social (E&S) assessment of the Company. The Company is required to meet minimum performance standards as well as achieve certain sustainability targets during the tenor of the loan.

Compliance with Regulations & Conventions

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) & the Maritime Labour Convention (MLC) are the four pillars of the international maritime industries regulatory framework.

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

In line with IMO's initial strategy of achieving a reduction in the intensity of CO2 emissions of upto 40% per transport work by 2030 and upto 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 will enter 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.

PSL's fleet is well on course to achieving the required targets. The maximum main engine power for 23 vessels of 36 vessels in the fleet will be limited by the first periodic survey in 2023, as a means to reduce excess fuel consumption.

Some of the other regulatory instruments

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)

National, Regional and Local regulations more stringent than the international requirements like US environment protection acts, European Union air pollution directives etcetera

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.

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

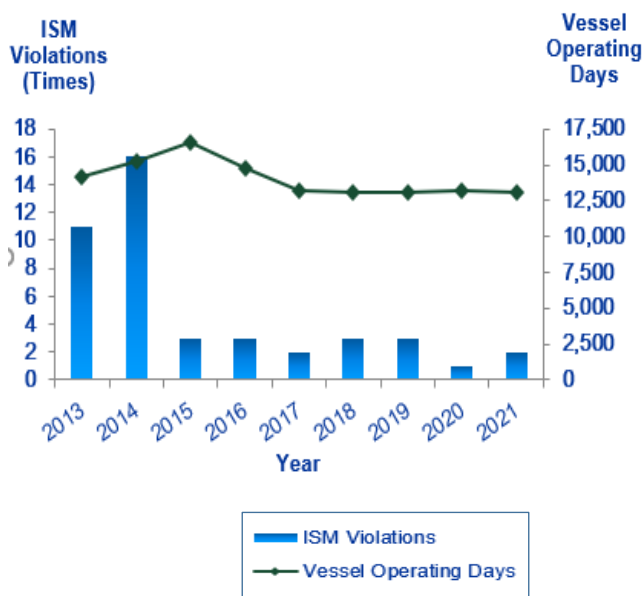
International Safety Management Code (ISM Code)

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

Here is a graphical account of the Company's ISM Code violations viewed against Vessel Operating days from 2013-2021. 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., The Company has analysed 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. In 2021, we had two incidents which can be described as an ISM violation from over 13,140 vessel operating days for the fleet.



Even though the Company did not meet its target of zero ISM violation in 2021, in terms of the number of violations per vessel operating day basis, 2021 would still be considered a low level. The ISM violation in the current year includes (1) minor collision in China with a local small-size tanker (while trying to avoid another tanker vessel which was coming close to our vessel) with insignificant damage to either vessel or the environment, and (2) vessel briefly touched bottom in a confluence of bad weather and falling tides in the Mississippi river, and refloated at the next high tide using tugs; there was no damage to the vessel or the environment. These incidents were discussed in the company's safety meetings to prevent a recurrence.


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 analysed, 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.





Environmental Compliance

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



The Company is undertaking 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 regular 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 difference 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.

International Safety Management Code (ISM Code)

In 2012, the Company became a member of INTERCARGO, the International Association of Dry Cargo Shipowners. Intercargo, quoting their own words, 'exists to link industry stakeholders in a commitment to a safe, efficient, and environmentally friendly dry cargo maritime industry, and our vision is for a safe, efficient and environmentally friendly dry cargo maritime industry where its member's ships serve world trade - operating competitively, safely and profitably. This perfectly fits in with the Company's philosophy and the Intercargo membership reflects Company's resolve towards sustainability.

In 2012, the Company also became a member of Right Ship, 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.

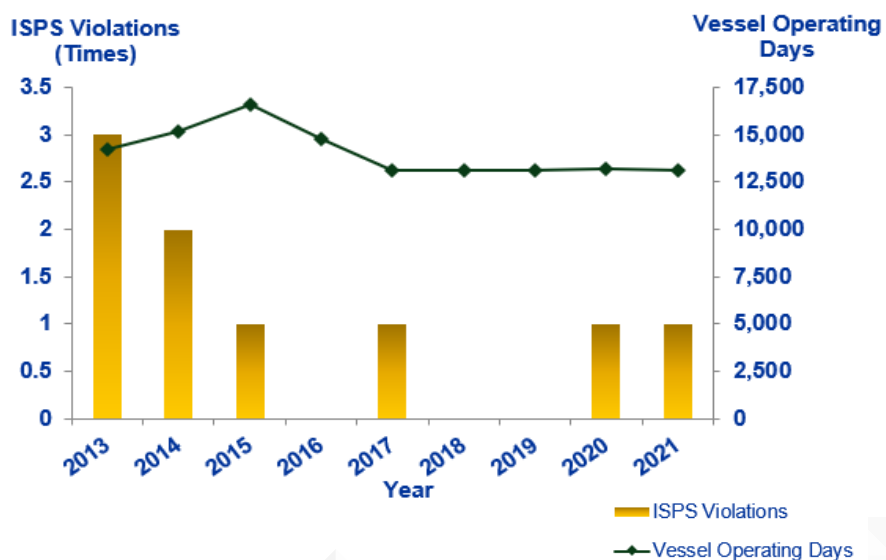
International Ship and Port Safety (ISPS) Code

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, and to date, the Company has had only 1 detention from an ISPS violation.

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 analysed. In the event of any failures of the standard operating procedures, reviews are immediately conducted.

Below is a graph displaying the number of ISPS Code Violations (left-hand axis) against the number of Vessel Operating days (right-hand axis) from 2013-2021. As in the case of ISM, the Company sets a target of zero violations in respect of ISPS Code. There was one ISPS violation in 2021. Drugs were apprehended from one of our vessels at a port in West Africa. This case is still ongoing, and details have been given elsewhere in this Report.



MARPOL

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.



■ MARPOL Violations
◆ Vessel Operating Days

The above graph demonstrates the number of MARPOL violations (left-hand axis) resulting in an insurance claim and Vessel Operating days (right-hand axis) from 2013-2021. For this analysis, any incident counts as a violation if it results in an insurance claim. We are happy to report that there was **no MARPOL violation in 2021**. As always, the Company aims to have zero MARPOL violations in 2022.



- IMDG Code and IMSBC Code require more stringent requirements to be met for carriage of certain dangerous cargo.
- 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 Certificate for financial security in respect of Seamen repatriation costs and other liabilities
- Vide IMO resolution MEPC.280 (70), since 1st 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 1st 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.

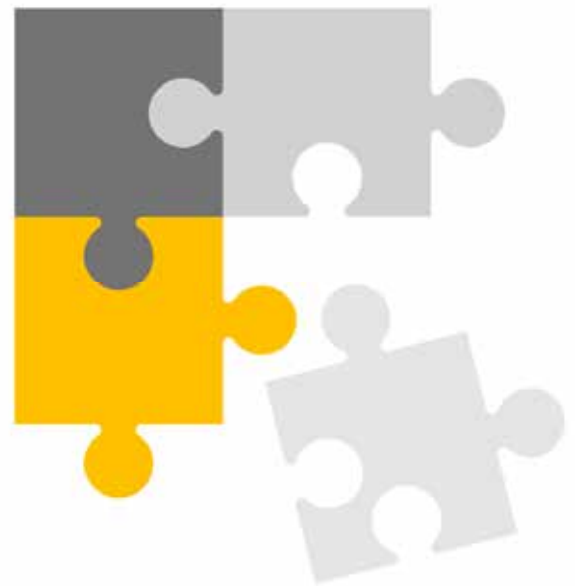
Other Regulations

- 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 & Verification Plan (MRV).

A Document of Compliance is available on board.



All PSL Ships need to meet these requirements

Data collection requirements for GHG emissions

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 voyage, 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 Recognised Organisation (RO) issues to the ship a Statement of Compliance related to fuel oil consumption. Finally, the Flag Administration will submit 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.

Recycling, IHM

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 Inventory of Hazardous material code (IHM). The Company has obtained the IHM certification well in time for all the vessels in the fleet.

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.

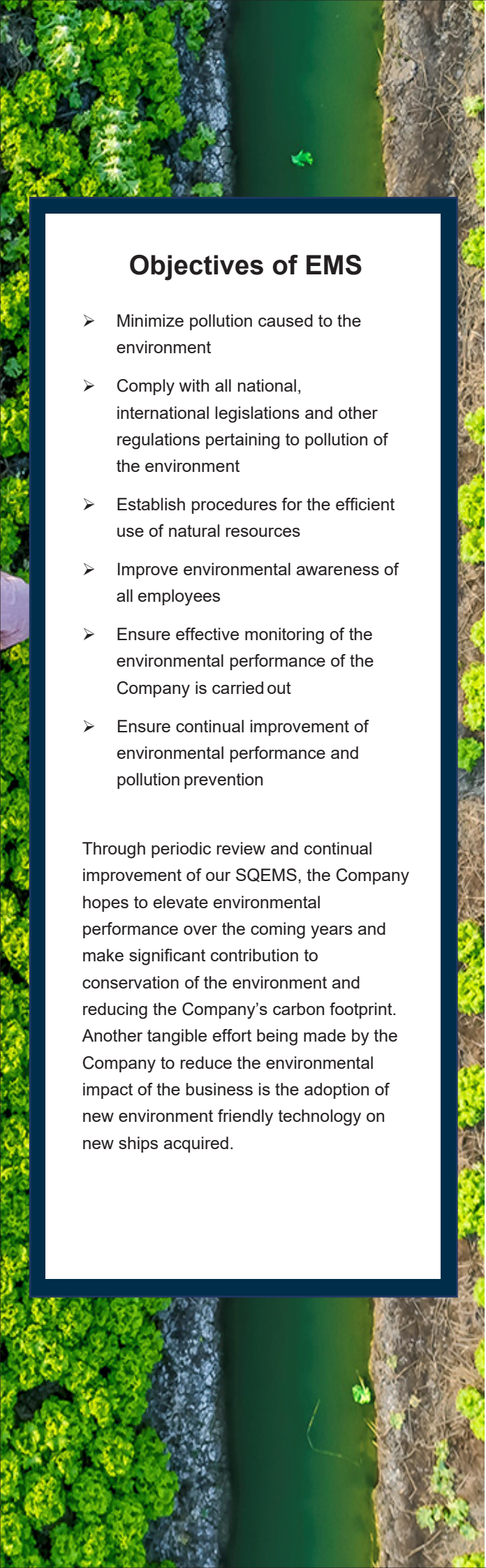
Sanctions significantly impact shipping and shipowners are particularly exposed to the risk of sanctions' violation. Ships trade worldwide, often with varying trading patterns. The contractual chain, from lenders or lessors through charterers and sub-charterers to cargo interests may be long and there 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 on 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.

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). 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.

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.

Objectives of 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 contribution 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 environment friendly technology on new ships acquired.

“Green” features of the newbuilding ships that we took delivery of in the recent past:

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 & 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 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 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 being 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 an 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 2021 following the 4thGHG 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. Shipping industry has not yet solved all its green issues. Present endeavours of the industry and the IMO are two-fold:



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.



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. 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 visits. 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 first renewal of IOPP (International Oil Pollution Prevention) certificate after 8 September 2019. The Company has already fitted Ballast Water Treatment plants on 28 vessels in our fleet by December 2021 and the remaining 8 vessels also will be fitted with the same by early 2023.

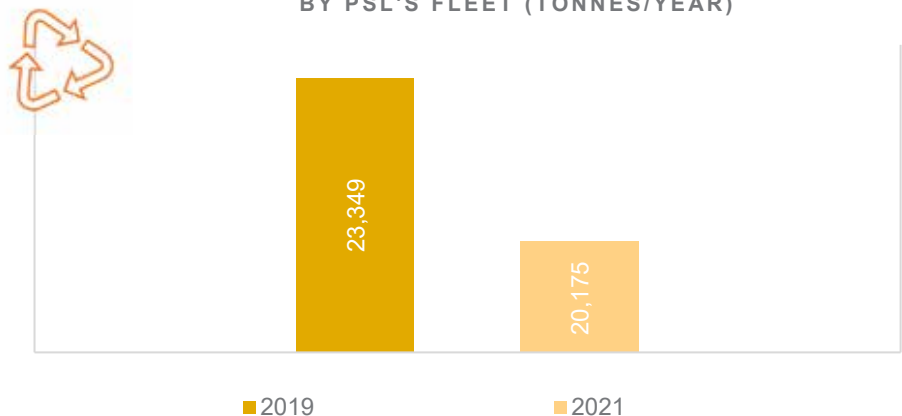
Fresh Water

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 endeavour 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. The Company will take measures to reduce water consumption on board by encouraging ships' crew to minimize wastage of fresh water and maintain freshwater generators on a regular basis to maximize production of fresh water on board.

WATER PURCHASED FROM SHORE BASED SOURCES
BY PSL'S FLEET (TONNES/YEAR)



Green House Gas Emissions

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 1st 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.

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 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-mile was 12.884 gm CO₂ in 2014. Over the years this has improved and the figure for 2021 is 7.42 gm of CO₂ per tonne-mile.

It is to be noted that this is the average for the entire fleet of 36 vessels. The Company also operates 8 highly fuel efficient 'Eco' vessels where in 2021 we have achieved 4.53 Grams of CO₂ per tonne-mile.

Emissions Data

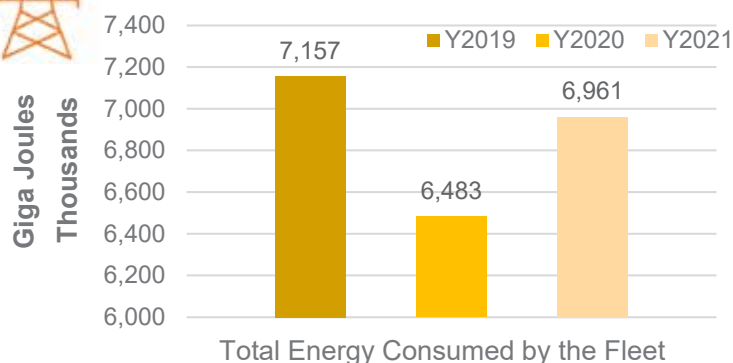
Categories	Description	Unit of Measure	2019	2020	2021
CO2 Emissions	Total CO2 emitted by all the vessels in the fleet	Metric tonnes (t)	530,020.59	480,763.05	521,648.64
	Average Carbon Intensity Index (CII)	grams/tonne-mile	7.55	7.19	7.42
	<i>Note: Method for calculating the CII and after the figures for total fuel consumed and distances sailed by each vessel were verified by the Recognized Organization (ClassNK for PSL's fleet)</i>				
GHG Emissions	Direct GHG emissions (Scope 1) (The CO ₂ equivalent generated by the Company's fleet)	t-CO ₂ e	-	-	526,610
	Direct GHG emissions (Scope 1) (The CO ₂ equivalent generated by the Company's vehicles)	t-CO ₂ e	-	-	15
	Total Direct GHG emissions (Scope 1)	t-CO ₂ e	-	-	526,625
	Indirect GHG emissions (Scope 2): (Purchased electricity - Onshore operations)	t-CO ₂ e	-	-	64
	Total GHG emissions (Scope 1 and Scope2)	t-CO ₂ e	-	-	526,689
	<i>Note:</i> 1. Scope 1 was calculated based on; - CO ₂ emission from mass-based EF per fuel type as given by the 2018 EEDI Guidelines (IMO, 2018a) - CH ₄ and N ₂ O 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 for 2021 has been verified by SGS (Thailand) Limited				
Energy Consumed	(1) Total energy consumed (Total energy consumed by the fleet)	Gigajoules (GJ)	7,157,177 GJ	6,482,761 GJ	6,960,682.8 GJ
	(2) percentage heavy fuel oil	Gigajoules (GJ), Percentage	6,498,717 GJ from HSFO; 90.80% of the total energy consumed was from HSFO	5,839,644 GJ from Heavy oil (VLSFO); 90.08% of the total energy consumed was from VLSFO i.e. Heavy Fuel oil with S content lower than 0.5%	6,259,806 GJ from VLSFO; 89.90% of total energy generated was from VLSFO

Categories	Description	Unit of Measure	2019	2020	2021
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	270,541	208,623	126,106
Other Emissions to Air	(1) NOx (excluding N2O) (Based on accepted empirical values for emission factors)	Metric tonnes (t)	8,520 approx.	7,700 approx.	8,263 approx.
	(2) SOx (Assumption of 0.5% S in VLSFO consumed and 0.1% in LSMGO consumed)	Metric tonnes (t)	7,770 approx.	1,421	1,523
	(3) particulate matter (empirical)	Metric tonnes (t)	850 approx.	700 approx.	612 approx.
Implemented Ballast Water	(1) exchange	Percentage	40% approx.	35% approx.	25% approx.
	(2) treatment	Percentage	60% approx.	65% approx.	75% approx.
Spills and Releases to the Environment	(1) Number	Number	Nil	Nil	Nil
	(2) aggregate volume	Cubic meters (m ³)	Nil	Nil	Nil

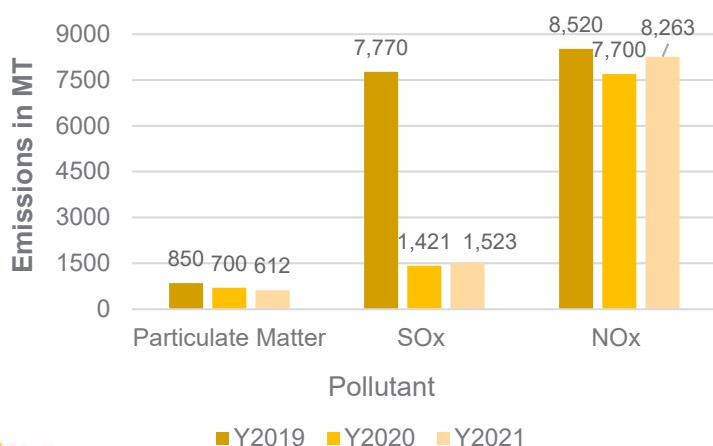




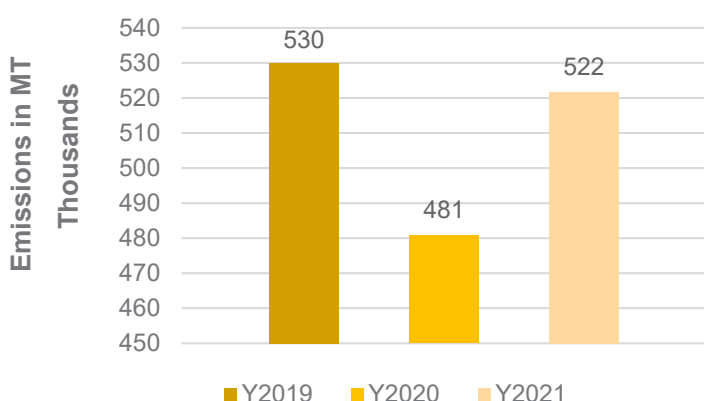
Energy Consumed (GJ)



Other Air Emissions



CO₂ Emissions



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 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 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 second-hand 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-mile, and in the year 2021, it was estimated at 7.42 Grams CO₂ per tonne-mile; which equates to a reduction of 42.4%.

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 offer vessels which 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 SO_x and very low NO_x emissions, and as compared to fuel oil has almost a 30% reduction in 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 a 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 as a successful option to reduce GHGs.

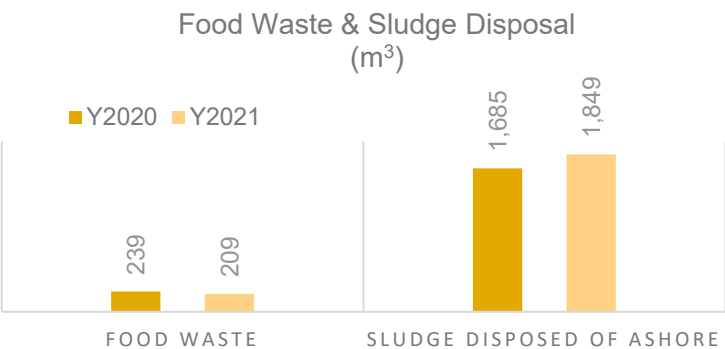
As the Company's commitment to the environment led to the early induction of 'ECO' vessels, it is expected that as soon as viable options of these next generation zero emission 'green' vessels are available, they will also form part of our fleet.

Waste Management

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. This plan shall provide written procedures for minimizing, collecting, storing, processing and disposing of garbage, including the use of the equipment onboard ship. It shall also designate the person or persons in charge of carrying out the plan.

Food waste

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 may be disposed of onshore or shredded by food waste disposer grinds food waste into small pieces and disposed of at sea (beyond 3 or 12 nm 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.



Sludge disposal

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 gasses 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 for dealing with this issue, but the Company is committed to reducing its carbon footprint and 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 emission from incinerators, the Company intended to deliver more sludge disposal ashore.

Using Resource Efficiency

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

- use of by-products and eco-friendly materials i.e., recycled paper;
- reuse of 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 behaviour.

We are happy 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, our token contribution to the conservation of the natural environment and in line with our stated desire to reduce our carbon footprint.



Conclusion and 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 2022. 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

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 utilisation 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.



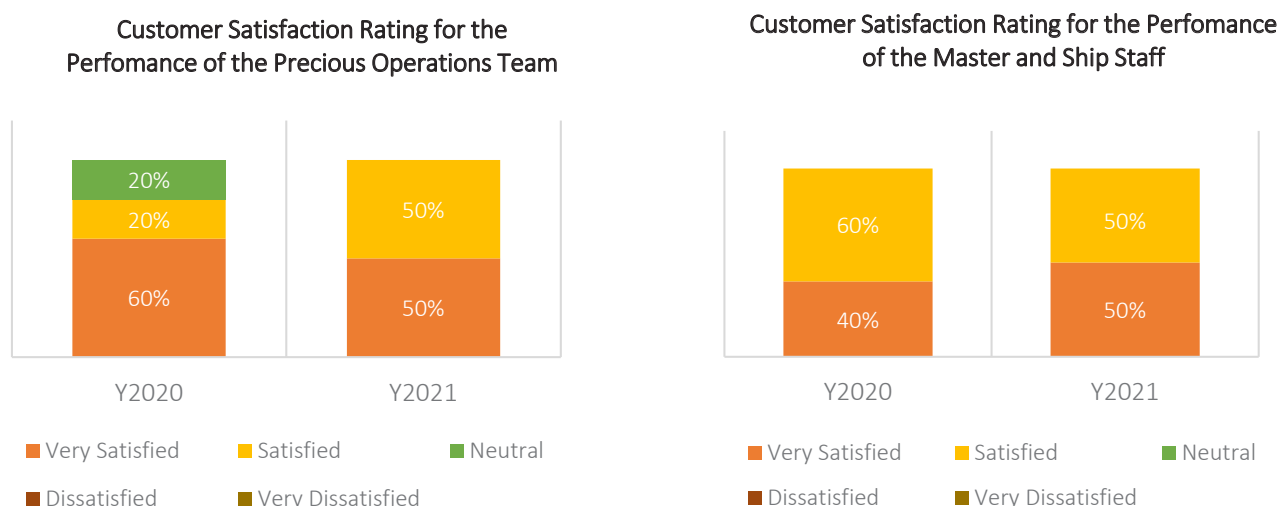
Customers

Customer Relationship Management

The Company recognizes that it is in the sea transportation industry and its success depends on adding value to customers by way of transporting goods from place of production to the place of consumption. As part of its commitment to add value to its Customers, the Company is committed to providing substantive reply to any query from a customer promptly, but in any event within 24 hours including weekends and national/ international holidays. Further, whilst operating within the scope of the agreed contract, the Company tries to provide solutions to any situation/problem the Customer may face, even if any of its vessels are not involved at that moment. 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. 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.

The Company believes that customer satisfaction has a positive and direct effect on profitability and brand value.

2021 Customer Satisfaction Results



Management Information System



As reported in the 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.

Customer Privacy

For customer privacy, the Company insists on protecting customer's confidential information from loss, theft, misuse, unauthorized disclosure, modification, and unauthorized destruction. The Company handles complaints through phone lines, emails, and letters to/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.



Employees

Human Rights & Labour 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 provides 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 relationship 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 working regulations and the relevant laws.

In line with its commitment to 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 may also provide feedback via email or mail. **In 2021, there were zero cases of discrimination and zero human right violation.**

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 movement of personnel through ports, which make crew changes impossible in many places. At PSL, we have put 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/Indian seafarers, despite no financial or economic benefits to the Company.

During the COVID-19 pandemic, the Company has 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.

Compliance with Child Labour Incident Risk

Operations and suppliers considered to have significant risk for incidents of child labour	0
Operations and suppliers 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
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Compliance with Non-Discrimination

Total number of incidents of discrimination	0
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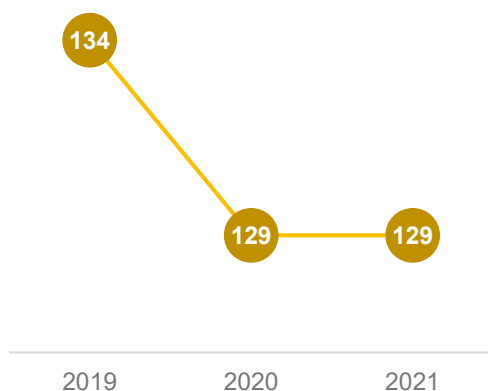
The right to freedom of association and collective bargaining

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.	Paid 352K in annual membership fees to SMOU and SOS in 2021

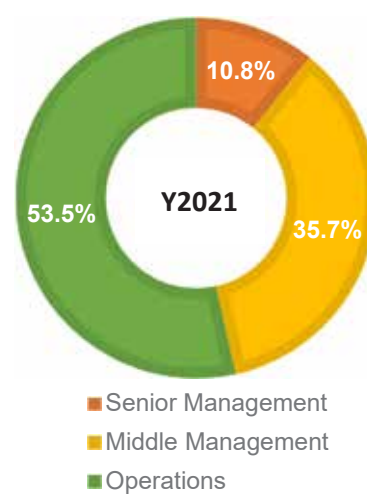


Social Data of Shore Based Employees

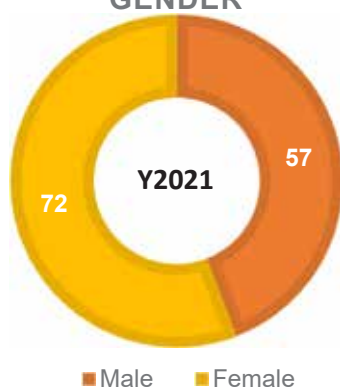
NUMBER OF EMPLOYEES



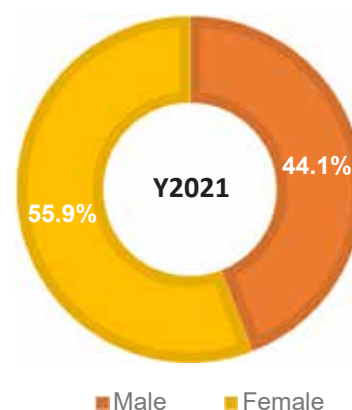
EMPLOYEES BY LEVEL (%)



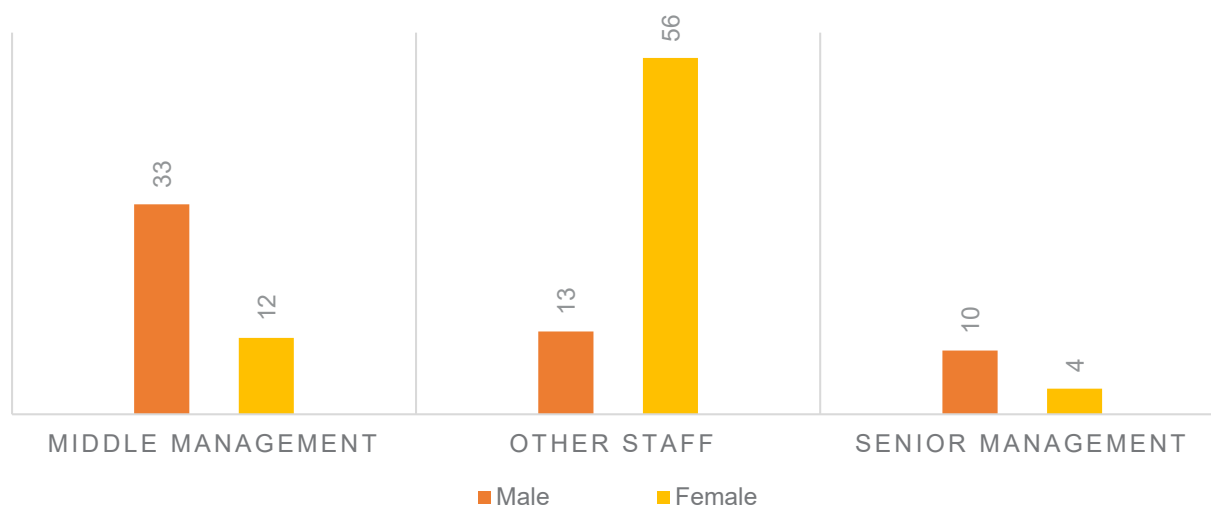
NUMBER OF EMPLOYEES BY GENDER



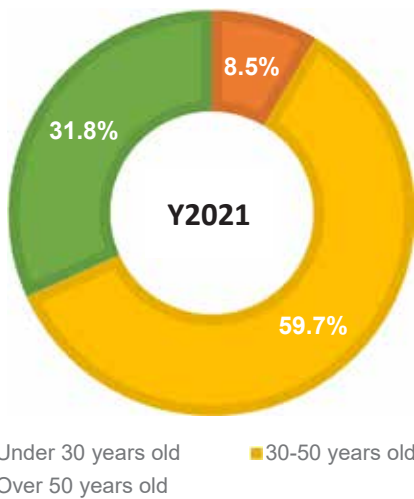
EMPLOYEES BY GENDER (%)



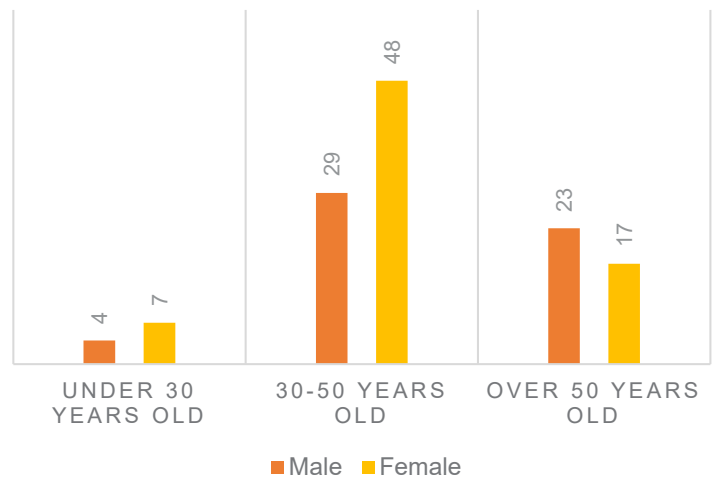
NO. OF EMPLOYEES BY OCCUPATION LEVELS



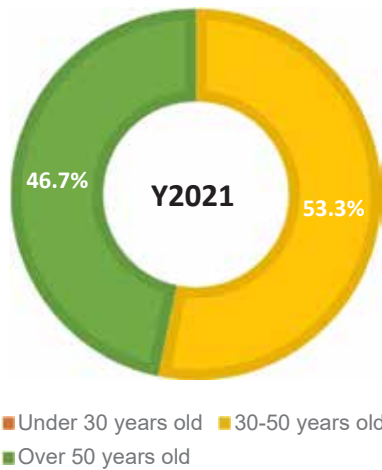
EMPLOYEES BY AGE GROUP (%)



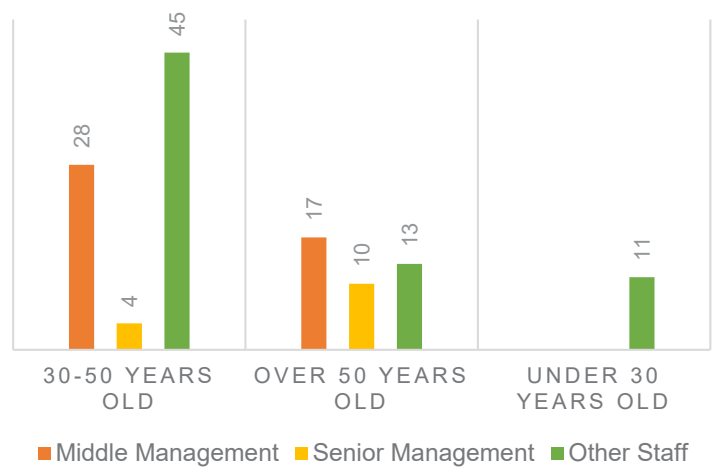
NO. OF EMPLOYEES BY AGE GROUP



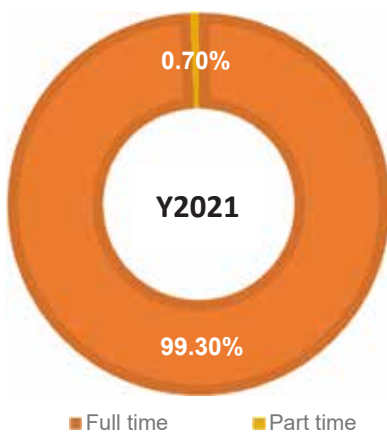
MANAGEMENT MEMBERS BY AGE GROUP



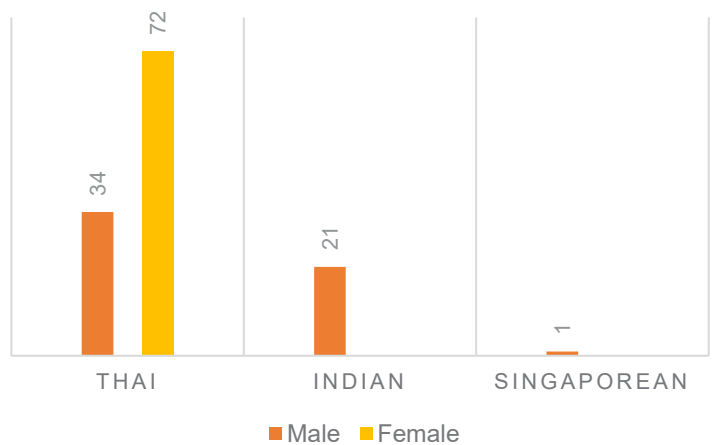
NO. OF EMPLOYEES BY OCCUPATION LEVELS AND AGE GROUP



EMPLOYEES BY TYPE OF EMPLOYMENT (%)



NO. OF EMPLOYEES BY NATIONALITY



72

Number of Employees that were
Entitled to Parental Leave

73 (2020)

*(Only female employees are entitled to parental
leave under Thai law)*



0

Number of Employees that Took
Parental Leave

2 (2020)

2

Number of Employees retired in the
year

5 (2020)

0

Number of Employees fatalities in the
year

0 (2020)



0

Lost Time Injury Frequency Rate
(LTIFR)

0 (2020)

2

Number of Employees resigned in the
year

5 (2020)



1

Temporary/Contract Employee

1 (2020)



Employee Satisfaction Survey



The Company recognizes that employee satisfaction is core to the long-term success of the Company. The Company conducted an employee survey, to gauge employee satisfaction, identify areas of strength and find opportunities for improvement. The employee survey results will be communicated to Senior Management and used to improve and enhance human resource management.

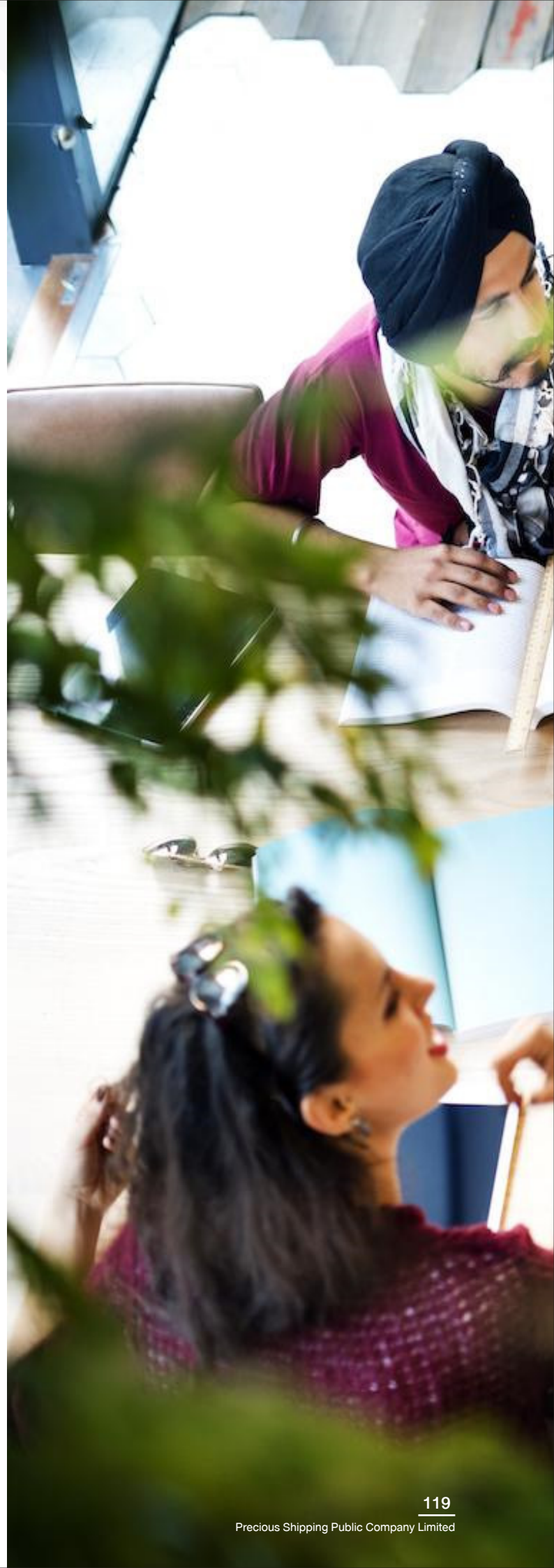
Employee Benefits

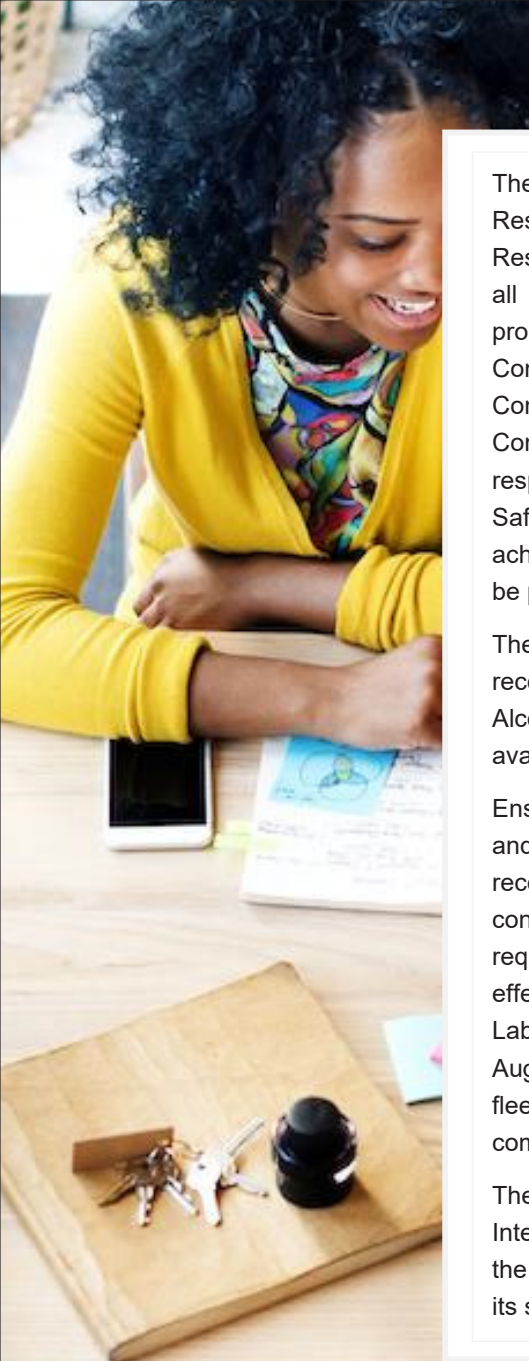


The Company provides remuneration to office employees as salary, bonus, and other benefits like Provident Fund on a voluntary basis, although the same is not required by law. The Company ensures that it meets all labour protection law requirements in terms of leaves, holidays, working hours, severance pay etc.

The Company encourages its employees to save for their retirement, and therefore, commencing from 2017, the maximum allowable contribution to the Provident Fund from the employees has been increased from 5% to 15%. The Company also arranges an 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.

Remuneration is based on their performance, roles and duties and incentives/increments/bonuses are also based on 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.





Safety & Occupational Health

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. 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 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 Labour 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 rectified the 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

As outlined in the Board of Directors' Report, 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.

Teamwork

Unlike several ship owning Companies, which outsource the technical management of their 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 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 and understand the relevant code of conduct and practice and are encouraged to gain knowledge and ability and keep them updated following Industry trends.

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.

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.



Training and Development for employees

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 2021, the training and development are classified into two types 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.	51	1,289.25
General Trainings	General knowledge that can improve working and daily life	All employees	129	1,763

Training & Development for seafarers:

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.

The PSL Maritime Training Center is a significant step taken by the Company to train and equip its Officers and Crew to take better care of themselves and their ships, all with a view to ensure Safety of the Crew and preventing accidents, thus preserving the environment.

During the year 2021 with the Covid-19 pandemic showing little sign of relenting, we continued to train our officers online. A total of 1,444 sea going officers and crew members attended a total of 16 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.

A total of 16 courses were conducted online, while 4 courses which required the use of the Bridge Simulator and ECDIS equipment, were conducted at the company's Maritime Training Centre. New courses that were introduced in 2021 were 'Cyber-security Awareness' and an additional course on Port State Control inspections.

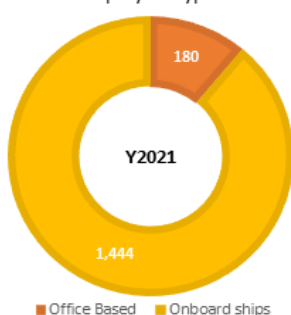
Details of 21-courses training for sea-going officers and crew members are as follows

Training Courses	Course Objectives & Benefits	Target Group of Participants
1) Maritime Resource Management Course (MRM)	The course, supported by the Swedish Club under a license agreement, is aimed at training masters, officers & senior engineers as well as key shore-based personnel. The course aims to create good teamwork & resource management attitudes and skills that are required to avoid management error-caused accidents.	All deck Officers and Engineers
2) Bridge Team Competency Simulator Course I (BTC - I)	This training course aims to improve various competency skills & knowledge of navigating officers for safe conduct of voyages.	Junior Deck Officers (2/O, 3/O, J/O)
3) Bridge Team Competency Simulator Course II (BTC - II)	Hands-on practices to gain competence, knowledge & experiences on Ship Handling, Manoeuvring, Turning and Anchoring in various conditions and under various effects of controllable forces.	Senior Deck Officers (Master & C/O)
4) Bridge Team and Resource Management Course (BTM) and Vessel Traffic Service (VTS)	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 SMCP's through the VHF and GMDSS communication equipment in our Bridge Simulator.	All Deck Officers
5) Maritime Professional Briefing Course (MPB)	This training course aims to keep senior officers and engineers updated on new regulations and information. Senior staff from several departments co-conduct this course which covers 1. Marine Insurance & Loss Prevention 2. Ship Commercial & Cargo Operations 3. Port State Control-Ship Inspection & Pollution Prevention	Senior Deck Officers and Senior Engineer Officers (Master, C/O, C/E, 2/E)
6) ISPS and ISM Implementation & Documentation, Paint Maintenance	This training course aims to keep senior officers and engineers updated on regulations and incidents in respect of secure working environment and security measures to prevent unlawful acts against ships that jeopardize the safety and security of people and property on board company ships.	Senior Deck Officers and Senior Engineer Officers (Master, C/O, C/E, 2/E)
7) EMS Awareness & 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.	Senior Deck Officers and Senior Engineer Officers (Master, C/O, C/E, 2/E)
8) Officer Of the Watch (OOW) and Shipboard Safety Course	To enhance the standards of watchkeeping at sea as well as in port. It is designed to help junior watchkeeping officers to understand his duties on board and realize their significance. It also enables them to make a positive contribution to success of the entire commercial venture.	Junior Deck Officers (2/O, 3/O, J/O)
9) Chief Mate Course (CMC)	To strengthen the professionalism and competence of chief officers and prepare experienced second officers for the chief mate rank.	Chief Officer and Second Officer

Training Courses	Course Objectives & Benefits	Target Group of Participants
10) Command Course (Command)	The purpose of this course is to further train Masters in all necessary skills and topics and prepare chief officers for the command. It includes modules for Leadership, Business & Law, International Sale of Goods and related rules/codes/conventions, Time Charter & Voyage Charter, Cargo matters and Ship's Certificates, Documentation, Ship Handling/ Anchoring techniques, etc.	Senior Deck Officers (Master and Chief Officer)
11) Electronic Chart Display and Information Systems (ECDIS)	To ensure that users of ECDIS are properly trained in the operation and use of electronic charts and are familiar with the shipboard equipment. 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. (new IMO requirement)	All Deck Officers (Master, Chief Officer, Second Officer, Third Officer, Junior Officer, Deck Cadet)
12) E/R Management & Competency Enhancement course and Engineer Of the Watch Course (EMC & EOW)	This course aims to train senior engineers (C/E & 2/E) in various management & competency knowledge and skills that are required for safe and efficient running of the ship. The junior engineers taking this course are trained in watch-keeping duties, engine parameters monitoring, operation & maintenance, safety & pollution prevention, record keeping.	Junior Engineer (3/E, 4/E, J/E)
13) Wartsila RT-Flex Engine Familiarization	To familiarise 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.	All Engineer Officers
14) Engine RT-Flex Operation & Practical Advanced	This course aims to train all engineers for the operation & practical of the RT-Flex Engine at the higher level to familiarize the engineers with the utmost operational function of the Engine RT-Flex.	All Engineer Officers
15) (MC/ME)	To familiarise 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.	All Engineer Officers
16) ME Engine Advanced Troubleshooting course	The purpose of this course is to familiarize the engineers with all possible problems which may arise from the operation of ME Engine with the most effectiveness troubleshooting.	All Engineer Officers
17) Basic English Course (Basic)	This course is designed to help the students to be able to understand and use the English language correctly and provide them with all the basic language skills such as the pronunciation of the Standard English sound system, practical and useful listening, speaking, reading and writing practices with suitable grammar and vocabulary in various functional contexts.	All Deck Officers and Engineer Officers
18) Elementary Maritime English Course (EMT)	This course is designed to improve and raise the students' competence in English to intermediate level and give the students' wide-ranging opportunities to practice communicating in English for both maritime and general purposes at elementary level.	All Deck Officers and Engineer Officers
19) Intermediate English Course level I	This course aims to improve the students' pronunciation and develop the four English skills- speaking, listening, reading, and writing. After the course, the students will be able to speak English with better pronunciation, accent, and intonation, communicate more effectively in daily situations, using appropriate vocabulary, expressions, and idioms, and make sentences with fewer grammatical mistakes.	All Deck Officers and Engineer Officers

Training Courses	Course Objectives & Benefits	Target Group of Participants
20) Intermediate English Course level-II	This advanced course aims to further develop the students' English skills with an emphasis on advanced grammar structures, business-related vocabulary, and letter & email writing (focus). The students will learn typical words and phrases used in English correspondence and learn how to write letters and emails with proper word choices, styles, and level of formality for different occasions.	All Deck Officers and Engineer Officers
21) Cyber Security Awareness	The purpose of this course is to focus on cybersecurity onboard vessels for seafarers to recognize threats and vulnerabilities in computer systems, and recognize the need to protect data, and systems.	All Deck Officers and Engineer Officers including all Ratings

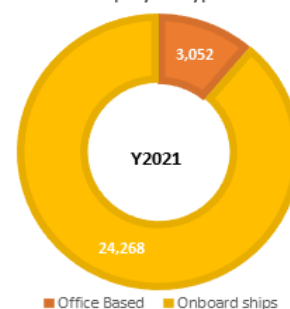
No. of Training Participants by Employee Type



16.8

Avg. Training Hours per Employee

No. of Training Hours by Employee Type



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".

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.

Food Sharing

Bangkok experienced a surge of Covid-19 infections in the year 2021, 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 2021.



Some of the Social and Community activities undertaken by the Company are as follows

- The Company donated 20 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.
- 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.
- The Company takes an active interest in the Merchant Marine Training Center, Thailand (MMTC) and has awarded Gold medals for graduates finishing at the top of the class since 1998. Besides, the Company also donates textbooks to MMTC on a regular basis.
- The Company has instituted a scholarship scheme for students of MMTC. In the years 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011 and 2010, an aggregate of Baht 438,000, Baht 1,671,000, Baht 1,005,000, Baht 1,119,000, Baht 1,194,080, Baht 1,633,900, Baht 1,264,960, Baht 1,100,000, Baht 1,345,400, Baht 2,131,900, Baht 2,339,800, and Baht 2,355,120, respectively, has been disbursed to outstanding students in need of funding.
- The Company organizes blood donation camps on a regular basis in collaboration with the Thai Red Cross. These blood donation camps have been organized since the past several years. In 2019, 2 donation camps were organized in March and September with a total collection of 40,500 cc.
- 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.

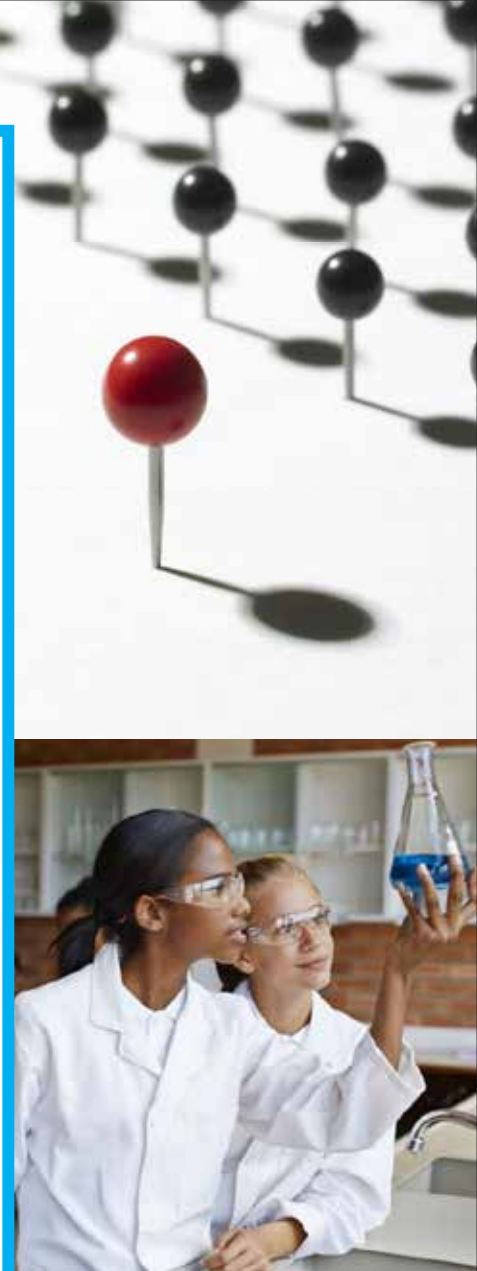
Some of the Social and Community activities undertaken by the Company are as follows



- The Company employs most of the cadets passing out from the MMTC, Thailand and thus contributes to the development of qualified Thai officers. This pool of officers is available to any/all Thai ship-owners and not just restricted to our Company.
- 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 in the University. The final installment under this scholarship award was paid in April 2010.
- On 8 June 2015, the Company donated Baht 500,000 to 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 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 2002, 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 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 in 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.
- Every year, the Company organizes a 5-KM run “PSL Annual Maritime Day Run” at the Lumpini Park to encourage all its employees to inculcate a habit of doing regular exercise to maintain good health.
- 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 Bannwangsuan School in Nakhonratchasima 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 Ratchasima province.



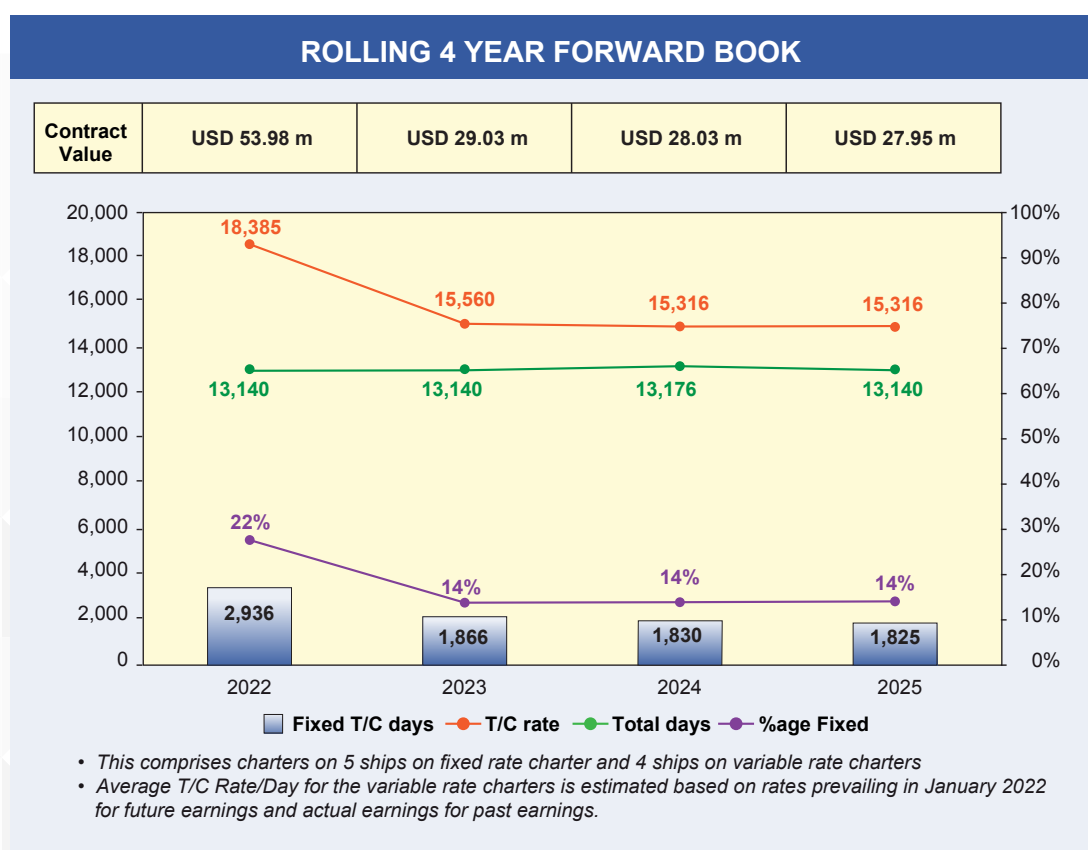
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MANAGEMENT DISCUSSION AND ANALYSIS

1. 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. 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 3rd 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 as is evident from the rolling 4-year forward book of long-term time charters over 1 year, presented below:

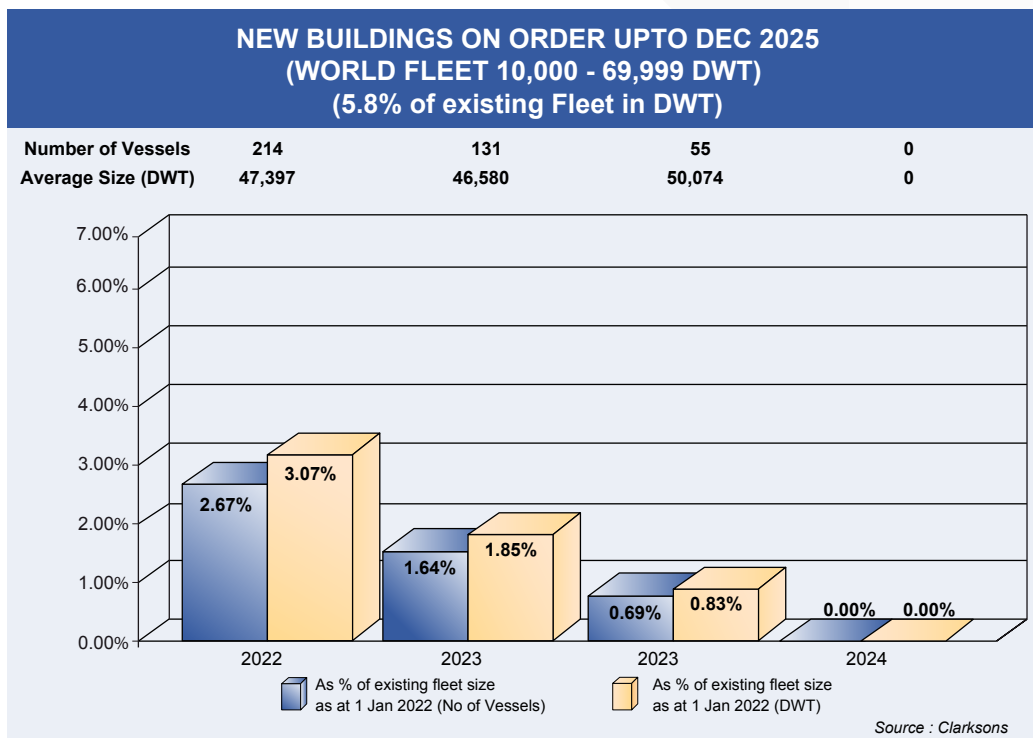


Total Days in the above chart is based on our existing fleet of 36 vessels as at the end of the year 2021.

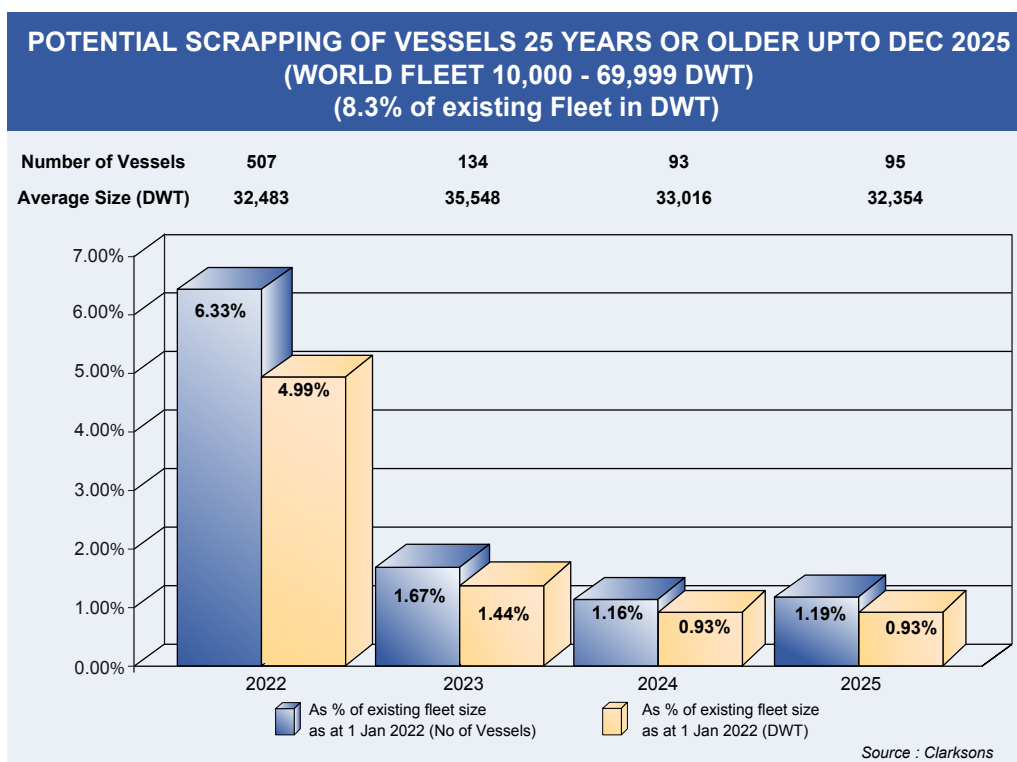
For further discussions and analysis of the market conditions, please refer to the **Board of Directors' Report** presented separately in this Report.

2. INDUSTRY OVERVIEW - WORLD DEMAND-SUPPLY OUTLOOK (TO BE READ WITH THE BOARD OF DIRECTORS' REPORT PRESENTED SEPARATELY IN THIS REPORT)

2.1 World Fleet (10,000 - 69,999 DWT) – 8,008 vessels of 330.11 million DWT

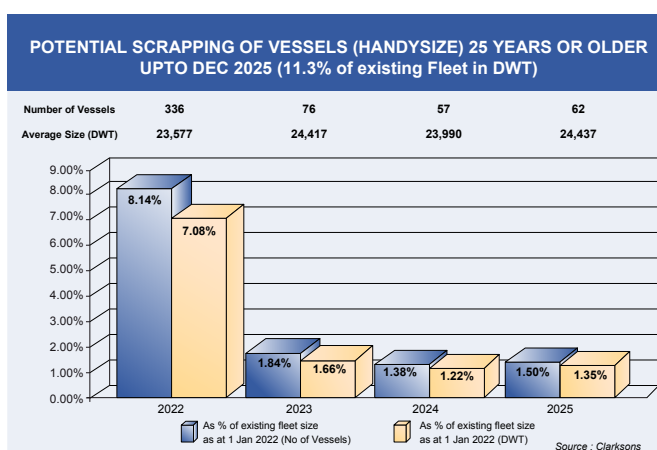
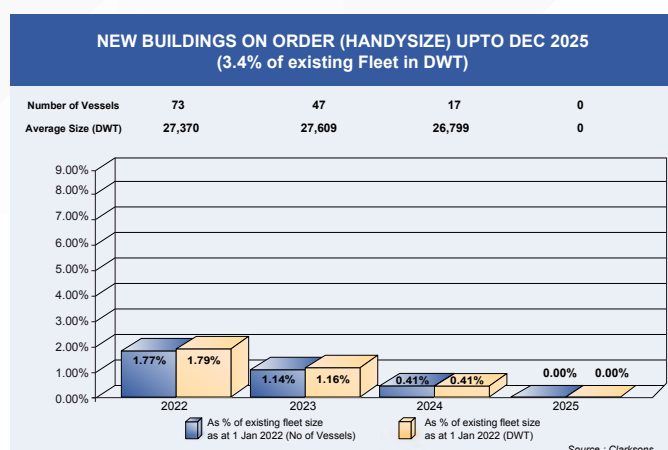


As of 31 December 2021, the world fleet in the 10,000 - 69,999 DWT size range comprises 8,008 vessels of 330.11 million DWT. It is evident from the charts above and below that during the next 4 years, 400 vessels have been contracted to be delivered against 829 vessels which are aged over 25 years old and likely to be recycled, representing a net decrease of 2.5% of existing world fleet in terms of DWT. The effect of ballast water management convention together with new regulations for EEXI and CII will 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.



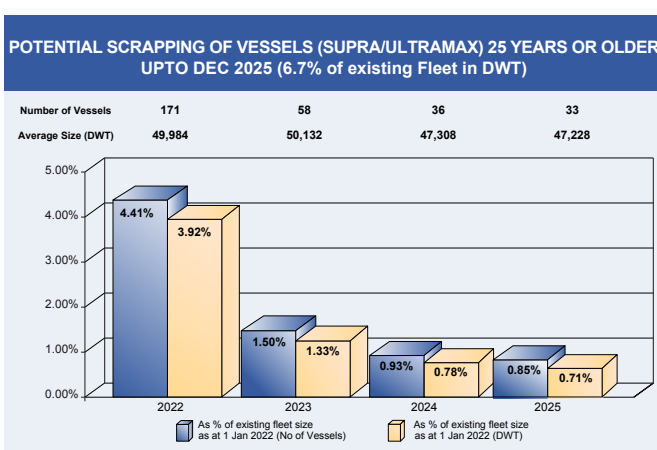
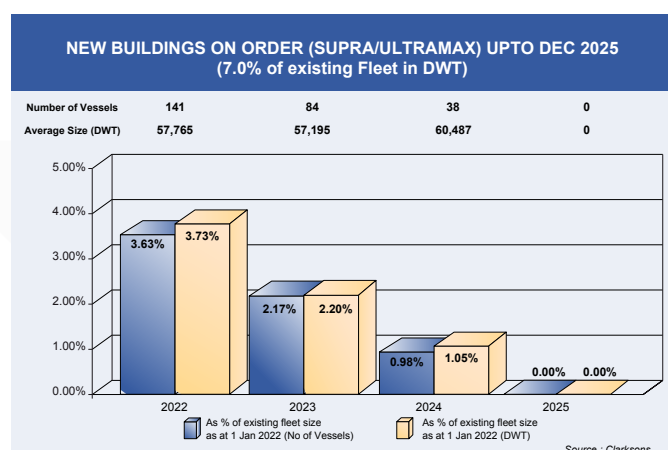
The details of new buildings on order and potential recycling of vessels by fleet size are as follows.

2.2 Handysize Fleet (10,000 - 39,999 DWT) - 4,129 vessels of 111.86 million DWT



From the above charts, it is evident that over the next 4 years, there are 137 Handysize vessels to be delivered, against 531 Handysize vessels which are aged over 25 years old and likely to be recycled, representing a net decrease of 7.9% of the existing Handysize Fleet in DWT terms.

2.3 Supramax/Ultramax Fleet (40,000 - 69,999 DWT) – 3,879 vessels of 218.25 million DWT



From the above chart, it is evident that over the next 4 years, there are 263 Supramax/Ultramax vessels to be delivered, against 298 Supramax/Ultramax vessels which are aged over 25 years old and likely to be recycled, representing a net increase of only 0.3% 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. 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 38 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 is 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.

4. 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 2021 Million USD	Repayment/Prepayment in 2021 Million USD	Outstanding Loan Balance as on 31 Dec 2021 Million USD
1	Bangkok Bank Plc. (Singapore Branch)	ABC Two Pte. Ltd., and ABC Three Pte. Ltd.	10.0	LIBOR ⁽¹⁾ + margin	For ABC two Pte. Ltd., 39 equal quarterly installments of USD 319,650 commencing in July 2014 and a balloon repayment of USD 6,712,650 in April 2024 For ABC three Pte. Ltd., 39 equal quarterly installments of USD 322,400 commencing in October 2014 and a balloon repayment of USD 6,770,400 in July 2024	-	20.23	-
2	Bangkok Bank Plc. (Singapore Branch)	ABC Four Pte. Ltd.	10.0	LIBOR ⁽¹⁾ + margin	39 equal quarterly installments of USD 322,400 commencing in January 2015 and a balloon repayment of USD 6,770,400 in October 2024	-	10.64	-
3	TMBThanachart Bank Plc.	ABC One Pte. Ltd.	10.0	LIBOR ⁽¹⁾ + margin	40 equal quarterly installments of USD 489,600, commencing in March 2015 and last installment within November 2024	-	6.36	-
4	Export-Import Bank of Thailand	The Company, Precious Rubies Ltd., Precious Opals Ltd., Precious Venus Ltd., and Precious Neptune Ltd.	10.0	LIBOR ⁽¹⁾ + margin	39 equal quarterly installments of 1/55 th of each loan drawdown amount, commenced 3 months after delivery of each respective vessel and a balloon repayment of remaining balance at the end of the 40 th quarter	-	5.69	42.96
5	BNP Paribas	The Company, Precious Tides Pte. Ltd., and Precious Skies Pte. Ltd.	8.0	LIBOR ⁽¹⁾ + margin	For Precious Tides Pte. Ltd., 32 quarterly installments equal quarterly installments of USD 200,000 for installment 1 st - 16 th , equal quarterly installments of USD 300,000 for installment 17 th - 32 nd , and a balloon repayment of USD 4,000,000 in April 2024. For Precious Skies Pte. Ltd., 32 quarterly installments equal quarterly installments of USD 212,500 for installment 1 st - 16 th , equal quarterly installments of USD 318,750 for installment 17 th - 32 nd , and a balloon repayment of USD 4,250,000 in July 2024.	-	0.69	14.75
6 (Upsize Loan)	BNP Paribas	The Company, Precious Tides Pte. Ltd., and Precious Skies Pte. Ltd.	4.0	LIBOR + margin	16 equal quarterly installments of USD 662,500 commencing 3 months after loan drawdown	-	2.65	1.84
7	BNP Paribas	The Company, Precious Tides Pte. Ltd., and Precious Skies Pte. Ltd.	8.0	LIBOR + margin	32 equal quarterly installments of USD 304,687.80 commencing 3 months after loan drawdown and a balloon repayment of USD 4,874,990.40 together with the last installment in June 2025	-	0.34	9.14
8	Export-Import Bank of Thailand	The Company, and Precious Forests Ltd.	10.0	LIBOR + margin	39 equal quarterly installments of 1/55 th of loan drawdown amount, commencing from the end of the next quarter after loan drawdown and a balloon repayment of remaining balance at the end of the 40 th quarter	-	1.18	13.84

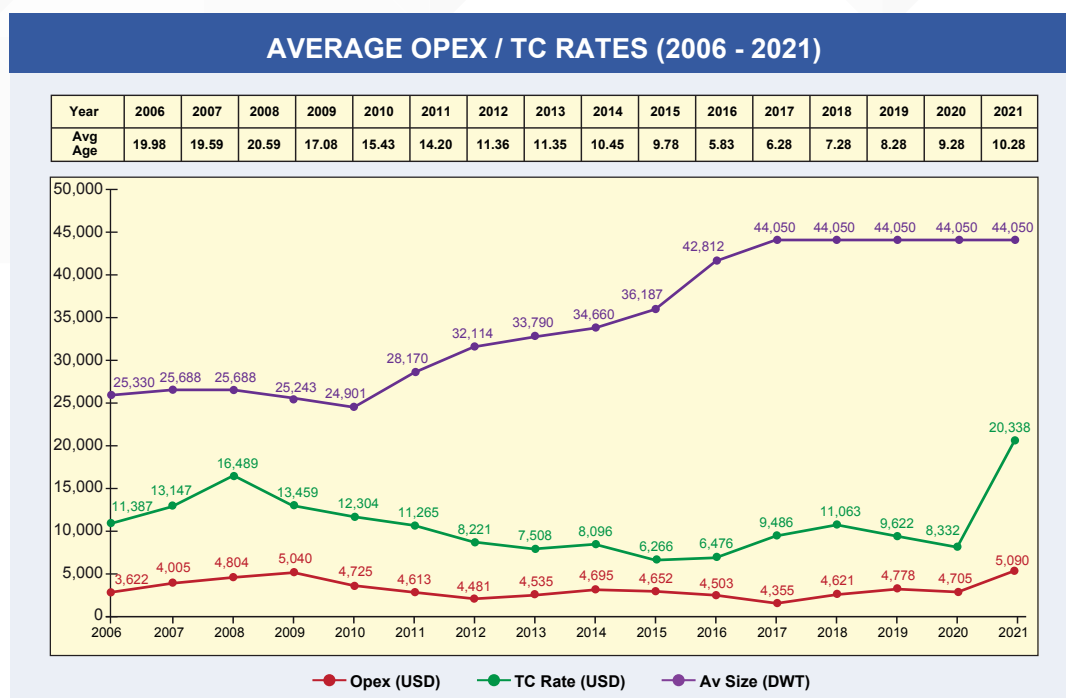
Facility	Lender's Bank(s)	Borrower(s)	Tenor (Years)	Interest Rate	Repayment Term	Drawdown in 2021 Million USD	Repayment/Prepayment in 2021 Million USD	Outstanding Loan Balance as on 31 Dec 2021 Million USD
9	Krung Thai Bank Plc., Bank of Ayudhya Plc., and TMBThanachart Bank Plc.	The Company, Precious Metals Ltd., Precious Planets Ltd., Precious Trees Ltd., and Precious Ventures Ltd.	11.0	LIBOR ⁽¹⁾ + margin for USD Loan	44 equal quarterly installments, commencing in December 2011	-	8.36	6.28
		The Company, Precious Jasmines Ltd., and Precious Wishes Ltd.	12.0	MLR-1 for Thai Baht Loan ⁽²⁾	48 equal quarterly installments, commencing in December 2010	-	3.83	2.86
10	Export-Import Bank of Thailand	The Company, Precious Lands Ltd., and Precious Lakes Ltd.	8.5	LIBOR + margin	34 equal quarterly installments, commencing in March 2013	-	3.53	-
		The Company, Precious Ponds Ltd., Precious Comets Ltd., and Precious Ornaments Ltd.	8.0	LIBOR + margin	32 equal quarterly installments commencing in March 2014 and a balloon repayment of remaining balance at the end of the term	-	8.19	-
11	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	LIBOR + margin	27 equal quarterly installments commencing 3 months after first drawdown and a balloon repayment of remaining balance at the end of the term	-	2.80	24.50
12	Export-Import Bank of Thailand	The Company, Precious Pearls Ltd., and Precious Thoughts Pte. Ltd.	1.0	LIBOR + margin	The loans shall be repaid over 1 year, in 2 equal installments. The first repayment shall fall 9 months after the drawdown date and the second repayment shall be 12 months after the drawdown date.	-	10.10	-
13	SinoPac Capital International (HK) Limited	Precious Visions Pte. Ltd.	5.0	LIBOR + 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.	-	0.84	5.16
14	Export-Import Bank of Thailand	The Company, Precious Pearls Ltd., and Precious Thoughts Pte. Ltd.	2.5	LIBOR + 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.	10.10	2.02	8.08
15	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	LIBOR ⁽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 final maturity of the loan. (Details in note 18 to the financial statements)	38.35	1.37	36.98
16	International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited	Precious Comforts Pte. Ltd., ABC One Pte. Ltd., ABC Two Pte. Ltd., ABC Three Pte. Ltd., and ABC Four Pte. Ltd.	8.0	LIBOR ⁽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.	85.00	3.73	81.27

⁽¹⁾ Floating LIBOR was swapped to fixed rate as mentioned in note 18 to the financial statements.

⁽²⁾ Baht 1,502.35 million was swapped to USD 45.90 million at drawdown date.

As of 31 December 2021, the Company complied with all financial covenants for all loan facilities. The details of financial covenants for each loan facilities are also disclosed in note 18 to the financial statements.

5. VESSEL EARNINGS AND VESSEL OPERATING EXPENSES



The average earning per day per vessel (TC Rate) was USD 20,338 in 2021, while the average daily operating expense per vessel (Opex) was USD 5,090.

PSL's Handysize and Supramax/Ultramax Vessels Earnings comparison with Market (Source from Clarksons)

Index	2021 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)	1,428	25,702	18,804	(26.84)%
Baltic Supramax Index (BSI)	2,434	26,768	22,053	(17.61)%

During the year 2021, the Baltic Handy Size Index (BHSI) averaged 1,428 points derived from the average Time Charter (TC) rate of USD 25,702 per day and as compared to that, PSL's Handysize fleet (including its cement carriers) earned USD 18,804 per day underperforming the BHSI TC rate by 26.84%. The Baltic Supramax Index (BSI) averaged 2,434 points derived from the average Time Charter (TC) rate of USD 26,768 per day and as compared to that, PSL's Supramax/Ultramax vessels earned USD 22,053 per day, underperforming the BSI TC rate by 17.61%.

However, for details of PSL true performance please refer to Board of Directors in this report.

PSL's daily vessel operating expenses per vessel (Opex) have increased from USD 4,705 per day (including USD 610 per day on account of dry-dock and special survey costs) in 2020 to USD 5,090 per day (including USD 561 per day on account of dry-dock and special survey costs) in 2021 which is, as always, far below the industry average (excluding dry-dock and special survey costs which are not reported in Industry Opex) as detailed below.

PSL OPEX comparison with Industry (industry report compiled by BDO LLP)

For years Particulars	Industry * 2020 USD (Per Day)	PSL 2020 USD (Per Day)	PSL 2021 USD (Per Day)
Crew Wages	2,069	2,302	2,322
Provisions	171	159	172
Crew Other	384	158	273
Crew Cost Total	2,624	2,619	2,767
Lubricants	224	167	186
Stores Other	283	176	238
Stores Total	507	343	424
Spares	366	214	372
Repairs & Maintenance	326	133	169
Repairs & Maintenance Total	692	347	541
P&I Insurance	180	165	193
Insurance	181	159	142
Insurance Total	361	324	335
Registration Costs	43	6	4
Management Fees	499	348	358
Sundries	177	108	100
Administration Total	719	462	462
Total Operating Costs	4,903	4,095	4,529

* OPEX for industry calculated by simple average OPEX of Handysize and Handymax

OPEX excluding dry-dock and special survey costs was higher mainly on account of higher crew expenses related to covid-19 restrictions and store/spares expenses.

6. FINANCIAL PERFORMANCE BASED ON US DOLLAR (FUNCTIONAL CURRENCY) FINANCIAL STATEMENTS

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 38 to Audited Consolidated Financial Statements.

For the year ended / as at	31-Dec-2020	31-Dec-2021
	Million USD	Million USD
Income Statement		
Total revenues	119.85	272.09
Net vessel operating income	104.72	255.71
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) *	36.25	175.17
Depreciation *	30.68	30.43
EBIT	5.57	144.74
Finance cost	19.02	13.00
Operating profit (loss)	(13.45)	131.74
Non-operating profit (loss)	(27.21)	5.27
Net Profit (loss) before Tax	(40.66)	137.01
Income tax expense	0.14	0.05
Net Profit (loss) **	(40.80)	136.96
Financial Position		
Cash and cash equivalents	36.64	73.85
Total current assets	64.52	84.07
Restricted bank deposits	-	3.59
Property, plant and equipment	636.70	606.97
Total Assets	712.35	704.09
Advances received from charterers	20.18	2.60
Current portion of long-term loans	49.94	42.15
Current portion of debentures	31.15	-
Total current liabilities	111.17	57.35
Long-term loans - net of current portion	157.48	203.75
Debentures - net of current portion	95.07	-
Total Liabilities	374.96	274.25
Equity share capital	51.06	51.06
Premium on ordinary shares	63.29	63.29
Total Shareholder's Equity	337.39	429.84
Net Book Value per share (USD)	0.22	0.28
Ratios (times)		
Current Ratio	0.58	1.47
Total Liabilities/Equity	1.11	0.64
Debt/EBITDA ***	8.40	1.49
Debt Service Coverage ***	1.01	3.21
EBITDA/Interest	2.02	14.42

* 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.

*** The ratios are calculated in compliance with the financial covenants stated in the credit facility agreements.

6.1 Revenues and Profitability

Total revenues have increased from USD 119.85 million in 2020 to USD 272.09 million in 2021. The net vessel operating income has increased from USD 104.72 million in 2020 to USD 255.71 million in 2021, with the average vessel earnings per day per vessel (TC Rate) increased from USD 8,332 in 2020 to USD 20,338 in 2021, as the dry-bulk freight markets continued their uptrend driven by further economic expansion in major economies and supported by benign vessel supply. The average number of vessels operated in both 2020 and 2021 was 36 vessels. The average daily vessel operating expenses (Opex) have increased from USD 4,705 in 2020 to USD 5,090 in 2021 (including depreciation/amortisation of the drydocking/special survey expenses in both years). The gross profit for 2021 has increased compared to 2020. Operating cash flows or Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) has increased around 4.8X from USD 36.25 million in 2020 to USD 175.17 million in 2021.

The average daily vessel operating expenses have increased, however it remains far below the Industry average as explained in Section 5 above.

Depreciation (excluding depreciation of dry-dock and special survey cost) has decreased marginally from USD 30.68 million in 2020 to USD 30.43 million in 2021.

Finance costs have decreased from USD 19.02 million in 2020 to USD 13.00 million in 2021 due to lower interest expenses. This was driven by a lower LIBOR rate as well as due to a reduction in overall debt.

The Company earned an operating profit of USD 131.74 million in 2021, compared to an operating loss of USD 13.45 million in 2020. The Company also has a non-operating profit of USD 5.27 million in 2021 mainly from the net of exchange gains and loss on derivatives. In 2020, the Company had a non-operating loss of USD 27.21 million which was mainly due to the loss from the settlement agreement with Sainty Shipyard.

Income Tax at USD 0.05 million in 2021 and USD 0.14 million in 2020 is the income-tax on non-shipping income.

As a result of the above factors, the Company has earned a net profit of USD 136.96 million in 2021 compared to a net loss of USD 40.80 million in 2020.

6.2 Assets, Liabilities and Shareholders' Equity

Current Assets

As compared to the end of the previous year (2020), there is an increase of USD 19.55 million in current assets, mainly from cash and cash equivalents increase by USD 37.22 million while derivative assets decreased by USD 17.17 million following settlement of a cross currency swap contract and the expiration of a put option contract related to our Thai Baht debentures which were fully redeemed in 2021. In any case, as is customary in the shipping business, 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 on collection of receivables and consequently, the amount presented as receivables is only on account of miscellaneous dues from Agents, Charterers and accrual of income on the basis of percentage of voyage completed. Since 1 January 2020, the Company policy has set up an allowance for expected credit losses (ECLs) by applying the simplified approach as described in Note 4.18 to the financial statements. As of 31 December 2021, only USD 0.01 million was set up for ECLs.

Restricted Bank Deposits

Restricted bank deposits increased by USD 3.59 million, in following with the terms of a loan agreement signed in 2021 and as mentioned under Note 9 and Note 18 to the financial statements.

Property, Plant and Equipment

The value of Property, Plant and Equipment has decreased from previous year's levels due to depreciation. As of 31 December 2021, the Company owned 36 vessels, details of which have been provided under the Fleet List section of this Report.

Total Liabilities

Advances received from charterers decreased by USD 17.58 million, mainly from the recognition of a 1-year advance time charter hire for 5 ships that are on long term time charter contracts as time charter revenue during 2021.

The Company had USD 207.42 million of loans outstanding at the beginning of 2021. During the year, total loans drawn were in the amount of USD 133.45 million while total loan repayments and prepayments were in the amount of USD 92.55 million. On 31 December 2021, the Company's secured outstanding loans (net of current portion) figure was USD 203.75 million while the aggregate secured outstanding loan figure was USD 245.90 million.

In 2021, the Company redeemed all its outstanding debentures in the aggregate amount of USD 126.22 million, as detailed in Note 19 to the financial statements.

The total liabilities have decreased from USD 374.96 million in 2020 to USD 274.25 million in 2021.

Shareholders' Equity

In 2021, the Company earned a net profit of USD 136.96 million and paid dividend of USD 47.10 million. After change in CSR Reserve, other components of shareholders equity and minority interest, the Shareholders' Equity stands at USD 429.84 million which is up from USD 337.39 million at the end of 2020. The net book value per share is USD 0.28 at the end of 2021.

6.3 Leverage, Liquidity and Coverage

As of 31 December 2021, the Company's gearing (Total Liabilities/Total Shareholder's Equity) stands at 0.64X, down from 1.11X on 31 December 2020. The ratio declined due to a decrease in total liabilities as the Company repaid and prepaid loans as well as early redemption of debentures.

The Company's EBITDA of USD 175.17 million in 2021 was higher than the USD 36.25 million figure reported in 2020. As of 31 December 2021, the Debt to EBITDA ratio was 1.49X.

The Company's current ratio for 2021 is 1.47X which increased from 0.58X in 2020, due to the increase in cash and cash equivalents and decrease in the debentures.

As of 31 December 2021, the Company's debt service coverage ratio is 3.21X while the interest coverage ratio is 14.42X.

7. REVIEW AND ANALYSIS OF AUDITED CONSOLIDATED THAI BAHT FINANCIAL STATEMENTS

7.1 Analysis of Income Statements

The net vessel operating income for the year 2021 (net of voyage disbursements and bunker consumption) increased by about 153% as compared to the figure in 2020 because the dry-bulk freight markets continued their uptrend driven by further economic expansion in major economies and supported by benign vessel supply during 2021. Vessel running expenses for 2021 have increased about 14% as compared to 2020. In 2021, the total vessel operating costs which comprises of vessel running expenses, voyage disbursements and bunker consumption, increased by about 4%, compared to total vessel operating costs for the previous year. In 2021, vessel disbursements and bunker consumption decreased, as voyage charters decreased from 8.9% in 2020 to 6.2% in 2021.

The average daily TC rate per vessel and the average daily OPEX was higher than the previous year. The Gross Profit increased by 280% compared to the previous year while the Gross Profit Margin increased from 46% to 76%.

Interest income in 2021 decreased by Baht 6.65 million as compared to 2020.

The Company recorded exchange gains in the amount of Baht 194.37 million in 2021 compared to exchange losses of Baht 14.74 million in 2020. This was mainly because favorable currency movement led to a reduction in the US Dollar equivalent figure of Thai Baht denominated debt.

Administrative expenses (including management remuneration) for 2021 have increased by Baht 245.24 million as compared to 2020 mainly due to an increase in variable compensation expenses.

The Company recorded a loss of Baht 868.72 million from the settlement agreement with Sainty shipyard in 2020, no such loss in 2021.

Loss on derivatives of Baht 68.67 million was mainly due to the unwinding of interest rate swap contracts, following loan prepayments.

Corporate income tax was Baht 1.68 million for the year 2021 compared to Baht 4.44 million for the year 2020.

The total expenses (excluding depreciation) in 2021, as compared to the previous year (excluding depreciation and losses on settlement agreement), are higher due to an increase in administrative expenses and loss on derivatives as mentioned above.

Depreciation has slightly increased from Baht 1,213.01 million in 2020 to Baht 1,213.65 million in 2021.

Finance costs have decreased by Baht 181.92 million due to lower interest expenses. This was driven by a lower LIBOR rate as well as due to a reduction in overall debt.

As a result of the above factors, the Company has reported a profit of Baht 4,474.93 million for 2021 as compared to a loss of Baht 1,294.85 million in the previous year.

7.2 Analysis of Statements of Comprehensive Income

The Company reported Baht 1,314.90 million as other comprehensive gain for the year 2021 as compared to a loss of Baht 129.86 million for the year 2020. The movement was mainly from change in exchange differences on translation of functional currency to presentation currency financial statements.

7.3 Analysis of Statements of Financial Position

As compared to the end of 2020, there is a Baht 871.62 million increase in current assets, due to a Baht 1,367.72 million increase in cash and cash equivalent although offset by a decrease in derivative assets of Baht 515.86 million, from the settlement of a cross currency swap contract and the expiration of a put option contract related to our Thai Baht debentures which were fully redeemed in 2021.

Restricted bank deposits increased by Baht 120.00 million, in accordance with a loan agreement signed in 2021 and as is mentioned in note 9 and 18 to the financial statements.

Property, Plant and Equipment increased by Baht 1,160.42 million, mainly from the depreciation of the Thai Baht against the US Dollar.

Total assets increased by Baht 2,133.65 from Baht 21,396.85 million in 2020 to Baht 23,530.50 million in 2021. This was mainly due to an increase in cash and cash equivalents by Baht 1,367.72 million from operation and new loans, an increase in property plant and equipment by Baht 1,160.42 million due to the depreciation of the Thai Baht against the US Dollar and an increase in restricted bank deposits by Baht 120.00 million. Offsetting this was derivative assets which decreased by Baht 515.86 million following the settlement of a cross currency swap contract and the expiration of a put option contract relating to our Thai Baht debentures which were fully redeemed in 2021.

Total current liabilities decreased by Baht 1,422.71 million as compared to the previous year due a reduction in the current portion of long-term loans and debentures, and advances received from charterers.

As at the end of 2021, the Company's long-term loans (net of current portion) figure was Baht 6,809.26 million while aggregate long term loans figure was Baht 8,217.86 million. During the year 2021, the Company had aggregate loan drawdowns in the amount of Baht 4,397.36 million and aggregate loan repayments and prepayments in the amount of Baht 3,014.17 million.

In 2021, the Company redeemed of all of its outstanding debentures in the net aggregate amount of Baht 3,569.22 million. Total Liabilities decreased from Baht 11,262.56 million at the end of 2020 to Baht 9,165.49 million at the end of 2021.

Total shareholders' Equity increased from Baht 10,134.29 million at the end of 2020 to Baht 14,365.01 million at the end of 2021. The movement was due to a net profit of Baht 4,474.93 million, dividend of Baht 1,559.11 million and other comprehensive income of Baht 1,314.90 million.

7.4 Analysis of Statements of Cash flows

During the year under review, Baht 6,135.92 million of cash was generated from operations. This is about 332.48% higher than the cash generated from operations in the previous year. The increase is from the vessels having higher earnings this year as compared to 2020.

After adjusting for Working Capital Changes, the net cash generated from operations and available for use in investing and financing activities was Baht 5,895.43 million.

During the year, the Company paid Baht 255.98 million for acquisition of vessel equipment and dry docking/special survey expenses. The Company also received a dividend in the amount of Baht 19.89 million from an investment in an associate company. After adjustments, the net cash flow used in investing activities was Baht 235.35 million.

During the year 2021, the Company had aggregate loan drawdowns in the amount of Baht 4,397.36 million and aggregate loan repayments and prepayments in the amount of Baht 3,014.17 million. The Company paid Baht 3,569.22 million for the early redemption of its outstanding debentures. The Company placed restricted cash for one loan facility in the amount of Baht 120.00 million, paid Baht 489.64 million as interest expenses and deferred financial fees and paid Baht 61.40 million as unwinding fees for interest rate swaps following the prepayment of some loans. The Company paid dividends amounting to Baht 1,559.11 million. After adjustments, the net cash flow used in financing activities was Baht 4,422.60 million.

As of 31 December 2021, 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. There are no charges against the other 19 crew members on board the Vessel.
- The insurers of the Company have issued two Letters of Undertaking ("LOU") to the NDLEA, as security for the release of the Vessel and the 19 crew members that have not been charged. Subsequently, 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.
- The three crew members who have been charged, are required to remain in Nigeria until legal proceedings are completed. They have been granted administrative bail against security provided by the Company and have been allowed to move from an NDLEA detention facility to a hotel.
- On 31 January 2022, we were informed that 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. The Company is required to provide additional security for moving these 7 crew members from the Vessel to a hotel.
- The Company is in the process of obtaining departure clearances from the Nigerian Navy and other government agencies. The Company expects that the Vessel should be able to sail out of Nigeria soon thereafter.
- The Company is working closely with its insurance company and legal counsel to ensure that the case is fully resolved as early as possible.



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.

The 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, through the Audit & Corporate Governance Committee annually review and provide their 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 Committee has been appointed by the Board of Directors in order to set up a mechanism to assist the Board to independently propose the criteria and set guidelines for 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).

The Nomination 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 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 which need to be filled. Consideration is given to the balance of independent Directors on the Board and best practice recommendations as set out in the SET Corporate Governance Principles.

1.1.2 Directors and Management Remuneration

Directors' Remuneration

The Board of Directors has designated the Remuneration Committee to recommend guidelines for setting Directors and Management remuneration in accordance with international standards and comparable with other equivalent listed companies including companies in the transportation industry. 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 meetings.

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.
- 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 Senior Management included their salary, bonus, and other remuneration (income tax, house rent and provident fund contributions). 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 the subject of **"Organization Structure"**.

1.1.3 Segregation of Positions between the Board of Directors and the Management

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 executive officers who report to him. Each evaluation will be based on targets relating to the Company's strategic and annual plan, to help appropriately determine remuneration and other fringe benefits.

The power, roles & responsibilities of the Chairman of the Board of Directors and the Managing Directors 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, Risk Management Committee, Remuneration Committee and Nomination Committee.

The Audit & Corporate Governance Committee and Nomination 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 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.

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, 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.

1.2 Corporate Governance Policy and Guidelines in relation to the Shareholders Rights of Shareholders and Equitable Treatment of Shareholders

The Company recognizes the rights of shareholders as well 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. 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 Company included the topics of Diversity and Inclusion Policy, IT Security Policy, and Antitrust in its Business Ethics and Code of Conduct Manual.

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 Use of Computer and 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)
- Antitrust 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 is provided to all executives and staff members and posted on the Company's website.

The 'Anti-Corruption and Business Ethics' training held in 2021 was attended by 100% of executives and staff members.

Guideline & enforcement of the Corporate Governance Policy and Business Ethics & Code of Conduct

The Board of Directors defines the duties and responsibilities for the Directors, Executives, and all staff to acknowledge and comply with the policies and terms indicated in the Company's Corporate Governance Policy and Business Ethics & 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, Executives, and staff violate these principles, they will face strict disciplinary punishment.

3. Major Developments on Corporate Governance Policy, Guidelines, and Systems

3.1 Major Developments on Corporate Governance Policy, Guidelines and Systems in 2021

In the Board of Directors' meeting held on 15th November 2021, the Board reviewed the CG Code issued by the SEC and the CG guideline issued by the Stock Exchange of Thailand, 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 2022.

The Company established a 'Diversity and Inclusion Policy' which is published in the 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 2021, the Company also established a Personal Data Protection Policy which specifies the criteria, mechanisms, governing measures, and data management rules in relation to the personal data of customers, shareholders, employees, and persons involved with the Company. The policy aims to ensure that the relevant individuals receive full protection under the Personal Data Protection Law.

3.2 The following principles below from the Corporate Governance Code 2017 published by the SEC are the principles which the Company has not yet applied within year 2021:

Principle	Opinion from the Board of Directors
<ul style="list-style-type: none">The Board should establish the policy that the tenure of an independent director should not exceed accumulative term of nine years from the first day of service. 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.	It is difficult to obtain suitable and qualified Candidates repeatedly and therefore, such a term limit cannot be implemented presently. However, the Board of Directors considers various factors including independence of any independent directors who retire by rotation in order to propose for the shareholders' approval at the shareholders' meeting.
<ul style="list-style-type: none">The Board of Directors should establish an annual performance assessment conducted of individual Directors.	From 2022 onwards, the performance assessment of individual Directors will be conducted annually.
<ul style="list-style-type: none">The Company should establish a proper incentive and remuneration policy for its Senior Executives and Directors.	The Company may consider this and structure a plan based on advice from an external expert but it was not possible to complete it in this year.

3.3 Awards and Recognitions for Good Corporate Governance

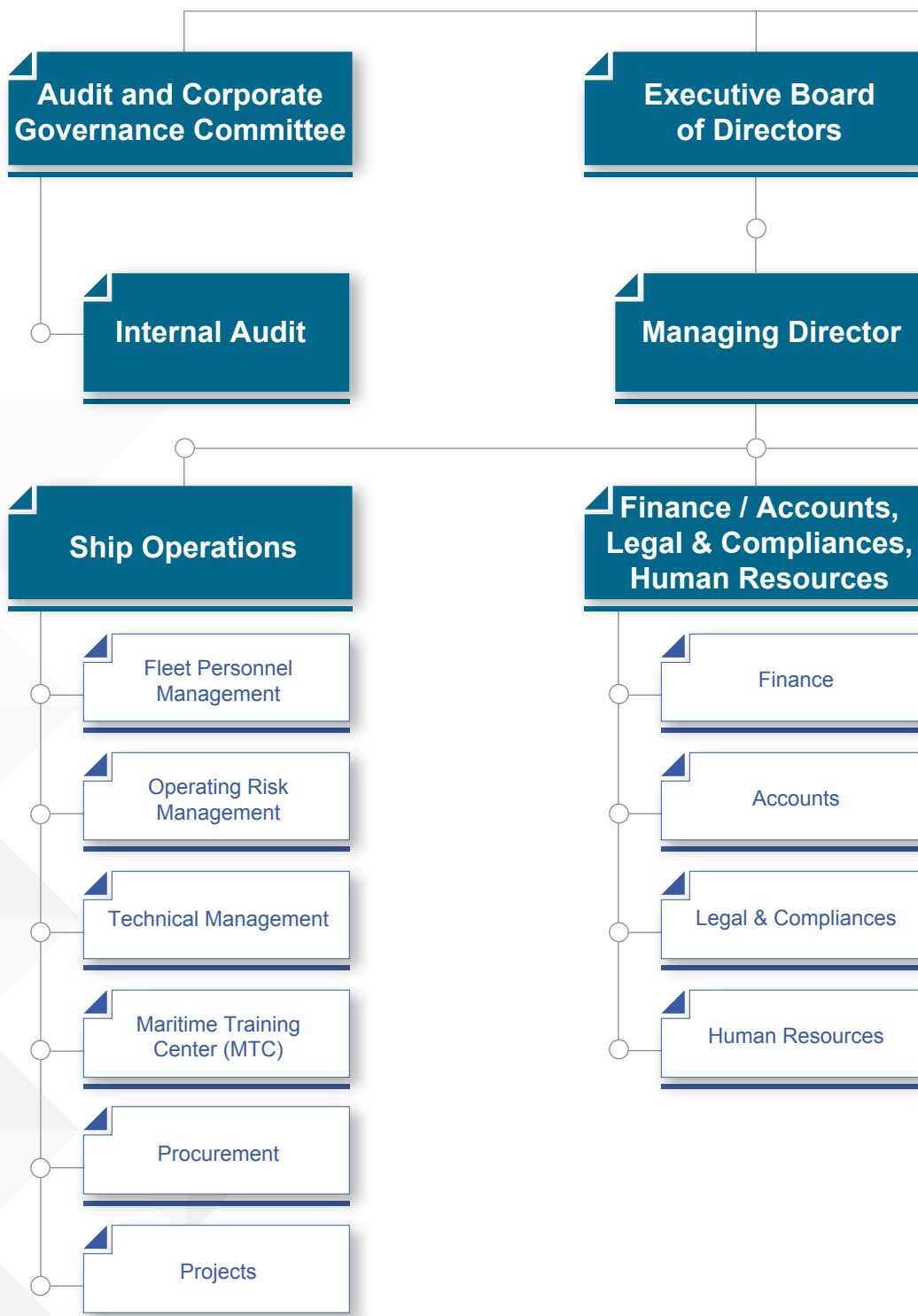
The Company has won (or was nominated for) the following awards including awards for good Corporate Governance:

SET Awards 2021- Outstanding Investor Relations Awards



- Adjudged as a Company with “Outstanding Investor Relations” for companies with a market capitalization between Baht 10,000 million to Bath 30,000 million at the SET Awards 2021
- 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
- Classified as a company with “Excellent” Corporate Governance for twelve consecutive years from 2010 to 2021, by Thailand’s National CG Committee
- Received a score of 100 percent in respect of the conduct at the Annual General Meetings for 8 years; 2012, 2013, 2014, 2015, 2018, 2019, 2020 and 2021, by Thai Investors Association
- Nominated as one of the 10 finalists for the Board of the Year Award 2018 instituted by the Thai Institute of Directors & 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 - South East 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



The Board of Directors

Company Secretary

Risk Management
Committee

Remuneration
Committee

Nomination
Committee

Commercial

International Safety
Management

Information
Technology

Chartering

Post Fixtures

Commercial
Management

The Company has 6 Boards / Committees

1. The Board of Directors
2. The Executive Board of Directors
3. The Audit & Corporate Governance Committee
4. The Remuneration Committee
5. The Nomination Committee
6. The 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 and which would result in a number of directors that would exceed what is stipulated, 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 2021, there are twelve Directors on the Board of Directors of the Company which comprises three Executive Directors (as full-time employees of the Company/ Subsidiary) and nine Non-Executive Directors, five of whom are Independent (42% of Board of Directors).

The Board of Directors comprises of individuals with background and experience in the marine industry, accounting, finance & investment, strategy, law & compliance and capital markets. 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 7 male Directors and 5 female Directors (42% of Board of Directors). Three of the female Directors are Independent Directors.

1.2 The Board of Directors

Members of the Board of Directors as of 31 December 2021 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 & Corporate Governance Committee The Chairman of the Risk Management Committee The Chairman of the Remuneration Committee Independent Director	4 April 2019

Director's Name	Position	The last re-appointment Date
3. Ms. Pensri Suteerasarn	The Chairperson of the Nomination Committee Independent Director	8 July 2020
4. Professor Dr. Pavida Pananond	Independent Director	19 April 2021
5. Ms. Lyn Yen Kok	Independent Director	4 April 2019
6. Mr. Kirit Shah	Director	19 April 2021
7. Ms. Nishita Shah	Director	19 April 2021
8. Mr. Ishaan Shah	Director	4 April 2019
9. Mr. Khushroo Kali Wadia	Director	8 July 2020
10. Mr. Khalid Moinuddin Hashim	Managing Director Executive Director	8 July 2020
11. Mr. Gautam Khurana	Executive Director	8 July 2020
12. Ms. Sirasa Supawasin	Executive Director	8 July 2020

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.

Powers, 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;
- 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.

Powers, 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 an effective top management team 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.

Powers, 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, in an independent and impartial manner, 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 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 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 five sub-committees

2.1 THE AUDIT & CORPORATE GOVERNANCE COMMITTEE

The Audit & 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 has appointed the Audit Committee since 24 August 1998 with a term of 2 years for each member. On 3 February 2012, the Board resolved to change the name of the Audit Committee from "Audit Committee" to "Audit & 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 & Corporate Governance Committee places due emphasis on compliance of relevant regulations and continues the development of Corporate Governance of the Company. The current Audit & Corporate Governance Committee Members are as follows:

Director's Name	Position	Status	Duration on the Committee
1. Mr. Kamtorn Sila-On*	Chairman of the Audit & Corporate Governance Committee	Independent Director	2 Years
2. Professor Dr. Pavida Pananond*	Audit & Corporate Governance Committee Member	Independent Director	2 Years
3. Ms. Lyn Yen Kok*	Audit & Corporate Governance Committee Member	Independent Director	2 Years

* Each of the Audit & 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 on relevant persons in the Organisation" of this Annual Report.

The Audit & Corporate Governance Committee is responsible for reviewing and reporting the following matters to the Board of Directors.

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 & 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 & 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 & Corporate Governance Committee.
11. To perform any other acts as delegated by the Board of Directors and accepted by the Audit & Corporate Governance Committee.

2.2 THE EXECUTIVE BOARD OF DIRECTORS

The following 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. Prashant Mahalingam	Director (Technical)

Powers, 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 RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been appointed by the Board of Directors as a mechanism to assist the Board in 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 the Board meeting No.1/2020 held on 11 February 2020, which currently consists of 4 Directors as follows:

Director's Name	Position	Status	Duration on the Committee
1. Mr. Kamtorn Sila-On	Chairman of the Risk Management Committee	Independent Director	2 Years
2. Professor Dr. Pavida Pananond	Risk Management Committee Member	Independent Director	2 Years
3. Ms. Lyn Yen Kok	Risk Management Committee Member	Independent Director	2 Years
4. Mr. Khalid Moinuddin Hashim	Risk Management Committee Member	Executive Director/ Managing Director	2 Years

Powers, duties and responsibilities of the Risk Management Committee are summarized hereunder

1. Prescribing the Risk Management policy
2. Setting out procedures to mitigate and manage major risks that could impact the organization.
3. 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.
4. Ensure that impact assessment of risk factors is properly carried out and that appropriate risk mitigation methods are identified.
5. Annually review the risk management policies and procedures.
6. Follow up on, and evaluate, the performance in accordance with the organization-wide risk management framework, including a recommendation for an internal control framework.
7. 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 REMUNERATION COMMITTEE

The Remuneration Committee has been appointed by the Board of Directors as a mechanism to assist the Board in independently proposing the criteria of and setting guidelines for the Remuneration of Directors and Senior Management and to propose the remuneration of the Board of Directors who will then act (accept fully, partially or reject totally) in accordance with the regulations and good governance practices based on the recommendations made by the Remuneration Committee. The Board of Directors is not empowered to fix the Remuneration of the Directors but rather required to particularize their recommendations on the same, to the shareholders for their approval.

The Board of Directors appointed the Remuneration Committee in their meeting held on 15 November 2007, which currently consists of 3 Directors as follows:

Director's Name	Position	Status	Duration on the Committee
1. Mr. Kamtorn Sila-On	Chairman of the Remuneration Committee	Independent Director	2 Years
2. Professor Dr. Pavida Pananond	Remuneration Committee Member	Independent Director	2 Years
3. Mr. Kirit Shah	Remuneration Committee Member	Director	2 Years

Powers, duties and responsibilities of the Remuneration Committee are summarized hereunder

1. Set out compensation guidelines for Directors and Senior Management 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. Other specific jobs assigned by the Board of Directors.

2.5 THE NOMINATION COMMITTEE

The Nomination Committee has been appointed by the Board of Directors in order to set up a mechanism to assist the Board to independently propose the criteria and set guidelines for the nomination of new Directors and recruitment and selection of Senior Management 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).

The Board of Directors appointed the Nomination Committee in their meeting held on 15 November 2007, which currently consists of 3 Directors as follows:

Director's Name	Position	Status	Duration on the Committee
1. Ms. Pensri Suteerasarn	Chairperson of the Nomination Committee	Independent Director	2 Years
2. Mr. Kamtorn Sila-On	Nomination Committee Member	Independent Director	2 Years
3. Ms. Lyn Yen Kok	Nomination Committee Member	Independent Director	2 Years

Powers, duties and responsibilities of the Nomination Committee are summarized hereunder

The Nomination Committee is responsible for duties assigned by the Board of Directors as follows:

1. Set out selection and nomination guidelines of appropriate persons and propose the same to the Board of Directors.
2. Review the Board structure and propose a succession plan for Directors and Senior Management.
3. Propose to the Board, 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.
4. If requested by the Board of Directors, assist in the process of review of the performance of Directors.
5. Prepare specific reports on latest trends and practices in the appointment of the Directors and Senior Management for consideration by the Board of Directors.
6. Other jobs assigned by the Board of Directors.

3. MANAGEMENT

3.1 Senior Management



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 2021.

Name	Position
1. Mr. Khalid Moinuddin Hashim	Managing Director
2. Mr. Gautam Khurana	Director (Finance)
3. Mr. Prashant Mahalingam	Director (Technical)

Senior Management of the Company and its subsidiaries in 2021 comprises of the following:

Name	Position
1. Mr. Khalid Moinuddin Hashim	Managing Director
2. Mr. Gautam Khurana	Director (Finance)
3. Mr. Prashant Mahalingam	Director (Technical)
4. Mr. Shrilal Gopinathan	Director (Commercial)
5. Mr. Sebastian Arcanjo Cardozo	Vice President (Fleet Personnel Management)
6. Mr. Neelakantan Vasudevan	Vice President (Risk Management)
7. Mr. Chandrasekhar Sivaraman Venkatraman	Vice President (Technical & Information Technology)
8. Mr. Shankar Giri Shankar	Vice President - Chartering
9. Mr. Minhaj Zafar	Vice President - Procurement & Technical
10. Mr. Narit Likkasittiphan	Vice President - Technical
11. Ms. Sirasa Supawasin	Vice President (Legal)
12. Ms. Somprathana Thepnapaplern	Vice President - Corporate Finance & Company Secretary
13. Ms. Wimonwan Jaysrichai	Vice President - Group Accounts
14. Ms. Nalinthip Santinanon	Assistant Vice President - Accounts & MIS

3.2 Management Remuneration

Since the year 2007, the Board appointed and assigned the Remuneration Committee to set procedures for consideration of the remuneration of the Directors and Management 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 Senior Management includes their salary, bonus, and other remuneration (income tax and house rental) including severance payments as retirement compensation. During the years 2021 and 2020, the Company (and subsidiaries) paid remuneration to the Executive Directors and Senior Management (including Executive Directors and Senior Management who retired during the year and Managing Director), totaling 14 persons (2020: 13 persons) of Baht 68.72 million and Baht 60.89 million, respectively.

The total remuneration to the Managing Director for 2021 and 2020 as follows

Description	Y2021	Y2020
	Total Amount (Million Baht)	Total Amount (Million Baht)
Remuneration for the Managing Directors:		
• Salary	7.77	7.73
• Bonus	-	-
• Income Tax	3.74	3.53
• Director fee	0.55	0.55
• Other remuneration	0.61	0.62
Total Remuneration for Managing Director	12.67	12.43

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 2021 and 2020.

Description	31 December 2021	31 December 2020
Total Employees (persons)	129	129
Total Employees Compensation (Million Baht)	217.68	229.27

Remuneration to office employees is comprised of salary, bonus, and other benefits like provident fund on a voluntary basis.

4. Other important information

4.1 Information on relevant persons in the Company

The names, biographies, experiences and numbers of shares of the Board of Directors and Management including Company Secretary, the person taking the highest responsibility in finance and accounting, the person supervising accounting, Head of Internal Audit, and Head of Legal & Compliance are provided in Enclosure 1 "Information on relevant persons in the Organisation" 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 Thepnaplern	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 Thepnaplern, 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 2021 and 2020 for the Company, all its subsidiaries, and associates were as following:

Description	Y2021 (Million Baht)	Y2020 (Million Baht)
Audit Fee & Non-audit fee - Paid to EY Office Limited:-		
Audit fee for the Company	2.10	2.10
Audit fee for Thai subsidiaries and 1 Foreign subsidiary	2.38	2.38
Total Audit fee	4.48	4.48
Non-audit fee services - Paid to EY Office Limited:-		
• Fee for certification purposes by BOI	0.18	0.09
• Fee for reviewing the accounts of certain foreign subsidiaries (for consolidation purpose)	0.88	0.88
• Fee for reviewing the accounting transactions in relation to Thai Financial Reporting Standard (TFRS) No. 9: Financial Instruments	-	0.48
Total Non-audit fee services for the Company & its subsidiaries	1.06	1.45
Total Audit fee & Non-audit fee - Paid to EY Office Limited	5.54	5.93
Audit fee for foreign subsidiaries - Paid to other audit firms	3.66	3.24
Non-audit fee for foreign subsidiaries - Paid to other audit firms	0.96	0.90
Total Audit fee & Non-audit fee for the year	10.16	10.07

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 in order to reach the objectives in accordance with Company's policy and in accordance with the law.

At the Board of Directors' meeting held on 15th November 2021, 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 2021.

1. Nomination, Development and Performance Assessment of the Board

The Nomination 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, Thailand ("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, executive officer, 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 Executives

The Nomination 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.

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:

- Consideration is based on a range of diversity perspectives, including gender, age and education background, skills, knowledge, and professional experience, and devotion of potential candidates expected to add value to 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.

Procedure for selection and appointment of new directors

The 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 procedure is followed in selecting and appointing a new director to the Board of Directors:

- The Nomination 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 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 Committee may utilize the personal network of the Board members and Senior Management 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 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 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 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.

Procedure for 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 procedure is followed for re-election of a director who retires by rotation:

- The Nomination 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 Committee submits its recommendations to the Board of Directors, which is proposed for the shareholders' approval at the shareholders' meeting.

Criteria to nominate/appoint Top Executives including the Managing Director

The Nomination 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.
- No blacklisting by any organization (including the SEC) or criminal conviction.
- After review, the Nomination 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 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 Committee screens profiles of the applicants, interviews them, and shortlists the preferred candidates who fit the criteria. The Nomination 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.

Nomination of Directors for the year 2021

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. 1/2021 through the Company's website from 1st October 2020 to 31st December 2020. However, there were no proposals from the shareholders.

The Board of Directors proposed the re-election of the following directors who retired by rotation at the AGM No. 1/2021 for the shareholders' consideration and approval:

- | | |
|----------------------------------|--|
| 1. Mr. Chaipatr Srivisarvacha | Chairman of the Board of Directors/ Independent Director |
| 2. Professor Dr. Pavida Pananond | Independent Director/ Audit and Corporate Governance Committee Member/ Remuneration Committee Member/ Risk Management Committee Member |
| 3. Mr. Kirit Shah | Director/ Remuneration Committee Member |
| 4. Ms. Nishita Shah | Director |

The Board of Directors, on the recommendation of the Nomination Committee, was of the opinion that the above four 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, specifically in international trading, finance and shipping. 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 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 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).

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 2021, 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 attended training programs/seminars in 2021

Director's Name	Seminar/Training Course	Conducted by
Professor Dr. Pavid Pananond	Panelist, Investment in Sustainable Recovery: Empirical Analysis, Lessons Learnt, and a Future Research Agenda	Academy of International Business & United Nations Conference on Trade and Development
	Panelist, Trade Wars, Technology, and Global Value Chains,	United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)
	Participant, Virus/ Vaccine Dynamics/ Challenges in the Mekong Region: The Regionalisation Imperative?	The Institute of Security and International Study, Chulalongkorn University
Mr. Gautam Khurana	Directors Certificate Program (DCP) Class 313/2021	Institute of Directors (IOD)
	E-Learning CFO's Refresher Course	The Stock Exchange of Thailand
Ms. Sirasa Supawasin	Personal Data Protection Law for Practitioners	Law and Development Research Center (LDRC), Faculty of Law, Chulalongkorn University

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 2 new Directors who were appointed in 2020.

3. Performance Evaluation of the Board, the Sub-committees and the Managing Director

The Company conducts evaluation of the performance of the Board of Directors, the Sub-committees, and the Managing Director at least once a year.

Board Self-Assessment

In the Board of Directors Meeting held on 15th November 2021, Board members conducted a self-assessment through a questionnaire following the SET 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

The scores of Board's Self- Assessment fall 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 year 2022.

The Board Committees' Self-Assessment

The Company has 5 Board Committees i.e., the Audit & Corporate Governance Committee, the Risk Management Committee, the Executive Board of Directors, the Nomination Committee and the Remuneration Committee. In the Board of Directors Meeting held on 15th November 2021, 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 SET 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	2021 Results of self-assessment
Audit & Corporate Governance Committee	Very Good
Risk Management Committee	Very Good
The Executive Board of Directors	Excellent
Nomination Committee	Very Good
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 year 2022.

Managing Director Evaluation

In the Board of Directors Meeting held on 15 November 2021, 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 year 2022.

4. Meeting Attendance and Remuneration of Directors

4.1 Board of Directors’ Meetings

The Board of Directors’ meetings are scheduled in advance to convene at least 5 times per year, but extraordinary or special meetings, if required, may be called at any time during the 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 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 & Corporate Governance Committee meeting so that the minutes of the Audit & 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.

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 2021 are set out in the following table

Description	Board of Directors and Sub Committee Meetings													
	Attendance / Total Meetings (Times)													
	Board of Directors		Audit & CG Committee		Risk Management Committee		Executive Board of Directors		Remuneration Committee		Nomination Committee		Annual General Meeting of the Shareholders	
	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	1/1	4/4											-	1/1
2. Mr. Kamtorn Sila-On	1/1	4/4	-	4/4	-	4/4			1/1	1/1	1/1	1/1	-	1/1
3. Ms. Pensri Suteerasarn	1/1	4/4									1/1	1/1	-	1/1
4. Professor Dr. Pavida Pananond	1/1	4/4	-	4/4	-	4/4			1/1	1/1			-	1/1
5. Ms. Lyn Yen Kok	1/1	4/4	-	4/4	-	4/4					1/1	1/1	-	1/1
6. Mr. Khushroo Kali Wadia	1/1	4/4											-	1/1
7. Ms. Nishita Shah	-	5/5											-	1/1
8. Mr. Kirit Shah	1/1	4/4							1/1	1/1			-	1/1
9. Mr. Ishaan Shah	1/1	4/4											-	1/1
10. Mr. Khalid Moinuddin Hashim	1/1	4/4			-	4/4	14/14	-					-	1/1
11. Mr. Gautam Khurana	1/1	4/4					14/14	-					-	1/1
12. Ms. Sirasa Supawasin	1/1	4/4											-	1/1
13. Mr. Prashant Mahalingam							14/14	-					-	1/1
Total Meetings	5 times		4 times		4 times		14 times		2 times		2 times		1 time	
Percentage of Meeting Attendance	100%		100%		100%		100%		100%		100%		100%	

For the year 2021, 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 15th November 2021, the Non-Executive Directors held a meeting among themselves for discussing the business management issues and performance of the Executive Directors.

4.2 Directors' Remuneration

The Board of Directors appointed the Remuneration Committee in its meeting held on 15 November 2007 in order to oversee the remuneration of Directors and Management. 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. The details of 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.

In the years 2021 and 2020, the Company proposed the Directors' Remuneration for the year as a fixed retainer fee without any other compensation which was paid quarterly in equal instalments for each respective quarter, which was approved in the Shareholders' Meeting as follows:

(In million Baht)

Name of Director		Position	Amount					
			2021			2020		
			Board of Directors	Audit & Corporate Governance Committee	Total	Board of Directors	Audit & Corporate Governance Committee	Total
1	Mr. Thira Wipuchanin*	Chairman of the Board of Directors, Independent Director	-		-	0.60		0.60
2	Mr. Chaipatr Srivisarvacha**	Chairman of the Board of Directors, Independent Director	1.20		1.20	0.88		0.88
3	Mr. Kamtorn Sila-On	Chairman of the Audit & CG Committee, Independent Director	0.55	0.40	0.95	0.55	0.40	0.95
4	Ms. Pensri Suteerasarn***	Independent Director	0.55		0.55	0.28		0.28
5	Professor Dr. Pavida Pananond	Member of the Audit & CG Committee, Independent Director	0.55	0.20	0.75	0.55	0.20	0.75
6	Ms. Lyn Yen Kok	Member of the Audit & CG Committee, Independent Director	0.55	0.20	0.75	0.55	0.20	0.75
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	0.41		0.41
13	Ms. Sirasa Supawasin***	Executive Director	0.55		0.55	0.28		0.28
Total Annual Remuneration****			7.25	0.80	8.05	6.85	0.80	7.65

* Retired in year 2020 to comply with the age limit for a director per the Company's Corporate Governance Policy

** Appointed as the Chairman of the Board of Directors with effect from 8 July 2020

*** New Directors who were appointed in year 2020

**** 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 & CG Committee an additional Baht 100,000 per quarter and each Audit & CG Committee member an additional Baht 50,000 per quarter

The comparison of remuneration of the Chairman, Directors, the Chairman of Audit & Corporate Governance Committee, Audit & Corporate Governance Committee Members and Management between the Company and other listed companies and listed companies in the transportation and logistics sector and listed companies in the services sector is as follows:

(In Million Baht/Person/Year)

Description	* PSL		** Service Sector							
			Mean		Median		Min		Max	
	2021	2020	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	0.91	1.89	0.75	1.15	0.22	0.29	3.41	9.61
Executive Directors	0.55	0.55	0.49	1.04	0.43	0.68	0.15	0.22	1.78	4.69
Non-Executive Directors	0.55	0.55	0.51	1.07	0.44	0.69	0.15	0.22	2.08	4.99
Management	4.91	4.68	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chairman of Audit & CG Committee ***	0.40	0.40	0.61	1.28	0.46	1.13	0.08	0.75	1.85	2.51
Audit & CG Committee members ***	0.20	0.20	0.38	0.99	0.32	0.93	0.04	0.65	1.40	2.01

* PSL's figures are actuals of respective years

** From IOD's Thai Directors Compensation Survey 2020 (latest available survey results) – No survey conducted in Year 2021

*** Additional Remuneration as Chairman of Audit & CG Committee/Audit & CG 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	
	2021		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		0.84	1.80	0.74	1.24	0.23	0.25	2.77	9.35
Executive Directors	0.55		0.51	1.10	0.46	0.74	0.18	0.27	1.52	4.81
Non-Executive Directors	0.55		0.52	1.06	0.46	0.72	0.18	0.21	1.70	4.99
Management	4.91		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chairman of Audit & CG Committee ***	0.40		0.52	0.88	0.43	0.72	0.11	0.29	1.16	1.83
Audit & CG Committee members ***	0.20		0.35	0.65	0.31	0.56	0.05	0.14	0.85	1.46

* PSL's figures are actuals of respective years

** From IOD's Thai Directors Compensation Survey 2020 (latest available survey results) – No survey conducted in Year 2021

*** Additional Remuneration as Chairman of Audit & CG Committee/Audit & CG Committee Member

N.A. Not available since not reported

(In Million Baht/Person/Year)

Description	* PSL		** All Listed Companies with revenue 1,001 - 5,000 MB.							
			Mean		Median		Min		Max	
	2020		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		0.78	1.19	0.61	0.96	0.11	0.14	8.68	10.27
Executive Directors	0.55		0.37	0.71	0.32	0.55	0.08	0.13	1.09	3.91
Non-Executive Directors	0.55		0.38	0.66	0.33	0.56	0.11	0.14	1.09	2.17
Management	4.68		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chairman of Audit & CG Committee ***	0.40		0.39	0.69	0.38	0.71	0.13	0.16	0.88	1.38
Audit & CG Committee members ***	0.20		0.29	0.55	0.30	0.59	0.07	0.09	0.74	1.20

* PSL's figures are actuals of respective years

** From IOD's Thai Directors Compensation Survey 2020 (latest available survey results) – No survey conducted in Year 2021

*** Additional Remuneration as Chairman of Audit & CG Committee/Audit & CG Committee Member

N.A. Not available since not reported

Description	* PSL		** All Listed Companies with the Market Capital 10,001-50,000 MB.							
			Mean		Median		Min		Max	
	2021	2020	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	0.98	1.73	0.75	1.33	0.20	0.22	4.30	6.49
Executive Directors	0.55	0.55	0.52	0.96	0.46	0.72	0.12	0.14	1.92	3.12
Non-Executive Directors	0.55	0.55	0.58	1.11	0.48	0.95	0.12	0.14	2.08	3.70
Management	4.91	4.68	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chairman of Audit & CG Committee ***	0.40	0.40	0.56	1.03	0.54	1.01	0.08	0.36	1.90	2.57
Audit & CG Committee members ***	0.20	0.20	0.41	0.82	0.41	0.81	0.04	0.24	1.12	1.73

* PSL's figures are actuals of respective years

** From IOD's Thai Directors Compensation Survey 2020 (latest available survey results) – No survey conducted in Year 2021

*** Additional Remuneration as Chairman of Audit & CG Committee/Audit & CG Committee Member

N.A. Not available since not reported

5. Supervision of Subsidiaries and Associated Companies¹

The Company shall at all times, ensure that all the subsidiaries' and associated companies¹ 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 companies¹.

- 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 companies¹, director appointment shall be as per an investment agreement (if any).
- The Executive Directors on the Executive Board of Directors of the Company 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 operate 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 internal control systems and policies of the Company shall extend to its subsidiaries.

¹ "associated company" means:

- 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;
- a company in which the parent company or the subsidiary company has 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 subsidiary company or joint venture.

The Company's implementation of Good Corporate Governance principles is outlined in 5 sections hereunder:

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:

1.1 Appointment of Board members

The Company regularly updates the information pertaining to nominees'/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:

- Nominee's/Director's profile: Name, position, age, education, relevant knowledge, occupation, working experience and illegal acts (if any).
- Nominee's/Director's positions in any materially connected business.
- Number of shares held by the Nominee/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.

1.2 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.

1.3 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)

1.4 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.

1.5 Consideration of the share repurchase plan

The Company obtained approval for the share repurchase plan from the shareholders in the shareholders' meeting in the year 2003, authorizing the Board of Directors to repurchase the Company's shares in accordance with SET/SEC regulations and provide the correct and complete information required for their decision.

1.6 Shareholders' Meetings

The Board of Directors approved and resolved that the 2021 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 19th April 2021 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 2021 Annual General Meeting of shareholders (AGM)

- The Company provided an opportunity to 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 2022 as well. Shareholders with a combined holding of at least 2,000,000 shares can propose agenda items or nominate qualified Directors. In 2021, 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 1st October 2020 to 31st December 2020. 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 2021, the Company disclosed the AGM schedule and the AGM Agenda through the SET on 19th February 2021 (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 2021. This practice will be continued for AGM 2022 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 2021, the Company disclosed the notice of shareholders' AGM on the Company's website on 12 March 2021 (38 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 18th March 2021 (32 days in advance of the AGM).

- The Company publishes the notice of shareholders' meeting in newspaper 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 19th April 2021.
- 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.
- All Board members including the Chairman of the Board of Directors, the Chairman of the Remuneration Committee, the Chairman of the Audit & Corporate Governance Committee, the Chairman of the Nomination Committee and all Independent Directors attended the AGM of 2021. 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.

After the date of AGM

- 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 are 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.

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 Management 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.
- Directors and Executives 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/Executive submits the "Report on Conflict of Interest Transaction" Form within 30 days after appointment.
 - Thereafter, if there is a change, Director/Executive submits the updated "Report on Conflict of Interest Transaction" Form immediately or no later than 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 & Corporate Governance Committee within seven working days from the date on which the Company has received such a report.
- The Board of Directors has established a system to prohibit a Director/Executive, who has a conflict of interest on a particular issue, from participating in the decision-making process related to that issue. Normally a Director/Executive, who has a conflict of interest on an issue, will leave from 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.

3. 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 the 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 "**Sustainability Report**" 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 good relationship between all employees including the Management.

- **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 at all there is any covenant in any of the loan agreements with which the Company is not be able 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 terms and conditions for suppliers are based on industry norms and practices and thereafter, agreed terms and conditions are strictly followed by the Company.
- **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.
- **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 "**Sustainability Report**" 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 & Corporate Governance Committee as explained under the "**Audit & 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 "**Sustainability Report**" of this Annual Report detailing the steps taken by the Company and its compliance with various regulations/norms.
- **Respect for International Human Rights Principles:** The Company requires that all of its Directors, Management and staff strictly respect International 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 subsidiary companies, investors, business partners, and all stakeholders to observe the international standards of human rights principles.
- **Ethics for Intellectual Property Rights:** The Company requires that all of its directors, the management and staff 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 staff 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.

4. 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.

4.1 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.

4.2 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 & performance data is posted in both Thai and English on the Company's website and through various media.

The Corporate Information & performance data posted in both Thai and English on the Company's website and through various medias.

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 Annual 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 years are enumerated herein as under:

Year / Times	Analyst Meetings / Communications	Investor 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

5. Responsibilities of the Board

5.1 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 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 powers, duties and responsibilities between each committee as mentioned under the “**Organization Structure**” section of this Annual Report.

5.2 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 31st December 2021, there are twelve Directors on the Board of Directors of the Company which consists of three Executive Directors (as full-time employees of the Company/Subsidiary) and nine Non-Executive Directors, five of whom are Independent Directors (42% of the Board). Moreover, the Board consists of five female directors (42% of the Board).

5.3 Succession Plan

The Board of Directors shall ensure a systematic nomination for the proper candidate to replace a Director or executive position suitably in line with the succession planning policy. The Nomination 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 Nominating 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 2021 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.

5.4 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. Powers and 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 & 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 & 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.

Guideline & enforcement of the Corporate Governance Policy

The Board of Directors defines the duties and responsibilities for the Directors, Executives, and all staff to acknowledge and comply with the policies and terms indicated in the Company's Corporate Governance Policy and Business Ethics & 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, Executives, and staff violate these principles, they will face strict disciplinary punishment.

1. Conflict of Interest

The Board of Directors, through the Audit & Corporate Governance Committee, has stipulated a policy outlining the process through which transactions with a potential conflict of interest are approved:

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 & 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 2021, the internal auditors audited the aforesaid transactions and reported the results thereof to the Audit & Corporate Governance Committee in the Audit & Corporate Governance Committee’s Meeting No. 1/2022 held in February 2022. The Audit & 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 Senior Management 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 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, executives and senior staff 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 are required to report the changes in their shareholding to the Office of the Securities and Exchange Commission within 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").

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 month before and two days after any financial announcement of the Company and also at least 5 days before the Company makes any significant announcement:

- All Directors and Management Team members (including their Relevant Persons); and
- The Company's personnel in the Finance & 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.

According to the Company's Corporate Governance Policy, all Directors and Management Team members are encouraged to inform the Company 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 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 5th 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, executives, employees at all levels. The Company continued with this practice in 2021. This No Gift Policy reinforces the Company’s compliance with the Anti-Corruption Policy and good corporate governance principles.

In 2021, 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, Executives and staff 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 staff member 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 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 & 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' identity 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.

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 & 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 2021, the Company did not engage any significant dispute with any stakeholders.

AUDIT AND CORPORATE GOVERNANCE COMMITTEE'S REPORT

TO THE SHAREHOLDERS

The Audit & Corporate Governance Committee of Precious Shipping Public Company Limited comprises of three independent directors. Mr. Kamtorn Sila-On is Chairman of the Committee which also includes Ms. Lyn Yen Kok¹ and Professor Dr. Pavida Pananond. All three members of the Audit and Corporate Governance Committee were reappointed for another term of 2 years by a resolution of the Board of Directors in the Board of Directors meeting No.1/2021 held on 19th February 2021.

The Audit & Corporate Governance Committee has performed its duties and responsibilities with prudence, transparency, independence and in compliance with the Audit & Corporate Governance Committee Charter ("Charter") approved by the Board of Directors and 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 2021, meetings of the Audit & Corporate Governance Committee have been held through the year to review consolidated financial statements of the Company and its subsidiaries. Meetings with 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 & 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 & Corporate Governance Committee has considered the independence of the Internal Audit Department, including the chain of command, in order to establish the credibility and independence of the Internal Audit Department. The Audit & Corporate Governance Committee has also discussed with internal auditors the scope of internal auditing, their responsibilities and functions and approved the internal audit plan for the Internal Audit Department. In the year 2021, 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 related staff and management and reported to the Audit & Corporate Governance Committee.

The Audit & Corporate Governance Committee is of the opinion that the Company has proper and adequate internal control systems and there are no significant deficiencies.

¹ At the Board of Directors Meeting No. 1/2022 held on 14th February 2022, Ms. Lyn Yen Kok excused herself from being nominated for re-election as the Company's Director at the Annual General Meeting of Shareholders No. 1/2022 ("AGM"). As such, her term as the Audit and Corporate Governance Committee Member will end at the AGM.

Compliance with laws and regulations

The Audit & 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 & Corporate Governance Committee values the importance of review of connected transactions as well as those transactions that may involve conflicts of interest under the laws and regulations of the Stock Exchange of Thailand & the Securities Exchange Commission, Thailand, and any applicable laws, including compliance with the internal policies and guidelines set up by the Company. Adequate disclosures have also been made in the financial statements and under the topic “**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 & Corporate Governance Committee who in turn have discussed and reviewed the transactions in their Audit & Corporate Governance Committee Meeting No. 1/2022 held on 11th February 2022. The result of the review for the year 2021 has been discussed in the Board of Directors Meeting No. 1/2022 held on 14th February 2022. The Audit & Corporate Governance Committee and the Board of Directors are of the opinion that the transactions entered solely based on the market prices, fair, and for the best interest of the Company.

Review of the Company's Corporate Governance

The Audit & 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. We also conduct an annual review of corporate governance self-assessment through a questionnaire following the SET and the IOD guidelines. The scores of Corporate Governance self-assessment fall in the level of “Very Good”.

For the year 2021, the Company has been classified by Thai Institute of Directors (IOD) in conjunction with the SET and the SEC as one of the Companies with “Excellent” corporate governance.

Meetings of the Audit & Corporate Governance Committee

Normally, each Audit & 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 & 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 & 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. The formal Audit & Corporate Governance Committee Meeting usually takes around 2 hours. In the year 2021, Audit & Corporate Governance Committee held 4 meetings (2020: 4 meetings). The record of attendance of the members of the Audit & Corporate Governance Committee is summarized as follows:

Name	Number of Attendance/Total Meeting (Times)	
	2021	2020
1. Mr. Kamtorn Sila-On	4/4	4/4
2. Professor Dr. Pavida Pananond	4/4	4/4
3. Ms. Lyn Yen Kok	4/4	4/4

Selection and proposal for appointment of the Company's external auditors

Audit & Corporate Governance Committee Meeting No.1/2022 held on 11th February 2022 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 years 2022.

1. Mr. Termphong Opanaphan (Certified Public Accountant (Thailand) No. 4501), in place of Ms. Vissuta Jariyathanakorn who has been the auditor of Company for seven consecutive years (from the year 2015 to 2021), which is the maximum allowed according to SEC regulations.
2. Mr. Khitsada Lerdwana (Certified Public Accountant (Thailand) No. 4958)
3. Mrs. Ponnard 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 & 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 2022 charged by EY Office Limited are as follows:

Details	Proposed for 2022	2021
Audit fees for the Company	Baht 2.15 million	Baht 2.10 million
Audit fees for Thai subsidiaries and 1 Foreign subsidiary	Baht 2.38 million	Baht 2.38 million
Fees for other services:		
• Fee for certification purposes by BOI	Baht 0.11 million	Baht 0.18 million
• Fees for reviewing the accounts of certain foreign subsidiaries (for consolidation purpose)	Baht 0.91 million	Baht 0.88 million
Total	Baht 5.55 million	Baht 5.54 million

The Audit & Corporate Governance Committee self-assessment

The Audit & Corporate Governance Committee conducted a self-assessment for 2021 as per SET guidelines, the score of which fell within the "Very Good" level. The Audit & Corporate Governance Committee intends to use this result as an indicator to further improve its performance.

Concluding Remark: Throughout 2021, the Audit & Corporate Governance Committee received full cooperation from all the Directors, executives and staff members of the Company, as well as from the external auditors, in order 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. Despite the COVID-19 pandemic, the Company was able to prepare and disclose the relevant financial statements within the timeline required by the SET & SEC without requesting an extension of time.

The Audit & Corporate Governance Committee is of the opinion that the Company's financial statements of 2021 and disclosures of information therein are complete, reliable and consistent with generally accepted accounting principles and financial reporting standards. The Company has adequate risk management, appropriate internal audit and internal control systems. The Company also complies with its internal policies, good corporate governance, relevant laws and regulations.

**For and on behalf of the Audit & Corporate Governance Committee of
Precious Shipping Public Company Limited**

Mr. Kamtorn Sila-On

Chairman of the Audit & Corporate Governance Committee

14th February 2022

THE EXECUTIVE BOARD OF DIRECTORS' REPORT

TO THE SHAREHOLDERS

In 2021, the Executive Board of Directors of Precious Shipping Public Company Limited comprised of three members appointed by the Board of Directors viz., Mr. Khalid Moinuddin Hashim as Managing Director, Mr. Gautam Khurana as Director (Finance) and Mr. Prashant Mahalingam as Director (Technical).

The Executive Board of Directors held 14 meetings during the year 2021 with 100% attendance. The Executive Board 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 2021 as per the 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
Executive Director

14th February 2022

RISK MANAGEMENT COMMITTEE'S REPORT

TO THE SHAREHOLDERS

The Risk Management Committee of Precious Shipping Public Company Limited comprises of three Independent Directors and the Managing Director. Mr. Kamtorn Sila-On, Independent Director, is the Chairman of the Committee which also includes Professor Dr. Pavida Pananond, Ms. Lyn Yen Kok¹ and Mr. Khalid Moinuddin Hashim.

In 2021, the Risk Management Committee held four meetings, each with 100% attendance. The 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, which is summarized as follows:

- The Committee reviews the risk management policy and oversees 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 monitors 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 evaluates 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 2021 as per SET guidelines, the score of which fell within the "Very Good" category. The Committee intends to use this result as an indicator to further improve its performance.

The 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 Risk Management Committee of
Precious Shipping Public Company Limited**

Mr. Kamtorn Sila-On

Chairman of the Risk Management Committee

14th February 2022

¹ At the Board of Directors Meeting No. 1/2022 held on 14th February 2022, Ms. Lyn Yen Kok excused herself from being nominated for re-election as the Company's Director at the Annual General Meeting of Shareholders No. 1/2022 ("AGM"). As such, her term as the Risk Management Committee Member will end at the AGM.

NOMINATION COMMITTEE'S REPORT

TO THE SHAREHOLDERS

The Nomination Committee of Precious Shipping Public Company Limited comprises of three independent directors. Ms. Pensri Suteerasarn is the Chairperson of the Nomination Committee and Mr. Kamtorn Sila-On and Ms. Lyn Yen Kok are as Nomination Committee Members. All three members of the Nomination Committee were independent directors. Mr. Kamtorn Sila-On and Ms. Lyn Yen Kok¹ were reappointed for another term of 2 years by a resolution of the Board of Directors in the Board of Directors meeting No. 1/2021 held on 19th February 2021.

In 2021, the Nomination Committee held two meetings with 100% attendance. The Nomination Committee put in its best efforts with due care, prudence, independence and thoroughness in compliance with its mandate to perform its roles as assigned by the Board, which is summarized as follows:

For the 2021 Annual General Meeting (AGM), the Company offered minority shareholders the opportunity to nominate a qualified individual to be elected as a Director through the Company's website. The nomination period was from 1st October 2020 to 31st December 2020. Since there were no candidates proposed to the Nomination Committee, the Nomination Committee reviewed the Directors whose terms expired by rotation in accordance with the Company's Articles of Association. The Nomination Committee considered a range of diverse perspectives which are aligned with the Company's strategic directions, including gender, age, education background, skill, knowledge and experience (including past performance as Director) of those nominated Directors. At the Annual General Meeting of Shareholders No.1/2021 held on 19th April 2021, the shareholders approved the reappointment of the Directors whose terms expired by rotation as proposed by the Board of Directors, on the recommendation of the Nomination Committee.

The Nomination Committee conducted a self-assessment for 2021 as per SET guidelines, the score of which fell within the "Very Good" level. The Nomination Committee intends to use this result as an indicator to further improve its performance.

**For and on behalf of the Nomination Committee of
Precious Shipping Public Company Limited**



Ms. Pensri Suteerasarn
Chairperson of the Nomination Committee

14th February 2022

¹ At the Board of Directors Meeting No. 1/2022 held on 14th February 2022, Ms. Lyn Yen Kok excused herself from being nominated for re-election as the Company's Director at the Annual General Meeting of Shareholders No. 1/2022 ("AGM"). As such, her term as the Nomination Committee Member will end at the AGM.

REMUNERATION COMMITTEE'S REPORT

TO THE SHAREHOLDERS

The Remuneration Committee of Precious Shipping Public Company Limited comprises of two Independent Directors and one Non-Executive Director. Mr. Kamtorn Sila-On, Independent Director, is Chairman of the Committee which also includes Professor Dr. Pavida Pananond and Mr. Kirit Shah. Mr. Kamtorn Sila-On and Professor Dr. Pavida Pananond were reappointed for another term of 2 years by a resolution of the Board of Directors in the Board of Directors meeting No. 1/2021 held on 19th February 2021. Mr. Kirit Shah was reappointed for another term of 2 years by a resolution of the Board of Directors in the Board of Directors meeting No. 5/2021 held on 15th November 2021.

For 2021, the Remuneration Committee held two meetings with 100% attendance. The Remuneration Committee put in its best efforts with due care, prudence, independence and thoroughness in compliance with its mandate to perform its roles as assigned by the Board, which is summarized as follows:

The Remuneration Committee considered the 2021 remuneration of Directors and Senior Management after factoring in the financial status and performance of the Company and also after comparing it with remuneration at other listed transportation companies in Thailand and abroad. At the Annual General Meeting of Shareholders No.1/2021 held on 19th April 2021, the shareholders approved the remuneration of the Directors for the year 2021 as proposed by the Board of Directors, on the recommendation of the Remuneration Committee.

The Remuneration Committee conducted a self-assessment for 2021 as per the SET guidelines, the score of which fell within the "Very Good" level. The Remuneration Committee intends to use this result as an indicator to further improve its performance.

**For and on behalf of the Remuneration Committee of
Precious Shipping Public Company Limited**



Mr. Kamtorn Sila-On
Chairman of the Remuneration Committee

14th February 2022

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 forged ahead with setting up a proper control environment and accordingly set up the Corporate Governance Policy, Business Ethics Manual and Anti-Corruption Policy in writing. 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 clear definition of functions, roles/responsibilities, and reporting lines of each business division. The Company recognizes that the Control Environment will lead to efficiency and effectiveness of work and bring out the best benefits to 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, Internal Audit Department as an independent entity and each specific department (being in possession of 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 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 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 with a view to ensuring 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 function business to ensure strict compliance with laws and regulations.

4. INFORMATION & COMMUNICATION

The Company recognizes the importance of reliable Information & 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 that accurate and timely data is always available for decision-making. The Company uses encrypted software for internal communications. 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 & 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 & Corporate Governance Committee. The findings of internal control assessment for 2021 have been provided in the **"Audit & 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.1/2022 on 14th February 2022, which the Audit & Corporate Governance Committee also attended, the Board agreed with the Audit & 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 result of the year 2021 audit of the Company by EY Office Limited, the independent and external auditors have not identified any significant audit findings, including any significant deficiencies in internal controls relevant to the audit.

Head of Internal Audit and Head of Legal & 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 & Corporate Governance Committee on all matters in order to make the Internal Audit Department completely independent of Management. The Audit & 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 & Compliance Department to review and evaluate compliance issues/concerns within the organization in order 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 on general trading conditions.

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 Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551 Re: Rules on Connected Transactions as amended from time to time, including circular letter 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 Company had nine connected transactions which are categorized as follows:

Type of connected transaction	Description	Number of transactions
Type 2	Any connected transaction which supports the core business include (i) property management expenses (ii) air ticket expenses (iii) hotel service expenses (iv) insurance premium expenses (v) administration fees for transportation services (vi) maintenance and supply expenses for air conditioners at the main operational office and the condominium apartments of the Company and its subsidiaries (vii) brokerage income and (viii) software expenses.	8
Type 3	Any connected transaction in relation to real estate rental for a period of under 3 years.	1
	Total	9

The details of the above 9 transactions entered into by the Company and/or its subsidiaries with related parties are as follows:

Related Transactions	Related Parties	Amount (Million Baht)			Rationale of Related Transactions	Probability of the Transactions in 2022
		As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019		
Office lease	Unistretch Limited <u>The relation</u>	2.05	2.22	2.20	The Office lease is required for the operations of the Company.	The same transaction on similar terms as that of year 2021 is envisaged for 2022, since the Office is essential for operating the business of the Company.
Property management services	<ul style="list-style-type: none"> Ms. Nishita Shah and Mr. Ishaan Shah, Directors of the Company, are Directors and Shareholders of Unistretch Limited. Total direct/indirect shareholding (%) in Unistretch Limited of Ms. Nishita Shah and Mr. Ishaan Shah as at 31 December 2021: 67.75% of total paid up shares. Mr. Kirit Shah, a Director of the Company, is a Director of Unistretch Limited. 	0.30	0.45	0.30	Property management services at the condominium apartments (the residences of the Company's expatriate staff) owned by the Company's subsidiary is essential for the assets of the Company's subsidiary.	The same transaction on similar terms as that of year 2021 is envisaged for 2022, since these services are essential for the business of the Company.
Purchase of air tickets	Ambika Tour Agency Limited <u>The relation</u> <ul style="list-style-type: none"> Ms. Nishita Shah and Mr. Ishaan Shah, Directors of the Company, are Directors and Shareholders of Ambika Tour Agency Limited. Total direct/indirect shareholding (%) in Ambika Tour Agency Limited of Ms. Nishita Shah and Mr. Ishaan Shah as at 31 December 2021: 58.13% of total paid up shares. 	-	0.25	4.99	Given the nature of the Company's business, apart from air tickets for foreign travel by office Executives, air tickets are also required for the various crew members on a regular basis to allow them to sign on/off in different ports around the world on commencement and completion of their contracts, respectively. Ambika Tour Agency Limited has been selected for this purpose in view of their competitive rates and service and also for their proximity to the Company's office, since this allows much quicker and efficient service.	If the COVID-19 situation continues, it is envisaged that these transactions would be of lower value (or potentially nil) in 2022. However, if the situation returns to normalcy, it is possible that the Company will enter into the same transactions, since it is required for the Company's business
Maintenance of the air conditioning systems	Maestro Controls Limited <u>The relation</u> <ul style="list-style-type: none"> Ms. Nishita Shah and Mr. Ishaan Shah, Directors of the Company, are Directors and Shareholders of Maestro Controls Limited. Total direct/indirect shareholding (%) in Maestro Controls Limited of Ms. Nishita Shah and Mr. Ishaan Shah as at 31 December 2021: 99.85% of total paid up shares. Mr. Kirit Shah, a Director of the Company, is also a Director of Maestro Controls Limited. 	0.09	0.22	0.67	The maintenance of air conditioning systems and supply of air conditioners if required, at the main operational offices and the condominium apartments are essential for the Company's operations. Maestro Controls Ltd. has been selected for this purpose in view of their competitive rates and service.	The maintenance of air conditioning systems with similar or more beneficial terms as that of year 2021 is envisaged for 2022, since it is required for the Company's business operations. However, it is envisaged that no supply of air conditioners would be required in 2022, since the new air conditioners have recently been installed.
Supply of air conditioners		1.35	8.94	1.26		

Related Transactions	Related Parties	Amount (Million Baht)			Rationale of Related Transactions	Probability of the Transactions in 2022
		As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019		
Hotel and management services	<p>Maxwin Builders Limited</p> <p><u>The relation</u></p> <ul style="list-style-type: none"> • Ms. Nishita Shah and Mr. Ishaan Shah, Directors of the Company, are Directors and Shareholders of Maxwin Builders Limited. • Total direct/indirect shareholding (%) in Maxwin Builders Limited of Ms. Nishita Shah and Mr. Ishaan Shah as at 31 December 2021: 85.93% of total paid up shares. • Mr. Khushroo Kali Wadia and Mr. Kirit Shah, Directors of the Company, are Directors of Maxwin Builders Limited. 	25.40	4.53	0.62	<p>The expenses for hotel services (like holding AGM and other meetings) and ASQ accommodation for staff at Avani Atrium Bangkok Hotel owned by Maxwin Builders Ltd. and management services are required for the operations of the Company and its subsidiary. Maxwin Builders Ltd. has been selected for this purpose in view of their competitive rates and service.</p> <p>In 2021, there were 546 crew members (2020: 104 crew members) who stayed at the Avani Atrium Bangkok Hotel as ASQ accommodation for the purpose of crew changes, each for 7 days, 10 days or 14 days as per Thai Government's requirements. The Company paid Maxwin Builders Limited a sum of Baht 21.46 million for the hotel and management services.</p> <p>In addition, since Bangkok was experiencing a surge of COVID-19 infections, as part of the Company's initiatives of giving back to the local community, the Company donated 60,000 warm meals prepared by Avani Atrium Bangkok to hard-hit communities in the Huaykwang and Khlongtoei districts over the course of three months (August - October 2021). The Company paid Maxwin Builders Limited a sum of Baht 3.50 million for these meals.</p>	<p>If the COVID-19 situation continues, it is envisaged that expenses for holding meetings at the Hotel would be lower (or potentially nil). Moreover, similar expenses for ASQ accommodation for staff and crew members may be lower than those in 2021, since the Thai Government has reduced the quarantine period. However, if the Thai Government resumes imposing the similar quarantine periods due to the rapidly spreading Omicron variant or any other variant, it is envisaged that the Company may continue to incur these expenses in 2022.</p>
Insurances	<p>InsurExcellence Insurance Brokers Limited and InsurExcellence Life Insurance Brokers Limited</p> <p><u>The relation</u></p> <ul style="list-style-type: none"> • Mr. Ishaan Shah, Director of the Company, is a Director in InsurExcellence Insurance Brokers Limited and InsurExcellence Life Insurance Brokers Limited. • Ms. Sameera Shah, who is a Director and Shareholder in InsurExcellence Insurance Brokers Limited and InsurExcellence Life Insurance Brokers Limited, is 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 at 31 December 2021: 48.66% of total paid up shares. • Total direct/indirect shareholding (%) in InsurExcellence Life Insurance Brokers Limited of Ms. Sameera Shah as at 31 December 2021: 48.66% of total paid up shares. 	2.67	3.22	2.63	<p>Life insurance for staff, D&O Insurance, motor vehicle and property insurance are part of normal business operations of the Company and its subsidiaries, as insurance is essential for the security of the assets of the Company and Company's subsidiary, InsurExcellence Insurance Brokers Limited and InsurExcellence Life Insurance Brokers Limited have been selected for this purpose in view of their competitive rates and service after a thorough comparison of Insurance Premiums and allied services offered by other Insurance Brokers in the market.</p>	<p>The same transaction on similar or more beneficial terms as that of year 2021 is envisaged for 2022, since these services are essential for operating the business of the Company.</p>

Related Transactions	Related Parties	Amount (Million Baht)			Rationale of Related Transactions	Probability of the Transactions in 2022
		As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019		
Transportation service	<p>MJets Limited <u>The relation</u></p> <ul style="list-style-type: none"> Ms. Nishita Shah and Mr. Kirit Shah, Directors of the Company, are Directors of MJets Limited. Ms. Nishita Shah and Mr. Ishaan Shah, Directors of the Company, are Shareholders of MJets Limited. Total direct/indirect shareholding (%) in MJets Limited of Ms. Nishita Shah and Mr. Ishaan Shah as at 31 December 2021: 17.00% of total paid up shares. 	0.47	-	-	<p>In 2021, the Company's Thai subsidiary, Precious Flowers Limited, arranged a chartered aircraft through MJets Limited, to take certain spare parts from Singapore to Majuro port in the Marshall Islands, since M.V. Malika Naree owned by Precious Flowers Limited had suffered an engine breakdown in the Pacific Ocean.</p>	<p>This is a one-off transaction, and therefore, the Company does not anticipate any similar transaction in 2022.</p>
Software expenses	<p>Eka Software Solutions Pte Ltd. <u>The relation</u></p> <ul style="list-style-type: none"> Mr. Ishaan Shah, 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 2021: 26.44% of total paid up shares. Mr. Kirit Shah, Director of the Company, is a Director in Eka Software Solutions Pte Ltd. and Sybex Pte Ltd. 	0.17	-	-	<p>The Company has used a cloud-based sustainability solution provided by Eka Software Solutions Pte Ltd. in order to assist the Company in automating key processes related to tracking, measuring, and reporting ESG data with a wide selection of reporting standards and frameworks to address the diverse interests of the Company's many stakeholders. Eka Software Solutions Pte Ltd. has been selected for this purpose in view of their competitive rates and expertise as compared to those offered by other companies in the market.</p>	<p>In light of the increasing focus on ESG around the world, including the Company, the same transaction on similar terms as that of year 2021 is envisaged for 2022, since these services are essential for operating the business of the Company.</p>
Brokerage income	<p>Eastern Energy Chartering Pte Ltd., Singapore <u>The relation</u></p> <ul style="list-style-type: none"> Mr. Ishaan Shah, Director of the Company, is a Director and Shareholder of Eastern Energy Inc, Panama, the parent company (shareholding 100%) of Eastern Energy Chartering Pte Ltd, Singapore. Mr. Ishaan Shah's aggregate direct/indirect shareholding (%) in Eastern Energy Chartering Pte Ltd. as of 31 December 2021 amounts to 90% of total paid up shares. 	-	0.24	3.70	<p>The Company's subsidiary, Great Circle Shipping Agency Limited, received brokerage income from Eastern Energy Chartering Pte Ltd., Singapore for providing ship chartering and operating services. This income is included in the subsidiary's revenue. The brokerage rates charged to Eastern Energy Chartering Pte Ltd. are on par with market rates charged by 3rd party brokers, for services of this nature. The subsidiary would also charge similar rates for a similar transaction with any other company.</p>	<p>The same transaction on similar or more beneficial terms as that of year 2021 is envisaged for 2022, since it is essential and beneficial for operating the business of the Company.</p>

Related Transactions	Related Parties	Amount (Million Baht)			Rationale of Related Transactions	Probability of the Transactions in 2022
		As of 31 Dec 2021	As of 31 Dec 2020	As of 31 Dec 2019		
Purchase of one condominium unit at Prestige Towers Condominium located at 168/20, Tower A, Soi Sukhumvit 23, Klongtoey Nue Sub-district, Wattana District, Bangkok	<p>Great Circle Shipping Agency Limited ("Subsidiary"), a wholly owned Thai subsidiary of the Company.</p> <p><u>The relation</u></p> <ul style="list-style-type: none"> Mr. Khalid Moineuddin Hashim, Managing Director and Director of the Company, and Director of the Subsidiary. Mr. Hashim currently holds 131,486,275 shares (8.43%) in the Company and 1 share (0.001%) in the Subsidiary; and Mrs. Vijayalakshmi Hashim, spouse of Mr. Hashim. Mr. and Mrs. Hashim are the Sellers under this transaction. 	-	-	13.35	<p>Since all the condominium units of the Subsidiary are fully occupied at present and in order to accommodate more new senior foreign employees (with their families), which is part of the succession plan of the Company, it is necessary for the Company to acquire one more condominium unit. Further, any condominium units which are not occupied by the Company personnel enjoy a high degree of marketability in the rental market which will create an opportunity to increase income of the Subsidiary and the Company.</p> <p>The purchase price of the Property is THB 13.25 million which is lower than the market price of THB 13.50 million (THB 54,000 per sq. m.) pursuant to the valuation report dated 6th November 2019 prepared by American Appraisal (Thailand) Ltd., an independent valuer which is in the list of valuers approved by The Securities and Exchange Commission.</p>	N/A

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, Thailand, 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 & 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 & Corporate Governance Committee who in turn have discussed and reviewed the transactions in their Audit & Corporate Governance Committee Meeting No. 1/2022 held on 11th February 2022. The Audit & 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. 1/2022 held on 14th February 2022, the Board reviewed the transactions and based on the findings and report of the Audit & 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.



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, 2021.

**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

14th February 2022

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 2021, 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 2021, 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 as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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.



Vissuta Jariyathanakorn
Certified Public Accountant (Thailand) No. 3853

EY Office Limited
Bangkok: 14 February 2022

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	6	2,468,209,354	1,100,490,204	537,947,101	612,724,314
Trade and other receivables	7, 8	175,329,039	168,701,268	2,061,657,283	3,648,305,236
Bunker oil		21,575,202	34,626,909	-	-
Derivative assets	19, 35	-	515,862,197	-	515,862,197
Other current assets					
Advances to vessel masters		30,065,102	27,222,610	-	-
Claim recoverables		8,120,546	9,828,095	-	-
Lube oil stock on board		76,348,181	45,690,580	-	-
Others		29,861,416	35,468,103	16,795,122	14,632,864
Total other current assets		144,395,245	118,209,388	16,795,122	14,632,864
Total current assets		2,809,508,840	1,937,889,966	2,616,399,506	4,791,524,611
Non-current assets					
Restricted bank deposits	9	119,999,498	-	-	-
Long-term loans to a subsidiary	10	-	-	2,571,251,793	3,378,394,114
Derivative assets	35	8,452,494	17,838,406	-	-
Investments in subsidiaries	11	-	-	7,810,885,894	7,020,259,208
Investment in associate held by a subsidiary	12	91,237,864	74,311,329	-	-
Investment in equity instrument of non-listed company	13	14,705,103	16,295,352	14,705,103	16,295,352
Property, plant and equipment	14	20,284,980,785	19,124,559,416	8,122,486	7,611,177
Right-of-use assets	20	20,997,859	24,158,589	18,078,364	20,368,392
Intangible assets	15	6,371,093	6,905,670	6,089,865	6,584,635
Other non-current assets					
Claim recoverables - maritime claims		27,707,403	46,246,717	-	-
Deferred contract costs	17	143,370,720	145,482,410	-	-
Others		3,169,593	3,158,633	2,395,091	2,396,230
Total other non-current assets		174,247,716	194,887,760	2,395,091	2,396,230
Total non-current assets		20,720,992,412	19,458,956,522	10,431,528,596	10,451,909,108
Total assets		23,530,501,252	21,396,846,488	13,047,928,102	15,243,433,719

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables					
Trade and other payables	8	105,315,282	113,675,898	1,263,537	281,220
Advances received from related parties	8	-	-	2,537,687,814	1,825,508,984
Accrued crew accounts		88,778,986	83,066,645	-	-
Accrued expenses		62,205,894	80,160,675	885,416	23,035,048
Current portion of accrued employee benefits		98,012,687	-	68,706,512	-
Total trade and other payables		354,312,849	276,903,218	2,608,543,279	1,848,825,252
Advances received from charterers		86,911,294	606,063,035	-	-
Current portion of long-term loans	18	1,408,602,518	1,500,006,906	-	-
Current portion of debentures	19	-	935,514,642	-	935,514,642
Current portion of lease liabilities	20	5,418,838	5,325,635	4,207,231	4,136,935
Derivative liabilities	35	3,995,773	-	-	-
Income tax payable		13,676	1,594,084	-	-
Other current liabilities		57,341,601	13,898,776	50,413,753	9,217,788
Total current liabilities		1,916,596,549	3,339,306,296	2,663,164,263	2,797,694,617
Non-current liabilities					
Accrued employee benefits - net of current portion		196,025,373	-	137,413,024	-
Long-term loans - net of current portion	18	6,809,259,448	4,730,340,297	-	-
Debentures - net of current portion	19	-	2,855,650,470	-	2,855,650,470
Lease liabilities - net of current portion	20	14,377,261	19,538,932	12,862,752	16,864,357
Derivative liabilities	35	11,237,536	82,621,251	-	-
Deferred tax liabilities	27	3,470,971	1,965,935	-	-
Provision for maritime claims	21	39,225,204	67,069,060	-	-
Provision for long-term employee benefits	22	175,293,042	166,063,671	129,466,640	124,997,299
Total non-current liabilities		7,248,888,835	7,923,249,616	279,742,416	2,997,512,126
Total liabilities		9,165,485,384	11,262,555,912	2,942,906,679	5,795,206,743

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
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	23	155,929,186	103,952,060	155,929,186	103,952,060
- subsidiaries	23	420,420,000	420,420,000	-	-
Corporate social responsibility reserve	24	36,261,237	17,769,466	36,261,237	17,769,466
Unappropriated		10,471,445,662	7,626,094,265	5,423,178,688	5,904,977,010
Other components of shareholders' equity		(418,712,005)	(1,733,611,140)	790,017,122	(278,106,750)
Equity attributable to owners of the Company		14,364,979,270	10,134,259,841	10,105,021,423	9,448,226,976
Non-controlling interests of the subsidiaries		36,598	30,735	-	-
Total shareholders' equity		14,365,015,868	10,134,290,576	10,105,021,423	9,448,226,976
Total liabilities and shareholders' equity		23,530,501,252	21,396,846,488	13,047,928,102	15,243,433,719

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Revenues					
Vessel operating income					
Time charter income		7,722,877,287	2,874,426,465	-	-
Voyage charter income		888,876,146	851,870,074	-	-
Total vessel operating income		8,611,753,433	3,726,296,539	-	-
Service income	8	3,632,948	3,766,377	90,899,139	89,895,129
Interest income		1,870,185	8,523,278	181,561,985	191,560,220
Dividend income	11	509,281	-	1,246,583,113	48,808,160
Exchange gains		194,370,139	-	185,399,483	-
Gains on ineffective portion of cash flow hedge					
on fair value adjustment of hedging instruments		1,041,074	-	-	-
Gain on derivative		-	11,991,915	-	13,713,928
Gain on liquidation of subsidiaries		-	-	-	6,702,483
Other income		1,117,433	479,579	711,625	15,351
Total revenues		8,814,294,493	3,751,057,688	1,705,155,345	350,695,271
Expenses					
Vessel operating costs					
Vessel running expenses		1,774,511,844	1,557,391,220	-	-
Voyage disbursements		110,688,544	163,171,189	-	-
Bunker consumption		200,298,325	288,483,387	-	-
Total vessel operating costs		2,085,498,713	2,009,045,796	-	-
Depreciation	14, 20	1,213,654,309	1,213,009,012	8,203,397	7,706,738
Cost of services		5,358,997	3,980,753	-	-
Administrative expenses	8	407,870,640	278,688,209	233,167,551	198,539,673
Management remuneration including perquisites	8	172,977,473	56,924,197	167,805,999	60,140,386
Losses on settlement agreement	16	-	868,716,922	-	860,601,697
Losses on impairment of investments in subsidiaries	11	-	-	-	4,714,343
Expected credit losses (reversal)	7, 10	(8,776,627)	9,009,676	-	28,582,361
Exchange losses		-	14,743,899	-	11,054,460
Losses on ineffective portion of cash flow hedge					
on fair value adjustment of hedging instruments		-	1,018,311	-	-
Losses on derivative		68,667,974	-	11,786,995	-
Total expenses		3,945,251,479	4,455,136,775	420,963,942	1,171,339,658
Operating profit (loss)		4,869,043,014	(704,079,087)	1,284,191,403	(820,644,387)
Share of profit from investment in					
associate held by a subsidiary	12.1	22,798,670	10,813,223	-	-
Finance cost	25	(415,226,947)	(597,148,713)	(136,411,196)	(287,694,091)
Profit (loss) before income tax expenses		4,476,614,737	(1,290,414,577)	1,147,780,207	(1,108,338,478)
Income tax expenses	27	(1,682,458)	(4,441,846)	-	-
Profit (loss) for the year		4,474,932,279	(1,294,856,423)	1,147,780,207	(1,108,338,478)

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Income statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit (loss) attributable to:				
Equity holders of the Company	4,474,929,926	(1,294,854,929)	1,147,780,207	(1,108,338,478)
Non-controlling interests of the subsidiaries	2,353	(1,494)	-	-
Profit (loss) for the year	<u>4,474,932,279</u>	<u>(1,294,856,423)</u>	<u>1,147,780,207</u>	<u>(1,108,338,478)</u>
Basic earnings per share	29			
Profit (loss) attributable to equity holders of the Company	<u>2.87</u>	<u>(0.83)</u>	<u>0.74</u>	<u>(0.71)</u>

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit (loss) for the year	<u>4,474,932,279</u>	<u>(1,294,856,423)</u>	<u>1,147,780,207</u>	<u>(1,108,338,478)</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency - net of income tax	(4,121,925)	(1,690,350)	-	-
Gains (losses) on cash flow hedges	84,294,806	(228,797,964)	10,166,459	(178,170,062)
Changes in cost of hedging	<u>(1,511,483)</u>	<u>68,344,830</u>	<u>(2,730,051)</u>	<u>66,292,774</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	78,661,398	(162,143,484)	7,436,408	(111,877,288)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Losses on measurement of fair value of investment in equity instrument of non-listed company	(3,425,444)	(751,918)	(3,425,444)	(751,918)
Exchange differences on translation of functional currency to presentation currency financial statements	<u>1,239,666,691</u>	<u>33,039,987</u>	<u>1,064,112,908</u>	<u>21,039,779</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	1,236,241,247	32,288,069	1,060,687,464	20,287,861
Other comprehensive income for the year	<u>1,314,902,645</u>	<u>(129,855,415)</u>	<u>1,068,123,872</u>	<u>(91,589,427)</u>
Total comprehensive income for the year	<u><u>5,789,834,924</u></u>	<u><u>(1,424,711,838)</u></u>	<u><u>2,215,904,079</u></u>	<u><u>(1,199,927,905)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	5,789,829,061	(1,424,710,302)	2,215,904,079	(1,199,927,905)
Non-controlling interests of the subsidiaries	<u>5,863</u>	<u>(1,536)</u>	<u>-</u>	<u>-</u>
	<u><u>5,789,834,924</u></u>	<u><u>(1,424,711,838)</u></u>	<u><u>2,215,904,079</u></u>	<u><u>(1,199,927,905)</u></u>

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2021

[illegible]

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2021

	Separate financial statements										(Unit: Baht)
	Other components of shareholders' equity										
	Other comprehensive income										
	Losses on measurement of fair value of investment in equity instrument of non-listed company										
Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Statutory reserve	Appropriated Corporate social responsibility reserve	Exchange differences on translation of financial statements	Cash flow hedge reserve	Cost of hedging reserve	Total other components of shareholders' equity	Total shareholders' equity		
1,559,291,862	1,967,897,516	172,445,812	103,952,060	17,696,466	(285,612,741)	160,647,989	(61,552,571)	(186,517,323)	10,648,154,881		
-	-	-	-	-	(1,108,338,478)	-	-	-	(1,108,338,478)		
-	-	-	-	-	21,039,779	(751,918)	66,292,774	(91,589,427)	(91,589,427)		
-	-	-	-	-	21,039,779	(751,918)	66,292,774	(91,589,427)	(1,198,927,905)		
Appropriated to corporate social responsibility reserve (Note 24)											
-	-	-	-	73,000	-	-	-	-	-	-	
1,559,291,862	1,967,897,516	172,445,812	103,952,060	17,769,466	(284,572,962)	(751,918)	4,740,203	(278,106,750)	9,448,228,976		
Balance as at 31 December 2020											
1,559,291,862	1,967,897,516	172,445,812	103,952,060	17,769,466	(284,572,962)	(751,918)	4,740,203	(278,106,750)	9,448,228,976		
Profit for the year											
-	-	-	-	-	-	-	-	-	1,147,780,207		
Other comprehensive income for the year											
-	-	-	-	-	1,064,112,908	10,166,459	(2,730,051)	1,066,123,872	1,066,123,872		
Total comprehensive income for the year											
-	-	-	-	-	1,064,112,908	10,166,459	(2,730,051)	1,066,123,872	2,215,904,079		
Dividend paid (Note 32)											
-	-	-	-	-	-	-	-	-	-		
Appropriated to statutory reserve (Note 23)											
-	-	-	51,977,126	-	(51,977,126)	-	-	-	-		
Appropriated to corporate social responsibility reserve (Note 24)											
-	-	-	-	18,491,771	-	-	-	-	-		
1,559,291,862	1,967,897,516	172,445,812	155,929,186	36,261,237	799,539,946	(4,177,362)	2,010,152	790,077,122	10,105,021,423		
Balance as at 31 December 2021											

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (loss) before tax	4,476,614,737	(1,290,414,577)	1,147,780,207	(1,108,338,478)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,214,915,813	1,214,072,572	9,391,878	8,749,561
Expected credit losses (reversal)	(8,776,627)	9,009,676	-	28,582,361
Losses on impairment of investments in subsidiaries	-	-	-	4,714,343
Amortisation of deferred contract costs	17,780,093	17,390,156	-	-
Losses on settlement agreement	-	868,716,922	-	860,601,697
Write-off equipment	26,378	15,379	16,975	15,378
Gains on sales of equipment	(734,380)	(134,135)	(711,589)	(15,338)
Share of profit from investment in associate held by a subsidiary	(22,798,670)	(10,813,223)	-	-
Reversal of provision for maritime claims	(11,763,717)	(786,045)	-	-
Provision for long-term employee benefits	12,329,100	14,005,110	7,526,416	9,303,207
Unrealised exchange losses (gains)	(15,210,775)	3,729,763	(8,160,264)	2,740,436
Amortised financial fees to interest expenses	14,839,208	18,335,505	-	-
Finance cost	389,687,738	580,264,012	132,950,986	279,639,763
Amortisation of deferred debentures issuing cost	217,819	4,689,483	217,819	4,689,483
Dividend income	(509,281)	-	(1,246,583,113)	(48,808,160)
(Gains) losses on derivative	68,667,974	(11,991,915)	11,786,995	(13,713,928)
(Gains) losses on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	(1,041,074)	1,018,311	-	-
Gain on liquidation of subsidiaries	-	-	-	(6,702,483)
Interest income	-	-	(180,668,778)	(186,536,220)
Write-off withholding tax deducted at source	1,680,297	1,665,893	1,680,297	1,665,893
Profit (loss) from operating activities before changes in operating assets and liabilities	6,135,924,633	1,418,772,887	(124,772,171)	(163,412,485)
Operating assets (increase) decrease				
Trade and other receivables	15,506,027	5,531,578	1,949,966,518	(205,473,923)
Bunker oil	18,830,573	148,968,348	-	-
Other current assets	(10,372,746)	21,921,684	(1,276,891)	766,322
Other non-current assets	-	1,627,747	-	1,627,747
Operating liabilities increase (decrease)				
Trade and other payables	70,978,907	(243,361,663)	578,456,760	411,384,624
Advances received from charterers	(563,441,815)	537,873,946	-	-
Other current liabilities	41,263,982	(10,193,834)	41,109,193	(4,091,734)
Non-current liabilities	191,128,118	(13,612,347)	133,064,143	(13,612,347)
Cash flows from operating activities	5,899,817,679	1,867,528,346	2,576,547,552	27,188,204
Cash paid for corporate income tax and withholding tax deducted at source	(4,388,883)	(3,565,150)	(1,552,347)	(1,215,836)
Net cash flows from operating activities	5,895,428,796	1,863,963,196	2,574,995,205	25,972,368

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Acquisitions of condominium unit, equipment and payment of dry-dock and special survey expenses	(255,979,214)	(272,940,951)	(3,459,740)	(4,450,930)
Cash received from sales of equipment	734,388	163,726	711,594	44,903
Acquisitions of computer software	-	(1,260,994)	-	(904,878)
Cash received from settlement agreement	-	1,269,067,500	-	1,269,067,500
Decrease in long-term loans to subsidiaries	-	-	1,361,157,084	540,177,755
Dividend received	19,890,961	2,057,537	1,246,583,113	48,808,160
Net cash flows from (used in) investing activities	(235,353,865)	997,086,818	2,604,992,051	1,852,742,510
Cash flows from financing activities				
Increase in restricted bank deposits	(119,999,498)	-	-	-
Cash paid for interest expense	(415,463,566)	(592,998,193)	(155,943,491)	(297,815,939)
Cash paid for deferred financial fees	(74,172,066)	(16,019,379)	-	-
Cash paid for lease liabilities	(6,435,368)	(5,828,956)	(5,050,400)	(4,820,439)
Cash paid for derivative	(61,397,576)	(20,027,323)	-	(18,305,310)
Cash received from long-term loans	4,397,359,535	1,717,826,610	-	-
Repayment of long-term loans	(1,429,562,520)	(980,121,482)	-	-
Prepayment of long-term loans	(1,584,605,203)	(1,656,434,867)	-	-
Repayment of debentures - net	(3,569,217,818)	(1,374,794,550)	(3,569,217,818)	(1,374,794,550)
Dividend paid	(1,559,109,632)	-	(1,559,109,632)	-
Net cash flows used in financing activities	(4,422,603,712)	(2,928,398,140)	(5,289,321,341)	(1,695,736,238)
Increase (decrease) in translation adjustments	130,247,931	(13,342,598)	34,556,872	(13,505,049)
Net increase (decrease) in cash and cash equivalents	1,367,719,150	(80,690,724)	(74,777,213)	169,473,591
Cash and cash equivalents at beginning of year	1,100,490,204	1,181,180,928	612,724,314	443,250,723
Cash and cash equivalents at end of year	2,468,209,354	1,100,490,204	537,947,101	612,724,314
Supplemental cash flows information				
Non-cash transactions				
Decrease in advance payables from subsidiaries				
net of investment returned	-	-	-	369,479,205

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2021

1. General information

1.1 Corporate 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, North Sathorn Road, G, 7th, 8th and 9th floors, Silom, Bangrak, Bangkok 10500.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

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	
			2021	2020
			%	%
<u>Subsidiaries held by the Company</u>				
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	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	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	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	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	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	99.98
29. Precious Venus Limited	Shipowner	Thailand	99.99	99.99
30. Precious Neptune Limited	Shipowner	Thailand	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2021	2020
			%	%
31. Precious Shipping (Panama) S.A.	Shipowner/ Chartering	Panama	99.99	99.99
32. Precious Shipping (Singapore) Pte. Limited	Holding company/ Chartering	Singapore	100.00	100.00
33. Precious Shipping (UK) Limited	Chartering	England	100.00	100.00
34. Great Circle Shipping Agency Limited	Technical manager of ships	Thailand	99.99	99.99
35. Associated Bulk Carriers Pte. Limited	Holding company	Singapore	100.00	100.00
<u>Subsidiaries held by subsidiaries</u>				
36. Precious Projects Pte. Limited*	Investment holding company	Singapore	-	100.00
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 Sonnets Pte. Ltd.**	Shipowner	Singapore	100.00	100.00
48. Precious Glories Pte. Ltd.	Shipowner	Singapore	100.00	100.00
49. Precious Wisdom Pte. Ltd.	Shipowner	Singapore	100.00	100.00
50. ABC One Pte. Ltd.	Shipowner	Singapore	100.00	100.00
51. ABC Two Pte. Ltd.	Shipowner	Singapore	100.00	100.00
52. ABC Three Pte. Ltd.	Shipowner	Singapore	100.00	100.00
53. ABC Four Pte. Ltd.	Shipowner	Singapore	100.00	100.00
<u>Associate held by a subsidiary</u>				
54. International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40

* Completed the liquidation process in the year 2021

** In the process of the liquidation

- 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 and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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.

However, the Group has adopted the temporary exemptions from applying specific hedge accounting requirements in accordance with TFRS 9, *Financial Instruments*, and TFRS 7, *Disclosure of Financial Instruments*, which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

The adoption of these temporary exemptions 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 2022

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 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

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 taking into account the stage of completion.

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 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 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.

4.8 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.

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

4.18 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 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.

4.19 Derivatives and hedge accounting

The Group uses derivatives, which are cross currency swaps, interest rate swaps, cross currency interest rate swaps and put option, to hedge its foreign currency risks and interest rate risks.

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 or the foreign currency risk in an unrecognised firm commitment.

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.

The Group designates only the intrinsic value of the options and the financial instrument excluding the foreign currency basis spread as a hedging instrument. The change in fair value of the time value of the options and the foreign currency basis spread of financial instrument that relates to the hedged item is separately accounted for as a cost of hedging which is recognised in other comprehensive income and accumulated in a separate component of equity under cost of hedging reserve.

If the hedged item is transaction-related, the cost of hedging reserve accumulated in other comprehensive income is reclassified to income statement when the hedged item affects income statement. If the hedged item is time-period related, then the reserve accumulated in other comprehensive income is reclassified to income statement on systematic and rational basis. The reclassified amounts are recognised in income statement in the same line as the hedged item. If the hedged item is a non-financial item, then the reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to income statement.

4.20 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 revenues 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 22 Thai crew members in Nigeria for alleged drug smuggling in Note 33 to the financial statements. Based on the opinion of the Company's in-house 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	
	2021	2020	2021	2020
Cash	895	867	884	856
Bank deposits	2,467,314	1,099,623	537,063	611,868
Total	2,468,209	1,100,490	537,947	612,724

As at 31 December 2021, bank deposits carried interest between 0.01% and 0.30% per annum for USD savings deposits and between 0.05% and 0.13% per annum for Baht savings deposits (2020: between 0.01% and 0.60% per annum for USD savings deposits and between 0.05% and 0.13% per annum for Baht savings deposits).

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	162,729	166,927	-	-
3 - 6 months	12,533	1,643	-	-
6 - 12 months	67	131	-	-
Over 12 months	437	8,809	-	-
Total	175,766	177,510	-	-
Less: Allowance for expected credit losses	(437)	(8,809)	-	-
Total trade receivables - unrelated parties, net	175,329	168,701	-	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 8)	-	-	2,061,657	3,648,305
Total other receivables	-	-	2,061,657	3,648,305
Total trade and other receivables - net	175,329	168,701	2,061,657	3,648,305

8. Related party transactions

In addition to relationship among the Group as stated in Note 10 and 11 to the financial statements and its associate as stated in Note 12 to the financial statements, the other related party transactions and relationship 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
Ambika Tour Agency Limited	Air ticket 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
InsurExcellence Life Insurance Brokers Limited	Insurance expense	Related by way of Company Directors' close family member as the related party's shareholder
Eastern Energy Chartering Pte Ltd., Singapore	Brokerage income for ship chartering and operating services	Related by way of common shareholders and directors
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

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		Separate		
	financial statements		financial statements		
	2021	2020	2021	2020	Transfer pricing policy
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	90,899	89,895	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Dividend received	-	-	1,246,074	48,808	As declared
Interest income	-	-	180,669	186,522	At interest rate of 5.00% per annum
Condominium rental expenses	-	-	7,359	8,157	Market price

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2021	2020	2021	2020	
Transaction with associate					
Dividend received	19,382	2,058	-	-	As declared
Transactions with related companies					
Brokerage income	-	239	-	-	Market price
Air ticket expenses	-	245	-	184	Market price
Rental and service expenses	32,498	21,184	10,209	6,845	Market price

The balances of the accounts as at 31 December 2021 and 2020 between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Other receivables - related parties (Note 7)				
Subsidiaries	-	-	2,061,657	3,648,305
Total other receivables - related parties	-	-	2,061,657	3,648,305
Trade and other payables - related parties				
Subsidiaries	-	-	2,537,688	1,825,509
Related companies	394	937	319	8
Total trade and other payables - related parties	394	937	2,538,007	1,825,517
Lease liabilities - related parties				
Related company	5,432	6,346	5,432	6,346
Total lease liabilities - related parties	5,432	6,346	5,432	6,346

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.

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Short-term employee benefits	107,450	53,828	105,707	57,044
Post-employment benefits	1,910	3,096	1,642	3,096
Other long-term benefits	63,617	-	60,457	-
Total	172,977	56,924	167,806	60,140

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries in relation to the loans from banks. There was no guarantee fee charged.

9. Restricted bank deposits

Balance as at 31 December 2021 represents the Subsidiaries' deposits of USD 3.59 million, in accordance with the terms of a facility agreement signed in 2021 and referred to in Note 18 to the financial statements.

10. Long-term loans to a subsidiary

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 2021, the outstanding on this long-term loan to PSSP was USD 77 million (2020: USD 112 million).

Movements in the balance of the loans during the year were as follows.

	(Unit: Thousand Baht)	
	<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>
Balance at beginning of the year	3,378,394	4,652,762
Adjustments of long-term loans to subsidiary due to adoption financial reporting standards related to financial instruments	-	(888,021)
Interest income for the year	180,669	186,522
Decrease	(1,361,157)	(540,178)
Expected credit losses	-	(28,582)
Translation adjustment	373,346	(4,109)
Balance at end of the year	<u>2,571,252</u>	<u>3,378,394</u>

For the year ended 31 December 2020, the Company recognised an allowance for expected credit losses of long-term loans to subsidiary in the amount of Baht 28.58 million (2021: nil). This was mainly because of a revision in the loan repayment schedule, resulting in an adjustment to the future repayment plan.

11. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding		Cost	
			percentage			
	2021	2020	2021	2020	2021	2020
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	354,106	318,263
Precious Wishes Limited	230,000	230,000	99.99	99.99	301,434	270,923
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	281,577	253,075
Precious Minerals Limited	230,000	230,000	99.99	99.99	256,046	230,129
Precious Lands Limited	306,000	306,000	99.99	99.99	324,046	291,245
Precious Lakes Limited	184,000	184,000	99.99	99.99	186,897	167,979
Precious Oceans Limited	175,000	175,000	99.99	99.99	229,352	206,137
Precious Planets Limited	270,000	270,000	99.99	99.99	310,988	279,510
Precious Diamonds Limited	205,000	205,000	99.99	99.99	194,701	174,993
Precious Sapphires Limited	144,000	144,000	99.99	99.99	132,095	118,724
Precious Emeralds Limited	366,000	366,000	99.99	99.99	316,745	284,684
Precious Rubies Limited	259,360	259,360	99.99	99.99	264,462	237,693
Precious Opals Limited	249,360	249,360	99.99	99.99	255,980	230,070
Precious Garnets Limited	379,000	379,000	99.99	99.99	326,702	293,633
Precious Pearls Limited	173,000	173,000	99.99	99.99	186,598	167,710
Precious Flowers Limited	336,000	336,000	99.99	99.99	359,776	323,359
Precious Forests Limited	286,000	286,000	99.99	99.99	279,705	251,393
Precious Trees Limited	202,000	202,000	99.99	99.99	218,351	196,249
Precious Ponds Limited	124,000	124,000	99.99	99.99	131,335	118,042
Precious Ventures Limited	202,000	202,000	99.99	99.99	236,845	212,871
Precious Capitals Limited	200,000	200,000	99.99	99.99	262,116	235,585
Precious Jasmines Limited	147,000	147,000	99.99	99.99	178,080	160,054
Precious Orchids Limited	217,000	217,000	99.99	99.99	201,237	180,867
Precious Lagoons Limited	140,000	140,000	99.99	99.99	183,481	164,909
Precious Resorts Limited	140,000	140,000	99.99	99.99	183,481	164,909
Precious Comets Limited	141,000	141,000	99.99	99.99	139,498	125,377
Precious Ornaments Limited	156,000	156,000	99.99	99.99	153,100	137,603
Precious Moons Limited	1,000	1,000	99.98	99.98	1,021	917
Precious Venus Limited	298,800	298,800	99.99	99.99	283,382	254,698
Precious Neptune Limited	298,800	298,800	99.99	99.99	283,382	254,698
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	334	300
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	1,878,948	1,688,759
Precious Shipping (UK) Limited	250	250	100.00	100.00	334	300
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	362,411	325,728
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
Total investments in subsidiaries					9,258,546	8,321,386
Less: Allowance for loss on investments in subsidiaries					(1,447,660)	(1,301,127)
Total investments in subsidiaries - net					7,810,886	7,020,259

During the year 2021, the Company received dividends in the amount of Baht 1,246.58 million from Associated Bulk Carriers Pte. Limited and recognised as dividend income in the separate income statement (2020: Baht 48.81 million).

As of 31 December 2021, the Company has pledged the shares of 18 subsidiaries amounting to Baht 4,345.33 million (net of allowance for loss on investments) (2020: 18 subsidiaries amounting to Baht 3,905.49 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 18 to the financial statements.

In addition, as of 31 December 2021, the overseas subsidiaries in Singapore, Precious Shipping (Singapore) Pte. Limited has pledged the shares of 12 subsidiaries amounting to Baht 18.70 million (2020: 5 subsidiaries amounting to Baht 8.58 million) and Associated Bulk Carriers Pte. Limited has pledged the shares of 4 subsidiaries amounting to Baht 6.68 million (2020: 4 subsidiaries amounting to Baht 6.01 million) with banks to secure the long-term loans referred to in Note 18 to the financial statements.

The change in cost of investments in subsidiaries is from the exchange differences on translation of financial statements from functional currency to presentation currency.

As of 31 December 2021 and 2020, the amounts under allowance for loss on investments in subsidiaries in the separate financial statements are derived from subsidiaries that have sold vessels and insofar have no plan of buying replacement vessels.

12. Investment in associate held by a subsidiary

12.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)								
			Consolidated financial statements					
Associate's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2021	2020	2021	2020	2021	2020
			%	%				
International Seaports (Haldia)								
Private Limited	Port development	India	22.40	22.40	68,098	61,205	91,238	74,311

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)

Associate's name	Consolidated financial statements			
	For the years ended 31 December			
	Share of profit		Dividend received	
	2021	2020	2021	2020
International Seaports (Haldia) Private Limited	22,799	10,813	19,382	2,058

Share of profit from investment in associate held by a subsidiary for the years ended 31 December 2021 and 2020, included in the consolidated income statements, was calculated based on the financial information of that associate as at 30 September 2021 and 2020, respectively.

12.2 Summarised financial information of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues		Profit	
	30 September		30 September		30 September		for the years ended		for the years ended	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Thousand INR		Thousand INR							
International Seaports										
(Haldia) Private Limited	440,580	440,580	451,900	377,943	44,588	46,196	457,946	370,463	101,780	48,273

13. Investment in equity instrument of non-listed company

Equity instrument designated at FVOCI is investment in equity instrument of non-listed company which the Group determines as strategic investment, represents investment in 2,026,086 ordinary shares of Baht 10.00 each of TMN Company Limited, representing 3% of its registered shares capital. The changes in cost of investment in equity instrument of non-listed company are from measurement at fair value and the exchange differences on translation of financial statements from functional currency to presentation currency.

14. Property, plant and equipment

	Consolidated financial statements						(Unit: Thousand Baht)
	Vessels and equipment			Furniture, fixtures and office equipment		Total	
	Condominium units	Vessels and equipment	Dry-dock and special survey expenses	Motor vehicles	Leasehold improvement		
Cost							
1 January 2021	246,422	25,743,274	623,486	26,366,760	14,451	14,806	26,702,291
Acquisitions	2,853	54,634	192,936	247,570	-	-	255,979
Disposals/write-off	-	-	(313,692)	(313,692)	(1,313)	(205)	(321,241)
Translation adjustment	27,897	2,899,415	68,326	2,967,741	1,499	1,655	3,005,648
31 December 2021	277,172	28,697,323	571,056	29,268,379	14,637	16,256	29,642,677
Accumulated depreciation							
1 January 2021	205,811	6,997,892	302,194	7,300,086	11,494	13,956	7,577,732
Depreciation for the year	1,934	963,440	236,224	1,199,664	2,219	288	1,208,002
Depreciation on disposals/write-off	-	-	(313,692)	(313,692)	(1,313)	(205)	(321,215)
Translation adjustment	23,255	826,976	34,919	861,895	1,258	1,574	893,177
31 December 2021	231,000	8,788,308	259,645	9,047,953	13,658	15,613	9,357,696
Net book value							
1 January 2021	40,611	18,745,382	321,292	19,066,674	2,957	850	19,124,559
31 December 2021	46,172	19,909,015	311,411	20,220,426	979	643	20,284,981
Depreciation for the year							
2021							1,208,002

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
Cost				
1 January 2021	23,189	14,451	10,209	47,849
Acquisitions	3,460	-	-	3,460
Disposals/write-off	(4,586)	(1,313)	(205)	(6,104)
Translation adjustment	2,686	1,499	1,137	5,322
31 December 2021	24,749	14,637	11,141	50,527
Accumulated depreciation				
1 January 2021	18,925	11,494	9,819	40,238
Depreciation for the year	1,478	2,219	101	3,798
Depreciation on disposals/write-off	(4,568)	(1,313)	(205)	(6,086)
Translation adjustment	2,100	1,258	1,097	4,455
31 December 2021	17,935	13,658	10,812	42,405
Net book value				
1 January 2021	4,264	2,957	390	7,611
31 December 2021	6,814	979	329	8,122
Depreciation for the year				
2021				3,798

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
Cost				
1 January 2020	20,820	14,507	9,860	45,187
Acquisitions	3,949	-	502	4,451
Disposals/write-off	(1,383)	-	(88)	(1,471)
Translation adjustment	(197)	(56)	(65)	(318)
31 December 2020	23,189	14,451	10,209	47,849
Accumulated depreciation				
1 January 2020	19,635	9,024	9,860	38,519
Depreciation for the year	704	2,617	87	3,408
Depreciation on disposals/write-off	(1,338)	-	(88)	(1,426)
Translation adjustment	(76)	(147)	(40)	(263)
31 December 2020	18,925	11,494	9,819	40,238
Net book value				
1 January 2020	1,185	5,483	-	6,668
31 December 2020	4,264	2,957	390	7,611
Depreciation for the year				
2020				3,408

As at 31 December 2021, 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 286.59 million (2020: Baht 262.68 million) in the consolidated financial statements and Baht 30.09 million (2020: Baht 31.57 million) in the separate financial statements.

As at 31 December 2021, the subsidiaries have mortgaged 33 vessels (2020: 26 vessels) with net book value of Baht 19,265.67 million (2020: Baht 13,985.90 million) with banks to secure long-term loans as referred to in Note 18 to the financial statements.

15. Intangible assets

Details of intangible assets which are computer software are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separated	
	financial statements		financial statements	
	2021	2020	2021	2020
Cost				
Cost at beginning of year	58,300	57,319	57,898	57,258
Acquisitions	-	1,261	-	905
Translation adjustment	6,565	(280)	6,520	(265)
Cost at end of year	64,865	58,300	64,418	57,898
Accumulated amortisation				
Accumulated amortisation at beginning of year	51,394	50,569	51,313	50,508
Amortisation for the year	1,261	1,063	1,189	1,043
Translation adjustment	5,839	(238)	5,826	(238)
Accumulated amortisation at end of year	58,494	51,394	58,328	51,313
Net book value as at 31 December	6,371	6,906	6,090	6,585
Amortisation for the year	1,261	1,063	1,189	1,043

16. Advances for vessel constructions

Movements of the advances for vessel constructions account during the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Balance at beginning of year	-	2,047,470	-	2,039,751
Losses on settlement agreement	-	(868,717)	-	(860,602)
Cash received from settlement agreement	-	(1,269,067)	-	(1,269,067)
Translation adjustment	-	90,314	-	89,918
Balance at end of year	-	-	-	-

On 10 July 2020, the Company and Sainty Marine Corporation, China (“Sainty”) (jointly referred to as the “Parties”) executed an amicable settlement agreement (“Settlement Agreement”) in order to fully and finally settle any and all of their disputes and claims arising out of and/or in relation to the SBCs, the Vessels, the refund guarantees thereof and/or the arbitration and court proceedings. The key terms of the Settlement Agreement are as follows:

Settlement Amount	The Settlement Amount is USD 40,500,000 which shall be paid by Sainty and/or Export-Import Bank of China, Jiangsu Branch (“CEXIM”) (“Refund Guarantor”) (by way of the Buyer’s demand of payments under the relevant refund guarantees) to the Buyer on or before 31 July 2020 (“Payment Date”).
Effect of the Buyer’s receipt of the full Settlement Amount on or before the Payment date	<ul style="list-style-type: none"> • There shall be no remaining and/or outstanding issues whatsoever between the Parties. • The refund guarantees in relation to the Contracts shall become null and void and any and all responsibilities, duties, liabilities and obligations of the Refund Guarantor under each refund guarantee shall be discharged and released. • Both Parties will withdraw their claims, counterclaims and/or appeals in relation to the Contracts and terminate the arbitrations and court proceedings, with no remaining and/or outstanding issues.

On 13 July 2020, the Company submitted a Letter of Demand to CEXIM to refund USD 40.50 million to the Company according to the Settlement Agreement, following which, the Company received the amount on 29 July 2020. The Group recorded a loss on settlement agreement in the amount of USD 27.40 million (The Company only: USD 27.14 million) in the income statements for the year ended 31 December 2020.

17. Deferred contract costs

Movements of the deferred contract costs account during the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Balance at beginning of year	145,482	162,783
Amortisation for the year	(17,780)	(17,390)
Translation adjustment	15,669	89
Balance at end of year	<u>143,371</u>	<u>145,482</u>

18. Long-term loan facilities

As at 31 December 2021 and 2020, long-term loans accounts are presented below.

(Unit: Thousand Baht)

Consolidated financial statements																
As at 31 December 2021																
	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	Facility 14	Facility 15	Total
Long-term loans	-	-	-	1,435,670	554,394	305,479	462,653	303,047	-	818,788	-	172,279	270,033	1,235,899	2,715,994	8,274,236
Add (less): Deferred financial fees	-	-	-	33,902	(9,792)	(2,918)	(2,840)	(1,685)	-	(1,927)	-	(3,069)	(1,450)	(16,756)	(49,839)	(56,374)
Total	-	-	-	1,469,572	544,602	302,561	459,813	301,362	-	816,861	-	169,210	268,583	1,219,143	2,666,155	8,217,862
Less: Current portion	-	-	-	(194,699)	(141,758)	(40,342)	(39,133)	(301,362)	-	(93,356)	-	(27,736)	(134,292)	(180,512)	(255,413)	(1,408,603)
Long-term loans - net of current portion	-	-	-	1,274,873	402,844	262,219	420,680	-	-	723,505	-	141,474	134,291	1,038,631	2,410,742	6,809,259

(Unit: Thousand Baht)

	Consolidated financial statements												
	As at 31 December 2020												
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Facility 12	Total
Long-term loans	607,529	319,571	191,180	1,461,267	598,539	284,804	451,212	657,495	351,927	820,013	303,375	180,222	6,227,134
Add (less): Deferred financial fees	(4,934)	(1,200)	(656)	42,831	(14,859)	(3,548)	(3,025)	(6,972)	3,989	(2,195)	(2,412)	(3,806)	3,213
Total	602,595	318,371	190,524	1,504,098	583,680	281,256	448,187	650,523	355,916	817,818	300,963	176,416	6,230,347
Less: Current portion	(19,129)	(9,648)	(14,656)	(175,983)	(97,990)	(10,119)	(35,152)	(371,727)	(355,916)	(83,879)	(300,963)	(24,845)	(1,500,007)
Long-term loans - net of current portion	583,466	308,723	175,868	1,328,115	485,690	271,137	413,035	278,796	-	733,939	-	151,571	4,730,340

Movements of the long-term loans accounts during the years ended 31 December 2021 and 2020 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	Facility 14	Facility 15	Total
Balance as at 1 January 2021	602,595	318,371	190,524	1,504,098	583,680	281,256	448,187	650,523	355,916	817,818	300,963	176,416	-	-	-	6,230,347
Add: Drawdown	-	-	-	-	-	-	-	-	-	-	-	-	318,187	1,268,231	2,810,942	4,397,360
Amortisation of financial fees	5,376	1,308	714	(13,207)	6,462	990	505	5,796	(4,216)	496	2,503	1,119	900	2,625	3,468	14,839
Less: Deferred financial fees	-	-	-	-	-	-	-	-	-	-	-	-	(2,227)	(19,192)	(52,753)	(74,172)
Repayment	-	-	-	(182,744)	(108,067)	(11,391)	(37,838)	(391,445)	(378,575)	(89,924)	-	(27,137)	(67,165)	(45,768)	(89,509)	(1,429,563)
Prepayment	(668,871)	(351,837)	(210,483)	-	-	-	-	-	-	-	(318,187)	-	-	-	(35,227)	(1,584,605)
Unrealised exchange gain	-	-	-	-	-	-	-	(19,794)	-	-	-	-	-	-	-	(19,794)
Translation adjustment	60,900	32,158	19,245	161,425	62,527	31,706	48,959	56,282	26,875	88,471	14,721	18,812	18,888	13,247	29,234	683,450
Balance as at 31 December 2021	-	-	-	1,469,572	544,602	302,561	459,813	301,362	-	816,861	-	169,210	288,583	1,219,143	2,666,155	8,217,862

(Unit: Thousand Baht)

	Consolidated financial statements													Other Facility	Total
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Facility 12			
Balance as at 1 January 2020	738,522	387,234	294,205	1,597,814	562,545	344,563	466,070	804,403	476,395	-	-	-	-	1,477,399*	7,149,150
Add: Drawdown	-	-	-	-	336,068	-	-	-	-	890,627	308,101	183,031	-	-	1,717,827
Amortisation of financial fees	2,016	444	420	(2,156)	7,250	1,042	1,689	6,886	(4,282)	464	632	115	3,815	-	18,335
Less: Deferred financial fees	-	-	-	-	(6,161)	-	-	-	-	(2,796)	(3,081)	(3,981)	-	-	(16,019)
Repayment	(80,483)	(40,414)	(46,437)	(88,643)	(33,139)	(9,692)	(18,354)	(154,676)	(118,806)	(21,354)	-	-	(368,124)	-	(980,122)
Prepayment	(58,757)	(29,505)	(59,741)	-	(279,264)	(56,804)	-	-	-	-	-	-	(1,172,364)	-	(1,656,435)
Unrealised exchange gain	-	-	-	-	-	-	-	(9,059)	-	-	-	-	-	-	(9,059)
Translation adjustment	1,297	612	2,077	(2,917)	(3,619)	2,147	(1,218)	2,969	2,609	(49,123)	(4,689)	(2,749)	59,274	-	6,670
Balance as at 31 December 2020	602,595	318,371	190,524	1,504,098	583,680	281,256	448,187	650,523	355,916	817,818	300,963	176,416	-	-	6,230,347

* On 14 February 2020 and 14 October 2020, the Company prepaid all outstanding loan.

The Group's bank loan facilities are summarised below.

Facility	Bank	Borrower	Interest rate per loan/amendment agreement
Facility 1	Bangkok Bank PLC. (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited	LIBOR + margin
Facility 2	Bangkok Bank PLC. (Singapore Branch)	ABC Four Pte. Limited	LIBOR + margin
Facility 3	TMB Bank PLC.	ABC One Pte. Limited	LIBOR + margin
Facility 4	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 5	BNP Paribas	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 6	BNP Paribas	The Company and indirect subsidiary in Singapore	LIBOR + margin
Facility 7	Export-Import Bank of Thailand	The Company and local subsidiary	LIBOR + margin
Facility 8	Krung Thai Bank PLC. and 2 other banks, total 3 banks	The Company and local subsidiaries	MLR-1 for Thai Baht loan and LIBOR + margin for USD loan
Facility 9	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 10	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 11	Export-Import Bank of Thailand	The Company and local subsidiary and indirect subsidiary in Singapore	LIBOR + margin
Facility 12	SinoPac Capital International (HK) Limited	Indirect subsidiary in Singapore	LIBOR + margin
Facility 13	Export-Import Bank of Thailand	The Company and local subsidiary and indirect subsidiary in Singapore	LIBOR + margin
Facility 14	Crédit Agricole Corporate and Investment Bank	Indirect subsidiaries in Singapore	LIBOR + margin
Facility 15	International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited	Indirect subsidiaries in Singapore	LIBOR + margin

As at 31 December 2021 and 2020, the Group did not have an undrawn loan balance.

The details of each loan facility are summarised as follows.

Facility 1

On 15 February 2012, ABC Two Pte. Limited and ABC Three Pte. Limited ("ABC Two and ABC Three"), SPC subsidiaries of Associated Bulk Carriers Pte. Limited, ("ABC Company") executed a USD 45.60 million Term Loan Facility with Bangkok Bank PLC. (Singapore Branch) to finance up to 80% of the Contract Price of 2 new Cement Carriers ordered with ABG Shipyard Ltd., India, which were subsequently cancelled.

On 18 September 2013, ABC Two and ABC Three have executed the First Supplemental Agreement to amend the Term Loan Facility dated 15 February 2012, mainly to amend the purpose, maximum loan facility, repayment term and security as a consequence of the cancellation of the 2 cement carriers ordered with ABG Shipyard Ltd., India and replacement with the orders from China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

After the amendment, the drawdown, final maturity, repayment and security of the loan facility are summarised as follows.

Facility / Description	Post-delivery facility		
Maximum Loan Facility	Maximum loan facility for both Vessels shall not exceed USD 38,688,000 of which, each vessel loan shall not exceed USD 19,344,000 per vessel.		
Drawdown	USD 19,344,000 or 80% of the contract price to be made available in a single disbursement for each vessel loan part of which will be used to repay the pre-delivery facility.		
Final maturity	10 years after drawdown of each vessel loan		
Repayment	For each Vessel, in 39 equal quarterly installments and a balloon repayment together with the last installment. The first repayment installment to be due 3 months after the final drawdown of each vessel.		
	Details of repayment	ABC Two	ABC Three
	Installments	USD 319,650	USD 322,400
	The balance loans together with the final installment	USD 6,712,650	USD 6,770,400
	Final installment dates	2 April 2024	1 July 2024
Security	a) 1st priority mortgage over each vessel b) 1st priority assignment of all earnings insurance policies and requisition compensation of the vessels c) 1st priority assignment of Time Charter contracts d) 1st priority charge over the Earnings Account and Retention Account e) Pledge of shares of borrowers f) Corporate guarantee from ABC Company g) Corporate guarantee from the Company for up to USD 8 million per vessel		

The secured loan agreement contains covenants that, among other things, require ABC Two and ABC Three to maintain certain financial ratios which include:

- a) Debt Service Coverage Ratio of no less than 1.1 times;
- b) Equity Ratio (ratio of Equity to Total Assets) of no less than 20%.

On 24 June 2014, ABC Two entered into Interest Rate Swap Transaction to swap the interest of the loan facility of USD 19.18 million, from floating interest rate (LIBOR) to fixed interest rate at 2.39% per annum for interest payable during the period from 24 June 2014 to 2 April 2024 with Bangkok Bank PLC. (Singapore Branch).

On 16 July 2014, ABC Three entered into Interest Rate Swap Transaction to swap the interest of the loan facility of USD 19.34 million, from floating interest rate (LIBOR) to fixed interest rate at 2.35% per annum for interest payable during the period from 16 July 2014 to 1 July 2024 with Bangkok Bank PLC. (Singapore Branch).

On 8 September 2021, ABC Two and ABC Three prepaid the loan in full.

Facility 2

On 9 April 2014, ABC Four Pte. Limited ("ABC Four"), a subsidiary of Associated Bulk Carriers Pte. Limited, ("ABC Company") executed a USD 19.34 million Term Loan Facility with Bangkok Bank PLC. (Singapore Branch) to finance up to 80% of the Contract Price of 1 new Cement Carrier. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The amount of loan facility, drawdown, final maturity, repayment and security of the loan facility are summarised as follows.

Facility / Description	Post-delivery facility
Loan Facility	USD 19,344,000 or 80% of the Contract Price to be made available in a single disbursement, part of which will be used to repay the pre-delivery facility.
Drawdown	100% of the post-delivery facility amount is to be drawn upon delivery of the vessel.
Final maturity	10 years after full drawdown of the loan facility but not later than 28 April 2025.
Repayment	To be repaid in 39 quarterly installments of USD 322,400 from the end of the first quarter after the delivery of vessel and a final installment of USD 6,770,400 at the end of the Term (1 October 2024)
Security	<ul style="list-style-type: none"> a) 1st priority mortgage on the vessel b) 1st priority assignment of all earnings insurance policies and requisition compensation of the vessel c) 1st priority assignment of Time Charter contract d) 1st priority charge over the Earnings Account and Retention Account e) Pledge of shares of the borrowers f) Corporate guarantee from ABC Company g) Corporate guarantee from the Company for up to USD 8 million

The loan agreement contains covenants that, among other things, require ABC Four to maintain certain financial ratios which include:

- a) maintain Equity Ratio of no less than 20%;
- b) maintain EBITDA of no less than 1.1 times of Total Debt Service

On 5 September 2014, ABC Four entered into Interest Rate Swap Transaction to swap the interest of the loan facility of USD 19.34 million, from floating interest rate (LIBOR) to fixed interest rate at 2.33% per annum for interest payable during the period from 5 September 2014 to 1 October 2024 with Bangkok Bank Plc. (Singapore Branch).

On 8 September 2021, ABC Four prepaid the loan in full.

Facility 3

On 22 May 2014, ABC One Pte. Limited ("ABC One"), a subsidiary of Associated Bulk Carriers Pte. Limited, ("ABC Company") executed a USD 19.58 million Term Loan Facility with TMB Bank PLC. to finance up to 80% of the Contract Price of 1 new Cement Carrier. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The amount of loan facility, drawdown, final maturity, repayment and security of the loan facility are summarised as follows.

Facility / Description	Post-delivery facility
Loan Facility	USD 19,584,000 or 80% of the Contract Price to be made available in a single disbursement, part of which will be used to repay the pre-delivery facility.
Drawdown	100% of the post-delivery facility amount is to be drawn upon delivery of the vessel.
Final maturity	10 years after full drawdown of the loan facility but not later than 30 November 2024.
Repayment	To be repaid in 40 quarterly installments of USD 489,600 from the end of the first quarter after the delivery of vessel
Security	<ul style="list-style-type: none"> a) 1st priority mortgage on the vessel b) 1st priority assignment of all earnings insurance policies and requisition compensation of the vessel c) 1st priority assignment of Time Charter contracts d) 1st priority charge over the Earnings Account and Retention Account e) Corporate guarantee from ABC Company f) Corporate guarantee from the Company for up to USD 8 million

The loan agreement contains covenants that, among other things, require ABC One to maintain certain financial ratios which include:

- a) maintain Equity Ratio of no less than 20%;
- b) maintain EBITDA of no less than 1.1 times of Total Debt Service

On 25 August 2014, ABC One entered into Interest Rate Swap Transaction to swap the interest of the loan facility of USD 19.58 million, from floating interest rate (LIBOR) to fixed interest rate at 2.35% per annum for interest payable during the period from 31 January 2015 to 31 December 2024 with TMB Bank PLC.

On 7 September 2021, ABC One prepaid the loan in full.

Facility 4

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 amount of loan facility, drawdown, final maturity, repayment and security 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 Debt to EBITDA ratio not exceeding 5:1;
- c) maintenance of Debt 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 debt 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.

Facility 5

On 29 December 2014, the Company executed a USD 42.00 million Secured Loan Facility with BNP Paribas ("BNP") to finance up to 75% of the Contract Price of 2 new 64,000 DWT Ultramax Dry Bulk Vessels (Hull Nos. SF130128 and SF130129), ordered by the Company from Taizhou Sanfu Ship Engineering Co., Ltd. China. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

On 29 April 2016, the Company and Precious Tides Pte. Ltd. executed a Supplemental Deed with BNP to amend certain terms of the loan facility. After the amendment, the main details of the loan facility are summarised as follows.

Facility / Description	Post-delivery facility
Loan Facility	Up to USD 37,500,000 divided into two vessel loans for Vessel Hull no. SF130128 and SF130126 ("Vessel Loan" or "Vessel Loans")
Drawdown	Up to the lower of USD 18,750,000 or 75% of the market value of each vessel to be drawn upon delivery of each vessel.
Final maturity	8 years after drawdown of each Vessel Loan
Repayment	Each Vessel Loan shall be repaid over 8 years, in 32 quarterly installments beginning from three calendar months after each drawdown. The 1st to 16th such quarterly installment shall be an amount of USD 312,500 and the 17th to 32nd such quarterly installment shall be an amount of USD 468,750 along with a balloon repayment of USD 6,250,000 on the due date of each of the final installments of the respective Vessel Loan.
Security	<ul style="list-style-type: none"> a) 1st priority mortgage on the vessels b) Pledge of shares of the Subsidiary Borrowers c) 1st priority charge over the Earnings Account and Retention Account of the Subsidiary Borrowers d) 1st priority assignment of all insurance and requisition compensation of the vessels

The loan agreement and Supplemental Agreement dated 18 April 2018 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 funded debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Group;
- c) Permanent waiver the requirement to comply with the Funded Debt to EBITDA ratio on the condition that the Value to Loan coverage be increased from 125% to 135%.

On 15 April 2020, the Company along with its indirect subsidiaries in Singapore, Precious Skies Pte. Ltd. and Precious Tides Pte. Ltd., have executed a first amendment and restatement deed ("Deed") in relation to Term Loan Facility Dated 29 December 2014, mainly to upsize the original Loan by an additional loan amount of up to USD 10.60 million ("Upsize Loan"). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the Upsize Loan are summarised as follows.

Facility	Description
Upsize Loan Facility	The maximum amount of USD 10,600,000 divided into two tranches; a Green Tranche and a General Tranche.
Purposes	The Green Tranche is to finance and/or refinance part of the aggregate cost related to Ballast Water Treatment Systems. The Company has obtained the second party opinion on the Green financing from Vigeo Eiris. The General Tranche is for general corporate use.
Drawdown Amount	USD 10,600,000 in one lump sum
Final maturity	4 years after the drawdown
Repayment	The loans shall be repaid over 4 years, in 16 equal quarterly installments of USD 662,500 beginning from three calendar months after the drawdown.
Additional Security:	1st priority assignment of any charterparties (for a period of 36 months or more)

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 funded debt 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 20 April 2020, the Company had drawn down the loan amounting to USD 10.60 million.

Facility 6

On 9 June 2017, the Company along with its indirect subsidiary in Singapore, Precious Grace Pte. Ltd., executed a USD 16.25 million Secured Loan Facility with BNP Paribas to refinance up to 65% of the lower of the Contract Price or market value of one 63,345 DWT Ultramax Dry Bulk Vessel (Hull No. SF130127) ("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 16,250,000
Drawdown	The lower of USD 16,250,000 or 65% of the market value of the vessel
Final maturity	8 years after the drawdown
Repayment	The loans shall be repaid over 8 years, in 32 equal quarterly installments of USD 338,542 beginning from three calendar months after the drawdown plus a balloon repayment of USD 5,416,656 together with the last installment.
Security	a) 1st priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower c) 1st priority charge over the Earnings Account and Retention Account of the Subsidiary Borrower d) 1st priority assignment of all insurance and requisition compensation of the vessel e) 1st priority assignment of any charterparties (for a period of 36 months or more)

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 funded debt 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.

Facility 7

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 1/55 th 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 40 th 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 debt 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 8

The Company and local subsidiaries entered into the Loan Agreement dated 18 January 2007 to fund the purchase of vessels. During 2009 to 2011, certain terms and conditions of the Loan Agreement were amended.

The summarised details of drawdown of this facility are as follows.

- a) During the years 2011 and 2010, 2 local subsidiaries had drawn down Baht 1,502.35 million for the purchase of 2 vessels.
- b) During the year 2011, 4 local subsidiaries had drawn down USD 92.00 million from this facility and the undrawn facility was reduced to USD 108.00 million. In order to extend the availability period of the undrawn facility, on 9 March 2012, the Company and local subsidiaries executed a USD 50.00 million Term Loan Facility on same the terms and conditions with one of the three local commercial banks and the loan was used for the purchase of vessels by 2 local subsidiaries and thereafter the balance of USD 58.00 million was cancelled.
- c) During the years 2011 and 2010, 2 local subsidiaries swapped the Thai Baht loan of Baht 1,502.35 million into USD 45.90 million.
- d) During the year 2012, 4 local subsidiaries swapped the interest of the USD loans of USD 64.82 million, from floating interest rates (LIBOR) to fixed interest rate (2.10%) for interest payable during the period from 31 December 2014 to 30 September 2022.

The loan facilities have been secured by the mortgage of the subsidiaries' vessels, the pledge of the subsidiaries' shares, the assignment of the beneficiary rights under the insurance policies for the mortgaged vessels of the subsidiaries, and the assignment of the revenues earned from the mortgaged vessels of the subsidiaries to the lenders.

The loan facility agreement contains covenants that, among other things, require the Company and subsidiaries to maintain certain financial ratios which include:

- a) maintenance of total debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of total debt to EBITDA ratio not exceeding 5:1;
- c) maintenance of minimum free cash balance of USD 100,000 per vessel;
- d) maintenance of debt service coverage ratio of at least 1.1:1

On 28 September 2018, the Company prepaid the loan outstanding under the Thanachart Bank PLC facility.

Facility 9

On 17 February 2012, the Company executed a USD 100.00 million Term Loan Facility with Export-Import Bank of Thailand to finance up to 80% of the acquisition cost of new or second-hand dry bulk vessels which the Company may want to buy. The loan carries interest at LIBOR plus margin which is to be paid quarterly. The loan is to be repaid in equal quarterly installments over a period of 8.5 years commencing from the end of the availability period.

As at 31 December 2014, the balance loan facility of USD 35.18 million was expired.

The loan facility has to be secured by the mortgage of the shipowning subsidiaries' vessels, the pledge of the subsidiaries' shares and the assignment of the beneficiary rights under the insurance policies for the mortgaged vessels of the subsidiaries.

The loan agreement contains covenants that, among other things, require the Company and subsidiaries to maintain certain financial ratios which include:

- a) maintenance of debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of net funded debt to EBITDA ratio not exceeding 5:1;
- c) maintenance of debt service coverage ratio of at least 1.1:1.

On 12 July 2019, the Company and 5 local subsidiaries executed the Amendment Agreement with Export-Import Bank of Thailand, whereby the financial covenant in relation to the net funded debt to EBITDA ratio was replaced with two financial covenants. After the amendments, the financial covenants applicable to this Facility 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 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.

On 30 December 2021, the Company repaid the indebtedness under this loan.

Facility 10

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 1/40 th 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 28 th quarter.
Security	a) 2 nd 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 debt 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 11

On 28 May 2020, 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 partial redemption of the debentures No.2/2016 due in December 2021 (as extended) (PSL206A). Subsequently, on 29 July 2020, the Company along with 2 subsidiaries and EXIM executed an Amendment Agreement to amend the utilisation of the loan facility for partial redemption of the Debentures No.1/2016 due in January 2021 (PSL211A). 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	Totally USD 10.10 million
Final maturity	1 year after the drawdown
Repayment	The loans shall be repaid within 1 year, in 2 equal installments. The first repayment shall fall 9 months after the drawdown date and the second repayment shall be 12 months after the drawdown date.
Security	a) 1 st 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 year end consolidated USD financial statements starting from year end 2020 which include:

- a) maintenance of debt 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 19 October 2020, the Company had drawn down the loan amounting to USD 10.10 million.

On 25 May 2021, the Company prepaid this loan.

Facility 12

On 17 November 2020, Precious Visions Pte. Limited., (“the Borrower”), the Company’s indirect subsidiary in Singapore, executed a USD 6 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	<ul style="list-style-type: none"> 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

Facility 13

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 final maturity, repayment and security 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 10 th quarter.
Security	<ul style="list-style-type: none"> 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 debt 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.

Facility 14

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 final maturity, repayment and security of the loan facility are summarised as follows.

Facility	Description																					
Loan facility	Up to USD 38,350,000																					
Drawdown	The lower of USD 38,350,000 or 65% of the market value of each vessel																					
Final maturity	5 years after the drawdown																					
Repayment	<div>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.</div> <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>	Tranche	Quarterly Installment Amount (USD)	Balloon Payment Amount (USD)	A	230,208	3,683,340	B	223,438	4,468,740	C	257,292	1,029,160	D	257,292	1,029,160	E	189,583	758,340	F	211,250	Nil
Tranche	Quarterly Installment Amount (USD)	Balloon Payment Amount (USD)																				
A	230,208	3,683,340																				
B	223,438	4,468,740																				
C	257,292	1,029,160																				
D	257,292	1,029,160																				
E	189,583	758,340																				
F	211,250	Nil																				

Facility	Description
Security	a) Guarantee from the Guarantors b) 1 st priority mortgage on the 6 Vessels c) Pledge of shares in the 6 Subsidiaries d) 1 st 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) 1 st priority charge over the Borrowers' Earnings Accounts and Retention Accounts f) 1 st 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 debt 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.

Facility 15

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 Facility ("Loan Facility") 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 final maturity, repayment and security 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, 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.
Guarantors	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

As at 31 December 2021, the Subsidiaries deposited USD 3.59 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.

19. Debentures

As at 31 December 2021 and 2020, details of debentures are as follows.

Series	Maturity date	No. of units (Thousand units)	Interest rate (% p.a.)	Term of interest payment	(Unit: Thousand Baht) Carrying amount	
					2021	2020
1 (PSL211A)	Extended the maturity date to 22 July 2022 (6.5 years)	3,590	6.75	Quarterly	-	2,855,865
2 (PSL206A)	Extended the maturity date to 9 December 2021 (5 years)	1,960	6.50	Quarterly	-	935,515
Total					-	3,791,380
Less: Deferred debenture issuing costs					-	(215)
Debentures - net					-	3,791,165
Less: Current portion					-	(935,515)
Debentures - net of current portion					-	2,855,650

PSL211A

Since the functional currency of the Company is US Dollars, with a view to covering the currency risk on the Thai Baht denominated liability of the Company, the entire proceeds of Baht 3,590.00 million were swapped into US Dollars, amounting to USD 99.72 million on 22 January 2016 vide a 5-year Cross Currency Swap entered into by the Company. The Company also swapped THB fixed interest rate of 5.25% per annum to USD fixed interest rate of 5.99% per annum.

The Company is required to maintain a Debt to Equity ratio not exceeding 2:1.

On 16 June 2020, the Board of Directors' Meeting No. 5/2020 of the Company approved the following proposal to amend the terms and conditions of the Debentures of Precious Shipping Public Company Limited No. 1/2016 Due 2021:

- a) an extension of the maturity date by 1.5 years from 22 January 2021 to 22 July 2022;
- b) a partial upfront redemption payment of 20 percent on or before the existing maturity date (i.e. 22 January 2021);
- c) an increase in the coupon rate from 5.25 percent per annum to 6.75 percent per annum starting from 22 January 2021; and
- d) The Company will have the right to make early redemptions of the debentures (in whole or in part).

On 30 July 2020, the bondholders' meeting approved the above amended terms and conditions.

In the fourth quarter of 2020, the Company exercised its right to redeem 20% of the original Baht 3,590.00 million issue size, which is equivalent to Baht 718.00 million. After this redemption payment, the remaining balance was Baht 2,872.00 million.

On 30 April 2021, the Company exercised its right to redeem Baht 287.20 million, which is equivalent to 10% of outstanding balance of Baht 2,872.00 million. The remaining balance after this redemption payment was Baht 2,584.80 million.

On 22 July 2021, the Company exercised its right to redeem Baht 1,163.16 million, which is equivalent to 45% of outstanding balance of Baht 2,584.80 million. The remaining balance after this redemption payment is Baht 1,421.64 million.

On 27 September 2021, the Company exercised its right to redeem Baht 1,421.64 million, which is the final redemption of PSL211A's outstanding balance.

PSL206A

Since the functional currency of the Company is US Dollars, with a view to covering the currency risk on the Thai Baht denominated liability of the Company, on 4 January 2017, the entire proceeds of Baht 1,960.00 million were swapped into US Dollars, amounting to USD 54.90 million vide a 3.5-year Cross Currency Swap entered into by the Company. The Company also swapped THB fixed interest rate of 5.00% per annum to USD fixed interest rate of 5.75% per annum.

The Company is required to maintain a Debt to Equity ratio not exceeding 2:1.

On 27 April 2020, the Board of Directors' Meeting No. 2/2020 of the Company approved the following proposal to amend the terms and conditions of the Debentures of Precious Shipping Public Company Limited No. 2/2016 Due 2020 as follows:

- a) an extension of the maturity date for 1.5 years from 9 June 2020 to 9 December 2021;
- b) a partial upfront repayment of 20 percent on the existing maturity date (i.e. 9 June 2020);
- c) an increase in the coupon rate from 5.00 percent per annum to 6.50 percent per annum starting from 9 June 2020; and
- d) The Company will have the right to make early redemptions of the debentures (in whole or in part).

On 19 May 2020, the bondholders' meeting approved the abovementioned amended terms and conditions. On 9 June 2020, the Company made an upfront redemption payment equivalent to 20 percent of the outstanding principal or Baht 392.00 million. Following this redemption payment, the outstanding balance of this debenture was Baht 1,568.00 million. Subsequently on 16 June 2020, the Company purchased a 1.5-year tenor put option with a strike of Baht 30.15 to protect against the appreciation of the Thai Baht against the US Dollar, for Baht 1,250.00 million of the outstanding amount.

During the fourth quarter of 2020, the Company exercised its right to redeem a further Baht 627.20 million, which is equivalent to 40% of the outstanding balance of Baht 1,568.00 million. After these redemption payments, the remaining balance was Baht 940.80 million.

On 5 January 2021, the Company exercised its right to redeem a further Baht 282.24 million, which is equivalent to 30% of the outstanding balance of Baht 940.80 million. The remaining balance after this redemption payment was Baht 658.56 million. On 12 March 2021, the Company exercised its right to redeem a further Baht 329.28 million, which is equivalent to 50% of the outstanding balance of Baht 658.56 million. The balance remaining after this redemption payment was Baht 329.28 million.

On 23 April 2021, the Company exercised its right to redeem Baht 329.28 million, which is the final redemption of PSL206A's outstanding balance.

Derivative assets

As at 31 December 2021 and 2020, the Group had a decrease in derivative assets relating to debentures amounting to Baht 515.86 million, arising from the full redemption payment of debentures during the year, which are summarised as below:

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2021	2020
Cross currency swaps contracts	-	485,991
Put option	-	29,871
Total	-	515,862

20. Leases

The Group as a lessee has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 4-8 years.

a) Right-of-use assets

Movements of right-of-use assets which are buildings for the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
As at 1 January 2020	29,171	24,491
Depreciation for the year	(5,515)	(4,298)
Translation adjustment	503	175
As at 31 December 2020	24,159	20,368
Depreciation for the year	(5,652)	(4,405)
Translation adjustment	2,491	2,115
As at 31 December 2021	20,998	18,078

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separated	
	financial statements		financial statements	
	2021	2020	2021	2020
Lease payments	22,544	28,556	19,626	24,343
Less: Deferred interest expenses	(2,748)	(3,691)	(2,556)	(3,342)
Total	19,796	24,865	17,070	21,001
Less: Portion due within one year	(5,419)	(5,326)	(4,207)	(4,137)
Lease liabilities - net of current portion	14,377	19,539	12,863	16,864

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Balance at beginning of year	24,865	34,266	21,001	29,065
Accretion of interest	(2,748)	(3,691)	(2,556)	(3,342)
Repayments	(6,435)	(5,829)	(5,050)	(4,820)
Translation adjustment	4,114	119	3,675	98
Balance at end of year	19,796	24,865	17,070	21,001

c) Expenses relating to leases that are recognised in income statement

(Unit: Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	5,652	5,515	4,405	4,298
Interest expense on lease liabilities	1,303	1,444	1,115	1,267

21. Provision for maritime claims

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Balance at beginning of year	67,069	46,240
Increase during the year	49,877	47,769
Decrease (including actual claims) during the year	(85,627)	(26,117)
Translation adjustment	7,906	(823)
Balance at end of year	39,225	67,069

22. 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		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	166,064	165,911	124,997	129,517
Included in income statement:				
Current service cost	10,350	11,751	6,172	7,599
Interest cost	1,979	2,254	1,355	1,704
Benefits paid during the year	(3,080)	(13,612)	(3,080)	(13,612)
Translation adjustment	(20)	(240)	23	(211)
Provision for long-term employee benefits at end of year	<u>175,293</u>	<u>166,064</u>	<u>129,467</u>	<u>124,997</u>

The Group expects to pay Baht 21.26 million of long-term employee benefits during the next year (The Company only: Baht 18.42 million) (2020: Baht 35.39 million, The Company only: Baht 34.20 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 10 years (The Company only: 10 years) (2020: 10 years, The Company only: 10 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Discount rate	1.50	1.50	1.50	1.50
Salary increase rate	6.50	6.50	6.50	6.50

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2021			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Discount rate	(9,353)	10,733	(5,159)	5,890
Salary increase rate	11,097	(9,975)	6,450	(5,744)

(Unit: Thousand Baht)

	As at 31 December 2020			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Discount rate	(11,255)	12,905	(7,069)	8,070
Salary increase rate	14,135	(12,521)	8,837	(7,870)

23. 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. During the year, the Company set the statutory reserve amounting to Baht 52 million (2020: nil) and the statutory reserve has fully been set aside.

According to Section 1202 of the Thai Civil and Commercial Code, a subsidiary (incorporated under Thai Laws) is 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.

24. 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 the year 2021, the Company set aside Baht 22.37 million (2020: Baht 1.75 million) to a reserve for CSR activities and reversed Baht 3.88 million (2020: Baht 1.68 million) from the reserve when the Company made related payments against the reserve.

25. Finance cost

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2021	2020	2021	2020
Interest expense on borrowings	362,019	539,087	131,613	276,258
Interest expense on lease liabilities	1,303	1,444	1,115	1,267
Interest expense from derivatives designated as hedging instruments in cash flow hedge	23,313	21,354	223	2,115
Others finance cost	28,592	35,264	3,460	8,054
Total	415,227	597,149	136,411	287,694

26. Expenses by nature

Significant expenses by nature are as follows.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2021	2020	2021	2020
Salary, wages and other benefits of employees and crews	1,697,202	1,283,214	370,610	142,891
Rental expenses from operating lease agreements	325	470	-	57

27. Income tax

No corporate income tax was payable for the years 2021 and 2020, since the Company had tax losses.

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 2021 has been calculated at a rate of 20% (2020: 20%) on net profit, after adding back certain provisions and expenses 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 2021, 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 4,636.03 million (2020: Baht 6,704.00 million) (The Company only: Baht 2,005.99 million (2020: Baht 3,459.67 million)). However, the Group did not recognise deferred tax assets as the Group believes that it is not probable that future taxable profit will be available to allow the entire deferred tax assets to be utilised.

Details of expiry date of unused tax losses are summarised as below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
31 December 2021	-	630,480	-	-
31 December 2022	534	534	-	-
31 December 2023	393,216	393,216	-	-
31 December 2024	550,884	550,884	-	-
31 December 2025	1,852,213	2,516,072	1,028,619	1,692,649
31 December 2026	128,769	-	-	-
	<u>2,925,616</u>	<u>4,091,186</u>	<u>1,028,619</u>	<u>1,692,649</u>

As at 31 December 2021, Precious Shipping (Singapore) Pte. Limited ("PSSP"), an overseas subsidiary, has unused tax losses totaling Baht 14.34 million (2020: Baht 11.12 million). The Inland Revenue Authority of Singapore (IRAS) rules stipulate that unused tax losses have no expiry date.

As at 31 December 2021, 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 3.47 million (2020: Baht 1.97 million).

28. 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. 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 2021, the subsidiaries have 8 vessels (2020: 14 vessels) under investment promotion operations.

Revenues and expenses for 2021 and 2020 classified between promoted and non-promoted operations can be summarised below.

(Unit: Thousand Baht)

	Non-promoted operations									
	Operations exempted from									
	corporate income tax									
	in accordance with the									
	Promoted operations		Director-General's Notification		Other non-promoted		Eliminations		Total	
	2021	2020	on Income Tax No. 72		operations		2021	2020	2021	2020
Revenues	1,659,999	976,183	3,125,035	814,851	5,689,933	2,875,727	(1,637,874)	(904,891)	8,837,093	3,761,870
Costs and expenses	(649,503)	(1,055,400)	(1,384,962)	(1,007,275)	(2,538,826)	(4,066,320)	211,130	1,072,268	(4,362,161)	(5,056,727)

29. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) 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.

30. 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 2021 and 2020.

(Unit: Thousand Baht)

Consolidated financial statements										
	Time charter		Voyage charter		Total		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Time charter income	7,722,877	2,874,426	-	-	7,722,877	2,874,426	-	-	7,722,877	2,874,426
Voyage charter income	-	-	944,813	1,003,238	944,813	1,003,238	(55,937)	(151,368)	888,876	851,870
Total vessel operating income	7,722,877	2,874,426	944,813	1,003,238	8,667,690	3,877,664	(55,937)	(151,368)	8,611,753	3,726,296
Voyage disbursements	-	-	(166,626)	(314,539)	(166,626)	(314,539)	55,937	151,368	(110,689)	(163,171)
Bunker consumption	-	-	(200,298)	(288,484)	(200,298)	(288,484)	-	-	(200,298)	(288,484)
Total voyage expenses	-	-	(366,924)	(603,023)	(366,924)	(603,023)	55,937	151,368	(310,987)	(451,655)
Net vessel operating income/time charter equivalent income	7,722,877	2,874,426	577,889	400,215	8,300,766	3,274,641	-	-	8,300,766	3,274,641

For the year 2021, the Group has revenues from two major customers (2020: 2 customers) in the aggregate amount of Baht 1,605.38 million (2020: Baht 1,135.53 million).

31. Provident 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 2021 amounting to approximately Baht 5.33 million (2020: Baht 5.39 million) were recognised as expenses. (The Company only: Baht 2.35 million, 2020: Baht 2.42 million).

32. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividends for 2021	The Company's Board of Directors meeting on 16 August 2021	779.57	0.50
Interim dividends for 2021	The Company's Board of Directors meeting on 15 November 2021	779.54	0.50
Total for 2021		1,559.11	1.00

33. Contingent liabilities

On 5 August 2021, Precious Visions Pte. Ltd.(the “Subsidiary”) which is a subsidiary of the Company and the owner of M.V. Chyanee 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.

On 18 September 2021, 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.

On 19 September 2021, the Brazilian authorities permitted the Vessel to sail out from Brazil without pressing any charges on any crew members and/or the Subsidiary.

On 9 October 2021, the Vessel arrived and berthed at Lagos in Nigeria. The Nigerian authorities conducted an extensive search of the Vessel, however, no suspicious objects were uncovered.

On 13 October 2021, while cargo discharge was on-going, drugs were uncovered in a hold of the Vessel.

On 29 October 2021, 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. On the same day, the Subsidiary received a claim of approximately USD 3.9 million from the cargo receivers.

On 8 December 2021, 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.

The Subsidiary is working with its insurers and lawyers to resolve all the issues arising out of this incident. 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 incident.

34. Fair value hierarchy

As at 31 December 2021 and 2020, 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 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Interest rate swaps contracts - Loans	-	8,452	-	8,452
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	14,705	14,705
Liabilities measured at fair value				
Derivatives				
Interest rate swaps contracts - Loans	-	13,089	-	13,089
Cross currency swaps contracts - Loans	-	2,144	-	2,144

(Unit: Thousand Baht)

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As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Cross currency swaps contracts - Loans	-	17,838	-	17,838
Cross currency interest rate swaps contracts			-	
- Debenture	-	485,991		485,991
Put option - Debenture	-	29,871	-	29,871
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	16,295	16,295
Liabilities measured at fair value				
Derivatives				
Interest rate swaps contracts - Loans	-	82,621	-	82,621

(Unit: Thousand Baht)

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	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	-	-	14,705	14,705

(Unit: Thousand Baht)

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As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Cross currency interest rate swaps contracts				
- Debenture	-	485,991	-	485,991
Put option - Debenture	-	29,871	-	29,871
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	16,295	16,295

During the year, 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.

35. Financial instruments

35.1 Derivatives and hedge accounting

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Derivative assets				
Derivative assets not designated as hedging instruments				
Put option - Debenture	-	8,961	-	8,961
Derivative assets designated as hedging instruments				
Interest rate swaps contracts - Loans	8,452	-	-	-
Cross currency swaps contracts - Loans	-	17,838	-	-
Cross currency interest rate swaps contracts				
- Debenture	-	485,991	-	485,991
Put option - Debenture	-	20,910	-	20,910
Total derivative assets	8,452	533,700	-	515,862
Derivative liabilities				
Derivative liabilities designated as hedging instruments				
Interest rate swaps contracts - Loans	13,089	82,621	-	-
Cross currency swaps contracts - Loans	2,144	-	-	-
Total derivative liabilities	15,233	82,621	-	-

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk and Interest rate risk

The Group uses hedging instruments to hedge cash flows as follows:

- Cross currency interest rate swaps as hedging instruments to hedge cash flows on fixed-rate debentures not denominated in the functional currency. These are defined as a combined hedge of currency risk and interest rate risk.
- Cross currency swaps and put option as hedging instruments to hedge cash flows on loans and debentures not denominated in the functional currency. These are defined as a combined hedge of currency risk.

- Interest rate swaps as hedging instruments to hedge cash flows on variable rate loans in foreign currencies. The Group receives a variable rate LIBOR of interest 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 cross currency interest rate swaps contracts, cross currency swaps contracts, interest rate swaps contracts and put option match those of the conditions of loans and debentures (i.e., notional amount, maturity and expected payment date). 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 fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Group is holding the following derivatives as hedging instruments as at 31 December 2021 and 2020:

	Maturity					
	Less than 1 year		1 to 5 years		Over 5 years	
	2021	2020	2021	2020	2021	2020
Cross currency interest rate swaps						
Notional amount (Unit: Thousand Baht)	-	2,872,000	-	-	-	-
Average fixed rate (%)	-	5.99	-	-	-	-
Average exchange rate (Baht : US dollar)	-	36.00	-	-	-	-
Cross currency swaps						
Notional amount (Unit: Thousand Baht)	93,897	125,195	-	93,897	-	-
Average exchange rate (Baht : US dollar)	32.34, 33.15	32.34, 33.15	-	32.34, 33.15	-	-
Put option						
Notional amount (Unit: Thousand Baht)	-	658,560	-	-	-	-
Strike rate (Baht : US dollar)	-	30.15	-	-	-	-
Interest rate swaps						
Notional amount (Unit: Thousand USD)	19,535	12,711	73,869	42,049	22,661	-
Average fixed rate (%)	3.70 - 4.95	4.95 - 5.33	3.70 - 4.95	4.95 - 5.33	4.59 - 4.75	-

The impact of hedged items on the consolidated statement of financial position as at 31 December 2021 and 2020 is, as follows:

	Change in fair value used for measuring ineffectiveness						Cash flow hedge reserve						Cost of hedging reserve	
	2021		2020		2021		2020		2021		2020		2021	
	2021		2020		2021		2020		2021		2020		2021	
Loans - Interest rate swaps contracts	9,577	(50,062)	(21,269)	(16,150)	(2,694)	(47,640)	-	-	-	-	-	-	-	-
Loans - Cross currency swaps contracts	-	-	-	-	(22,532)	(16,150)	-	-	-	-	-	-	1,168	2,542
Debtenture - Cross currency interest rate swaps contracts	-	(198,235)	-	(198,235)	-	(198,235)	-	-	-	-	-	-	-	54,121
Debtenture - Put option	-	13,144	-	-	-	4,590	-	(13,955)	-	-	-	-	-	11,682

(Unit: Thousand Baht)

The impact of the hedging instruments on the consolidated statement of financial position as at 31 December 2021 and 2020 and the effect of the cash flow hedge in the consolidated statement of comprehensive income for the years ended 31 December 2021 and 2020 are, as follows:

(Unit: Million Baht)

As at 31 December 2021

	Notional amounts	Carrying amount	Line item in the statements of financial position	Effectiveness			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
				Changes in fair value used for measuring ineffectiveness	recognised in other comprehensive income	Ineffectiveness recognised in income statement				
Interest rate swaps - hedge the risk arising from loans	USD 38,350 thousand	1,235,899	Non-current derivative assets	8,175	8,175	-	-	-	2,290	Finance cost
Cross currency swaps - hedge the risk arising from loans	1,502,348	93,413	Current derivative liabilities	(21,269)	(22,532)	1,263	Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	1,168	20,458	Exchange losses
Interest rate swaps - hedge the risk arising from loans	USD 64,818 thousand	209,634	Current derivative liabilities	6,883	-	6,883	Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	-	2,337	Finance cost
Interest rate swaps - hedge the risk arising from loans	USD 75,489 thousand	2,433,336	Non-current derivative liabilities	(10,868)	(10,868)	-	-	-	164	Finance cost
Total				(17,079)	(25,225)	8,146		1,168		
									25,249	

(Unit: Million Baht)

As at 31 December 2020

	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	Exchange losses, Finance cost
Cross currency interest rate swaps - hedge the risk arising from debenture	2,872,000	485,991	Current derivative assets	(198,235)	(198,235)	-	-	54,121	105,772	Exchange losses, Finance cost	
Cross currency swaps - hedge the risk arising from loans	219,092	17,838	Non-current derivative assets	(16,150)	(16,150)	-	-	2,542	8,598	Exchange losses	
Interest rate swaps - hedge the risk arising from loans	USD 54,760 thousand	82,621	Non-current derivative liabilities	(48,692)	(47,640)	(1,018)	Losses on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	-	4,528	Finance cost	
Put option - hedge the risk arising from debenture	658,560	29,871	Current derivative assets	13,144	4,590	-	-	11,682	(53,760)	Exchange losses	
Total				(249,933)	(257,435)	(1,018)		68,345	65,138		

Impacts of interest rate benchmark reform

The Group has exposure in relation to the replacement or reform of the benchmark InterBank Offered Rates (“IBORs”) of its financial instruments since there is uncertainty over the timing and the methods of transition in some jurisdictions in which the Group operates. The Group anticipates that IBOR reform will impact its risk management and hedge accounting. The Group applies temporary exceptions which enable entities to continue applying hedge accounting during the period of uncertainty. Specifically, the temporary exceptions state that for the purpose of determining whether a forecast transaction is highly probable for cash flow hedging purposes, it is assumed that the benchmark interest rate on which the hedged cash flows are based is unchanged as a result of IBOR reform.

The risk management committee monitors and manages the Group’s transition to alternative benchmark rates. The committee evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

As at 31 December 2021, the Group has interest rate swaps with nominal amounts of USD 178.66 million that are designated as hedging instruments to hedge cash flows on loans that carry interest at floating rates based on USD LIBOR and mature within 2029.

35.2 Financial risk management

The Group’s financial instruments principally comprise cash and cash equivalents, trade and other receivables, investments, long-term loans to subsidiary, trade and other payables, debentures and long-term loans. 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 trade and other receivables, deposits with banks and financial institutions, 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 and other receivables

The Group is exposed to credit risk primarily with respect to trade and other 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, long-term loans to subsidiary, debentures and long-term loans. The management mitigates part of its interest rate risk by using interest rate swaps contract and cross currency interest rate swaps contract as hedging instruments to hedge cash flows on variable rate loans, as described in Note 35.1 to the financial statements. The interest rate risk is expected to be minimal.

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 2021								
	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within	1 - 5	Over	interest	Non-interest		Fixed	Floating	
	1 year	years	5 years	rate	bearing			USD	Baht
Financial assets									
Cash and cash equivalents	737,725	-	-	1,315,705	414,779	2,468,209	0.20 - 0.30	0.01 - 0.05	0.05 - 0.13
Total	737,725	-	-	1,315,705	414,779	2,468,209			
Financial liabilities									
Lease liabilities	5,419	12,915	1,462	-	-	19,796	5.28 - 5.53	-	-
Long-term loans	635,304	2,425,796	1,032,372	4,124,390	-	8,217,862	3.70 - 4.95	2.33 - 3.81	4.65
Total	640,723	2,438,711	1,033,834	4,124,390	-	8,237,658			

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2020

	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within	1 - 5	Over	interest	Non-interest		Fixed	Floating	
	1 year	years	5 years	rate	bearing			USD	Baht
Financial assets									
Cash and cash equivalents	49,866	-	-	993,529	57,095	1,100,490	0.01 - 0.26	0.04 - 0.60	0.05 - 0.13
Total	49,866	-	-	993,529	57,095	1,100,490			
Financial liabilities									
Lease liabilities	5,326	18,088	1,451	-	-	24,865	5.28 - 5.53	-	-
Debentures	935,515	2,855,650	-	-	-	3,791,165	5.99 - 6.50	-	-
Long-term loans	287,914	1,257,168	-	4,685,265	-	6,230,347	4.95 - 5.33	2.42 - 4.21	4.65
Total	1,228,755	4,130,906	1,451	4,685,265	-	10,046,377			

(Unit: Thousand Baht)

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As at 31 December 2021

	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within	1 - 5	Over	interest	Non-interest		Fixed	Floating	
	1 year	years	5 years	rate	bearing			USD	Baht
Financial assets									
Cash and cash equivalents	334,199	-	-	202,815	933	537,947	0.20	0.04 - 0.05	0.05 - 0.13
Long-term loan to subsidiary	86,327	1,799,553	685,372	-	-	2,571,252	5.00	-	-
Total	420,526	1,799,553	685,372	202,815	933	3,109,199			
Financial liabilities									
Lease liabilities	4,207	11,400	1,463	-	-	17,070	5.28 - 5.53	-	-
Total	4,207	11,400	1,463	-	-	17,070			

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2020

	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within	1 - 5	Over	interest	Non-interest		Fixed	Floating	
	1 year	years	5 years	rate	bearing			USD	Baht
Financial assets									
Cash and cash equivalents	-	-	-	611,603	1,121	612,724	0.01 - 0.05	0.05	0.05 - 0.13
Long-term loan to subsidiary	1,067,407	1,694,989	615,998	-	-	3,378,394	5.00	-	-
Total	1,067,407	1,694,989	615,998	611,603	1,121	3,991,118			
Financial liabilities									
Lease liabilities	4,137	15,413	1,451	-	-	21,001	5.28 - 5.53	-	-
Debentures	935,515	2,855,650	-	-	-	3,791,165	5.99 - 6.50	-	-
Total	939,652	2,871,063	1,451	-	-	3,812,166			

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 2021 and 2020.

	Increase/ decrease (%)	2021		2020	
		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	(49,790)	123,100	(46,919)	40,673
	-1	49,790	(123,100)	46,919	(40,673)

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.

The Group's exposure to the foreign currency risk relates primarily to long-term loans and Thai baht debentures. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. The Group does not use foreign currency forward contracts or purchased currency options for trading purposes.

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's income statement and equity to a reasonably possible change in Thai Baht exchange rates, with all other variables held constant. The impact on the Group's income statement and equity is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives as at 31 December 2021 and 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase/ decrease (%)	2021		2020	
		Effect on income		Effect on income	
		statement	Effect on equity	statement	Effect on equity
		(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Thai Baht	+1	-	(84)	(3,029)	(2,676)
	- 1	-	12	(4,536)	(26,483)

This information is not a forecast or prediction of future market conditions and should be used with care.

The Group has the following significant financial liabilities denominated in foreign currencies (currencies other than US Dollars which is the Group's functional currency).

Foreign currency	Consolidated financial statements			
	Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2021	2020	2021	2020
	(Million)	(Million)	(USD per 1 foreign currency unit)	
Baht loan	93.90	219.09	0.0298	0.0331
Baht Debenture	-	2,872.00	-	0.0331
Baht Debenture	-	940.80	-	0.0331

Foreign currency	Separate financial statements			
	Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2021	2020	2021	2020
	(Million)	(Million)	(USD per 1 foreign currency unit)	
Baht Debenture	-	2,872.00	-	0.0331
Baht Debenture	-	940.80	-	0.0331

Foreign currency swaps contracts outstanding are summarised below.

As at 31 December 2021			
Bought amount	Sold amount	Contractual exchange rate	Contractual maturity date
(USD per 1 foreign currency unit)			
<u>Subsidiaries</u>			
Baht 93.90 million	USD 2.87 million	0.0302, 0.0309	Quarterly corresponding to the loan repayment schedule upto September 2022

As at 31 December 2020			
Bought amount	Sold amount	Contractual exchange rate	Contractual maturity date
(USD per 1 foreign currency unit)			
<u>The Company</u>			
Baht 2,872.00 million	USD 79.78 million	0.0278	January 2021
<u>Subsidiaries</u>			
Baht 219.09 million	USD 6.69 million	0.0302, 0.0309	Quarterly corresponding to the loan repayment schedule upto September 2022

As at 31 December 2020, the Group had the put option outstanding as summarised below (2021: Nil).

Bought amount	Sold amount	Contractual exchange rate	Contractual maturity date
(USD per 1 foreign currency unit)			
<u>The Company</u>			
Baht 1,250.00 million	USD 41.46 million	0.0332	December 2021

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 no more than 25% of revenues and limiting exposure to the short-term market through fixing ships on long term charters. Approximately 21% of the Group's debt will mature in less than one year as of 31 December 2021 (2020: 30%) 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 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	105,315	-	-	105,315
Lease liabilities	6,040	14,748	1,756	22,544
Long-term loans	1,697,934	5,823,709	1,741,660	9,263,303
Total non-derivatives	<u>1,809,289</u>	<u>5,838,457</u>	<u>1,743,416</u>	<u>9,391,162</u>
Derivatives				
Derivative assets	-	8,452	-	8,452
Derivative liabilities	3,996	-	11,237	15,233
Total derivatives	<u>3,996</u>	<u>8,452</u>	<u>11,237</u>	<u>23,685</u>

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2020			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	113,676	-	-	113,676
Lease liabilities	6,022	20,778	1,755	28,555
Long-term loans	1,712,529	4,635,584	577,103	6,925,216
Debentures	996,323	3,171,751	-	4,168,074
Total non-derivatives	<u>2,828,550</u>	<u>7,828,113</u>	<u>578,858</u>	<u>11,235,521</u>
Derivatives				
Derivative assets	515,862	17,838	-	533,700
Derivative liabilities	-	82,621	-	82,621
Total derivatives	<u>515,862</u>	<u>100,459</u>	<u>-</u>	<u>616,321</u>

(Unit: Thousand Baht)

Separate financial statements					
As at 31 December 2021					
	On demand	Less than 1 year	1 to 5 Years	Over 5 years	Total
Non-derivatives					
Trade and other payables	-	1,264	-	-	1,264
Lease liabilities	-	4,743	13,127	1,756	19,626
Advances received from related parties	2,537,688	-	-	-	2,537,688
Total non-derivatives	<u>2,537,688</u>	<u>6,007</u>	<u>13,127</u>	<u>1,756</u>	<u>2,558,578</u>

(Unit: Thousand Baht)

Separate financial statements					
As at 31 December 2020					
	On demand	Less than 1 year	1 to 5 Years	Over 5 years	Total
Non-derivatives					
Trade and other payables	-	281	-	-	281
Lease liabilities	-	4,726	17,862	1,755	24,343
Debentures	-	996,323	3,171,751	-	4,168,074
Advances received from related parties	1,825,509	-	-	-	1,825,509
Total non-derivatives	<u>1,825,509</u>	<u>1,001,330</u>	<u>3,189,613</u>	<u>1,755</u>	<u>6,018,207</u>
Derivatives					
Derivative assets	-	515,862	-	-	515,862
Total derivatives	<u>-</u>	<u>515,862</u>	<u>-</u>	<u>-</u>	<u>515,862</u>

35.3 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, except debentures, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

35.4 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 2020	17,047
Net loss recognised into other comprehensive income	(752)
Balance as of 31 December 2020	16,295
Net loss recognised into other comprehensive income	(3,425)
Translation adjustment	1,835
Balance as of 31 December 2021	14,705

36. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern 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 2021, the Group's debt-to-equity ratio was 0.64:1 (2020: 1.11:1) and the Company's was 0.29:1 (2020: 0.61:1) which is calculated from USD functional currency financial statements.

37. Events after the reporting period

On 14 February 2022, the Company's Board of Directors' meeting passed the significant resolutions as follows;

- 1) to pay an interim dividend for the year 2021 of 0.50 Baht per share, or a total of Baht 779.65 million. Such dividend will be paid on 11 March 2022.
- 2) to propose to the Annual General Meeting of Shareholders for the year 2022 of the Company to adopt a resolution to pay a final dividend for the year 2021 of Baht 0.25 per share, or a total of Baht 389.82 million, to the shareholders in respect of the Company's retained earnings as of 31 December 2021. Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

38. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2021 and 2020 and income statements for the years ended 31 December 2021 and 2020 are as follows.

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Thousand USD)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Assets				
Current assets				
Cash and cash equivalents	73,854	36,638	16,096	20,399
Trade and other receivables	5,246	5,616	61,690	121,460
Bunker oil	646	1,153	-	-
Derivative assets	-	17,174	-	17,174
Other current assets				
Advances to vessel masters	899	906	-	-
Claim recoverables	243	327	-	-
Lube oil stock on board	2,285	1,521	-	-
Others	894	1,181	503	487
Total other current assets	4,321	3,935	503	487
Total current assets	84,067	64,516	78,289	159,520
Non-current assets				
Restricted bank deposits	3,591	-	-	-
Long-term loans to a subsidiary	-	-	76,938	112,474
Derivative assets	253	594	-	-
Investments in subsidiaries	-	-	233,720	233,720
Investment in associate held by a subsidiary	2,730	2,474	-	-
Investment in equity instrument of non-listed company	440	543	440	543
Property, plant and equipment	606,973	636,698	243	253
Right-of-use assets	628	804	541	678
Intangible assets	191	230	182	219
Other non-current assets				
Claim recoverables - maritime claims	829	1,540	-	-
Deferred contract costs	4,290	4,843	-	-
Others	95	105	71	80
Total other non-current assets	5,214	6,488	71	80
Total non-current assets	620,020	647,831	312,135	347,967
Total assets	704,087	712,347	390,424	507,487

Precious Shipping Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2021

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade and other payables	3,151	3,785	38	9
Advances received from related parties	-	-	75,934	60,775
Accrued crew accounts	2,657	2,765	-	-
Accrued expenses	1,861	2,669	26	767
Current portion of accrued employee benefits	2,933	-	2,056	-
Total trade and other payables	10,602	9,219	78,054	61,551
Advances received from charterers	2,601	20,177	-	-
Current portion of long-term loans	42,148	49,938	-	-
Current portion of debentures	-	31,145	-	31,145
Current portion of lease liabilities	162	177	126	138
Derivative liabilities	119	-	-	-
Income tax payable	1	53	-	-
Other current liabilities	1,716	463	1,508	307
Total current liabilities	57,349	111,172	79,688	93,141
Non-current liabilities				
Accrued employee benefits - net of current portion	5,865	-	4,112	-
Long-term loans - net of current portion	203,749	157,483	-	-
Debentures - net of current portion	-	95,071	-	95,071
Lease liabilities - net of current portion	430	650	385	561
Derivative liabilities	336	2,751	-	-
Deferred tax liabilities	104	65	-	-
Provision for maritime claims	1,174	2,233	-	-
Provision for long-term employee benefits	5,245	5,529	3,874	4,161
Total non-current liabilities	216,903	263,782	8,371	99,793
Total liabilities	274,252	374,954	88,059	192,934
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	2,802	4,372	2,802
- subsidiaries	11,741	14,460	-	-
Corporate social responsibility reserve	1,110	553	1,110	553
Unappropriated	296,004	205,556	177,847	192,294
Other components of shareholders' equity	(2,557)	(5,143)	(128)	(260)
Equity attributable to owners of the Company	429,834	337,392	302,365	314,553
Non-controlling interests of the subsidiaries	1	1	-	-
Total shareholders' equity	429,835	337,393	302,365	314,553
Total liabilities and shareholders' equity	704,087	712,347	390,424	507,487

Precious Shipping Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2021

(Unit: Thousand USD, except basis earnings per share expressed in USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Revenues				
Vessel operating income				
Time charter income	237,470	91,915	-	-
Voyage charter income	28,136	27,160	-	-
Total vessel operating income	265,606	119,075	-	-
Service income	113	120	2,832	2,869
Interest income	57	270	5,651	6,110
Dividend income	16	-	37,696	1,600
Exchange gains	6,233	-	5,955	-
Gain on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	33	-	-	-
Gain on derivative	-	371	-	427
Gain on liquidation of subsidiaries	-	-	-	220
Other income	36	15	23	1
Total revenues	272,094	119,851	52,157	11,227
Expenses				
Vessel operating costs				
Vessel running expenses	55,169	49,741	-	-
Voyage disbursements	3,510	5,190	-	-
Bunker consumption	6,383	9,163	-	-
Total vessel operating costs	65,062	64,094	-	-
Depreciation	37,792	38,711	255	246
Cost of services	167	127	-	-
Administrative expenses	12,615	8,863	7,214	6,303
Management remuneration including perquisites	5,344	1,821	5,185	1,924
Losses on settlement agreement	-	27,400	-	27,144
Losses on impairment of investments in subsidiaries	-	-	-	155
Expected credit losses (reversal)	(279)	283	-	937
Exchange losses	-	501	-	377
Losses on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	-	33	-	-
Loss on derivatives	2,094	-	378	-
Total expenses	122,795	141,833	13,032	37,086
Operating profit (loss)	149,299	(21,982)	39,125	(25,859)
Share of profit from investment in associate held by a subsidiary	703	346	-	-
Finance cost	(12,997)	(19,021)	(4,346)	(9,168)
Profit (loss) before income tax expenses	137,005	(40,657)	34,779	(35,027)
Income tax expenses	(50)	(145)	-	-
Profit (loss) for the year	136,955	(40,802)	34,779	(35,027)
Profit (loss) attributable to:				
Equity holders of the Company	136,955	(40,802)	34,779	(35,027)
Non-controlling interests of the subsidiaries	-	-	-	-
Profit (loss) for the year	136,955	(40,802)	34,779	(35,027)
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	0.0878	(0.0262)	0.0223	(0.0225)

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 14 February 2022.



ENCLOSURE 1 INFORMATION OF RELEVANT PERSONS IN THE ORGANISATION



THE BOARD OF DIRECTORS



Mr. Chaipatr Srivisarvacha

- Chairman of the Board of Director
- Independent Director



Mr. Kamtorn Sila-On

- Chairman of Audit and Corporate Governance Committee
- Chairman of the Risk Management Committee
- Chairman of the Remuneration Committee
- Nomination Committee Member
- Independent Director



Ms. Pensri Suteerasarn

- Chairperson of the Nomination Committee
- Independent Director



Professor Dr. Pavida Pananond

- Audit and Corporate Governance Committee Member
- Remuneration Committee Member
- Risk Management Committee Member
- Independent Director



Ms. Lyn Yen Kok

- Audit and Corporate Governance Committee Member
- Nomination Committee Member
- Risk Management Committee Member
- Independent Director



Mr. Khalid Moinuddin Hashim

- Executive Director
- Managing Director
- Risk Management Committee Member
- Director



Mr. Kirit Shah

- 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	62 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 CREDITIBILITY 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 - Present	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 - Present	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.
• 11 September 2020 - February 2021	Chief Executive Officer, 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 - February 2021	Director, KT ZMICO Securities Company Limited.
• May 2009 - July 2019	Chief Executive Officer, KT ZMICO Securities Company Limited.
• May 2007 - February 2021	Authorized Director, Seamico Securities Public 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: <ol style="list-style-type: none"> 1. Director, JKN Global Media Public Co., Ltd. 2. Director, TSFC Securities Public Company Limited. 3. Independent Director and Chairman of the Audit Committee, CMO Public Company Limited. NON - LISTED COMPANIES: Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	<ol style="list-style-type: none"> 1. Vice Chairman & Secretary, The Srivisarvacha Foundation. 2. Director, Population & Community Development Association (PDA).

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
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* / Chairman of Remuneration Committee / Chairman of Risk Management Committee / Nomination Committee Member / Independent Director

DATE OF APPOINTMENT ON THE BOARD

14 March 2011

AGE

51 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

- February 2021 - Present Independent Director, Audit Committee, Chairman of the Nomination and Remuneration Committee and Corporate Governance and Sustainable Development Committee, Inter Pharma Public Company Limited.
- February 2020 - Present Chairman of 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.

- July 2014 - 2016 Chief Supply Chain Officer, S&P Syndicate Public Company Limited.
- March 2011- Present Chairman of Remuneration Committee, Independent Director 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: <ol style="list-style-type: none"> 1. President - Production and Finance, S&P Syndicate Public Company Limited. 2. Independent Director, Audit Committee, Chairman of the Nomination and Remuneration Committee and Corporate Governance and Sustainable Development Committee, Inter Pharma Public Company Limited NON - LISTED COMPANIES: Director, Chaophraya Express Boat Co., Ltd.
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 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

* Note: Audit Committee Member who has adequate expertise and experience to review creditability 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 Committee / Independent Director

DATE OF APPOINTMENT ON THE BOARD

8 July 2020

AGE

53 years

EDUCATION

BA (Cost Accounting), Chulalongkorn University
MBA, California State University, Hayward, USA

TRAINING

- 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

- 17 February 2022 - Present Board of Director, Thailand Development Research Institute (TDRI)
- 1 February 2022 - Present Adviser, Thai Listed Companies Association
- 2020 - Present Chairperson of Nomination Committee / Independent Director, Precious Shipping Public Company Limited

- 2006 - Jan 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, Ready Planet Co., Ltd.
- April 2018 - Present Board of Directors and Audit Committee, Sabina PLC
- 2016 - Present Selection Committee for Alumni Award, Faculty of Commerce and Accountancy, Chulalongkorn University Alumni Association
- 2015 - Present Judges' Committee of Business Ethics Standard Test Award, Thai Chamber of Commerce
- 2014 - Present Selection Committee of the Public Service Executive Development Program (PSED), Office of the Public Sector Development Commission
- 2012 - Present Committee, Anti-Corruption Organization of Thailand (ACT)
- 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)
- 2007 - Present CGR Steering Committee, Thai Institute of Directors (IOD)
- 2007 - Present Adviser, Thai Listed Companies Association (2022 - Present)

OCCUPATION

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: Board of Directors and Audit Committee and Remuneration, Ready Planet Co., Ltd.
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	1. Selection Committee for Alumni Award, Faculty of Commerce and Accountancy, Chulalongkorn University Alumni Association 2. Judges' Committee of Business Ethics Standard Test Award, Thai Chamber of Commerce 3. Selection Committee of the Public Service Executive Development Program (PSED), Office of the Public Sector Development Commission 4. Committee, Anti-Corruption Organization of Thailand (ACT) 5. Sub-Committee on Consideration of Regulations on Issuance and Offering of Equity Instruments and Governance of Securities Issuing Companies, Securities and Exchange Commission (SEC) 6. CGR Steering Committee, Thai Institute of Directors (IOD)

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
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.

PROFESSOR DR. PAVIDA PANANOND

POSITION	Independent Director / Audit and Corporate Governance Committee Member*/ Remuneration Committee Member / Risk Management Committee Member
DATE OF APPOINTMENT ON THE BOARD	14 March 2011
AGE	54 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)	
• 25 June 2021	Panelist, Virus/Vaccine Dynamics/Challenges in the Mekong Region: The Regionalisation Imperative?, seminar organized by the Institute of Security and International Study, Chulalongkorn University
• 27 May 2021	Panelist, The Trade Wars, Technology and Global Value Chains, a seminar organized by United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)
• 29 March 2021	Participant, Investment in Sustainable Recovery: Empirical Analysis, Lessons Learnt and a Future Research Agenda, a seminar organized by Academy of International Business & United Nations Conference on Trade and Development.
• 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
• 2013 - 2014	Thailand - United States Education Foundation
• 2013	Thailand Research Fund Grant Number 5610054 (Assessing the merit of home-country support for outward foreign direct investment in neighboring countries)
• 2009 - 2012	Department Nominee for Thammasat University's 2014 Best Teacher in Social Sciences
• 2008	Thailand Research Fund Grant Number 5280032
• 1996 - 2001	(Competitive Strategies of Thai Multinationals in the Global Economy).
• 1992 - 1994	Best Teacher Award, Thammasat Business School, Thammasat University.
	Doctoral scholarship from Thammasat Business School, Thammasat University.
	MBA scholarship from Thammasat Business School, Thammasat University.
EXPERIENCE	
• February 2020 - Present	Risk Management Committee Member, Precious Shipping Public Company Limited.
• October 2018 - Present	Professor, Thammasat Business School, Thammasat University.
• March 2011 - Present	Independent Director, Audit and Corporate Governance Committee Member and 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	
• 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 - Present Vice President (Asia), Euro-Asia Management Studies Association.
- 2010 - 2013 Member of Advisory Board, Euro-Asia Management Studies Association.
- 2009 - Present Member of Editorial Advisory Board, Southeast Asia Research.

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 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
By herself	-	-	-	-	-
By her spouse and minor children (if any)	-	-	-	-	-

* Note : Audit Committee Member who has adequate expertise and experience to review creditability of the financial statement.
No family relationship with any of the other Directors or any of the Management Team.

MS. LYN YEN KOK

POSITION

Audit and CG Committee Member* / Nomination Committee Member / Risk Management Committee Member / Independent Director

DATE OF APPOINTMENT ON THE BOARD

4 April 2017

AGE

55 years

EDUCATION

- 1984 - 1988 Bachelor of Arts (BA) (Honors), Economics and Political Science, University of Toronto (Trinity College).
- 1980 - 1984 Lawrence Park Collegiate Institute (Toronto).

TRAINING

- 2019 YPO Global Family Enterprise Programme, INSEAD.
YPO Value Creation and Investing Programme, Columbia University Business School.
- 2018 Executive Programme, Singularity University.
Block Chain Strategy Programme, University of Oxford.
YPO Building Legacies Programme, INSEAD.
- 2017 Executive Programme - Corporate Innovation, Stanford Graduate School of Business.
- 2012 Graduate member of Thai Institute of Directors (IOD) - Completed "Directors Certificate Program" (DCP), Class 159/2012

AWARDS

- 2012 Best Foreign Company CEO, Bloomberg

EXPERIENCE

- December 2020 - Present Founder and CEO, Mula-X Holding (Thailand) Co., Ltd.
- April 2017 - Present Director, Precious Shipping Public Company Limited.
- July 2010 - September 2016 President & CEO, Thailand & Greater Mekong, Standard Chartered Bank, Bangkok, Thailand
- May 2003 - July 2010 Managing Director, Standard Chartered Bank (China), Beijing, China
- March 2001 - May 2003 Senior Executive Vice President, Corporate & Institutions, Standard Chartered Bank (Nakornthon), Bangkok, Thailand

- May 1997 - March 2001 Head, Corporate & Institutions Sales, Standard Chartered Bank (Malaysia), Kuala Lumpur, Malaysia
- June 1995 - May 1997 Vice President, Chase Manhattan Bank (Singapore), Singapore
- November 1993 - May 1995 Vice President, Chase Manhattan Bank (Hong Kong), Hong Kong
- January 1990 - November 1993 Senior Account Manager, Standard Chartered Bank (Hong Kong), Hong Kong
- June 1988 - January 1990 Account Manager, CIBC, Toronto, Canada.

OTHER POSITIONS

- January 2020 - Present Executive Committee for YPO SEA Angels
- June 2017 - Present Executive Committee for YPO ASEAN United
- May 2014 - Present Board member, Ronald McDonald House Charities (Bangkok)
- 2015 - 2016 Chairman, Standard Chartered Bank, Vietnam
- February 2015 - September 2016 Board Member, UKTI ASEAN Regional Board
- June 2011- April 2016 Vice President and Chair of Cross Sectoral Working Issues, European Association for Business and Commerce
- July 2010 - September 2016 First Vice Chair, Association of International Banks
- 2010 - 2016 Ambassador, Living with HIV, Standard Chartered Bank
- 2012 - 2015 Member of Global Diversity & Inclusion Council
- 2003 - 2010 Vice President of Board of Directors European Chamber of Commerce and Board member of British Chamber of Commerce, China
- 1997 - 1999 Committee member, Malaysian Youth Orchestra Foundation, chaired by Mirzan Mahathir

OCCUPATION

Banking and Finance Professional

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 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
By herself	-	-	-	-	-
By her spouse and minor children (if any)	-	-	-	-	-

* Note: Audit Committee Member who has adequate expertise and experience to review creditability of the financial statement.
No family relationship with any of the other Directors or any of the Management Team.

MR. KHALID MOINUDDIN HASHIM

POSITION

Managing Director / Executive Director / Risk Management Committee Member

DATE OF APPOINTMENT ON THE BOARD

11 January 1994

AGE

68 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 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 52 subsidiaries (Subsidiary Companies Nos. 1-52 on page 62-63 of this Annual Report)
OTHER ORGANISATIONS	<ol style="list-style-type: none"> Deputy Chairman of the Board of Directors and Chairman of the Finance & Audit committee, The Swedish Club, Sweden. Regional Committee Member, American Bureau of Shipping. Austral - Asia Regional Committee Member, Bureau Veritas. Trustee, Sackhumvit Trust, Bangalore, India.

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
By himself	131,526,275	-	10,000,000	(10,000,000)	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 / Remuneration Committee Member

DATE OF APPOINTMENT ON THE BOARD

24 April 2007

AGE

68 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

- 2018 - Present
- 2007 - Present
- 1999 - 2003
- 1989 - 2002
- 1980 - 2003

Director, Gammon Engineering and Contractors Private Limited, India.
Director, and Remuneration Committee Member, Precious Shipping Public Company Limited.
Vice Chairman and Executive Director, Phoenix Pulp and Paper PCL, Bangkok.
Director, Precious Shipping PCL, Bangkok.
Managing Director, G. Premjee Ltd., Bangkok.
Company Executive.

OCCUPATION**DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS**

CONNECTED COMPANIES	LISTED COMPANIES: <ol style="list-style-type: none"> Director & Vice-Chairman, Christiani & Nielsen (Thai) Public Company Limited. Director, Mega Lifesciences Public Company Limited. NON - LISTED COMPANIES: <ol style="list-style-type: none"> Director, Globex Corporation Limited. Executive Director, Graintrade Limited. Director, Premthai International Limited. Director, Unistretch Limited.* (Lessor of the main operations office space leased by the Company) Director, Maxwin Builders Ltd.* (Provider of hotel and management services) Director, Maestro Controls Limited.* (Service provider of management of the offices leased and apartments owned by the Company and its subsidiary respectively) Director, Gammon Engineering and Contractors Private Limited, India. <p>* Note: Please refer to "CONNECTED TRANSACTIONS" on page 203-205 of this Annual Report.</p>
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
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

45 years

EDUCATION

MBA, INSEAD, France

Chartered Financial Analyst, CFA Institute, USA

BA Economics, University of Rochester, USA

TRAINING & SEMINARS

- 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, Synogy, 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 52 subsidiaries (Subsidiary Companies Nos. 1-52 on page 62-63 of this Annual Report)
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
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	58 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 204 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 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
By himself	617,650	-	617,650	(617,650)	-
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	41 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: <ol style="list-style-type: none"> 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 Agency Limited.* (Seller of air-tickets to the Company) 5. Director, Maestro Controls Limited.* (Provider of maintenance and management services for the air-conditioning systems of Company's main operations offices and apartments owned by a subsidiary) 6. Director, Maxwin Builders Ltd.* (Provider of hotel and management services) * Note: Please refer to "CONNECTED TRANSACTIONS" on page 203-205 of this Annual Report.
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Director in the Company's 31 subsidiaries (Subsidiary Companies Nos. 1-31 on page 62-63 of this Annual Report)
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
By herself	108,054,537	-	-	-	108,054,537 (6.93% of total paid up shares)
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

33 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

- October 2016 - Present Director, Geepee Corporation Limited
- 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.

OCCUPATION

Company Director

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	LISTED COMPANIES: <ol style="list-style-type: none"> 1. Director, Christiani & Nielsen (Thai) Public Company Limited. 2. Director, Mega Lifesciences Public Company Limited. NON - LISTED COMPANIES: <ol style="list-style-type: none"> 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, Geepee Corporation Limited. <p>* Note: Please refer to "CONNECTED TRANSACTIONS" on page 203-205 of this Annual Report.</p>
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Director in the Company's 32 subsidiaries (Subsidiary Companies Nos. 1-31 and 53 on page 62-63 of this Annual Report)
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
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)
DATE OF APPOINTMENT ON THE BOARD	8 July 2020
AGE	38 years
EDUCATION	Bachelor's Degree in Law, Thammasat University Lawyer License, Lawyers Council of Thailand Notarial Service Attorney License, Lawyers Council of Thailand
TRAINING	
• 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
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
- 2005 - 2006

Senior Legal Officer, United Thai Shipping Corporation Limited

Legal Officer, Daikin Industries (Thailand) Limited

Vice President (Legal) and Director, Precious Shipping Public Company Limited

OCCUPATION

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	LISTED COMPANIES: Nil NON - LISTED COMPANIES: 1. Director, Quantum PPP Consulting Limited 2. Director, QIC (Thailand) Limited
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
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)

(*For profile and shareholding changes, please refer to **BOARD OF DIRECTORS – PROFILE**)

MR. PRASHANT MAHALINGAM

POSITION

Executive Director and Director (Technical)

AGE

58 years

EDUCATION

Directorate of Marine Engineering Training

Bachelor's degree in Marine Engineering

Diploma in Ship Management; Lloyd's Maritime Academy, UK

TRAINING

- December 2021

Completed "Directors Certificate Program" (DCP), Class 313/2021 of Thai Institute of Directors (IOD).

EXPERIENCE

- 2021 - Present

Executive Director and Director (Technical), Precious Shipping Public Company Limited

- 2017 - 2020

Vice President (Technical), Precious Shipping Public Company Limited

- May 2013 - 2017

Vice President (Procurement), Precious Shipping Public Company Limited

- 1995 - 2013

Senior Manager (Technical), Precious Shipping Public Company Limited

- 1994 - 1995

Chief Engineer, Precious Shipping Public Company Limited

- 1993 - 1994

Engineer, Precious Shipping Public Company Limited

POSITIONS HELD IN OTHER COMPANIES

Director in the Company's 52 subsidiaries

(Subsidiary Companies Nos. 1 - 52 on page 62-63 of this Annual Report)

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
By himself	943,069	-	935,000	(935,000)	8,069 (0.00% of total paid up shares)
By his spouse and minor children (if any)	69,018	-	-	-	69,018 (0.00% of total paid up shares)

No family relationship with any of the Directors or any of the others in Management Team.

MR. SHRILAL GOPINATHAN

POSITION

Director (Commercial)

AGE

64 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 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
By himself	856,500	143,500	-	143,500	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 of the others in Management Team.

MR. NEELAKANTAN VASUDEVAN

POSITION	Vice President (Risk Management)
AGE	60 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	<ul style="list-style-type: none"> • 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 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
By himself	315,082	-	-	-	315,082 (0.02% of total paid up shares)
By his spouse and minor children (if any)	28,550	-	-	-	28,550 (0.00% of total paid up shares)

No family relationship with any of the Directors or any of the others in Management Team.

MR. SEBASTIAN ARCANJO CARDOZO

POSITION	Vice President (Fleet Personnel Management)
AGE	61 years
EDUCATION	Bachelor of Science (Nautical Science), India Master Mariner, India
EXPERIENCE	<ul style="list-style-type: none"> • 2017 - Present Vice President (Fleet Personnel Management), Precious Shipping Public Company Limited. • 2014 - 2016 Assistant Vice President (Fleet Personnel Management), Precious Shipping Public Company Limited. • 2004 - 2014 Marine Superintendent - Lead Auditor Quality Systems (ISM Team), Precious Shipping Public Company Limited. • 1992 - 2004 CAPTAIN - Precious Shipping Public Company Limited. • 1977 - 1992 Officer on Ships
POSITIONS HELD IN OTHER COMPANIES	NIL

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
By himself	125,000	-	-	-	125,000 (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 of the others in Management Team.

MR. CHANDRASEKHAR SIVARAMAN VENKATRAMAN**POSITION** Vice President - Technical & Information Systems (Fleet Technical Manager)**AGE** 59 years**EDUCATION** First Class Marine Engineer
Bachelor's degree in Marine Engineering, India**EXPERIENCE**

- 2021 - Present Vice President - Technical & Information Systems (Fleet Technical Manager), Precious Shipping Public Company Limited
- 2018 - 2020 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
- 1986 - 1992 Second Engineer, Precious Shipping Public Company Limited
Engineer on ships, SISCO India & Anglo Eastern Ship Management Company Hong Kong

POSITIONS HELD IN OTHER COMPANIES

Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
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. SHANKAR GIRI SHANKAR**POSITION** Vice President (Chartering)**AGE** 65 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 Shipping
- 1983 - 1984 Commercial Assistant, Jay Shree Shipping

POSITIONS HELD IN OTHER COMPANIES

Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
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. MINHAJ ZAFAR

POSITION Vice President (Procurement and Technical)

AGE 62 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 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
By himself	212,750	-	158,900	(158,900)	53,850 (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 of the others in Management Team.

MR. NARIT LIKKASITTIPHAN

POSITION Vice President (Technical)

AGE 54 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

Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
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.

MS. SOMPRATHANA THEPNAPAPLERN**POSITION**

Vice President - Corporate Finance, Company Secretary

AGE

51 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

- 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 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
By herself	215,000	543,000	100,000	443,000	658,000 (0.04% of total paid up shares)
By her spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any of the others in Management Team.

MS. WIMONWAN JAYSRICHAJ**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

48 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

- 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)

TRAINING

- 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)
- September 2019
TFRS 9 Workshop: Impairment of Financial instruments,
TFRS 9 Workshop: hedge accounting,
TFRS 9 Workshop: classification and measurement of financial assets, held by the FAP (total 18 hours)
- July 2019
Preparing for TFRS 16 Lease and understanding audit reports, held by Department of Business Development (DBD), the MOC (total 7 hours)
- June 2019
TAS 8 Accounting policies, accounting estimates and errors to reflect corrections of prior period errors and tax effects, held by DBD, the MOC (total 6 hours)
Comprehensive summary of TFRS 9, TFRS 15 and TFRS 16 including impacts and case studies, held by the SET (total 14 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 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
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

39 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 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
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.

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	45 years
EDUCATION	Master's Degree in Accounting, Thammasat University
TRAINING	
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)
December 2017	Cyber Incident Management for Executive Committees of Listed Companies held by SEC and the Business Software Alliance (BSA)
October 2015	Anti-Corruption for Business Corporation held by PACT Network, Investment Banking Club and PwC Consulting (Thailand) Limited
June - September 2014	Attended the training course "Certification Program Internal Auditors (Thailand)" held by the Institute of Internal Auditors of Thailand
January 2014	COSO Internal Control Framework 2013 held by Federation of Accounting Professions (FAP)

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 2021:

Description	As of 1 Jan 2021	Acquisition in 2021	Disposal in 2021	Increase (Decrease) in 2021	As of 31 Dec 2021
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.

Enclosure 2 - Information on Directors in Subsidiaries

(as of 31 December 2021)

	Name	Details	PSL	Subsidiaries Nos. 1-31	Subsidiaries Nos. 32-44	Subsidiaries No. 45	Subsidiaries Nos. 46-50	Subsidiaries Nos. 51-52
(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. Lyn Yen Kok		/					
(11)	Ms. Pensri Suteerasarn		/					
(12)	Ms. Sirasa Supawasin		/					
(13)	Mr. Prashant Mahalingam		//	/	/	/	/	/
(14)	Mr. Surapong Putmuang			/				
(15)	Mr. Henry Charles Mytton Mills				/	/	/	
(16)	Mr. Ajaib Hari Dass				/		/	

Remarks: / = Director X = Chairman // = Executive Director

Introduction

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. We will manage all our business affairs in accordance with the highest principles of Good Governance.

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. A Corporate Governance Policy Manual outlining its features has been drawn up by the Company according to the principles and practices as set out in the latest Corporate Governance Code (CG Code) issued by the Thailand Securities and Exchange Commission (“SEC”) and already circulated to the Company’s employees for the recognition of the necessity of Good Corporate Governance.

The Board of Directors conducts an annual review of Corporate Governance Policy and evaluation of the policy implementation so that the Corporate Governance Policy of the Company is up to date and appropriate with the current situation.

Definition

Corporate Governance is a set of structure and process of relationships between 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 main components of the Company’s Corporate Governance Policy are as follows:

1. Rights of Shareholders
2. Equitable treatment of Shareholders
3. Role of Stakeholders
4. Information Disclosure and Transparency
5. Responsibilities of the Board
6. Supervision of subsidiaries and associated companies
7. Controlling Systems and Risk Management Policy
8. Business Ethics

1. Rights of Shareholders

The Board of Directors is expected to be careful and circumspect in discharging its responsibilities with full awareness of all shareholders' rights and the need for equitable treatment and to safeguard the interests of all shareholders.

The Company's Shareholders shall have the rights as follows:

- Right to buy /sell or rights to transfer shares.
- Right to share in profits of the Company.
- Right to obtain relevant and adequate information on the Company in timely manner.
- Right to participate and vote in the shareholders meetings to elect or remove members of the Board, appoint the external auditor and make decisions on any transactions that affect the Company such as dividends payment, amendments to the Company's articles of association or the Company's byelaws, capital increases or decreases, and the approval of extraordinary transactions, etc.
- Right to propose agenda items for shareholders meeting and nominate suitable candidates to be a member of the Board of Directors of the Company.

Shareholders are fully informed of the criteria and procedures governing shareholder meetings. Sufficient information regarding the issues to be decided in each agenda item has been provided in advance of the meeting. Shareholders are able to query Directors both in the meeting and by sending their questions in advance. The Board of Directors recognizes and values shareholders rights and avoids any action that violates those rights.

Shareholders' Meeting

- The Board of Directors publicly discloses policies to encourage all Shareholders including institutional ones, to attend the Company's shareholders meeting.
- Shareholders receive adequate and complete meeting information in advance of the shareholders meeting and can access the information via the Company's website one month prior to the meeting.
- All arrangements are made for Shareholders to participate in the meeting. Conveniences like registration and barcode based vote-count system, proxy form that allow Shareholders to exercise their voting right and convey their decision without attending the meeting. List of Independent Directors that Shareholders can grant proxy to, refreshment, language translation services, etc., are provided for the convenience of both, Local as well as International Shareholders.
- The Shareholders meeting shall proceed in accordance with the meeting notice. In the election of Directors, Shareholders can propose, vote for or against each nominated candidate individually. During the meeting, Shareholders are open to inquire or express points of view, and concerned Directors will explain adequately. There will be a precise resolution outlining the conclusion after each agenda's vote casting.
- The Board encourages the Company to appoint an independent party of scrutinizers/inspectors to count and/or validate votes at the shareholders' meeting. These scrutinizers are disclosed at the meeting and recorded in the minutes.
- For the sake of transparency and future reference, the Board encourages the use of voting cards for important agenda items such as related party transactions or acquisitions or disposal of significant assets.
- All Directors should attend the shareholder meetings. Shareholders are able to ask questions directly to the chairpersons of the committee responsible for any specific issue.
- The Company prepares minutes of shareholders' meetings, which are clear and complete and 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.

2. Equitable Treatment of Shareholders

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.

Release of information before the Shareholders' meeting

- The Board of Directors ensures that the Company releases its annual general meeting notice, with detailed agenda and explanatory notes, at least four weeks before the date of the meeting.
- The Board ensures that the company informs shareholders of meeting procedures and voting criteria, including the voting rights.
- The Company's notice of shareholders meeting is fully translated into English and published at the same time as the local language version.

Protection of Minor Shareholders' Rights

- The Board defines the procedures and provides an opportunity for 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.
- The Board provides an opportunity for Shareholders to elect Directors by voting on the given ballot papers for each of the Directors separately
- The Board is committed to not adding any new agenda item without notice to shareholders in advance.

Protection against abuse of inside information

Pursuant to section 59 of the Securities and Exchange Act B.E. 2535, all Directors and Management Team members are required to report the changes in their shareholding to the Office of the Securities and Exchange Commission within 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 changes in the shareholding of the Directors are reported to the Board of Directors at the quarterly Board meetings.

To prevent abuse of inside information, 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 month before and two days after any financial announcement of the Company and also at least 5 days before the Company makes any other significant announcement:

- All Directors and Management Team members including their Relevant Persons; and
- The Company's personnel in the Finance & Accounts Department, the Legal Department, the Internal Audit Department, the Information Systems Department and the Investor Relations Department who are close to the relevant inside information of the Company.

Moreover, all Directors and Management Team members are encouraged to inform the Company 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.

Conflict of interest

The Board has established guidelines to prohibit a Director/Executive, who has conflict of interest on a particular issue, from participating in the decision – making process.

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 Stock Exchange of Thailand (“SET”) and the SEC, Thailand, 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 the Annual Report and also in Form 56-1.

3. Role of Stakeholders

Board of Directors is expected to be aware, careful and circumspect of the stakeholders’ rights as provided by law and encourage cooperation between the Company and stakeholders to create wealth, jobs, financial stability and sustainability of the business. Stakeholders should have access to necessary information.

The Company defines clear measures on how stakeholders can launch their complaints, opinions, and suggestions, or raise complaints about illegal or unethical conduct by the Company’s employees or other stakeholders.

The Company sets guidelines for treatment of stakeholders based on fair and equitable treatment.

The above measures/guidelines are explained in Business Ethics and Code of Conduct Manual of the Company.

4. Information Disclosure and Transparency

- Board has a duty to disclose information whether it is related to financial matters or not. The disclosure should be accurate, complete, adequate, reliable and timely so that the company’s shareholders and stakeholders (if required) are well versed with the information equally as stipulated by laws, state agencies and concerned organizations.
- Company information must be compiled with care, clarity, and should be concise, linguistically simple and transparent. Important information must be disclosed regularly, both, on the positive and negative side, but due care must be exercised not to confuse and mislead users. More attention must be paid to the content than the form, and all efforts must be made to completely spell out the conditions or assumptions made.
- Company must maintain information dispensing channels that are easy for users to access information in a timely manner. The result should be worth the cost.
- The Board must set up an Investor Relations unit to assist in communicating with the shareholders, investors, as well as securities’ analysts. The Board should provide for adequate resources to help develop executives’ knowledge and abilities in presenting information and enhancing their communication skills.

Silent Period

For a period of two 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 Group’s future financial performance or expectations with financial media, analysts and investors.

5. Responsibilities of the Board

5.1 Leadership and Vision

The Board of Directors is the main driver in defining the direction of the Company's performance, achieving its goals and objectives and to define the Company Mission, Vision, Core Values, Strategy, Business Plan, appointment of competent and effective management and managing the Company's affairs with Good Corporate Governance in order to achieve its objectives in accordance with the Company's policy and in accordance with the law. The Board of Directors comprises of persons who have the knowledge, expertise, business experience and backgrounds which qualify them to perform their duties and responsibilities in accordance with the highest standards of business ethics.

5.2 Set-up of clear Structure, Rules, Duties, responsibilities and Independence of the Board of Directors

The Company has 6 Boards/ Committees as follows:

5.2.1 The Board of Directors

Board Composition

- The Board of Directors is composed of at least five and not more than twelve Directors out of which at least one - third are Independent Directors, which shall not be less than 3 Directors.
- The Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Board members represent diversity from a range of perspectives including gender, age, educational background, skills, knowledge and professional experience.
- The Chairman of the Board and Managing Director are separate persons in order to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman of the Board is an Independent Director, the leader of the Board, and has duties as the chairman of both Board and shareholders' meetings. 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 Director's term is defined in the Company's articles of association. A Director who has completed his/her term is eligible for re-election by Shareholders.

Board Diversity

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 selection of new directors, the Board of Directors will consider candidate's qualifications, having regard to the mix of skills, diversity and in line with the Company's strategic direction.

Qualifications of Directors

- Qualified according to the Public Limited Companies Act, Securities and Exchange Act including other relevant laws and regulations and in accordance with the Good Corporate Governance Policy of the Company.
- Knowledgeable, possess good background experience, capable, independent to perform director's duties with care and loyalty, and able to attend Directors' meetings regularly.
- Having knowledge in one or more of the following fields: Shipping, International Trading, Business Strategy, International Accounting, International Finance, Law and Corporate Governance.

- Not holding board positions in more than 5 listed companies (including the Company).
- Not holding position or involved in any competing maritime business.
- Completed the Thai IOD Director's Certification Program within 6 months of appointment.
- Age not more than 70 years unless specifically extended.

Independent Directors

An Independent Director is a Director who is independent from management of the Company and/or its subsidiaries, who does not have any related business or activities, and has no business with the Company, which may compromise the interests of the Company and/or the Shareholders, and has the full qualifications prescribed by the announcements of the SEC and SET. An Independent Director shall serve a three years term. The appropriate term for Independent Director is no more than three consecutive terms except for when a director is deemed suitable to hold the position for a longer period. The Board will consider the independence and effectiveness of the Independent Director who is under consideration and defend their decision to the shareholders, if required.

Roles of Independent Director

- At least one-third of the Board of Directors is comprised of Independent Directors and there are at least 3 Independent Directors on the Board.
- The Chairman is an Independent Director
- The Audit & Corporate Governance Committee is entirely comprised of Independent Directors.

Qualifications of Independent Directors

- 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 Securities and Exchange Commission 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 20 MB 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, executive officer, 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 Directors' Roles and Duties

- Independent Directors should gain access to financial and other business information adequately for them to perform their duties effectively.
- They are expected to regularly attend every board meeting, including committee meetings, and raise good questions to ensure the interests of company's shareholders' and the protection of rights of other stakeholders', and ensure that the Company complies with best practices.
- Independent Directors are expected to possess abilities and display willingness to learn company's business and are also expected to express their views independently, as well as dedicate time and attention to the company as needed.
- Independent Directors are expected to 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.
- There should be specific terms given to Independent Directors, and no Director must 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.

Powers, duties and responsibilities of the Board of Directors are as follows

- The Board of Directors performs its duties in conformity with applicable laws, and carries on the business of the Company in accordance with the laws, 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, in an independent and impartial manner, for the benefit of all shareholders and other stakeholders.
- The Directors, in their business conduct, are expected to generally act with care to preserve the interest of the Company.

- The quorum for the Board of Directors meeting is at least two-thirds of Board size.
- 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 of the following with the Company's Seal are the present authorized signatories:
 - 1) Mr. Khalid Moinuddin Hashim
 - 2) Mr. Kirit Shah
 - 3) Mr. Ishaan Shah
 - 4) Mr. Gautam Khurana
- 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 the period more than three years, to make a gift, to compromise, to file complaints to the Court and to submit the dispute to the Arbitration.
- Annually review and approve the Vision & Mission Statement, Core Values and Code of Business Conduct.
- 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.
- 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.
- Ensure the existence of an effective internal control system and appropriate risk management framework.
- Ensure the establishment and communication of policy and programme relating to anti-corruption.
- Ensure an effective audit system executed by both internal and external auditors.
- Approve quarterly and annual financial reports to ensure that the reports are prepared under generally accepted applicable accounting standards.
- Ensure that the Company has a proper system in place to communicate effectively with all stakeholders and the public.
- Define policy and guidelines for risk management and monitor the management to ensure the efficiency of risk management system.
- 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.
- Define policy and guidelines to implement Corporate Social Responsibility.

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 Stock Exchange of Thailand. 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 in order to segregate the duties between the policymaker and the policy manager.

The Chairman of the Board is the leader of the Board, and has duties as the chairman of both Board and shareholders' meetings. His 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.

Powers, 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;
- Facilitates open and constructive communication between members of the Board and encourages their contribution to Board deliberations;
- 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.

Powers, roles and duties of Managing Director

- The day-to-day management of the Company and its business is the responsibility of the Managing Director, 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 operation 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 an effective top management team 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.

Company Secretary

The Company designated the Company Secretary who has duties and responsibilities in accordance with the Securities and Exchange Act and is responsible for overseeing and advising the Board and the Management regarding applicable laws, rules, regulations and Good Corporate Governance, and also 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.

Board of Directors' Meetings

- The Board of Directors' meetings are scheduled in advance to convene at least 5 times per year, but extraordinary or special meetings, if required, may be called at any time during the year. For each meeting, throughout the year, an agenda is clearly predetermined by both, the Chairman of the Board of Directors and Managing Director.

- The Company Secretary sends the notice of the meeting and relevant documents to all Directors at least 7 days prior to the meeting date, so as to allow sufficient time for them to review the information before joining the meeting.
- All Directors devote their time and attention to the Company's business and are prepared to attend meetings regularly.
- The Chairman of the Board of Directors ensures that the Board has adequate time for the management's information presentation, including their deliberation, questions and debate of significant issues.
- The Board of Directors has established a guideline to prohibit a director/executive, who has a conflict of interest on any issue, to participate in its decision-making process pertaining to the same. Normally a director/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 is made.
- 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.
- The Non-Executive Directors hold meetings among themselves for discussing the business management issues and performance of the Executive Directors and are expected to notify the Managing Director of the meeting outcomes.

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.

Director 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.

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, 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.

Directors' Remuneration Criteria

- The Directors' Remuneration must be agreed by Board of Directors and recommended to the Shareholders for their approval.
- The Directors' Remuneration shall be a fixed amount per annum.
- 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.

Nomination, Selection, Appointment and Re-election of Directors

Directors' Nomination Criteria

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 meritocracy, and candidates are considered against appropriate criteria which are as follows;

- Consideration is based on a range of diversity perspectives, including gender, age and education background, skills, knowledge, and professional experience, and devotion of potential candidates expected to add value to the Board.
- Consideration of the qualities of leadership, vision, ethics, and honesty to uphold the highest principles of Good Corporate Governance.
- The candidate should 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.

Procedure for selection and appointment of new directors

The 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 procedure is followed in selecting and appointing a new director to the Board of Directors:

- The Nomination 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 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 Committee may utilize the personal network of the Board members and Senior Management 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 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 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 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.

Procedure for 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 procedure is followed for re-election of a director who retires by rotation:

- The Nomination 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 Committee submits its recommendations to the Board of Directors, which is proposed for the shareholders' approval at the shareholders' meeting.

Criteria to nominate/appoint Top Executives including the Managing Director

The Nomination 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.
- No blacklisting by any organization (including the SEC) or criminal conviction.
- After review, the Nomination 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 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 Committee screens profiles of the applicants, interviews them, and shortlists the preferred candidates who fit the criteria. The Nomination 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.

5.2.2 The Executive Board of Directors

The Executive Board of Directors consists of 3 Directors and is appointed by the Board of Directors.

Qualification of Executive Directors

- Qualified according to the Public Limited Companies Act, Securities and Exchange Act including other relevant laws and regulations and in accordance with the Good Corporate Governance Policy of the Company.
- Knowledgeable, possess good background experience, capable, independent to perform director's duties with care and loyalty, and able to attend Directors' meetings regularly.
- Having knowledge in respective field of appointment as part of Senior Management
- Not holding board positions in more than 3 listed companies (including the Company)
- Not holding any position or involved in any competing maritime business.
- Completed the Thai IOD Director's Certification Program Course.
- Age not more than 70 years unless specifically extended.

Powers, duties and responsibilities of the Executive Board of Directors are summarized hereunder:

- To manage the Company's business under the resolutions / regulations of the Board of Directors.

- 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.
- To generally act on behalf and in the interest of the Company and its subsidiaries as may be required to carry on the business.
- The Executive Board of Directors shall report on the business operations conducted by the Executive Board to the Board of Directors for acknowledgement and discussions. However, policy-related issues, or issues likely to have significant and major 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.
- Prepare and review strategic objectives, financial plans and key policies of the Company, to be submitted to the Board of Directors for approval.
- Review management authority in various aspects stipulated in the approval authority hierarchy, to be submitted for approval to the Board of Directors.
- Appoint, monitor and evaluate the performance of employees from the level of department head down to middle managers.
- 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.
- Communicate with external stakeholders, per designated authority, and as deemed appropriate.
- Prepare and review policy and guidelines for risk management and monitor the management to ensure the efficiency of risk management system.
- Prepare and review policy and guidelines for good Corporate Governance and guidelines to implement Corporate Social Responsibility.
- 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 an anti-corruption culture.

5.2.3 The Audit & Corporate Governance Committee

The Audit and Corporate Governance Committee was appointed by 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 opinion of company's financial report's correctness, credibility and transparency, to encourage the 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 also 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.

Composition of Audit & Corporate Governance Committee

- There must be at least 3 persons in the Committee.
- The Company's Chairman is not the Chairman of the Committee nor a member.
- A secretary may be appointed by the Audit and Corporate Governance Committee to assist the Audit Corporate Governance Committee. Accordingly, the Company Secretary is also presently acting as the Audit and Corporate Governance Committee Secretary.
- Audit & Corporate Governance Committee members shall serve a two years term and shall be eligible for reappointment.

Qualifications of Audit & Corporate Governance Committee Members

- Must be appointed by the Board of Directors or by the shareholders in a shareholders meeting.
- All the members must be Independent Directors.
- Not a Board member of parent company or subsidiary company which is also a listed company
- Not holding shares exceeding 0.5 percent of the total number of shares issued by the Company or its affiliates or associates or any other related Companies, including shares held by a related person.
- Be free of any past (for a period of 2 years) or present, direct or indirect, financial or other interest in the management and business of the listed company, its subsidiaries and associated companies and also that of the listed company's substantial shareholders.
- Not related to or a close relative of any executive Director, executive officer or major shareholder of the listed company.
- Not a Board member assigned to make decisions on business operations in the listed company, its parent company, subsidiaries or associated companies, or in a juristic person with possible conflicts of interest.
- Be able to freely perform and give opinions, or report the result of the duties assigned by the Board of Directors without being controlled by the management or major shareholders or any other related persons.
- Having duties and responsibilities in accordance with the rules and regulations of the SET.
- At least 1 committee member must have knowledge, understanding or experience in accounting or finance fields.

Powers, duties and responsibilities of the Audit & Corporate Governance Committee are summarized hereunder:

- To review the Company's financial reporting process to ensure accuracy with adequate and complete disclosure.
- 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.
- Review risk management system of the Company and recommend improvements on a regular basis.
- Review guidelines for the Company's Corporate Governance as compared with those of International organizations and present its recommendations to the Board of Directors.
- 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.
- To select and nominate for the shareholders' approval or discharge, the external auditor of the Company, including recommendation of remuneration of the external auditor after considering the independence of the external auditor and to freely discuss significant matters, the Audit & Corporate Governance Committee shall meet privately with the external auditor at least once a year, without the management team being present.
- To review connected party transactions that may lead to 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.

- To oversee the Anti-Corruption policy and annually review the Company's Anti-corruption procedures to ensure the effective compliance with the guidelines of the Collective Action Coalition Against Corruption (CAC).
- 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.
- To prepare a report on the monitoring activities of the Audit & Corporate Governance Committee, in accordance with the required details per SET regulations and disclose it in the annual report, such report to be signed by the Chairman of the Audit & Corporate Governance Committee.
- To perform any other acts as delegated by the Board of Directors and accepted by the Audit & Corporate Governance Committee.

5.2.4 The Risk Management Committee

The Board of Directors has appointed a Risk Management Committee to prescribe risk management policies that cover the entire organization and to ensure that risk management procedures or systems are in place to appropriately mitigate the impact of the risks on the businesses of the Company. Composition, authority, duties and responsibilities of the Risk Management Committee are prescribed to ensure their efficient performance as assigned by the Board of Directors.

Composition of Risk Management Committee

- There must be at least 3 Directors in the Committee.
- The Company's Chairman must be neither the Chairman nor a member of the Committee.
- A secretary may be appointed by the Risk Management Committee to assist the Risk Management Committee. Accordingly, the internal auditor is also presently acting as the Risk Management Committee Secretary.
- The Risk Management Committee members shall serve a two years term and shall be eligible for reappointment.

Qualifications of Risk Management Committee Members

- Must be appointed by the Board of Directors.
- At least one (1) member must be an Independent Director.

Meeting

- The Risk Management Committee plans to hold a meeting at least four times a year.

Roles, Duties and Responsibilities of the Risk Management Committee

The Risk Management Committee is responsible for duties assigned by the Board of Directors as follows:

- Prescribe risk management policy, framework and procedures to cover the entire organization.
- Identify the various risks that the Company is exposed to in the business environment.
- Suggest measures for the appropriate and efficient management of the risks associated with and identified by the Company.
- Oversee the risk management process to ensure that both external and internal factors which may impede the achievement of Company objectives are considered during risk identification, the impact and likelihood properly assessed, risks properly prioritized, and appropriate risk mitigation methods identified.
- Annually review the risk management policies and procedures.

- Follow up on and evaluate the performance in accordance with the organization-wide risk management framework, including recommendation of a framework for internal controls.
- Report the Company's major risks, status, progress of measures taken to mitigate these risks and performance to the Board of Directors.
- Communicate, collaborate and share information with Audit and Corporate Governance Committee on risk management and internal control.
- Perform any other acts as delegated by the Board of Directors.

5.2.5 The Remuneration Committee

The Remuneration Committee has been appointed by the Board of Directors as a mechanism to assist the Board in independently proposing the criteria of and setting guidelines for the Remuneration of Directors and senior management and to propose the remuneration the Board of Directors who will then act (accept fully, partially or reject totally) act in accordance with the regulations and good governance practices based on the proposals made by the Remuneration Committee. The Board of Directors are not empowered to fix the Remuneration of the Directors but are required to place their recommendations on the same to the shareholders for their approval.

Composition of Remuneration Committee

- There shall be at least 3 Directors as members on the Remuneration Committee.
- The Majority of the Committee shall always be comprised of Independent Directors.
- The Chairman of the Committee shall always be an Independent Director.
- The members of remuneration committee who do not fall in (2) and (3) above shall be Non - Executive Directors.
- The Company's Chairman shall not be the Chairman of the Committee nor a member.
- Remuneration Committee members shall serve a two years term and shall be eligible for reappointment.

Qualifications of Remuneration Committee Members

- They must not hold shares exceeding 0.5 percent of paid-up capital of the listed company or of an affiliated or an associated company.
- They must not be involved in the day-to-day management of the Company or an affiliated company or an associated company.
- They must be free of any present, direct or indirect, financial or other interest in the management and business of the Company, its subsidiaries or associated companies.
- They must not be a relative of any Executive Director or an executive officer of the Company or its subsidiaries or associates.
- They must not be acting as a nominee or representative of any Executive Director or an executive officer of the Company.
- They 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 executive officers of the Company or its subsidiaries or associates.

Powers, duties and responsibilities of the Remuneration Committee are summarized hereunder:

The Remuneration Committee is responsible for duties assigned by the Board of Directors as follows:

- Set out compensation guidelines for Directors and Senior Management and propose the same to the Board of Directors.

- Propose the Directors' Remuneration for the Board to make its recommendations and express its opinion for approval in shareholders' meeting.
- Update the Board of Directors about compensation norms being followed by Companies in Thailand and abroad.
- Other specific jobs assigned by the Board of Directors.

5.2.6 The Nomination Committee

The Nomination Committee has been appointed by the Board of Directors in order to set up a mechanism to assist the Board to independently propose the criteria and set guidelines for 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).

Composition of Nomination Committee

- All the members of the Committee are Independent Directors.
- The Chairman of Committee is an Independent Director.
- The Company's Chairman is not the Chairman of the Committee nor a member.
- Nomination Committee members shall serve a two years term and shall be eligible for reappointment.

Qualifications of Nomination Committee Members

- The Qualifications are exactly similarly to that of the Independent Directors.

Powers, duties and responsibilities of the Nomination Committee are summarized hereunder:

- Set out selection and nomination guidelines of appropriate persons and propose the same to the Board of Directors.
- Review the Board structure and propose a succession plan for Directors and Senior Management.
- Propose to the Board, names of potential candidates for appointment as Directors.
- If requested by the Board of Directors, assist in the process of review of performance of Directors.
- Prepare specific reports on latest trends and practices in the appointment of the Directors and Senior Management for consideration by the Board of Directors.
- Other jobs assigned by the Board of Directors.

6. Supervision of subsidiaries and associated companies

This Corporate Governance Policy, the Business Ethics and Code of Conduct as well as other company policies govern not only the Company, but also extend to its subsidiaries and associated companies¹ (where applicable) so as to ensure that all business operating entities of the Company, irrespective of their business locations, comply with these policies uniformly. In addition, the Company shall at all times, ensure that all the subsidiaries' and associated companies¹ 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 companies¹.

- 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 companies¹, director appointment shall be as per an investment agreement (if any).
- The Executive Directors on the Executive Board of Directors the Company 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 operate 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 internal control systems and policies of the Company shall extend to its subsidiaries.

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 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 subsidiary company or joint venture.

7. Controlling Systems and Risk Management Policy

The Board of Directors recognizes the importance of Risk Management and is responsible directly on Risk Management of the organization with the objectives to support the work performance of the management of the Company to be efficient and to achieve the goals, that the organization may have to face under business uncertainties that may affect the goals or objectives of the Company.

The Board of Directors has specified policy and framework for Risk Management concerning all aspects and cover business risk factors by determining guidelines within the Company by considering the probability and the likely impact of such a risk on the business and also determine preventive and mitigation measures, reporting structures, monitoring procedures and processes and assessment with steps laid down for regular follow up including the focus on early warning signs. Currently, the Company has classified the various risk factors into 4 categories as follows:

1. Operating Risk
2. Financial Risk
3. Market Risk
4. Capacity Replacement and Expansion Risk

The Company has disclosed and explained significant risk factors in the Annual Report.

The Board of Directors assigned the Audit & Corporate Governance Committee to be responsible for reviewing internal control systems and internal audit to ensure the effectiveness of the work which internal audit department conducts to evaluate the risk and control activities in the operations within the organization including the review of the financial statements and risk management information to the Audit & Corporate Committee every quarter.

The Board of Directors has appointed a Risk Management Committee to prescribe risk management policies that cover the entire organization and to ensure that risk management procedures or systems are in place to appropriately mitigate the impact of the risks on the business of the Company.

8. Business Ethics

It is the collective responsibility of the entire Board of Directors to provide and comply with a code of conduct which ensures that all the Company's activities are conducted legally according to applicable laws and in keeping with good moral principles and the Directors and employees must be made aware of the code of conduct. The code of conduct should be continuously monitored with a view to maintaining the changing expectations of the Company and its shareholders and is disclosed in details in the Business Ethics and Code of Conduct Manual of the Company.

MESSAGE FROM THE BOARD OF DIRECTORS ON BUSINESS ETHICS & CODE OF CONDUCT

To all Directors, Executives and Staff members:

The Company is committed to conducting business on the basis of morality and to create added value to its shareholders and also to put unwavering efforts to ensure that all stakeholders are fairly treated. Therefore, the Company has set up a Business Ethics and Code of Conduct Manual to commit to the key principles of integrity, ethical business conduct and accountability for Directors, Executives and staff as a guideline to carry out their respective work for the Company in a transparent, honest, faithful and justifiable manner.

With the business environment evolving constantly, we assess our Business Ethics and Code of Conduct on a regular basis to ensure that it reflects global best practices and meets the expectations of all stakeholders.

The Company has clearly announced that it is the duty and responsibility of all Directors, Executives and staffs to faithfully follow the Business Ethics and comply with the policies and practices stated in this Code of Conduct. The Company's ultimate goal is to achieve its business objectives for the benefit of all stakeholders including the shareholders and the society.

**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

Precious Shipping Public Company Limited & Its Subsidiaries (“The Company”)

Business Ethics & Code of Conduct

Definitions

Business Ethics are the qualities of virtue, truth, justice and righteousness that business conduct should follow.

Code of Conduct is a code of behavior to be followed to maintain and promote dignity and reputation.

Our Principles

We are committed to:

- **Honesty**

Company executives should be truthful to people involved. They should not intentionally mislead or deceive others by distorting information, exaggerating or giving partial truth. Nor should they discriminate against people by doing or abstaining from doing something required to be done.

- **Integrity**

Company executives should exhibit their personal integrity and courage to uphold their convictions by doing things they perceive as right despite pressures favoring the opposite. They should be respectable, impartial, and committed to their principles. They should fight for their beliefs and never compromise their principles for any objective that would turn them into deceivers or immoral persons.

- **Trust worthiness**

Executives should disclose and provide related information, as well as correct any misunderstanding on facts. They should try in every proper way to fulfill their promises. They should not abuse technical or legal interpretation as an excuse not to cooperate or comply with contractual obligations.

- **Loyalty**

Our executives should exhibit their loyalty to the company by dedicating themselves to their respective duties and to its people by providing support and assistance whenever required. They should not use or disclose confidential information for personal advantage. On the contrary, they should maintain the ability to make decisions independently as professionals, avoiding inappropriate conduct and conflict of interest, as well as being faithful to the company and their colleagues. If the executives intend to leave and work somewhere else, they should notify appropriately in advance and treat the company information as important and confidential. They should not exploit their former positions for their own benefit.

- **Fairness**

All executives should be fair and just towards all people. They should not use their power deliberately, neither should they resort to cheating or inappropriate tactics to obtain or maintain benefits or advantages from misled or distressed people. Fair-minded executives should disclose the agreements set for consideration and treat everyone equally, be open to disagreeable opinions, willing to admit the mistakes they make, and ready to shift positions and beliefs to appropriate and correct ones, if the situation demands.

- **Concern for others**

Our executives should be considerate, sympathetic, kind, and well intentioned to others. As the golden rule says, “Treat others the way you want to be treated”, executives should provide the help

that people need. They should also pursue proper means to achieving business objectives in a way that the business objectives are aligned with the objectives and interests of people.

- **Respect for International Human Rights Principles**

Company executives should mutually respect each other's honor, freedom, privacy, legal and human rights, as well as the interests of stakeholders. In making their decisions, executives should be gentle and treat everyone as equal without discrimination by gender, class, or race.

All directors, the management and staff strictly respect International 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.

- **Commitment to Excellence**

Executives should excel in their performance, i.e., should be equipped with knowledge, be prepared, and should work hard to enhance knowledge and skills to cope with every issue under one's responsibilities.

- **Leadership**

All executives should be aware of their own responsibilities and leadership requirements and should seek and comply with code of conduct models that would benefit themselves and the organization when put to work. They should also attempt to create an environment in which principles and ethical decision-making are given utmost importance.

- **Reputation and Morale**

Senior executives should create and defend company's reputation, as well as employees' morale, by singly and collectively avoiding any action that would hurt the inter-relation between the company and employees. On the other hand, all employees must singly and collectively do everything necessary to correct and prevent any wrongdoing committed by others.

- **Accountability**

Executives should be aware of, and accountable in following ethics when making any decision and omission for the company, themselves, their colleagues, and the community.

Business Ethics

1. Policy on Compliance with the Law and Relevant Rules and Regulations

The Company is committed to complying with all relevant laws, rules and regulations everywhere it operates and has established the policies as follows:

- Directors, executives and staff must comply with local laws, rules, regulations as well as customs and traditions of the country in which the Company operates.
- Directors, executives and staff must comply with the announcements and stipulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).
- Directors, executives and staff must comply with the Company's rules and regulations.
- Directors, executives and staff must not assist, support or conspire to avoid any legal or regulatory compliance.
- Directors, executives and staff must cooperate with supervisory agencies as well as report information on violation of or non-compliance with existing laws or regulations to concerned persons.

2. Policy on Conflict of Interests

The Company has set up an important policy concerning the conflict of interests and related transactions for Directors, Executives and staff 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 Executives or staff 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, Executive and staff must strictly comply with the rules and procedures regarding information disclosure by listed companies for such transactions.
- If a Director, Executive, staff 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, Executive and staff becomes 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.

3. Policy on Confidentiality of Information

The Company has set up an important policy concerning the use of information of the Company in compliance with Good Corporate Governance and relevant regulations. The Company has advised the Directors, Executives and staff to focus on confidential information especially internal information not yet disclosed to public or any data or information that may affect the business of the Company or its share price. The guidelines are as follows:

- Directors, executives and staff must not use information they receive from their directorships or employment for personal benefit or for conducting business or other activities in competition with the Company.
- Directors, executives and staff must not use information which is not generally known and which may influence the share price (inside information) and must refrain from dealing in the shares of the Company at sensitive times pending major announcements in accordance with the specific policy laid down from time to time specifying the moratorium on share trading during certain periods. Inside information shall also not be given to any third party for the purpose of dealing in the shares of the Company.
- Directors, executives and staff must not disclose business secrets to any third party especially to competitors even after a Director, Executive or staff member has left the Company.

4. Policy on safeguarding Company Property

The Company expects executives and staff to utilise the Company's resources and assets in a most efficient manner, to increase corporate competitiveness and to provide the best possible service to its customers in accordance with the following guidelines:

- 4.1 Protection of the Company's properties and assets
 - Executives and staff should use the Company's resources and assets in a cost-efficient manner for maximum benefit of the Company.
 - Executives and staff should help protect the Company's properties and assets from improper depreciation or loss.
 - Provide and follow proper preventive systems and procedures and effectively insure the same against any fire, natural calamities, burglary and other risk or damage.
- 4.2 Documentation
 - Executives and staff are to prepare documents with honesty and prudence while meeting stipulated standards.
 - Executives and staff are prohibited from falsifying the Company's letters, reports or documents.

5. Policy on Information Technology Security

- All computer, information technology and information and data relating to its operation are the property of the Company. Executives and staff should not use the Company's computers and information technology for personal interests.

- Executives and staff are prohibited from disclosure to others of their password for access to the Company's information system.
- Executives and staff are prohibited from disclosure of any information or data in the Company's information system to other parties without proper authorization.
- Executives and staff are prohibited from changing, copying, deleting or destroying the Company's information or data without proper authorization.
- Executives and staff are prohibited from using illegal software for any reason and from using copyright protected software without the permission of the copyright owner.
- Executives and staff are prohibited from using the Company's electronic mail system to transmit derogatory, offensive, pornographic, abusive or annoying messages.
- Executives and staff may only use the internet to seek information and knowledge related to their work and shall not access illegal or immoral websites.
- Staff should use all communication equipment such as telephones, facsimile machines and mobile phones provided by the Company, with appropriate sense of responsibility and care, taking the Company's interests into consideration.

6. Cyber Security Management

Cyber security enables confidentiality, integrity and availability of information by providing protection against malicious and accidental threats. Cyber security threats take advantage of weaknesses in technology, people and processes and cause harm to the Company. All employees have a role to prevent any cyber security risk. The guidelines that govern cyber security measures are as follows:

- **Identify threats**

Identify and understand the external cyber threats and the internal cyber security threats posed by inappropriate use and lack of awareness.

- **Identify Vulnerabilities**

Develop inventories of systems with direct and indirect communication links. Understand the consequences of a cyber security threat on these systems. Understand the capabilities and the limitations of existing protection measures.

- **Assess Risk Exposure**

Determine the likelihood of vulnerabilities being exploited by internal threats. Additionally, determine the likelihood of vulnerabilities being exposed by inappropriate use of systems and equipment. Determine the security and safety impact of any individual or combination of vulnerabilities being exploited.

- **Develop Protection and Detection measures**

Reduce the likelihood of vulnerabilities being exploited through protection measures. Reduce the potential impact of a vulnera.

- **Establish Contingency Plans**

Develop a response plan to reduce the impact of threats that are realized on the safety and security of the ship and the Company.

- **Respond to Cyber Security Incidents**

Respond to any incident which is recognized as a potential cyber security threat. Assess level and potential impact of the threat and take suitable action using the response plan.

- **Awareness Training**

Awareness training of staff at all levels through regular events such as seminars, webinars, phishing campaigns, platform-based training etc.

7. Ethics for Intellectual Property Rights

The Company requires that all of its directors, the management and staff respect the intellectual property rights of others with care and caution, whether in trademarks, patents, copyrights, classified commercial information, or other stipulated categories of intellectual property. The guidelines are as follows:

- Directors, Executives and staff must protect the Company's intellectual property from infringement, disclosure, reproduction, modification or any other similar actions.
- Directors, Executives and staff must respect and avoid violating the intellectual property rights of others.
- Employees are obliged to report to their respective superiors as and when they observe any actions that they believe to be, or will lead to, a violation of or conflict over the intellectual property rights.

8. Policy on preventing corruption and offering a bribe

The Company has a policy prohibiting all form 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.

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.

9. Policy on Giving and Accepting Gifts and excessive or undue Hospitality

Business decisions should never be based on gifts, benefits and/or excessive/undue hospitality received or offered through our business relationships. Selection of suppliers and business partners, and similar choices made by our customers, must be based on objective factors such as price, quality, service, and value. The Company requires Directors, executives and staff to abide by this Guideline to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between the Company and external parties since a gift/benefit/excessive or undue hospitality can be seen as a bribe that may blemish the Company's reputation or be in violation of anti-bribery and/or corruption laws.

The following Company Guidelines concerning the giving and accepting gifts and excessive or undue Hospitality should be followed:

- Directors, executives and staff are strictly prohibited from demanding any gift, benefit and/or hospitality from any trading parties or other external parties with whom the Company is doing business.
- Directors, executives and staff are strictly prohibited from offering any gift, benefit and/or hospitality to any trading parties or other external parties in any attempt to persuade them to commit a fraudulent action.
- Directors, executive and staff are not allowed to give/accept any gifts, benefits, and/or excessive or undue hospitality to/from any trading parties or other external parties (including government agencies, quasi-government agencies, suppliers, banks, service providers), with whom the Company is doing business. However, if necessary, corporate gifts bearing the gift-giver's or company's corporate logo/emblem made generally (and not specifically) by the giver/company for distributing generally (and not specifically) to all or many of the giver's customers, associates, etc., and which are not related to any business commitment may be given/accepted.
- Any normal business hospitality, such as receptions, tea/coffee, meals, or other similar nature that is directly relating to business operations or trading traditions without being excessive, is excluded from this requirement but such expense should be a reasonable amount and should not be related to any business commitment.

10. Anti-Money Laundering & Counter Terrorism Financing (AML/CTF)

The Company is committed to conducting business with the highest ethical standards. This includes, to prohibit and actively prevent money-laundering or any activity that facilitates money laundering or the funding of terrorist or criminal activities. The guidelines are as follows:

- The Company will conduct business with organizations or customers who are involved in legitimate business activity and whose funds are derived from legitimate sources.
- Executives and staff shall comply with any laws and regulations related to preventing money laundering and all relevant local anti-money laundering regulations.

11. Tax Policy

The Company recognizes the importance of being a responsible taxpayer and timely tax payment, representing a social responsibility that is deemed a crucial driving force toward long-term sustainable growth and sustainable value creation for all stakeholders. The Company is committed to fair tax management practices based on the principles of accuracy, transparency, and accountability. The guidelines are as follows:

- The Company ensures that its business operations are conducted in compliance with applicable tax laws and regulations in countries in which the Company operates, including obtaining eligible tax incentives to derive maximum benefits to the stakeholders.
- The Company should remit tax payment and submit all applicable tax returns within the period specified by law.
- The Company shall assess tax implications, due to any changes in tax laws and regulations, on the Company operations.
- The Company shall consider consulting tax professionals, for any complex transactions, for the best benefits of the Company's stakeholders.
- The Company shall engage in an open, transparent dialogue and ensure cooperation with tax authorities.
- The Company encourages accounting/finance staff to attend various tax training courses to ensure that they have sufficient knowledge and understanding the operation of taxation in the Company's business.

12. Anti-Trust Policy

The Company strives to conduct its business in an ethical and transparent manner. Corporate business strategies are performed based on fair trade and competition. The purpose of this policy is to promote compliance with antitrust laws applicable in countries where the Company operates.

The guidelines concerning antitrust are as follows:

- The Company shall conduct business with transparency and fairness.
- The Company shall avoid using unfair trade practices against other business partners including but not limited to imposing commercial terms and conditions that limit the prospects or trading options of business partners.
- The Company shall avoid any discussion regarding confidential information or business secrets with competitors.
- The relevant employees shall understand the antitrust policy of the Company. Since the antitrust laws in each country are varied and complex, consultation with legal counsel may be required.

13. Procurement

Procurement is to be conducted according to the company's guidelines and should be fair to all involved. The procurement decisions are to be made on the basis of reasonable prices, quality, and service, and should stand scrutiny if an investigation occurs.

The following Company Guidelines concerning the procurement should be followed:

- Strictly follow the process set forth in the procurement and purchasing regulations, and act within the scope of authority provided.
- Avoid involvement in purchasing from contractors to whom you are connected, such as family members, relatives, or entities in which you have ownership or shares.
- The priority in procurement should be given to legal entities rather than individual persons, except in cases where special expertise is required from the particular individuals or where the benefit of the Company demands it.
- Avoid using the information you obtain from procurement activities for benefit of yourself or others.

14. Transactions with the Government

Transactions with the Government must not be such as to persuade the government or government officials to do anything wrong or inappropriate. Mutual acknowledgment and building relations, within the proper bounds and normal practices, such as offering congratulatory messages and flowers on public occasions is acceptable.

The following Company Guidelines concerning the transactions with the Government should be followed:

- Conduct yourself properly and honestly when in contact with government officials or agencies.
- Always remember that the laws, rules and customs of each place may have diverse conditions, procedures, or methods of proceeding.
- Comply with the laws of each country and/or of locality in matters pertaining to hiring government employees as consultants or employees of the Company. Such hiring must be transparent and appropriate.

15. Policy on Safety, Occupational Health and Environment

The Company is committed to conducting business with the highest standards of safety, occupational health, and environmental conditions in accordance with the following general guidelines:

- The Company shall comply with all legislations and regulations relating to safety, occupational health, and environmental requirements in all locations in which the Company operates.
- The Company shall follow practices that constantly ensure that its working environment is safe for the protection of life and property of the Company and its employees.
- The Company shall encourage health and safety awareness at all levels and promotes procedures and practices that ensure environmental protection taking into account current legislation and industry codes and practices.
- The Company shall fully disclose all information regarding its operations and standards in relation to safety, occupational health, and the environment.

16. Diversity and Inclusion Policy

The Company is committed to promoting equality and combating discrimination in the workplace. The purpose of this policy is to ensure that job applicants and employees are treated with fairness and dignity at work regardless of age, gender identity or perceived gender non-conformity, marital or civil partnership status, pregnancy, maternity, political beliefs, race, nationality, ethnicity, religion, disability or sexual orientation. The guidelines to promote workplace equality, diversity and inclusion for employees are as follows:

- Recruitment and placement for every level and job classification are conducted regardless of an individual's characteristics, as described above.
- The selection criteria and process for recruitment will be regularly reviewed to ensure that there is no unjustifiably discriminatory impact to a particular group.
- Provide full and genuine access to all levels, including leadership roles for all employees. Where necessary, this could include affirmative action for disadvantaged groups.
- Provide equal career and development opportunities to employees based on individual qualities and personal merit.

- Decisions on promotions and transfers are based on qualifications, efforts, and performance as they relate to the requirements of the job for which the person is being considered.
- Provide all employees access to equal remuneration for work of equal or comparable value.
- Maintain gender segregated and non-segregated facilities as appropriate, and to provide sufficient physical facilities for all employees to ensure that the working environment is accessible and appropriate.
- All employees will be informed of this policy and will be provided with training appropriate to their responsibilities.
- The Company has provided an independent “Whistleblower” system that employees can use anonymously and confidentially.

17. Whistleblowing Policy

To ensure fair treatment of all stakeholders under this Code of Conduct, the Company has set up a channel to contact the Board of Director 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, incident of harassment/discrimination, illegal acts, etc. Any staff member or any other stakeholder is accordingly welcome to send a message by email or mail a letter to Mr. 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 Company has a Complaint handling procedure as follows:

Procedure

- Upon receiving a complaint, Mr. Chaipatr Srivisarvacha, the designated person, will review and consult the Chairman of Audit & Corporate Governance Committee and/or any members of the Board of Directors. All relevant Directors above will decide whether an investigation is appropriate and, if so, what form it should take. They will decide to take no further action if a complaint appears to be trivial or malicious or due to vested interests of the Complainant.
- Some concerns may be resolved by agreed action without the need for investigation and the necessary employees will be involved in those discussions.
- If an investigation is required, all relevant Directors above may designate an appropriate person(s) to investigate the matter.
- The designated person(s) shall address the complaints considering the seriousness of the issue raised and credibility of the concern and may, in their discretion, consult the Audit & Corporate Governance Committee, any Senior Management, engage outside auditors and/or legal experts who may have appropriate expertise to assist in the investigation and analysis of the results thereof.
- The designated person(s) should investigate the matter within a reasonable time frame. Investigations shall be made with the utmost respect in accordance with all relevant laws and regulations.
- If the matter is important, such as one that affects the reputation and image or financial status of the Company, or conflicts with the Company's policies for conducting business, or involves a senior executive, the designated person(s) will submit the investigated result, opinion and the appropriate course of action to prevent recurrence of any unethical event, to the Audit & Corporate Governance Committee and/or the Board of Directors for consideration.
- The designated person(s) may decide how to report the progress/results of the investigation or the complaint to the complainant if his/her name is revealed.

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' identity without his/her knowledge and consent.

No Retaliation

No member of the Board, Executive or Staff who in good faith reports a violation of the Code of Conduct or reports a complaint or concern involving matters covered by this Whistleblowing Policy shall suffer harassment, retaliation or adverse employment consequence as a result of such a report. An employee who retaliates against someone who has reported a violation, complaint or concern in good faith is subject to discipline up to and including termination of employment.

This Whistleblowing Policy is intended to encourage and enable Directors, Executive and Staff and others to raise concerns within the Company and to better enable the Company to promote compliance with the Business Ethics and Code of Conduct and related policies. In the event that an employee files a complaint which such employee knows or reasonably should know to be false, such employee will be subject to disciplinary action such as termination of employment, and such employee may be held liable for damages incurred by the Company.

False Whistleblowing

Reporting that is proved to be based on a false premise, is a violation of the Company's Business Ethics & Code of Conduct and subject to punishment as per the company regulations and/or relevant law.

Code of Conduct

1. Code of Conduct for Executives

- Perform duties with honesty, transparency, and fairness to ensure that the decisions and actions are made to the extent possible, in the best interests of all the stakeholders as a whole;
- Perform duties as professionals with knowledge, skill, determination, and prudence, watchful of trouble in advance; and seeking remedies for anticipated problems; and maintaining the code of conduct, including applying knowledge and skills to managing the company to the best of their abilities;
- Do not seek to benefit oneself or related persons by abusing undisclosed or confidential information inside the company or disclose to outsiders, or do anything that can be construed as a conflict of interest;
- Provide regular supervision and inspection, both inside the company and its environment to ensure compliance to set policies and processes;
- Provide for a system of accurate, complete, timely, and consistent information reporting, as well as reporting on future trends of the company, based on probability and supported by adequate data;
- Comply with concerned laws and regulations, be observant, aware up-to-date on industrial standards and set guidelines, maintaining adequate and appropriate documents for control and maintenance operations according to guidelines applicable to every level of management to ensure efficient business operations;

- Develop the business of the company to achieve objectives and standards;
- Promote company knowledge and understanding.

2. Code of Conduct for Board of Directors

- Specify the direction, goals, policy and business strategy.
- Perform duties honestly, carefully and for the benefit of the Company.
- Comply with relevant laws, rules, regulations as well as ethics and good corporate governance practices and conduct business in accordance with the articles of the Company.
- Follow-up on corporate operations to achieve all objectives.
- Consider and appoint sub-committees and determine duties and responsibilities of the sub-committees clearly and appropriately.
- Consider the important business transactions with due care and diligence.
- Set the Board meeting and consider appropriate agenda items.
- Assess the Board's performance regularly.
- Set up succession plan for Senior Management of the Company.

3. Code of Conduct for Sub-Committee

- Perform duties assigned by the Board of Directors with due care and diligence.
- Perform duties honestly, carefully and for the benefit of the Company without any conflict of interest.
- Comply with relevant laws, rules, regulations as well as ethics and good corporate governance practices and conduct business in accordance with the articles of the Company.
- Report the performance to the Board regularly.

4. Code of Conduct for Individual Directors

- Diligently perform all duties assigned by the Board of Directors.
- Perform duties honestly, carefully and for the full benefit of the Company.
- Comply with relevant laws, rules, regulations as well as ethics and good corporate governance practices and conduct business in accordance with the articles of the Company.
- Ensure management performs achievement of Company's objectives.
- Ensure confidentiality of all inside information and do not allow leaks outside the Company and act at all times without deriving any personal benefit from such inside information not yet disclosed to the Public.
- Avoid any action or decision that may lead to conflict of interest.

5. Code of Conduct for Company Secretary

- Diligently perform all duties assigned by the Board of Directors.
- Perform duties honestly, carefully and for the benefit of the Company.
- Supervise various activities of the Board and the Company in compliance with the relevant laws, rules and regulations as well as ethics and good corporate governance practices and according to Articles of Association of the Company.
- Hold shareholders' meetings, Board and sub-committee meetings and prepare minutes of meetings promptly and fully.
- Act as a good communication center between Directors and Shareholders.
- Ensure confidentiality of all inside information including minutes of meetings of the Board and sub-committees and do not allow leaks outside the Company and act at all times without deriving any personal benefit from such inside information not yet disclosed to the Public.

6. Code of Conduct for Staff

- Perform all duties honestly, carefully and for the benefit of the Company.
- Comply with relevant laws, rules, regulations and follow good ethics while doing business and otherwise.
- Ensure confidentiality of all inside information and do not leak any inside information outside the Company and act at all times without deriving any personal benefit from such inside information not yet disclosed to the Public.
- Maintain harmony among all co-workers and staff in the Company.

7. Policy and Practices toward Stakeholders

The Company recognizes the rights of all stakeholders and therefore encourages cooperation between the Company and all the stakeholders including employees, customers, trading partners, creditors, government agencies, community and society at large. Directors, Executives and staff must comply with the Code of Conduct which has been established to ensure fair and balanced dealings with all stakeholders.

The following practices may be adopted as guidelines in terms of dealing with stakeholders:

Shareholders

The Company is responsible to the shareholders and groups of financial investors and creditors in terms of information disclosure, accounting methods, internal information usage, and conflict of interests. Executives must be honest and any decision must be based on honesty and fairness to both major and minor shareholders as a whole, and for the collective benefit of all.

Customers

The Company must always act to protect customers' interests, be attentive and ultimately responsible to customers with regard to service, by setting and maintaining good standards. They should keep customers' confidential information exclusively for concerned business use, without revealing it unless required by laws, regulations, or with the consent of the information owners, including issues related to marketing, market power exercises, price setting, details of services, quality and safety.

Trading Partners and/or Creditors

The Company has a policy of equitable and fair treatment of its trading partners and/or creditors, taking into consideration the Company's interest and on the basis of mutual benefit and it 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 trade terms and terms of borrowing from financial creditors, objectives of using borrowed funds, repayment, collateral, and other 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 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, efficient manner and consideration of their expertise, financial status and they will have strictly complied with laws and related regulations.
- Past performance of suppliers and cooperation with the Company should be important factors in supplier selection.
- Whenever the supplier base is not sufficient to fulfill the Company's needs, additional research and solicitation must be conducted by the Purchasing Department to increase vendor participation.

Competitors

The Company must act within the rules of fair trade, not destroying trade competitors' reputations with false allegations against them without truth, nor should they access competitors' confidential information using dishonest or inappropriate means. 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.

Employees

The Company must provide equal opportunities in employment, job security, and career advancement, as well as follow equitable principles related to employees and employment. Also ensure that employees are adequately knowledgeable and skillful in performing company business and understand relevant code of conduct and good practices and take action for knowledge enhancement and ability improvement leading to their development in keeping with the trends in the industry.

Community and Society

The Company has to be responsible to the community and society and should be involved in supporting community activities and be attentive to the consequences of the company's conduct that affects people around, beyond the requirements of law, and should make full efforts to gradually absorb social accountability.

The Company is expected to conduct business that will benefit the economy and society while safeguarding customs and traditions of communities in countries where it operates in. It is also the Company's policy to become a responsible corporate citizen to comply with all relevant laws, rules and regulations and to contribute to uplift quality of life by itself and/or through close collaboration with the relevant authorities and the communities.

8. Enforcement of this Manual

The Company has clearly announced that it is the duty and responsibility of all Directors, Executives and staff to faithfully follow the Business Ethics and comply with the policies and practices stated in this Code of Conduct. All superiors must lead in compliance with this code and should be responsible for and consider it a priority to ensure that their subordinates truly learn, understand and comply with this Policy and Code of Conduct.

Greenhouse Gas Verification Statement Number
TH-IE-22-5003609-001

The inventory of Greenhouse Gas emission in period
 January 01, 2021 – December 31, 2021 of

Precious Shipping Public Company Limited

No. 8, North Sathorn Road, G, 7th, 8th, and 9th floors, Silom, Bangrak, Bangkok 10500 Thailand

has been verified in accordance with Validation and Verification Requirements for Carbon Footprint for Organization, January 2017, Accounting and Reporting Requirements of Carbon Footprint for Organization Version 4, December 2018 and ISO 14064-3:2019 as meeting the requirements of

Carbon Footprint for Organization
by Thailand Greenhouse Gas Management Organization
(CFO by TGO)

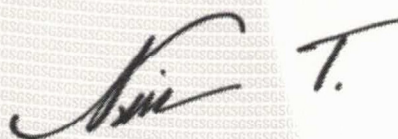
Scope1 (Direct GHG Emission) = 526,625 tCO₂e
 Scope2 (Indirect GHG Emission : Electricity) = 64 tCO₂e

For the following activities:

Servicing of Dry Bulk Shipping

The organizational boundary was established following operational control approach
 and The operational boundary was established cover anthropogenic sources cause
 direct and indirect emissions.

Authorised by



Nattarin Thunsiri
 Operation Manager, SGS (Thailand) Limited
 Date 14/02/2022

SGS (Thailand) Limited, 100 Nanglinchee Road, Chongnonsi, Yannawa, Bangkok 10120, THAILAND
 This Statement is not valid without the full verification scope, objectives, criteria and findings available on
 pages 2 to 3 of this Statement.



Schedule Accompanying Greenhouse Gas Verification Statement

TH-IE-22-5003609-001

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 as provided by PSL in their Greenhouse Gas (GHG) Assertion covering GHG emissions of the period 01/01/2021 – 31/12/2021.

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 January 01, 2021 – December 31, 2021.

SGS conducted a third party verification in the period of January 2022 to February 2022.

The verification was based on the verification scope, objectives and criteria as agreed between PSL and SGS in Agreement Date January 14, 2022. The assessment included a desk review and remote verification at PSL office in Bangkok.

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 the servicing of dry bulk shipping and associated activities, to establish conformance 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.

Title or description activities:

- The organizational boundary was established following Control Approach (Operational Control).
 - Title or description activities: Servicing of Dry Bulk Shipping.
 - Physical infrastructure, activities, technologies and processes of the organization: Servicing of Dry Bulk Shipping and associated activities
 - GHG sources, sinks and/or reservoirs included: Only GHG sources, as presented in the inventory spreadsheet provided by PSL.
 - Scope 1 –mobile combustion;
 - Scope 2 – purchased electricity;
 - Types of GHGs included: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃
- GHG information for the following period was verified: January 01, 2021 – December 31, 2021.
- Intended user of the verification statement: Client internal use and communicate to stakeholder.

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
- The data reported are accurate, complete, consistent, transparent and free of material error or omission.

Criteria

Criteria against which the verification assessment is undertaken are Validation Verification Requirements for Carbon Footprint for Organization, January 2017, Accounting and Reporting Requirements of Carbon Footprint for Organization Version 4, December 2018 and ISO 14064-3:2019

Materiality

The materiality required of the verification was considered by SGS to 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 (CFO by TGO)

The GHG information for the period January 01, 2021 to December 31, 2021 disclosing emissions of 526,689 metric tonnes of CO₂ equivalent (Summation of emission Scope1 and Scope 2)

Scope1 (Direct GHG Emission) = 526,625 tCO₂e

Scope2 (Indirect GHG Emission : Electricity) = 64 tCO₂e

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 modeling GHG emission information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the reporting of emission information.

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 01/01/2021 – 31/12/2021 are fairly stated.

This statement shall be interpreted with the GHG Assertion of the inventory spreadsheet provided by PSL as a whole.

Note: This Statement is issued, on behalf of Client, by SGS (Thailand) Limited ("SGS") under its General Conditions for GHG Validation and Verification Services available at <https://www.sgs.com/en/terms-and-conditions>. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement, the findings and the supporting GHG Assertion may be consulted at **Precious Shipping Public Company Limited No. 8, North Sathorn Road, G, 7th, 8th, and 9th floors, Silom, Bangrak, Bangkok 10500 Thailand**. This Statement does not relieve Client from compliance with any by laws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.



Precious Shipping Public Company Limited

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