

Ref. : 2011-015

10 May 2011

To : The President of the Stock Exchange of Thailand

Subject : Submitting the Reviewed Interim Financial Statements for the three months period ended 31 March 2011 and 2010.

We hereby report the Interim Financial Statements of Precious Shipping Public Company Limited and Subsidiaries (“the Company”) reviewed by Auditors, for the three months period ended 31 March 2011 and 2010 together with the summarized operating results (Form 45-3). The reasons for changes in the operating results are explained below.

We would like to notify that from this accounting year 2011, the Company has adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions. Some of the newly adopted accounting standards have a significant impact on the financial statements (per details provided in Notes to interim financial statements (NFS) nos. 1.2 and 1.4), one of which is “TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates” according to which, the US Dollar is determined as the Functional Currency of the Company and the Thai Baht now becomes the reporting/presentation currency for the purpose of the Financial Statements. Accordingly, the functional currency interim financial statements of the Company are also provided as Note Number 23.

In view of the above, since the US Dollar Financial Statements are now included in the Financial Statements reviewed by Auditors, the Company shall no longer be submitting and reporting the Restated US Dollar Financial Statements separately, as was the case in the past.

For the three months period ended 31 March 2011, the Company and subsidiaries have earned a consolidated net income of Baht 108.63 million as compared to net income of Baht 474.37 million earned during the same period in 2010. The main reasons for changes are as follows:

1. The Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the first quarter of 2011 has decreased by about 15 percent over the Net Vessel Operating Income for the same period of 2010 mainly due to the decrease in average earnings per day per Vessel from USD 12,425 in the first quarter of

2010 to USD 12,118 in this quarter and slightly lower number of vessels operated during the first quarter of 2011.

The income has been earned from an average of 21 vessels during the first quarter of 2011 as against an average of 22 vessels in the same period of 2010. The fleet size as on 31 March 2011 was 21 vessels.

2. For the first quarter of 2011, the absolute Vessel running expenses are lower by 9 percent as compared to the same period of 2010 mainly due to the reduction in average Vessel operating expenses per day per Vessel from USD 4,963 in the first quarter of 2010 to USD 4,896 in this quarter (including depreciation/amortisation of the Drydocking/Special Survey expenses in both periods) and slightly lower number of vessels operated during the first quarter of 2011.
3. The Company recorded gain on sale of vessels and equipment of Baht 354.22 million in the first quarter of 2010 while there was no sale of any vessel but a small gain on sale of other assets of Baht 1.38 million for the first quarter of 2011.
4. Administrative expenses and Management remuneration for the first quarter of 2011 have decreased by Baht 15.28 million and Baht 9.12 million, respectively as compared to the same period of 2010 mainly due to the lower provision for staff bonus as a consequence of the lower net profit in this quarter based on which the staff bonus provision is made.

We trust you will find the above in order.

Yours sincerely,

For : Precious Shipping Public Company Limited

(Khalid Moinuddin Hashim)
Managing Director

(Khushroo Kali Wadia)
Director