

Ref: 2016-023

28th April 2016

To : The President of the Stock Exchange of Thailand

Subject : Submitting the Reviewed Interim Financial Statements for the three months period ended 31 March 2016 and 2015.

We hereby report the Interim Financial Statements of Precious Shipping Public Company Limited and its subsidiaries (“the Company”) reviewed by Auditors, for the three month periods ended 31 March 2016 and 31 March 2015 together with the summarized operating results (Form 45-3).

For the three month period ended 31 March 2016, the Company has incurred a consolidated net loss of Baht 1,211.35 million as compared to a consolidated net loss of Baht 335.69 million incurred during the same period in 2015. The main reasons for changes are as follows:

1. The absolute Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) in this quarter has decreased by about 14 percent as compared to the same period of 2015 mainly due to the decrease in the average earnings per day per Vessel from USD 6,074 in the first quarter of 2015 to USD 4,797 in this quarter as a consequence of the prolonged weakness in the dry bulk shipping sector, with the Baltic Dry Index reaching 290 points in February, 2016, the lowest point in its long history. The income has been earned from an average of 44 vessels during the first quarter of 2016 as against an average of 45 vessels in the same period of 2015. The fleet size as on 31 March 2016 is 41 vessels.
2. For the first quarter of 2016, the absolute Vessel running expenses are higher by 6 percent as compared to the same period of 2015 mainly due to the higher USD/THB exchange rate used for translation.

The average Vessel operating expenses per day per Vessel (including depreciation/amortisation of Drydocking/Special Survey expenses) was marginally lower at USD 4,528 in the first quarter of 2016 as compared to USD 4,634 in the same period of 2015.

3. The Company recorded loss on sale of five old vessels of Baht 338.95 million sold during the first quarter of 2016.

4. Due to the poor market conditions, the Company recognized an impairment loss of Baht 154.85 million in this quarter in respect of 2 more vessels expected to be sold in 2016.
5. Finance cost for the for the first quarter of 2016 is higher by Baht 245.83 million as compared to the same period of 2015 mainly due to the one-time write-off of Baht 182.25 million of deferred upfront fees and other expenses related to the cancellation of certain loan facilities as a consequence of the cancellation of shipbuilding contracts .

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khalid Moinuddin Hashim
Managing Director

Khushroo Kali Wadia
Director