

Ref: 2013-019

26 July 2013

To : The President of the Stock Exchange of Thailand

Subject : Submitting the Interim Consolidated Financial Statements for the three months and six months period ended 30 June 2013 and 2012.

We hereby report the Interim Consolidated Financial Statements of Precious Shipping Public Company Limited and Subsidiaries (“the Company”) reviewed by Auditors, for the three months and six months period ended 30 June 2013 and 2012 together with the summarized operating results (Form 45-3). The reasons for changes in the operating results are explained below.

For the three months period ended 30 June 2013, the Company and subsidiaries (“the Company”) have earned a consolidated net income of Baht 161.20 million as compared to net income of Baht 13.14 million earned during the same period in 2012. 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) for the second quarter of 2013 has increased by about 2 percent over the Net Vessel Operating Income for the same period of 2012 mainly due to the increase in number of ships operated during the quarter. The income has been earned from an average of 39 vessels during the second quarter of 2013 as against an average of 30 vessels in the same period of 2012. The fleet size as on 30 June 2013 was 39 vessels.

However, the average earnings per day per Vessel have dropped from USD 9,130 in the second quarter of 2012 to USD 7,507 in this quarter due to the continued weakness in the Dry Bulk Freight Markets.

2. For the second quarter of 2013, the absolute Vessel running expenses are higher by 27 percent as compared to the same period of 2012 mainly due to the increase in number of ships operated during the quarter as explained above.

The average Vessel operating expenses per day per Vessel (including depreciation/amortization of Drydocking/Special Survey expenses) have however decreased slightly from USD 4,575 in the second quarter of 2012 to USD 4,555 in this quarter as a result of the lower average age of the fleet.

3. The Company recorded gain on novation of Shipbuilding Contracts of Baht 260.45 million in the second quarter of 2013 which represents the gain on novation of 1 shipbuilding contract closed during the quarter.

For the six months period ended 30 June 2013, the Company has earned a consolidated net income of Baht 437.75 million as compared to net loss of Baht 27.82 million incurred during the same period in 2012. 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) for the first half of 2013 has increased by about 7 percent over the Net Vessel Operating Income for the same period of 2012 mainly due to the increase in number of ships operated during the period. An average of 38 vessels were operated in the first half of 2013 as against an average of 28 vessels in the same period of 2012.

However, the average earnings per day per Vessel have dropped from USD 8,747 for the first half of 2012 to USD 7,275 for the same period of 2013.

2. For the first half of 2013, the absolute Vessel running expenses are higher by 32 percent as compared to the same period of 2012, mainly due to the increase in number of ships operated during the period as explained above.

However, the average Vessel operating expenses per day per Vessel or Opex (including depreciation/amortisation of Drydocking/Special Survey expenses) have decreased from USD 4,488 in the first half of 2012 to USD 4,439 in the same period of 2013.

3. The Company recorded gain on novation/cancellation of Shipbuilding Contracts of Baht 672.97 million for the first half of 2013 which represents the gain on novation of 4 Shipbuilding Contracts and cancellation of 1 Shipbuilding Contract closed during the period.
4. The depreciation for the first half of 2013 is higher by Baht 108.23 million as compared to the same period of the previous year due to the increase in the number of vessels.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khalid Moinuddin Hashim
Managing Director