

Ref.: 2018-013

26th July 2018

To : The President of the Stock Exchange of Thailand

Subject : Submitting the Interim Consolidated Financial Statements for the three months and six months periods ended 30 June 2018 and 2017.

We hereby submit the Interim Consolidated Financial Statements of Precious Shipping Public Company Limited and its Subsidiaries (“the Company”) reviewed by EY Office Limited, Auditors, for the three months and six months periods ended 30 June 2018 and 2017 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 2018, the Company has earned a consolidated net profit of Baht 91.93 million as compared to the net loss of Baht 5.20 million incurred during the same period in 2017. 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 2018 has increased by about 10 percent as compared to the same period of 2017 in spite of the lower exchange rate used in translation from US Dollar to Thai Baht during this quarter as compared to the second quarter of 2017. The increase is mainly due to the increase in the average earnings per day per Vessel from USD 9,206 in the second quarter of 2017 to USD 10,767 in this quarter as a consequence of the continued strength of the Dry Bulk Freight Markets. The fleet size as on 30 June 2018 was 36 vessels.
2. For the second quarter of 2018, the absolute Vessel running expenses are lower by 6 percent as compared to the same period of 2017, mainly due to the lower exchange rate used in translation from US Dollar to Thai Baht. However, the average Vessel operating expenses (Opex) per day per Vessel (including depreciation/amortisation of Drydocking/Special Survey expenses) have increased from USD 4,322 in the second quarter of 2017 to USD 4,519 in this quarter, mainly on account of higher drydocking and special survey expenses.
3. Administrative expenses for the second quarter of 2018 are higher by Baht 21.61 million as compared to the same period of 2017, mainly due to the professional fees and other expenses related to the ongoing arbitrations with Saintry Shipyard.

For the six months period ended 30 June 2018, the Company has earned a consolidated net profit of Baht 199.60 million as compared to the net loss of Baht 64.49 million incurred during the same period in 2017. 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 2018 has increased by about 12 percent as compared to the same period of 2017 in spite of the lower exchange rate used in translation from US Dollar to Thai Baht during the first half of 2018 as compared to the same period of 2017. The increase is mainly due to the increase in the average earnings per day per Vessel from USD 8,899 for the first half of 2017 to USD 10,866 for the same period of 2018 as a consequence of the improvement in the Dry Bulk Freight market.
2. For the first half of 2018, the absolute Vessel running expenses are lower by about 7 percent as compared to the same period of 2017, mainly due to the lower exchange rate used in translation from US Dollar to Thai Baht. However, the average Vessel operating expenses (Opex) per day per Vessel (including depreciation/amortisation of Drydocking/Special Survey expenses) have increased from USD 4,265 in the first half of 2017 to USD 4,500 in this period, mainly on account of higher drydocking and special survey expenses.
3. Administrative expenses for the first half of 2018 are higher by Baht 47.73 million as compared to the same period of 2017, mainly due to the professional fees and other expenses as explained above.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khalid Moinuddin Hashim
Managing Director

Khushroo Kali Wadia
Director