

Ref: 2015-032

26<sup>th</sup> October 2015

**To : The President of the Stock Exchange of Thailand**

**Subject : Submitting the Interim Consolidated Financial Statements for the three months and nine months period ended 30 September 2015 and 2014.**

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 nine months period ended 30 September 2015 and 2014 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 September 2015, the Company and its subsidiaries (jointly, “the Company”) have incurred a consolidated net loss of Baht 175.52 million as compared to the net loss of Baht 146.52 million incurred during the same period in 2014. 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 third quarter of 2015 has increased by about 29 percent over the Net Vessel Operating Income for the same period of 2014 mainly due to the increase in the average earnings per day per Vessel from USD 6,575 in the third quarter of 2014 to USD 7,282 in this quarter as a consequence of a short term improvement in the Dry Bulk Freight Markets. The increase is also on account of the fact that the income has been earned from an average of 45 vessels during the third quarter of 2015 as against an average of 43 vessels in the same period of 2014. The fleet size as on 30 September 2015 is 45 vessels.
2. For the third quarter of 2015, the absolute Vessel running expenses are higher by 18 percent as compared to the same period of 2014 mainly due to the increase in number of ships operated during the quarter as explained above and also the increase in the average Vessel operating expenses per day per Vessel or Opex (including depreciation/amortisation of Drydocking/Special Survey expenses) from USD 4,547 in the third quarter of 2014 to USD 4,628 in this quarter.
3. The Company recorded gains on cancellation of shipbuilding contracts of Baht 39.55 million in the third quarter of 2014. No such gains have been recorded in this period.
4. The depreciation for the third quarter of 2015 is higher by Baht 64.49 million as compared to the same period of the previous year due to the increase in number of vessels.

For the nine months period ended 30 September 2015, the Company has incurred a consolidated net loss of Baht 913.78 million as compared to the net loss of Baht 59.66 million incurred during the same period in 2014. 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 nine months of 2015 has decreased by about 9 percent over the Net Vessel Operating Income for the same period of 2014 mainly due to the decrease in the average earnings per day per Vessel from USD 8,120 for the nine months of 2014 to USD 6,373 for the same period of 2015.  
It may be further noted however that the income has been earned from an average of 45 vessels during the nine months of 2015 as against an average of 41 vessels in the same period of 2014.
2. For the nine months of 2015, the absolute Vessel running expenses are higher by 15 percent as compared to the same period of 2014, mainly due to the increase in number of ships operated during the period as explained above.  
The average Vessel operating expenses per day per Vessel or Opex (including depreciation/amortisation of Drydocking/Special Survey expenses) have slightly decreased from USD 4,648 for the nine months of 2014 to USD 4,629 in the same period of 2015.
3. The depreciation for the nine months of 2015 is higher by Baht 174.91 million as compared to the same period of the previous year due to the increase in the number of vessels.
4. Administrative expenses for the nine months of 2015 are higher by Baht 56.33 million as compared to the same period of the previous year mainly due to an increase in payroll costs and the professional fees paid for the expert opinions from a third party technical consultant in respect of certain shipbuilding related issues.

Please be informed accordingly.

Yours sincerely,

**For : Precious Shipping Public Company Limited**

**(Khalid Moinuddin Hashim)**

**Managing Director**

**(Khushroo Kali Wadia)**

**Executive Director**