

Ref. : 2019 - 014

7th November 2019

To : The President of the Stock Exchange of Thailand

Subject: Interim Consolidated Financial Statements for the three and nine month period ending 30 September 2019.

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 and nine month period ending 30 September 2019 together with the summarized operating results (Form 45-3).

The Company incurred a consolidated net loss of Baht 29.42 million for the three month period ending 30 September 2019 as compared to a net profit of Baht 106.57 million during the same period last year. The main reasons for changes to the three-month financial results are as follows:

1. Net vessel operating income (vessel operating income net of voyage disbursements and bunker consumption) for the third quarter of 2019 was 20 percent lower than the figure during the same period last year. This is due to a decrease in average earnings per vessel per day from USD 11,239 in the third quarter of 2018 to USD 9,617 in this quarter as a result of a weak dry bulk shipping market. The fleet size on 30 September 2019 stood at 36 vessels, which is unchanged from the same period last year.
2. The average operating expense per vessel per day (including depreciation/amortisation of drydocking/special survey expenses) declined from USD 4,695 in the third quarter of 2018 to USD 4,576 this quarter. Although drydocking and special survey expenses were higher this quarter, it was more than offset by lower stores / spares expenses and repair and maintenance expenses compared to the same quarter last year.
3. Administrative expenses for the third quarter of 2019 were Baht 9.59 million higher than that in the same period last year, mainly due to the professional fees and other expenses related to the ongoing arbitrations with Sainty Shipyard.

For the nine month period ending 30 September 2019, the Company incurred a consolidated net loss of Baht 254.63 million as compared to a net profit of Baht 306.17 million during the same period last year. The main reasons for changes to the nine-month financial results are as follows:

1. Net vessel operating income (vessel operating income net of voyage disbursements and bunker consumption) during the first nine months of 2019 was 18 percent lower than the figure during the same period last year. This was driven by a weak dry bulk shipping market, which resulted in an average earnings per vessel per day figure of USD 9,283 for the first nine months of this year compared to USD 10,992 in the same period last year.

2. The average operating expense per vessel per day (including depreciation/amortisation of drydocking/special survey expenses) increased from USD 4,566 for the first nine months of 2018 to USD 4,775 for the first nine months of this year, mainly on account of higher drydocking and special survey expenses.
3. Administrative expenses for the first nine months of 2019 were Baht 21.08 million more than in the same period last year, mainly due to the recognition of the additional severance pay rates as required by the Labor Protection Act (No. 7) B.E. 2562 in the second quarter of this year.
4. Finance costs during the first nine months of 2019 were Baht 76.67 million lower than in the same period last year, due to lower interest expenses as a consequence of lower outstanding long-term loans.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khalid Moinuddin Hashim
Managing Director

Gautam Khurana
Executive Director