

Precious Shipping Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month period ended
31 March 2016

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Precious Shipping Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Precious Shipping Public Company Limited and its subsidiaries as at 31 March 2016, the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Precious Shipping Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Emphasis of matter

Without expressing a qualified conclusion on the aforementioned interim financial information, I draw attention to note 11.3 to the financial statements regarding the cancellation of the Shipbuilding Contracts and the uncertainty regarding the outcome of arbitration proceedings.

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

EY Office Limited

Bangkok: 28 April 2016

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,827,452	453,508	1,266,635	52,363
Current portion of restricted bank deposits	3	402,255	-	-	-
Trade and other receivables	4, 5	126,778	240,952	5,795,511	3,886,261
Short-term loans to a subsidiary	6	-	-	1,663,290	1,703,382
Bunker oil		58,131	142,871	-	-
Other current assets					
Advances to vessel masters		108,476	130,043	-	-
Claim recoverables		17,686	20,021	-	-
Others		110,637	41,724	19,369	22,583
Total other current assets		236,799	191,788	19,369	22,583
Total current assets		2,651,415	1,029,119	8,744,805	5,664,589
Non-current assets					
Restricted bank deposits - net of current portion	3	473,960	897,335	-	-
Long-term loans to a subsidiary	7	-	-	341,891	350,132
Investments in subsidiaries	8	-	-	8,674,090	8,883,169
Investment in associate held by a subsidiary	9	80,781	85,676	-	-
Other long-term investment		20,000	20,482	20,000	20,482
Receivables from cross currency swap contracts		30,094	-	88,552	-
Property, plant and equipment	10	24,517,008	25,329,890	5,930	6,686
Intangible assets		1,769	2,034	1,766	2,027
Other non-current assets					
Claim recoverables - maritime claims		92,140	145,257	-	-
Advances for vessel constructions	11	4,115,844	4,451,615	4,101,147	4,436,781
Deferred financial fees	12	35,324	217,542	35,324	217,542
Deferred contract costs	13	264,302	275,762	-	-
Others		3,088	3,107	2,396	2,395
Total other non-current assets		4,510,698	5,093,283	4,138,867	4,656,718
Total non-current assets		29,634,310	31,428,700	13,271,096	13,919,214
Total assets		32,285,725	32,457,819	22,015,901	19,583,803

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements			
	31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)		
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables						
	Trade and other payables	5	50,819	98,883	10,832	11,544
	Advances received from related parties	5	-	-	1,495,705	1,381,956
	Accrued crew accounts		109,756	128,273	-	-
	Accrued expenses		140,053	171,791	36,283	14,846
	Accrued employee bonus		8,490	34,530	7,329	30,162
	Total trade and other payables		309,118	433,477	1,550,149	1,438,508
	Advances received from charterers		50,199	45,297	-	-
	Current portion of long-term loans	14	10,006,444	5,603,701	-	486,998
	Income tax payable		368	380	-	-
	Other current liabilities		36,687	26,493	7,468	7,373
	Total current liabilities		10,402,816	6,109,348	1,557,617	1,932,879
Non-current liabilities						
	Payables to cross currency swap contracts		-	82,803	-	-
	Long-term loans - net of current portion	14	2,926,990	9,206,496	-	118,752
	Debentures	15	3,569,862	-	3,569,862	-
	Provision for maritime claims	16	141,071	201,878	-	-
	Unsecured corporate loan		281,914	288,709	281,914	288,709
	Provision for long-term employee benefits		81,719	82,418	73,734	74,738
	Total non-current liabilities		7,001,556	9,862,304	3,925,510	482,199
	Total liabilities		17,404,372	15,971,652	5,483,127	2,415,078

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered share capital				
1,611,256,930 ordinary shares of Baht 1 each	1,611,257	1,611,257	1,611,257	1,611,257
Issued and paid-up share capital				
1,559,280,897 ordinary shares of Baht 1 each	1,559,281	1,559,281	1,559,281	1,559,281
Paid-in capital				
Premium on ordinary shares	1,967,716	1,967,716	1,967,716	1,967,716
Premium on treasury stock	172,446	172,446	172,446	172,446
Retained earnings				
Appropriated				
Statutory reserve - the Company	103,952	103,952	103,952	103,952
- subsidiaries	523,320	523,320	-	-
Corporate social responsibility reserve	15,834	16,350	15,834	16,350
Unappropriated	10,267,330	11,478,160	11,145,481	11,361,856
Other components of shareholders' equity	273,351	666,854	1,568,064	1,987,124
Equity attributable to owners of the Company	14,883,230	16,488,079	16,532,774	17,168,725
Non-controlling interests of the subsidiaries	(1,877)	(1,912)	-	-
Total shareholders' equity	14,881,353	16,486,167	16,532,774	17,168,725
Total liabilities and shareholders' equity	32,285,725	32,457,819	22,015,901	19,583,803
	0	0	0	0

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenues					
Vessel operating income					
Hire income		571,644	670,764	-	-
Freight income		230,786	309,943	-	-
Total vessel operating income		802,430	980,707	-	-
Service income	5	1,059	699	27,902	20,419
Interest income	11.2	30,560	36	29,873	4
Exchange gains		26,851	1,284	28,014	860
Total revenues		860,900	982,726	85,789	21,283
Expenses					
Vessel operating costs					
Vessel running expenses		541,644	513,153	-	-
Voyage disbursements		72,415	83,133	-	-
Bunker consumption		76,894	135,002	-	-
Total vessel operating costs		690,953	731,288	-	-
Depreciation	10	386,536	349,599	619	615
Cost of services		1,061	893	-	-
Loss on sales of vessels and equipment	10	338,948	-	6	-
Loss on impairment of assets	10	154,847	-	-	-
Administrative expenses	5	69,438	59,611	58,957	50,705
Management remuneration including perquisites	5	21,808	28,794	20,134	26,874
Bad debts and doubtful accounts		25,022	10,484	-	-
Total expenses		1,688,613	1,180,669	79,716	78,194
Profit (loss) before share of loss from investment in associate and finance cost		(827,713)	(197,943)	6,073	(56,911)
Share of loss from investment in associate held by a subsidiary	9.1	(2,877)	(2,818)	-	-
Profit (loss) before finance cost		(830,590)	(200,761)	6,073	(56,911)
Finance cost		(380,766)	(134,936)	(222,964)	(1,929)
Loss for the period		(1,211,356)	(335,697)	(216,891)	(58,840)

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Income statement (continued)

For the three-month period ended 31 March 2016

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Loss attributable to:					
Equity holders of the Company		(1,211,346)	(335,693)	(216,891)	(58,840)
Non-controlling interests of the subsidiaries		(10)	(4)	-	-
Loss for the period		<u>(1,211,356)</u>	<u>(335,697)</u>	<u>(216,891)</u>	<u>(58,840)</u>
Basic earnings per share	17				
Loss attributable to equity holders of the Company		<u>(0.78)</u>	<u>(0.32)</u>	<u>(0.14)</u>	<u>(0.06)</u>
Weighted average number of ordinary shares (Thousand Shares)		<u>1,559,281</u>	<u>1,039,521</u>	<u>1,559,281</u>	<u>1,039,521</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Loss for the period	<u>(1,211,356)</u>	<u>(335,697)</u>	<u>(216,891)</u>	<u>(58,840)</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operation's financial statements	<u>1,669</u>	<u>7,242</u>	<u>-</u>	<u>-</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>1,669</u>	<u>7,242</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of functional currency to presentation currency financial statements	<u>(395,127)</u>	<u>(189,904)</u>	<u>(419,060)</u>	<u>(171,463)</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(395,127)</u>	<u>(189,904)</u>	<u>(419,060)</u>	<u>(171,463)</u>
Other comprehensive income for the period	<u>(393,458)</u>	<u>(182,662)</u>	<u>(419,060)</u>	<u>(171,463)</u>
Total comprehensive income for the period	<u><u>(1,604,814)</u></u>	<u><u>(518,359)</u></u>	<u><u>(635,951)</u></u>	<u><u>(230,303)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>(1,604,849)</u>	<u>(518,370)</u>	<u>(635,951)</u>	<u>(230,303)</u>
Non-controlling interests of the subsidiaries	<u>35</u>	<u>11</u>	<u>-</u>	<u>-</u>
	<u><u>(1,604,814)</u></u>	<u><u>(518,359)</u></u>	<u><u>(635,951)</u></u>	<u><u>(230,303)</u></u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to the parent's shareholders							Other components of shareholders' equity - other comprehensive income	Exchange differences on translation of financial statements	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Retained earnings								
				Appropriated		Corporate social						
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Statutory reserve	Subsidiaries	reserve	Unappropriated					
			The Company									
Balance as at 1 January 2015	1,039,521	411,430	172,446	103,952	523,320	16,588	13,907,253	(889,508)	15,285,002	(1,149)	15,283,853	
Loss for the period	-	-	-	-	-	-	(335,693)	-	(335,693)	(4)	(335,697)	
Other comprehensive income for the period	-	-	-	-	-	-	-	(182,677)	(182,677)	15	(182,662)	
Total comprehensive income for the period	-	-	-	-	-	-	(335,693)	(182,677)	(518,370)	11	(518,359)	
Appropriated to corporate social responsibility reserve	-	-	-	-	-	(270)	270	-	-	-	-	
Balance as at 31 March 2015	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>16,318</u>	<u>13,571,830</u>	<u>(1,072,185)</u>	<u>14,766,632</u>	<u>(1,138)</u>	<u>14,765,494</u>	
Balance as at 1 January 2016	1,559,281	1,967,716	172,446	103,952	523,320	16,350	11,478,160	666,854	16,488,079	(1,912)	16,486,167	
Loss for the period	-	-	-	-	-	-	(1,211,346)	-	(1,211,346)	(10)	(1,211,356)	
Other comprehensive income for the period	-	-	-	-	-	-	-	(393,503)	(393,503)	45	(393,458)	
Total comprehensive income for the period	-	-	-	-	-	-	(1,211,346)	(393,503)	(1,604,849)	35	(1,604,814)	
Appropriated to corporate social responsibility reserve	-	-	-	-	-	(516)	516	-	-	-	-	
Balance as at 31 March 2016	<u>1,559,281</u>	<u>1,967,716</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>15,834</u>	<u>10,267,330</u>	<u>273,351</u>	<u>14,883,230</u>	<u>(1,877)</u>	<u>14,881,353</u>	
	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Separate financial statements						Other components of shareholders' equity - other comprehensive income	Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Retained earnings		Unappropriated			Exchange differences on translation of financial statements
				Appropriated					
				Statutory reserve	Corporate social responsibility reserve				
Balance as at 1 January 2015	1,039,521	411,430	172,446	103,952	16,588	11,618,389	493,164	13,855,490	
Loss for the period	-	-	-	-	-	(58,840)	-	(58,840)	
Other comprehensive income for the period	-	-	-	-	-	-	(171,463)	(171,463)	
Total comprehensive income for the period	-	-	-	-	-	(58,840)	(171,463)	(230,303)	
Appropriated to corporate social responsibility reserve	-	-	-	-	(270)	270	-	-	
Balance as at 31 March 2015	1,039,521	411,430	172,446	103,952	16,318	11,559,819	321,701	13,625,187	
Balance as at 1 January 2016	1,559,281	1,967,716	172,446	103,952	16,350	11,361,856	1,987,124	17,168,725	
Loss for the period	-	-	-	-	-	(216,891)	-	(216,891)	
Other comprehensive income for the period	-	-	-	-	-	-	(419,060)	(419,060)	
Total comprehensive income for the period	-	-	-	-	-	(216,891)	(419,060)	(635,951)	
Appropriated to corporate social responsibility reserve	-	-	-	-	(516)	516	-	-	
Balance as at 31 March 2016	1,559,281	1,967,716	172,446	103,952	15,834	11,145,481	1,568,064	16,532,774	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Loss before tax	(1,211,356)	(335,697)	(216,891)	(58,840)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	386,754	349,842	835	855
Bad debts and doubtful accounts	25,022	10,484	-	-
Loss on sales of vessels and equipment	338,948	-	6	-
Loss on impairment of assets	154,847	-	-	-
Write-off deferred financial fee	182,253	1,929	182,253	1,929
Amortisation of deferred contract costs	5,018	4,369	-	-
Share of loss from investment in associate held by a subsidiary	2,877	2,818	-	-
Provisions for maritime claims (reversal)	(6,419)	2,067	-	-
Provision for long-term employee benefits	2,255	1,454	1,947	1,370
Unrealised exchange gains	(31,494)	(1,072)	(31,729)	(1,588)
Amortised financial fees to interest expense	20,546	20,182	-	-
Interest expense	165,281	113,121	39,913	-
Amortisation of deferred debentures issuing cost	798	-	798	-
Interest income	(29,286)	-	(29,286)	-
Profit (loss) from operating activities before changes in operating assets and liabilities	6,044	169,497	(52,154)	(56,274)
Operating assets (increase) decrease				
Trade and other receivables	54,471	10,269	(1,615,063)	62,309
Bunker oil	72,540	14,683	-	-
Other current assets	(56,490)	(20,510)	1,673	2,265
Other non-current assets	22	(3,594)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(142,617)	180,125	118,985	35,244
Advances received from charterers	6,026	23,138	-	-
Other current liabilities	10,727	5,410	134	(425)
Non-current liabilities	(2,888)	(187)	(2,888)	-
Cash flows from (used in) operating activities	(52,165)	378,831	(1,549,313)	43,119
Cash paid for corporate income tax and withholding tax deducted at source	(945)	(727)	(699)	(459)
Net cash flows from (used in) operating activities	(53,110)	378,104	(1,550,012)	42,660

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Cash flow statement (continued)**

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses	(497,479)	(618,331)	(25)	(6)
Cash received from sales of vessels and equipment	276,774	-	3	-
Cash paid for advances for vessel constructions and other direct costs	(132,267)	(1,067,795)	(127,330)	(1,068,915)
Cash received from amendment of shipbuilding contracts	-	428,898	-	428,898
Cash paid for investments in a subsidiary	-	-	-	(1,000)
Decrease in short-term loans to a subsidiary	-	-	-	104,162
Dividend received from associate held by a subsidiary	-	5,197	-	-
Net cash flows used in investing activities	(352,972)	(1,252,031)	(127,352)	(536,861)
Cash flows from financing activities				
Cash paid for interest expense and commitment fee	(126,907)	(116,183)	(1,538)	(2,984)
Cash paid for deferred financial fees	(23,481)	(43,946)	(23,481)	(43,918)
Cash received from long-term loans	500,365	990,183	-	512,080
Repayment of long-term loans	(890,895)	(149,592)	(599,467)	-
Prepayment of long-term loans	(1,184,094)	-	-	-
Cash received from debentures	3,570,895	-	3,570,895	-
Net cash flows from financing activities	1,845,883	680,462	2,946,409	465,178
Decrease in translation adjustments	(65,857)	(6,647)	(54,773)	(1,038)
Net increase (decrease) in cash and cash equivalents	1,373,944	(200,112)	1,214,272	(30,061)
Cash and cash equivalents at beginning of period	453,508	535,002	52,363	84,077
Cash and cash equivalents at end of period	1,827,452	334,890	1,266,635	54,016

Supplemental cash flows information

Non-cash transactions

Transfer of interest expenses and commitment fee to advance for vessel constructions	1,240	3,183	1,240	3,105
Amortisation of financial fees to advances for vessel constructions	206	451	206	451
Transfer of deferred financial fees to present as a deduction from long-term loans	11,551	6,281	-	3,056
Transfer of deferred financial fees to subsidiaries in proportion to the drawdown amount	-	-	11,551	-
Transfer of advances for vessel constructions to vessel and equipment of a subsidiary	366,952	347,846	362,229	-

The accompanying notes are an integral part of the financial statements.

Precious Shipping Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2016

1. General information

1.1 Corporate information

Precious Shipping Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged as a holding company for investment in the marine transportation business. The registered office of the Company is at Cathay House, 7th Floor, 8 North Sathorn Road, Silom, Bangrak, Bangkok 10500.

1.2 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are presented in Thai Baht which is different from the functional currency of the Company, which is US Dollar. The presentation is in Thai Baht in accordance with the regulatory requirements in Thailand.

The USD functional currency interim financial statements are translated into the Thai Baht presentation currency financial statements at the rate of exchange prevailing at the end of reporting period in respect of assets and liabilities, and at a rate that approximates the actual rate at the date of the transaction in respect of revenues and expenses, differences being recorded as “Exchange differences on translation of financial statements” in other comprehensive income, other component of shareholders' equity.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

(Unaudited but reviewed)

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Precious Shipping Public Company Limited, subsidiaries and associate (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015. There have been no changes in the composition of the Group during the current period.

1.4 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015.

3. Restricted bank deposits

As at 31 March 2016, the Group placed deposits at banks of USD 24.86 million (or equivalent Baht 876.22 million) as cash collateral for 2 loan facilities as mentioned in Note 14 to the financial statements. (31 December 2015: USD 24.86 million (or equivalent Baht 897.34 million)).

(Unaudited but reviewed)

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	96,721	152,798	-	-
3 - 6 months	357	2,339	-	-
6 - 12 months	696	25,621	-	-
Over 12 months	24,176	23	-	-
Total	121,950	180,781	-	-
Less: Allowance for doubtful debts	(24,176)	(23)	-	-
Total trade receivables - unrelated parties, net	97,774	180,758	-	-
<u>Other receivables - unrelated parties</u>				
Receivable from sales of vessel	-	60,194	-	-
Interest receivable from Shipbuilder (Note 11.2)	29,004	-	29,004	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 5)	-	-	5,766,507	3,886,261
Total other receivables	29,004	60,194	5,795,511	3,886,261
Total trade and other receivables - net	126,778	240,952	5,795,511	3,886,261

5. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms agreed upon between the Company and those related parties.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2016	2015	2016	2015	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	20,942	20,419	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Service income - commission from vessel sales	-	-	6,960	-	3% of vessels' selling price
Condominium rental expenses	-	-	1,830	2,046	Market price
Sales of newbuilding vessel (as part of advances for vessel constructions and other direct costs)	-	-	362,229	-	At cost
Transactions with related companies					
Air ticket expenses	1,303	1,537	351	422	Market price
Rental and service expenses	3,330	2,923	2,535	2,330	Market price
Computer and mobile phone purchases	-	481	-	180	Market price

The balances of the accounts between the Company and those related parties are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Other receivables - related parties (Note 4)				
Subsidiaries	-	-	5,766,507	3,886,261
Total other receivables - related parties	-	-	5,766,507	3,886,261
Trade and other payables - related parties				
Subsidiaries	-	-	1,495,705	1,381,956
Related companies	489	1,986	455	1,043
Total trade and other payables - related parties	489	1,986	1,496,160	1,382,999

The outstanding balances of the amounts due from/to subsidiaries represent current accounts between the Company and those subsidiaries. The Company's management believes that no allowance for doubtful accounts is necessary. No interest was charged on advances to/from subsidiaries.

(Unaudited but reviewed)

Directors and management's benefits

During the three-month periods ended 31 March 2016 and 2015, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Short-term employee benefits	21,211	28,465	19,609	26,546
Post-employment benefits	597	329	525	328
Total	<u>21,808</u>	<u>28,794</u>	<u>20,134</u>	<u>26,874</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries in relation to the loans from banks. There was no guarantee fee charged.

6. Short-term loans to a subsidiary

As at 31 March 2016, short-term loans to a wholly owned subsidiary, Precious Shipping (Singapore) Pte. Limited, are in the form of promissory notes in US Dollar, amounting to USD 47.20 million (31 December 2015: USD 47.20 million), bearing no interest, and are due at call. Movements in the balance of the loans during the period were as follows.

(Unit: Thousand Baht)

	Separate
	financial statements
Balance as at 1 January 2016	1,703,382
Translation adjustment	(40,092)
Balance as at 31 March 2016	<u>1,663,290</u>

7. Long-term loans to a subsidiary

As at 31 March 2016, long-term loans to a wholly owned subsidiary, Associated Bulk Carriers Pte. Limited ("ABC Company"), are in the form of promissory notes in US Dollar, amounting to USD 9.70 million (31 December 2015: USD 9.70 million), bearing no interest and are due at call. The Company does not intend to call for the loans repayment in the foreseeable future; therefore, the loans are classified as long-term loans.

(Unaudited but reviewed)

Movements in the balance of the loans during the period were as follows.

(Unit: Thousand Baht)

	Separate financial statements
Balance as at 1 January 2016	350,132
Translation adjustment	(8,241)
Balance as at 31 March 2016	<u>341,891</u>

8. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	31	31	31	31	31	31
	March	December	March	December	March	December
	2016	2015	2016	2015	2016	2015
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	373,383	382,383
Precious Wishes Limited	230,000	230,000	99.99	99.99	317,843	325,505
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	296,905	304,062
Precious Minerals Limited	230,000	230,000	99.99	99.99	269,984	276,492
Precious Lands Limited	306,000	306,000	99.99	99.99	341,686	349,922
Precious Rivers Limited	234,000	234,000	99.99	99.99	224,577	229,990
Precious Lakes Limited	184,000	184,000	99.99	99.99	197,071	201,821
Precious Seas Limited	100,000	100,000	99.99	99.99	138,192	141,524
Precious Stars Limited	105,000	105,000	99.99	99.99	145,102	148,600
Precious Oceans Limited	175,000	175,000	99.99	99.99	241,837	247,666
Precious Planets Limited	270,000	270,000	99.99	99.99	327,918	335,822
Precious Diamonds Limited	205,000	205,000	99.99	99.99	205,300	210,248
Precious Sapphires Limited	144,000	144,000	99.99	99.99	139,286	142,644
Precious Emeralds Limited	366,000	366,000	99.99	99.99	333,988	342,038
Precious Rubies Limited	259,360	259,360	99.99	99.99	278,859	285,581
Precious Opals Limited	249,360	249,360	99.99	99.99	269,915	276,421
Precious Garnets Limited	379,000	379,000	99.99	99.99	344,487	352,790
Precious Pearls Limited	173,000	173,000	99.99	99.99	196,756	201,499
Precious Flowers Limited	336,000	336,000	99.99	99.99	379,361	388,505
Precious Forests Limited	96,000	96,000	99.99	99.99	105,364	107,903
Precious Trees Limited	202,000	202,000	99.99	99.99	230,237	235,787

(Unaudited but reviewed)

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	31	31	31	31	31	31
	March	December	March	December	March	December
2016	2015	2016	2015	2016	2015	
Precious Ponds Limited	124,000	124,000	99.99	99.99	138,485	141,823
Precious Ventures Limited	202,000	202,000	99.99	99.99	249,738	255,758
Precious Capitals Limited	200,000	200,000	99.99	99.99	276,385	283,047
Precious Jasmines Limited	147,000	147,000	99.99	99.99	187,774	192,300
Precious Orchids Limited	217,000	217,000	99.99	99.99	212,192	217,306
Precious Lagoons Limited	140,000	140,000	99.99	99.99	193,470	198,133
Precious Cliffs Limited	140,000	140,000	99.99	99.99	193,470	198,133
Precious Hills Limited	140,000	140,000	99.99	99.99	193,470	198,133
Precious Mountains Limited	140,000	140,000	99.99	99.99	193,470	198,133
Precious Resorts Limited	140,000	140,000	99.99	99.99	193,470	198,133
Precious Cities Limited	170,000	170,000	99.99	99.99	220,000	225,303
Precious Comets Limited	141,000	141,000	99.99	99.99	147,092	150,637
Precious Ornaments Limited	156,000	156,000	99.99	99.99	161,435	165,326
Precious Moons Limited	1,000	1,000	99.98	99.98	1,076	1,102
Precious Venus Limited	1,000	1,000	99.98	99.98	995	1,019
Precious Neptune Limited	1,000	1,000	99.98	99.98	995	1,019
Nedtex Limited	2,500	2,500	69.99	69.99	896	917
Precious Storage Terminals Limited	6,000	6,000	69.99	69.99	5,804	5,943
Thebes Pte. Limited	0.0365	0.0365	100.00	100.00	-	-
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	352	361
Precious Shipping (Mauritius) Limited	250	250	100.00	100.00	352	361
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	369,678	378,589
Precious Shipping (UK) Limited	250	250	100.00	100.00	352	361
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	382,140	391,351
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
Total investments in subsidiaries					8,681,142	8,890,391
Less: Allowance for loss on investments in subsidiaries					(7,052)	(7,222)
Total investments in subsidiaries - net					8,674,090	8,883,169

The Company offsets the dividend income against amounts receivables from/payables to subsidiaries in the statement of financial position.

(Unaudited but reviewed)

As at 31 March 2016, the Company has pledged the shares of 29 subsidiaries amounting to Baht 7,331.57 million (31 December 2015: 34 subsidiaries amounting to Baht 8,392.82 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 14 to the financial statements.

The change in cost of investments in subsidiaries is from the change differences on translation of financial statements from functional currency to presentation currency.

9. Investment in associate held by a subsidiary

9.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

		Consolidated financial statements						
		Shareholding percentage		Cost		Carrying amounts based on equity method		
		31 March	31 December	31 March	31 December	31 March	31 December	
Associate's name	Nature of business	Country of incorporation	2016	2015	2016	2015	2016	2015
			%	%				
International Seaports (Haldia) Private Limited	Berth construction and development	India	22.40	22.40	71,805	73,536	80,781	85,676

The change in cost of investment in associate held by a subsidiary is from the exchange differences on translation of financial statements from functional currency to presentation currency.

(Unit: Thousand Baht)

		Consolidated financial statements			
		For the three-month periods ended 31 March			
Associate's name		Share of loss		Dividend received	
		2016	2015	2016	2015
International Seaports (Haldia) Private Limited		(2,877)	(2,818)	-	5,197

Shares of loss from investment in associate held by a subsidiary for the three-month periods ended 31 March 2016 and 2015, included in the consolidated income statements, were recorded based on the financial information for the three-month periods ended 31 December 2015 and 2014, respectively.

(Unaudited but reviewed)

9.2 Summarised financial information of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the		Loss for the	
	31 December		31 December		31 December		three-month periods ended		three-month periods ended	
	2015	2014	2015	2014	2015	2014	31 December		31 December	
	Thousand INR	Thousand INR					2015	2014	2015	2014
International Seaports (Haldia) Private Limited	440,580	440,580	393,274	472,270	32,647	57,554	67,820	76,692	(12,842)	(12,579)

10. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2016	25,329,890	6,686
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses during period - at cost	497,479	25
Transfer from advances for vessel constructions	366,952	-
Disposals	(1,018,345)	(10)
Depreciation for period	(386,536)	(619)
Allowance for impairment loss	(507,629)	-
Translation adjustment	235,197	(152)
Net book value as at 31 March 2016	24,517,008	5,930

During the current period, local subsidiaries have sold and delivered 5 vessels and had losses on sales of vessels and equipment totaling USD 9.53 million (or approximately Baht 338.94 million) as presented in the current period consolidated income statement (31 March 2015: None).

As at 31 March 2016, the subsidiaries have mortgaged 39 vessels (31 December 2015: 41 vessels) with net book value of Baht 24,242.56 million (31 December 2015: Baht 23,048.68 million) with banks to secure long-term loans as referred to in Note 14 to the financial statements.

(Unaudited but reviewed)

As at 31 March 2016, the Group performed impairment reviews in respect of the vessels expected to be sold in 2016 and recognised an impairment loss of USD 14.41 million (or approximately Baht 507.63 million) (31 December 2015: USD 23.45 million (or approximately Baht 840.77 million)) based on fair value (net of direct selling expenses). The Group estimated the fair value of vessels based on an average of latest selling price of vessels sold in the recent past. However, actual results might differ from these estimates depending on the future economic environment and the specific timing of each sale.

11. Advances for vessel constructions

Movements of the advances for vessel constructions account during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	4,451,615	4,436,781
Additions	99,272	99,272
Capitalisation of finance cost	1,240	1,240
Amortisation of financial fees	206	206
Other direct costs	32,995	28,058
Transfer to cost of vessel and equipment of a subsidiary	(366,952)	(362,229)
Translation adjustment	(102,532)	(102,181)
Balance as at 31 March 2016	<u>4,115,844</u>	<u>4,101,147</u>

During the three-month period ended 31 March 2016, the amount of borrowing costs capitalised was Baht 1.24 million in the consolidated financial statements and separate financial statements. The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 2.91% - 3.43% in the consolidated financial statements and separate financial statements.

During the three-month period ended 31 March 2016, there were a delivery of vessel and amended/cancelled of shipbuilding contracts as detailed below.

11.1 Delivery of vessel under the Shipbuilding Contract with Shanhaiguan New Shipbuilding Industry Co., Ltd., China

During the three-month period ended 31 March 2016, a vessel was completed and delivered to the Company's indirect subsidiary incorporated in Singapore as detailed below.

Delivery date	Subsidiary's name	Hull No.	Cost of vessel construction and other direct costs
6 January 2016	Precious Wisdom Pte. Limited	BC385-12	USD 23.02 million (or approximately Baht 811.10 million)

11.2 Settlement Agreements for the Shipbuilding Contracts

On 31 March 2016, the Company, Taizhou Sanfu Ship Engineering Co. Ltd. ("Sanfu") and Jiangsu Ruihai International Trade Co. Ltd. ("JSRH") (jointly referred to as the "Parties") have executed four settlement agreements ("Settlement Agreements") to capture the terms of the amicable settlements reached between the Parties for the eight shipbuilding contracts ("Contract" or "Contracts") for construction of eight 63,345 DWT bulk carrier vessels bearing hull nos. SF130126 to SF130133 ("Vessel" or "Vessels"). The key terms of the Settlement Agreements are as follows:

- Contract Price for each of Hull Nos. SF130126, SF130127, SF130128 and SF130129 ("Four Remaining Vessels") shall be reduced to USD 25 million per vessel;
- On delivery date of each of the Four Remaining Vessels, Sanfu and JSRH shall provide the Company an unsecured corporate loan of an amount of USD 6 million per vessel. The repayment of these unsecured corporate loans shall be based on the outcome of the disputes as set out in the two settlement agreements dated 9 October 2015 for Hull Nos. SF130124 and SF130125 in a logical manner; and
- The advances paid under the four Contracts for Hull Nos. SF130130, SF130131, SF130132 and SF130133 plus interest thereon shall be refunded to the Company by way of the application to the respective final installments payable against delivery of each of the Four Remaining Vessels. After the refunds, the three Contracts for Hull Nos. SF130131, SF130132 and SF130133 will be terminated but one Contract for Hull No. SF130130 will be amended as per Note 20 d) to the financial statements.

During the three-month period ended 31 March 2016, the Company recorded USD 0.82 million (or approximately Baht 29 million) as interest income on outstanding advances paid for Hull nos. SF130130, SF130131, SF130132 and SF130133.

11.3 Cancellation of the Shipbuilding Contracts

During the three-month period ended 31 March 2016, the Company cancelled four Shipbuilding Contracts signed with Sainity Marine Corporation, China (“Shipbuilder”) on 26 February 2014 for four 64,000 DWT bulk carrier vessels bearing hull nos. SAM14021B, SAM14022B, SAM14023B and SAM14024B (“Vessel” or “Vessels”).

Since the Vessels were delayed and not delivered within the maximum period allowed under the Shipbuilding Contracts (“SBCs”), the Company exercised its contractual right and cancelled the SBCs because of the excessive delay in delivery, and claimed refunds along with interest thereon, in accordance with the SBCs.

Since the above refunds were not made by the Shipbuilder, the Company submitted Letters of Demand to the Guarantor Bank, Export-Import Bank of China, Jiangsu Branch (“CEXIM”), against the Irrevocable Letters of Guarantee provided to the Company by CEXIM in accordance with the SBCs to seek full refund of the abovementioned advances, along with interest thereon.

For the vessels that the Company receives a notice of arbitration from the Shipbuilder, as per the terms of the Irrevocable Letters of Guarantee and the SBCs, the refund of the advances to the Company will remain subject to the final arbitration award and the Irrevocable Letters of Guarantee related to these Vessels are automatically extended until 90 days after the final arbitration award has been published.

As of 31 March 2016, details of the cancellations of the Shipbuilding Contracts by the Company and by the Shipbuilder (under dispute by the Company) are as follows:

Hull No.	Shipbuilding Contract date	Cancelled by	Date of Cancellation Notice	Date of Notice of Arbitration	Advances Claim (Million USD)
SAM14017B	24 February 2014	The Company	11 September 2015	25 September 2015	11.16
SAM14018B	24 February 2014	The Company	11 September 2015	25 September 2015	11.16
SAM14019B	26 February 2014	The Company	16 November 2015	24 November 2015	11.16
SAM14020B	26 February 2014	The Company	16 November 2015	24 November 2015	11.16
SAM14021B	26 February 2014	The Company	29 January 2016	3 February 2016	5.58
SAM14022B	26 February 2014	The Company	29 January 2016	3 February 2016	5.58
SAM14023B	26 February 2014	The Shipbuilder The Company	15 September 2015 30 March 2016	7 December 2015	2.74
SAM14024B	26 February 2014	The Company	30 March 2016	N/A	2.74
SAM14027B	26 February 2014	The Shipbuilder	20 November 2015	Not yet received	2.79
SAM14028B	26 February 2014	The Shipbuilder	20 November 2015	Not yet received	2.79
Total					66.86

On 18 April 2016, the Company received the refund of the advance along with interest thereon for only one Vessel bearing hull no. SAM14024B amounting to USD 2.89 million from CEXIM since neither party invoked arbitration in respect of this vessel.

(Unaudited but reviewed)

12. Deferred financial fees

Movements of the deferred financial fees account during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	217,542	217,542
Additions	14,986	14,986
Transfer to present as a deduction against long-term loans	(11,551)	-
Transfer to a subsidiary as a borrower	-	(11,551)
Write-off deferred financial fees	(182,253)	(182,253)
Translation adjustment	(3,400)	(3,400)
Balance as at 31 March 2016	<u>35,324</u>	<u>35,324</u>

13. Deferred contract costs

Movements of the deferred contract costs account during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 1 January 2016	275,762
Amortisation for the period	(5,018)
Translation adjustment	(6,442)
Balance as at 31 March 2016	<u>264,302</u>

(Unaudited but reviewed)

14. Long-term loan facilities

As at 31 March 2016 and 31 December 2015, long-term loans accounts are presented below.

(Unit: Thousand Baht)

Consolidated financial statements																						
Loan facilities for financing the construction and acquisition of new vessels																Loan facilities for purchasing of vessels						
Facility 1		Facility 2		Facility 3		Facility 4		Facility 5		Facility 6		Facility 8		Facility 9		Facility 1		Facility 2		Total		
31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
Long-term loans	1,194,374	1,250,929	1,860,348	1,956,291	1,210,503	1,262,852	624,861	651,558	603,858	636,083	2,566,541	2,679,743	1,029,095	676,804	-	487,196	2,426,167	3,697,409	1,555,056	1,661,346	13,070,803	14,960,211
Add (less): Deferred financial fees	(4,911)	(5,410)	(24,477)	(26,814)	(17,986)	(19,190)	(4,070)	(4,334)	(3,591)	(3,878)	(897)	(9,839)	(20,584)	(10,249)	-	(198)	(75,284)	(82,041)	14,431	11,939	(137,369)	(150,014)
Total	1,189,463	1,245,519	1,835,871	1,929,477	1,192,517	1,243,662	620,791	647,224	600,267	632,205	2,565,644	2,669,904	1,008,511	666,555	-	486,998	2,350,883	3,615,368	1,569,487	1,673,285	12,933,434	14,810,197
Less: Current portion	(1,189,463)	(110,586)	(1,835,871)	(201,604)	(89,157)	(91,274)	(45,148)	(46,230)	(68,601)	(70,245)	(2,565,644)	(2,669,904)	(1,008,511)	(37,780)	-	(486,998)	(1,634,562)	(215,795)	(1,569,487)	(1,673,285)	(10,006,444)	(5,603,701)
Long-term loans - net of current portion	-	1,134,933	-	1,727,873	1,103,360	1,152,388	575,643	600,994	531,666	561,960	-	-	-	628,775	-	-	716,321	3,399,573	-	-	2,926,990	9,206,496

(Unit: Thousand Baht)

Separate financial statements

Loan facilities for financing the construction and acquisition of new vessels					
Facility 8		Facility 9		Total	
31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Long-term loans	-	120,814	-	487,196	608,010
Less: Deferred financial fees	-	(2,062)	-	(198)	(2,260)
Total	-	118,752	-	486,998	605,750
Less: Current portion	-	-	-	(486,998)	(486,998)
Long-term loans - net of current portion	-	118,752	-	-	118,752

(Unaudited but reviewed)

Movements in the long-term loans accounts during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements										
	Loan facilities for financing the construction and acquisition of new vessels								Loan facilities for purchasing of vessels		
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 8	Facility 9	Facility 1	Facility 2	Total
Balance as at 1 January 2016	1,245,519	1,929,477	1,243,662	647,224	632,205	2,669,904	666,555	486,998	3,615,368	1,673,285	14,810,197
Add: Drawdown	-	-	-	-	-	-	500,365	-	-	-	500,365
Amortisation of financial fees	375	1,722	760	164	197	8,794	872	195	4,873	2,800	20,752
Unrealised exchange loss	-	-	-	-	-	-	-	-	22,398	-	22,398
Less: Deferred financial fees	-	-	-	-	-	-	(11,551)	-	-	-	(11,551)
Repayment	(27,376)	(50,383)	(22,845)	(11,472)	(17,421)	(50,616)	(128,567)	(480,350)	(34,025)	(67,840)	(890,895)
Prepayment	-	-	-	-	-	-	-	-	(1,184,094)	-	(1,184,094)
Translation adjustment	(29,055)	(44,945)	(29,060)	(15,125)	(14,714)	(62,438)	(19,163)	(6,843)	(73,637)	(38,758)	(333,738)
Balance as at 31 March 2016	<u>1,189,463</u>	<u>1,835,871</u>	<u>1,192,517</u>	<u>620,791</u>	<u>600,267</u>	<u>2,565,644</u>	<u>1,008,511</u>	<u>-</u>	<u>2,350,883</u>	<u>1,569,487</u>	<u>12,933,434</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

	Loan facilities for financing the construction and acquisition of new vessels		
	Facility 8	Facility 9	Total
Balance as at 1 January 2016	118,752	486,998	605,750
Add: Amortisation of financial fees	11	195	206
Transfer of deferred financial fees to a subsidiary	2,023	-	2,023
Less: Repayment	(119,117)	(480,350)	(599,467)
Translation adjustment	(1,669)	(6,843)	(8,512)
Balance as at 31 March 2016	-	-	-

The Group cancelled certain loan facilities and received waiver of the financial covenant breaches of certain loan facilities as follows.

Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)

Facility 2

Following a further security shortfall and the expected breach of the Funded Debt to EBITDA (which is a profitability ratio) covenant at the next testing date, on 28 March 2016, ING Bank N.V., Singapore Branch as Agent ("ING") agreed that the Borrowers may make a prepayment of USD 15,576,000 which consisted of the utilization of cash collateral of USD 11,415,000 already deposited with them and an additional amount of USD 4,161,000 to cure the security shortfall. Such prepayment amount would be applied in direct order of maturity of the repayment instalments.

In light of the above, ING agreed to the following:

- (i) the minimum Security ratio shall remain at 125% for the remainder of the facility period;
- (ii) the minimum free cash balance shall remain at USD 100,000 per vessel owned by the Group for the remainder of the facility period;
- (iii) the waiver on testing of the financial covenant regarding the Funded Debt to EBITDA ratio will remain for a further period up to 31 December 2016.

The above approvals have been granted subject to the Company complying with the following main conditions:

- a) The Company is not allowed to pay dividends or make any other distributions to its shareholders up to such time until the Company is in compliance with all the original terms and conditions of such loan agreement, notwithstanding the waivers thereof.
- b) The Borrowers make the abovementioned prepayment.

As of 4 April 2016, the Borrowers have made the abovementioned prepayment and the Group has complied with the above conditions and the waiver is now effective.

Facility 7

On 27 February 2016, the loan facility has expired without any drawings and has been automatically cancelled.

Facility 8

On 17 February 2016, the Company cancelled the undrawn balance loan facility amounting to USD 166.52 million.

(Unaudited but reviewed)

The Group's bank loan facilities and the undrawn loan balances are summarised below.

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan/amendment agreement	Maximum facility amount		Undrawn loan balance	
				per loan/amendment agreement		31 March	31 December
				31 March 2016	31 December 2015	2016	2015
Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)							
Facility 1	DNB Asia Ltd. and 5 other banks, total 6 banks	The Company and subsidiaries	LIBOR + margin	54.50	54.50	-	-
Facility 2	ING Bank N.V. (Singapore Branch) and DNB Asia Ltd.	4 indirect subsidiaries in Singapore	LIBOR + margin	84.96	84.96	-	-
Facility 3	Bangkok Bank Plc. (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited	LIBOR + margin	38.69	38.69	-	-
Facility 4	Bangkok Bank Plc. (Singapore Branch)	ABC Four Pte. Limited	LIBOR + margin	19.34	19.34	-	-
Facility 5	TMB Bank Plc.	ABC One Pte. Limited	LIBOR + margin	19.58	19.58	-	-
Facility 6	Export-Import Bank of Thailand	The Company and subsidiaries	LIBOR + margin	81.50	81.50	-	-
Facility 7	Norddeutsche Landesbank Girozentrale (Singapore Branch)	The Company and subsidiaries in Singapore	LIBOR + margin	-	41.85	-	41.85
Facility 8	DNB Asia Ltd. and Export-Import Bank of China	The Company and subsidiaries in Singapore	LIBOR + margin	30.00	199.20	-	179.91
Facility 9	Krung Thai Bank Plc.	The Company and 5 local subsidiaries	LIBOR + margin	-	13.50	-	-
Facility 10	BNP Paribas	The Company and subsidiaries in Singapore	LIBOR + margin	42.00	42.00	42.00	42.00

(Unaudited but reviewed)

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan/amendment agreement	Maximum facility amount per loan/amendment agreement		Undrawn loan balance	
				31 March 2016	31 December 2015	31 March 2016	31 December 2015
Loan facilities for purchasing of vessels							
Facility 1	Krung Thai Bank Plc. and 2 other banks, total 3 banks	The Company and local subsidiaries	MLR-1 for Thai Baht loan and LIBOR + margin for USD loan	USD 142.00 million and Baht 1,502.35 million	USD 142.00 million and Baht 1,502.35 million	-	-
Facility 2	Export-Import Bank of Thailand	The Company and subsidiaries	LIBOR + margin	64.82	64.82	-	-

As at 31 March 2016, the Group had outstanding bank loans amounting to Baht 9,803.54 million on the basis of which the Group is unable to maintain certain financial covenants under the loan agreements. The Group has been in discussions with the Banks for requesting waivers of the testing of certain financial covenants for a certain period. In order to report its financial position in accordance with generally accepted accounting standards, as at 31 March 2016 the Group has presented the balance of these loans as current liabilities. However, on 4 April 2016 and 26 April 2016, the Group received waivers of the testing of certain financial covenants from the banks of the outstanding loan amounting to Baht 5,971.00 million.

15. Debentures

On 22 January 2016, the Company issued 3,590,000 Unsubordinated and Unsecured Debentures of par value Baht 1,000 each by way of a public offering and has accordingly received the aggregate proceeds of Baht 3,590 million. The maturity of the debentures will be 5 years at the interest rate of 5.25% per annum. The interest payment will be quarterly. The issuance of the debentures was approved by the Meeting of the Board of Directors of the Company and the Extraordinary General Meeting of Shareholders No.2/2015 on 6 October 2015 and on 5 November 2015, respectively.

Since the functional currency of the Company is US Dollars, with a view to covering the currency risk on the Thai Baht denominated liability of the Company, the entire proceeds of Baht 3,590 million were swapped into US Dollars, amounting to USD 99.72 million on 22 January 2016 vide a Cross Currency Swap entered into by the Company. The Company also swapped THB fixed rate 5.25% per annum to USD fixed rate 5.99% per annum.

The Company is required to maintain Debt to Equity ratio not exceeding 2:1.

On 30 March 2016, the Annual General Meeting of Shareholders of the Company approved and resolved to issue and offer of debentures amounting to not exceeding Baht 10,000 million (or equivalent) apart from the issued debentures mentioned above. The maturity of the debentures will not exceed 20 years. The interest rate will depend on the appropriate prevailing market conditions at such time the debentures are issued and offered. The terms and conditions of debentures shall be subject to the Law, Regulations, Notification, or any related announcements at the time of each issuance and offering.

(Unaudited but reviewed)

As at 31 March 2016 detail of long-term debentures are as follows.

(Unit: Thousand Baht)						
Series	Maturity date	No. of units (Thousand units)	Par value (Baht)	Interest rate (% p.a.)	Term of interest payment	Carrying amount 31 March 2016
1	Entirely redeemed on 22 January 2021 (5 years)	3,590	1,000	5.25	Quarterly	3,590,000
Total						3,590,000
Less: Deferred debenture issuing costs						(20,633)
Translation adjustment						495
Long-term debenture - net						3,569,862

16. Provision for maritime claims

(Unit: Thousand Baht)	
	Consolidated financial statements
Balance as at 1 January 2016	201,878
Increase during the period	1,528
Decrease during the period	(58,128)
Translation adjustment	(4,207)
Balance as at 31 March 2016	141,071

17. Basic earnings per share

Basic earnings per share is calculated by dividing loss for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

18. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group's operations involve the business of owning and internationally operating (chartering) small handy sized, supramax and ultramax bulk vessels, on a tramp shipping basis without any set routes. This is the only industry segment in which the Group mainly operates and almost entire revenues are generated from this segment. As such, no segmental bifurcation is applicable since the operations are mainly limited to only one aforesaid segment.

The business activity in the segment, i.e. the chartering of the vessels, is undertaken in two ways, viz., Time charter and Voyage charter. Under Time charter, the charterer (customer) pays charter hire (at an agreed daily rate, almost always in US Dollars) to operate the vessel for an agreed time period. In this case, the charterer bears all voyage expenses including port disbursements and costs of bunker fuel. Under Voyage charter, the charterer pays freight on a per ton basis (almost always in US Dollars) to transport a particular cargo between two or more designated ports. In this case, the Group bears all the voyage expenses. The voyage expenses are presented in the financial statements as voyage disbursements and bunker consumption. Under Time charter, the vessel routes are determined or controlled exclusively by the charterers and under Voyage charters, the route varies from time to time for each voyage, which is determined by a number of factors which are totally beyond the Groups' control. As such, reporting by geographical segments would not be practical or meaningful, and could in fact be misleading.

In view of the above, segment information is limited to the bifurcation of the total vessel operating income (and voyage expenses in respect of Voyage charter) derived from Time charter and Voyage charter presented as "Hire income" and "Freight income" respectively.

(Unaudited but reviewed)

The following table presents net vessel operating income from Time charter and Voyage charter of the Group for the three-month periods ended 31 March 2016 and 2015.

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 31 March										
	Time charter		Voyage charter		Total		Elimination		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Hire income	571,644	670,764	-	-	571,644	670,764	-	-	571,644	670,764
Freight income	-	-	258,336	379,689	258,336	379,689	(27,550)	(69,746)	230,786	309,943
Total vessel operating income	571,644	670,764	258,336	379,689	829,980	1,050,453	(27,550)	(69,746)	802,430	980,707
Voyage disbursements	-	-	(99,965)	(152,879)	(99,965)	(152,879)	27,550	69,746	(72,415)	(83,133)
Bunker consumption	-	-	(76,894)	(135,002)	(76,894)	(135,002)	-	-	(76,894)	(135,002)
Total voyage expenses	-	-	(176,859)	(287,881)	(176,859)	(287,881)	27,550	69,746	(149,309)	(218,135)
Net vessel operating income/time charter equivalent income	571,644	670,764	81,477	91,808	653,121	762,572	-	-	653,121	762,572

19. Commitments and contingent liabilities

19.1 Shipbuilding contracts commitments

The Company had future minimum payment commitments under shipbuilding contracts as detailed below.

	31 March 2016		31 December 2015	
	(Million USD)	(Equivalent to Million Baht)	(Million USD)	(Equivalent to Million Baht)
The Company	410.03	14,448.99	461.69	16,661.83

19.2 Obligations in respect of charges for management of the undrawn portion of loan facilities

The Group had obligations in respect of the charges for management of the undrawn portion of loan facilities, which are summarised as follows.

Facility	Commitment fees payable by the Group	Undrawn loan balance as at		Terms of payment of commitment fees	Payable upto
		31 March 2016	31 December 2015		
		(Million USD)	(Million USD)		
Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)					
Facility 7	1.02% per annum of undrawn loan balance	-	41.85	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 8	1.00% per annum of undrawn loan balance	-	179.91	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 10	1.00% per annum of undrawn loan balance	42.00	42.00	Every three months until the end of the drawdown period	Upon delivery of each vessel

20. Event after the reporting period

- a) On 18 April 2016, Precious Capitals Limited, (“the local subsidiary”) entered into a Memorandum of Agreement with an overseas company to sell one vessel for USD 1.38 million.

The vessel is to be delivered to the buyer within 4 May 2016.

- b) On 19 April 2016, the Company has subscribed and paid for newly issued ordinary shares of subsidiaries as detailed below.

Subsidiaries' name	New ordinary shares		
	Par value	No. of shares	Total value
	(Baht)	(Million Shares)	(Million Baht)
Precious Venus Limited	100.00	2.98	297.80
Precious Neptune Limited	100.00	2.98	297.80

- c) On 21 April 2016, a dry bulk carrier with Hull No. SF130128 (“Vessel”) under a shipbuilding contract with Jiangsu Ruihai International Trade Co., Ltd. and Taizhou Sanfu Ship Engineering Co. Ltd., China, was completed and delivered to the Company’s indirect subsidiary incorporated in Singapore (Precious Tides Pte. Limited). The contract price of the Vessel is USD 25.00 million or approximately Baht 880.94 million.

d) On 21 April 2016, the Company and Taizhou Sanfu Ship Engineering Co. Ltd. ("Sanfu") (jointly referred to as the "Parties") executed an amending agreement ("Amending Agreement") in relation to the Shipbuilding Contract dated 20 December 2013 ("Shipbuilding Contract") for construction of one 63,345 DWT Bulk Carrier with Hull No. SF130130 ("Vessel"). The key terms of the Amending Agreement are as follows:

1. Contract Price shall be reduced to USD 18 million. However, the Contract Price will be adjusted as per the market value of the Vessel prior to the actual delivery date. The Parties shall equally share the difference between the market value prevailing at the time of delivery of the Vessel and the Contract Price ("Adjusted Contract Price").

2. Payment terms shall be amended as follows:

(a) 1st Instalment

USD 3.51 million shall become due and payable and be paid by the Buyer within five banking days after the Buyer's receipt of a Refund Guarantee to guarantee the refund of the 1st Instalment.

(b) 2nd Instalment

USD 3.60 million shall become due and payable and be paid by the Buyer within five banking days of the later to occur of: (i) the Buyer's receipt of a Refund Guarantee to guarantee the refund of the 2nd Instalment and (ii) the actual delivery date of the vessel with Hull No. SF130129 to be delivered under another shipbuilding contract dated 17 March 2014 between the Company as the Buyer and Sanfu and Jiangsu Ruihai International Trade Co., Ltd., collectively as the Seller.

(c) 3rd Instalment

The Adjusted Contract Price minus the 1st and 2nd Instalments shall become due and payable concurrently with the delivery of the Vessel.

3. Delivery Date shall be amended to not before 10 January 2018.

It may be noted that there are certain conditions precedent (including the payment of the 1st Instalment by the Company) which need to be fulfilled by both parties on or before 18 October 2016, failing which, the Amending Agreement and the Shipbuilding Contract shall be null and void.

21. Functional currency financial statements

The USD functional currency statements of financial position as at 31 March 2016 and 31 December 2015 and the income statements for the three-month periods ended 31 March 2016 and 2015 are as follows.

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	51,858	12,567	35,944	1,451
Current portion of restricted bank deposit	11,415	-	-	-
Trade and other receivables	3,598	6,677	164,462	107,687
Short-term loans to a subsidiary	-	-	47,200	47,200
Bunker oil	1,650	3,959	-	-
Other current assets				
Advances to vessel masters	3,078	3,603	-	-
Claim recoverables	502	555	-	-
Others	3,140	1,156	550	626
Total other current assets	6,720	5,314	550	626
Total current assets	75,241	28,517	248,156	156,964
Non-current assets				
Restricted bank deposit - net of current portion	13,450	24,865	-	-
Long-term loans to a subsidiary	-	-	9,702	9,702
Investments in subsidiaries	-	-	246,149	246,149
Investment in associate held by a subsidiary	2,292	2,374	-	-
Other long-term investment	568	568	568	568
Receivables from cross currency swap contracts	854	-	2,513	-
Property, plant and equipment	695,731	701,880	168	185
Intangible assets	50	56	50	56
Other non-current assets				
Claim recoverables - maritime claims	2,615	4,025	-	-
Advances for vessel constructions	116,797	123,352	116,380	122,941
Deferred financial fees	1,002	6,028	1,002	6,028
Deferred contract costs	7,500	7,641	-	-
Others	88	87	68	66
Total other non-current assets	128,002	141,133	117,450	129,035
Total non-current assets	840,947	870,876	376,600	385,695
Total assets	916,188	899,393	624,756	542,659

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries
Statement of financial position (continued)

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade and other payables	1,442	2,740	307	320
Advances received from related parties	-	-	42,444	38,293
Accrued crew accounts	3,115	3,555	-	-
Accrued expenses	3,974	4,760	1,030	411
Accrued employee bonus	241	957	208	836
Total trade and other payables	8,772	12,012	43,989	39,860
Advances received from charterers	1,425	1,255	-	-
Current portion of long-term loans	283,958	155,276	-	13,495
Income tax payable	10	11	-	-
Other current liabilities	1,041	734	212	204
Total current liabilities	295,206	169,288	44,201	53,559
Non-current liabilities				
Payables to cross currency swap contracts	-	2,294	-	-
Long-term loans - net of current portion	83,061	255,108	-	3,291
Debentures	100,820	-	100,820	-
Provision for maritime claims	4,003	5,594	-	-
Unsecured corporate Loan	8,000	8,000	8,000	8,000
Provision for long-term employee benefits	2,319	2,284	2,093	2,071
Total non-current liabilities	198,203	273,280	110,913	13,362
Total liabilities	493,409	442,568	155,114	66,921
Shareholders' equity				
Share capital				
Registered share capital	52,598	52,598	52,598	52,598
Issued and paid-up share capital	51,055	51,055	51,055	51,055
Paid-in capital				
Premium on ordinary shares	63,284	63,284	63,284	63,284
Premium on treasury stock	4,819	4,819	4,819	4,819
Retained earnings				
Appropriated				
Statutory reserve - the Company	2,802	2,802	2,802	2,802
- subsidiaries	14,460	14,460	-	-
Corporate social responsibility reserve	502	519	502	519
Unappropriated	287,912	321,940	347,180	353,259
Other components of shareholders' equity	(2,002)	(2,001)	-	-
Equity attributable to owner of the Company	422,832	456,878	469,642	475,738
Non-controlling interests of the subsidiaries	(53)	(53)	-	-
Total shareholders' equity	422,779	456,825	469,642	475,738
Total liabilities and shareholders' equity	916,188	899,393	624,756	542,659

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 31 March 2016**

(Unit: Thousand USD, except earnings per share expressed in USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Revenues				
Vessel operating income				
Hire income	16,066	20,607	-	-
Freight income	6,486	9,522	-	-
Total vessel operating income	22,552	30,129	-	-
Service income	30	22	784	627
Interest income	859	1	840	-
Exchange gains	754	39	787	26
Total revenues	24,195	30,191	2,411	653
Expenses				
Vessel operating costs				
Vessel running expenses	15,223	15,765	-	-
Voyage disbursements	2,035	2,554	-	-
Bunker consumption	2,161	4,147	-	-
Total vessel operating costs	19,419	22,466	-	-
Depreciation	10,863	10,740	18	19
Cost of services	30	28	-	-
Loss on sales of vessels and equipment	9,526	-	-	-
Loss on impairment of assets	4,352	-	-	-
Administrative expenses	1,951	1,831	1,657	1,558
Management remuneration including perquisites	613	885	566	825
Bad debts and doubtful accounts	703	322	-	-
Total expenses	47,457	36,272	2,241	2,402
Profit (loss) before share of loss from investment in associate and finance cost	(23,262)	(6,081)	170	(1,749)
Share of loss from investment in associate held by a subsidiary	(81)	(87)	-	-
Profit (loss) before finance cost	(23,343)	(6,168)	170	(1,749)
Finance cost	(10,701)	(4,145)	(6,266)	(59)
Loss for the period	(34,044)	(10,313)	(6,096)	(1,808)
Loss attributable to:				
Equity holders of the Company	(34,044)	(10,313)	(6,096)	(1,808)
Non-controlling interests of the subsidiaries	-	-	-	-
Loss for the period	(34,044)	(10,313)	(6,096)	(1,808)
Basic earnings per share				
Loss attributable to equity holders of the Company	(0.0218)	(0.0099)	(0.0039)	(0.0017)
Weighted average number of ordinary shares (Thousand Shares)	1,559,281	1,039,521	1,559,281	1,039,521

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 28 April 2016.