

Precious Shipping Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month period ended
31 March 2017

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 2017, 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 10.3 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 2017

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		2,476,859	2,676,310	1,983,060	2,145,249
Current portion of restricted bank deposits	3	328,129	36,070	-	-
Trade and other receivables	4, 5	204,765	139,995	4,444,804	4,629,332
Bunker oil		44,063	40,734	-	-
Other current assets					
Advances to vessel masters		83,825	90,986	-	-
Claim recoverables		35,781	24,242	-	-
Others		114,957	92,685	19,617	20,361
Total other current assets		234,563	207,913	19,617	20,361
Total current assets		3,288,379	3,101,022	6,447,481	6,794,942
Non-current assets					
Restricted bank deposits - net of current portion	3	13,119	354,924	-	-
Long-term loans to subsidiaries	6	-	-	5,329,499	5,543,081
Investments in subsidiaries	7	-	-	7,106,682	7,391,484
Investment in associate held by a subsidiary	8	89,809	86,237	-	-
Other long-term investment		19,552	20,335	19,552	20,335
Receivables from cross currency swap contracts		212,628	-	245,494	28,892
Property, plant and equipment	9	24,445,208	25,671,524	13,992	5,407
Intangible assets		943	1,179	943	1,179
Other non-current assets					
Claim recoverables - maritime claims		82,562	111,874	-	-
Advances for vessel constructions	10	2,619,995	2,712,401	2,608,849	2,701,134
Deferred contract costs	11	238,895	253,466	-	-
Others		3,078	3,068	2,396	2,396
Total other non-current assets		2,944,530	3,080,809	2,611,245	2,703,530
Total non-current assets		27,725,789	29,215,008	15,327,407	15,693,908
Total assets		31,014,168	32,316,030	21,774,888	22,488,850

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 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables					
Trade and other payables	5	65,636	37,848	5,293	245
Advances received from related parties	5	-	-	1,750,219	1,739,800
Accrued crew accounts		91,134	95,738	-	-
Accrued expenses		143,849	140,485	45,600	49,830
Accrued employee bonus		8,449	34,055	7,305	29,290
Total trade and other payables		309,068	308,126	1,808,417	1,819,165
Advances received from charterers		59,968	13,872	-	-
Current portion of long-term loans	12	4,577,342	887,345	-	-
Income tax payable		1	66	-	-
Other current liabilities		20,971	18,575	12,250	8,814
Total current liabilities		4,967,350	1,227,984	1,820,667	1,827,979
Non-current liabilities					
Payables to cross currency swap contracts		-	35,814	-	-
Long-term loans - net of current portion	12	6,483,017	10,846,818	-	-
Debentures	13	5,500,506	5,497,810	5,500,506	5,497,810
Provision for maritime claims	14	120,276	162,782	-	-
Unsecured corporate loans		770,674	801,559	770,674	801,559
Provision for long-term employee benefits		86,350	84,213	81,770	79,856
Total non-current liabilities		12,960,823	17,428,996	6,352,950	6,379,225
Total liabilities		17,928,173	18,656,980	8,173,617	8,207,204

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 2017	31 December 2016	31 March 2017	31 December 2016
	(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	15,805	16,119	15,805	16,119
Unappropriated	8,754,519	8,813,492	8,495,130	8,626,378
Other components of shareholders' equity	(11,083)	502,693	1,286,941	1,835,754
Equity attributable to owners of the Company	13,085,956	13,659,019	13,601,271	14,281,646
Non-controlling interests of the subsidiaries	39	31	-	-
Total shareholders' equity	13,085,995	13,659,050	13,601,271	14,281,646
Total liabilities and shareholders' equity	31,014,168	32,316,030	21,774,888	22,488,850
	-	-	-	-

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 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenues					
Vessel operating income					
Hire income		808,290	571,644	-	-
Freight income		237,057	230,786	-	-
Total vessel operating income		1,045,347	802,430	-	-
Service income	5	955	1,059	20,689	27,902
Gains on sales of equipment		1,999	-	1,999	-
Gains on cancellation of shipbuilding contracts	10.3	6,252	-	6,252	-
Interest income	10.1	2,331	30,560	1,634	29,873
Exchange gains		-	26,851	-	28,014
Other income		128	-	-	-
Total revenues		1,057,012	860,900	30,574	85,789
Expenses					
Vessel operating costs					
Vessel running expenses		414,974	541,644	-	-
Voyage disbursements		55,955	72,415	-	-
Bunker consumption		64,573	76,894	-	-
Total vessel operating costs		535,502	690,953	-	-
Depreciation	9	286,317	386,536	682	619
Cost of services		1,968	1,061	-	-
Loss on sales of vessels and equipment	9	-	338,948	-	6
Loss on impairment of assets	9	-	154,847	-	-
Administrative expenses	5	66,795	69,438	55,985	58,957
Management remuneration including perquisites	5	19,057	21,808	18,799	20,134
Bad debts and doubtful accounts (reversal)		(10,840)	25,022	2,597	-
Exchange losses		6,894	-	4,717	-
Total expenses		905,693	1,688,613	82,780	79,716
Profit (loss) before share of profit (loss) from investment in associate and finance cost		151,319	(827,713)	(52,206)	6,073
Share of profit (loss) from investment in associate held by a subsidiary	8.1	2,850	(2,877)	-	-
Profit (loss) before finance cost		154,169	(830,590)	(52,206)	6,073
Finance cost		(213,447)	(380,766)	(79,356)	(222,964)
Loss for the period		(59,278)	(1,211,356)	(131,562)	(216,891)

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 2017

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

	Consolidated financial statements		Separate financial statements	
Note	2017	2016	2017	2016
Profit (loss) attributable to:				
Equity holders of the Company	(59,287)	(1,211,346)	(131,562)	(216,891)
Non-controlling interests of the subsidiaries	9	(10)	-	-
Loss for the period	(59,278)	(1,211,356)	(131,562)	(216,891)
Basic earnings per share	16			
Loss attributable to equity holders of the Company	(0.04)	(0.78)	(0.08)	(0.14)
Weighted average number of ordinary shares (Thousand Shares)	1,559,281	1,559,281	1,559,281	1,559,281

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 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Loss for the period	<u>(59,278)</u>	<u>(1,211,356)</u>	<u>(131,562)</u>	<u>(216,891)</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	<u>14,705</u>	<u>1,669</u>	<u>-</u>	<u>-</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>14,705</u>	<u>1,669</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>(528,482)</u>	<u>(378,073)</u>	<u>(548,813)</u>	<u>(402,006)</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(528,482)</u>	<u>(378,073)</u>	<u>(548,813)</u>	<u>(402,006)</u>
Other comprehensive income for the period	<u>(513,777)</u>	<u>(376,404)</u>	<u>(548,813)</u>	<u>(402,006)</u>
Total comprehensive income for the period	<u>(573,055)</u>	<u>(1,587,760)</u>	<u>(680,375)</u>	<u>(618,897)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>(573,063)</u>	<u>(1,587,795)</u>	<u>(680,375)</u>	<u>(618,897)</u>
Non-controlling interests of the subsidiaries	<u>8</u>	<u>35</u>	<u>-</u>	<u>-</u>
	<u>(573,055)</u>	<u>(1,587,760)</u>	<u>(680,375)</u>	<u>(618,897)</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 2017

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to the parent's shareholders											
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Retained earnings				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
				Appropriated		Corporate social responsibility reserve	Unappropriated					
				Statutory reserve								
The Company	Subsidiaries											
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	-	-	-	-	-	-	-	(376,449)	(376,449)	45	(376,404)	
Total comprehensive income for the period	-	-	-	-	-	-	(1,211,346)	(376,449)	(1,587,795)	35	(1,587,760)	
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>290,405</u>	<u>14,900,284</u>	<u>(1,877)</u>	<u>14,898,407</u>	
Balance as at 1 January 2017	1,559,281	1,967,716	172,446	103,952	523,320	16,119	8,813,492	502,693	13,659,019	31	13,659,050	
Loss for the period	-	-	-	-	-	-	(59,287)	-	(59,287)	9	(59,278)	
Other comprehensive income for the period	-	-	-	-	-	-	-	(513,776)	(513,776)	(1)	(513,777)	
Total comprehensive income for the period	-	-	-	-	-	-	(59,287)	(513,776)	(573,063)	8	(573,055)	
Appropriated to corporate social responsibility reserve	-	-	-	-	-	(314)	314	-	-	-	-	
Balance as at 31 March 2017	<u>1,559,281</u>	<u>1,967,716</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>15,805</u>	<u>8,754,519</u>	<u>(11,083)</u>	<u>13,085,956</u>	<u>39</u>	<u>13,085,995</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 2017

(Unit: Thousand Baht)

	Separate financial statements						Other components of shareholders' equity - other comprehensive income	Exchange differences on translation of financial statements	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Retained earnings					
				Statutory reserve	Appropriated				
					Corporate social responsibility reserve	Unappropriated			
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	-	-	-	-	-	-	(402,006)	(402,006)	
Total comprehensive income for the period	-	-	-	-	-	(216,891)	(402,006)	(618,897)	
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	1,585,118	16,549,828	
Balance as at 1 January 2017	1,559,281	1,967,716	172,446	103,952	16,119	8,626,378	1,835,754	14,281,646	
Loss for the period	-	-	-	-	-	(131,562)	-	(131,562)	
Other comprehensive income for the period	-	-	-	-	-	-	(548,813)	(548,813)	
Total comprehensive income for the period	-	-	-	-	-	(131,562)	(548,813)	(680,375)	
Appropriated to corporate social responsibility reserve	-	-	-	-	(314)	314	-	-	
Balance as at 31 March 2017	1,559,281	1,967,716	172,446	103,952	15,805	8,495,130	1,286,941	13,601,271	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	

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 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Loss before tax	(59,278)	(1,211,356)	(131,562)	(216,891)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	286,510	386,754	874	835
Bad debts and doubtful accounts (reversal)	(10,840)	25,022	2,597	-
Losses (gains) on sales of vessels and equipment	(1,999)	338,948	(1,999)	6
Loss on impairment of assets	-	154,847	-	-
Gains on cancellation of shipbuilding contracts	(6,252)	-	(6,252)	-
Write-off deferred financial fee	-	182,253	-	182,253
Amortisation of deferred contract costs	4,860	5,018	-	-
Share of loss (profit) from investment in associate held by a subsidiary	(2,850)	2,877	-	-
Reversal of provisions for maritime claims	(11,361)	(6,419)	-	-
Provision for long-term employee benefits	2,174	2,255	1,917	1,947
Unrealised exchange losses (gains)	2,563	(31,494)	1,631	(31,729)
Amortised financial fees to interest expense	18,397	20,546	-	-
Interest expense	192,428	165,281	77,746	39,913
Amortisation of deferred debentures issuing cost	1,609	798	1,609	798
Interest income	-	(29,286)	-	(29,286)
Profit (loss) from operating activities before changes in operating assets and liabilities	415,961	6,044	(53,439)	(52,154)
Operating assets (increase) decrease				
Trade and other receivables	(60,121)	54,471	3,626	(1,615,063)
Bunker oil	(4,954)	72,540	-	-
Other current assets	(29,758)	(56,490)	4,968	1,673
Other non-current assets	(10)	22	-	-
Operating liabilities increase (decrease)				
Trade and other payables	4,311	(142,617)	52,156	118,985
Advances received from charterers	47,160	6,026	-	-
Other current liabilities	2,722	10,727	3,468	134
Non-current liabilities	-	(2,888)	-	(2,888)
Cash flows from (used in) operating activities	375,311	(52,165)	10,779	(1,549,313)
Cash paid for corporate income tax and withholding tax deducted at source	(622)	(945)	(383)	(699)
Net cash flows from (used in) operating activities	374,689	(53,110)	10,396	(1,550,012)

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 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses	(46,466)	(497,479)	(9,575)	(25)
Cash received from sales of vessels and equipment	1,999	276,774	1,999	3
Cash paid for advances for vessel constructions and other direct costs	(5,855)	(132,267)	(5,537)	(127,330)
Cash received from cancellation of shipbuilding contracts	1,994	-	1,994	-
Dividend received from associate held by a subsidiary	7,869	-	-	-
Net cash flows used in investing activities	(40,459)	(352,972)	(11,119)	(127,352)
Cash flows from financing activities				
Decrease in restricted bank deposits	35,073	-	-	-
Cash paid for interest expense and commitment fee	(194,393)	(126,907)	(79,711)	(1,538)
Cash paid for deferred financial fees	-	(23,481)	-	(23,481)
Cash received from long-term loans	-	500,365	-	-
Repayment of long-term loans	(98,349)	(890,895)	-	(599,467)
Prepayment of long-term loans	(173,985)	(1,184,094)	-	-
Cash received from debentures	-	3,570,895	-	3,570,895
Net cash flows from (used in) financing activities	(431,654)	1,845,883	(79,711)	2,946,409
Decrease in translation adjustments	(102,027)	(65,857)	(81,755)	(54,773)
Net increase (decrease) in cash and cash equivalents	(199,451)	1,373,944	(162,189)	1,214,272
Cash and cash equivalents at beginning of period	2,676,310	453,508	2,145,249	52,363
Cash and cash equivalents at end of period	2,476,859	1,827,452	1,983,060	1,266,635
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Transfer of interest expenses and commitment fee to advance for vessel constructions	-	1,240	-	1,240
Amortisation of financial fees to advances for vessel constructions	-	206	-	206
Transfer of deferred financial fees to present as a deduction from long-term loans	-	11,551	-	-
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	-	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 2017

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 2016) 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.

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 2016. 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 financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 2016.

3. Restricted bank deposits

As at 31 March 2017, the Group placed deposits at banks of USD 9.91 million (or equivalent Baht 341.25 million) as cash collateral for 3 loan facilities as mentioned in Note 12 to the financial statements. (31 December 2016: USD 10.91 million (or equivalent Baht 390.99 million)).

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	201,148	137,420	-	-
3 - 6 months	1,171	2,571	-	-
6 - 12 months	2,446	4	-	-
Over 12 months	12,892	24,560	-	-
Total	217,657	164,555	-	-
Less: Allowance for doubtful debts	(12,892)	(24,560)	-	-
Total trade receivables - unrelated parties, net	204,765	139,995	-	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 5)	-	-	4,444,804	4,629,332
Total other receivables	-	-	4,444,804	4,629,332
Total trade and other receivables - net	204,765	139,995	4,444,804	4,629,332

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		
	2017	2016	2017	2016	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	20,689	20,942	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	-	-	1,711	1,830	Market price
Sales of newbuilding vessel (as part of advances for vessel constructions and other direct costs)	-	-	-	362,229	At cost
Transaction with associate					
Dividend received	7,869	-	-	-	As declared
Transactions with related companies					
Air ticket expenses	1,762	1,303	378	351	Market price
Rental and service expenses	4,128	3,330	3,406	2,535	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 2017	31 December 2016	31 March 2017	31 December 2016
Other receivables - related parties (Note 4)				
Subsidiaries	-	-	4,444,804	4,629,332
Total other receivables - related parties	-	-	4,444,804	4,629,332
Trade and other payables - related parties				
Subsidiaries	-	-	1,750,219	1,739,800
Related companies	459	215	137	69
Total trade and other payables - related parties	459	215	1,750,356	1,739,869

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 2017 and 2016, 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	
	2017	2016	2017	2016
Short-term employee benefits	18,549	21,211	18,291	19,609
Post-employment benefits	508	597	508	525
Total	19,057	21,808	18,799	20,134

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. Long-term loans to subsidiaries

Long-term loans to subsidiaries consisted of the following.

- 1) As at 31 March 2017, long-term loans to a wholly owned subsidiary, Associated Bulk Carriers Pte. Limited ("ABC Company"), are in the form of promissory notes amounting to USD 9.70 million (31 December 2016: 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.
- 2) On 30 December 2016, the Company has executed an agreement to extend the period of repayment of advance receivables and short-term loan to Precious Shipping (Singapore) Pte. Limited ("PSSP") amounting to USD 145 million to 3 years.

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

(Unit: Thousand Baht)

	Separate
	financial statements
Balance as at 1 January 2017	5,543,081
Translation adjustment	(213,582)
Balance as at 31 March 2017	5,329,499

7. 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
	2017	2016	2017	2016	2017	2016
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	365,022	379,650
Precious Wishes Limited	230,000	230,000	99.99	99.99	310,726	323,178
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	290,257	301,889
Precious Minerals Limited	230,000	230,000	99.99	99.99	263,939	274,516
Precious Lands Limited	306,000	306,000	99.99	99.99	334,035	347,421
Precious Rivers Limited	234,000	234,000	99.99	99.99	219,548	228,347
Precious Lakes Limited	184,000	184,000	99.99	99.99	192,658	200,379
Precious Seas Limited	100,000	100,000	99.99	99.99	135,098	140,512
Precious Stars Limited	105,000	105,000	99.99	99.99	141,853	147,538
Precious Oceans Limited	175,000	175,000	99.99	99.99	236,422	245,896
Precious Planets Limited	270,000	270,000	99.99	99.99	320,575	333,422
Precious Diamonds Limited	205,000	205,000	99.99	99.99	200,703	208,746
Precious Sapphires Limited	144,000	144,000	99.99	99.99	136,167	141,624
Precious Emeralds Limited	366,000	366,000	99.99	99.99	326,509	339,594
Precious Rubies Limited	259,360	259,360	99.99	99.99	272,615	283,540
Precious Opals Limited	249,360	249,360	99.99	99.99	263,871	274,446
Precious Garnets Limited	379,000	379,000	99.99	99.99	336,773	350,269
Precious Pearls Limited	173,000	173,000	99.99	99.99	192,350	200,059
Precious Flowers Limited	336,000	336,000	99.99	99.99	370,866	385,729
Precious Forests Limited	286,000	286,000	99.99	99.99	288,327	299,881
Precious Trees Limited	202,000	202,000	99.99	99.99	225,082	234,102
Precious Ponds Limited	124,000	124,000	99.99	99.99	135,384	140,810
Precious Ventures Limited	202,000	202,000	99.99	99.99	244,146	253,930
Precious Capitals Limited	200,000	200,000	99.99	99.99	270,196	281,025
Precious Jasmines Limited	147,000	147,000	99.99	99.99	183,569	190,926
Precious Orchids Limited	217,000	217,000	99.99	99.99	207,440	215,753
Precious Lagoons Limited	140,000	140,000	99.99	99.99	189,137	196,717
Precious Cliffs Limited	140,000	140,000	99.99	99.99	189,137	196,717
Precious Hills Limited	140,000	140,000	99.99	99.99	189,137	196,717
Precious Mountains Limited	140,000	140,000	99.99	99.99	189,137	196,717
Precious Resorts Limited	140,000	140,000	99.99	99.99	189,137	196,717
Precious Cities Limited	170,000	170,000	99.99	99.99	215,073	223,692
Precious Comets Limited	141,000	141,000	99.99	99.99	143,798	149,561
Precious Ornaments Limited	156,000	156,000	99.99	99.99	157,820	164,145
Precious Moons Limited	1,000	1,000	99.98	99.98	1,052	1,094
Precious Venus Limited	298,800	298,800	99.99	99.99	292,117	303,824

(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
	2017	2016	2017	2016	2017	2016
			%	%		
Precious Neptune Limited	298,800	298,800	99.99	99.99	292,117	303,824
Nedtex Limited	2,500	2,500	69.99	69.99	876	911
Precious Storage Terminals Limited	6,000	6,000	69.99	69.99	5,674	5,901
Thebes Pte. Limited	0.0365	0.0365	100.00	100.00	-	-
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	345	358
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	361,400	375,883
Precious Shipping (UK) Limited	250	250	100.00	100.00	345	358
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	373,583	388,555
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
Total investments in subsidiaries					9,254,016	9,624,873
Less: Allowance for loss on investments in subsidiaries					(2,147,334)	(2,233,389)
Total investments in subsidiaries - net					7,106,682	7,391,484

As at 31 March 2017, the Company has pledged the shares of 31 subsidiaries amounting to Baht 6,009.08 million (31 December 2016: 31 subsidiaries amounting to Baht 6,249.90 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 12 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.

(Unaudited but reviewed)

8. Investment in associate held by a subsidiary**8.1 Details of associate held by a subsidiary**

(Unit: Thousand Baht)

		Consolidated financial statements						Carrying amounts	
Associate's name	Nature of business	Country of incorporation	Shareholding		Cost		based on equity method		
			Percentage						
			31 March	31 December	31 March	31 December	31 March	31 December	
			2017	2016	2017	2016	2017	2016	
			%	%					
International Seaports (Haldia) Private Limited	Berth construction and development	India	22.40	22.40	70,197	73,010	89,809	86,237	

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)

Associate's name	Consolidated financial statements			
	For the three-month periods ended 31 March			
	Share of profit (loss)		Dividend received	
	2017	2016	2017	2016
International Seaports (Haldia) Private Limited	2,850	(2,877)	7,869	-

Shares of profit (loss) from investment in associate held by a subsidiary for the three-month periods ended 31 March 2017 and 2016, included in the consolidated income statements, were recorded based on the financial information for the three-month periods ended 31 December 2016 and 2015, respectively.

8.2 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		Profit (loss) for the	
	31 December		31 December		31 December		three-month periods ended		three-month periods ended	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Thousand INR	Thousand INR								
International Seaports (Haldia) Private Limited	440,580	440,580	433,765	393,274	32,833	32,647	117,285	67,820	12,724	(12,842)

(Unaudited but reviewed)

9. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	25,671,524	5,407
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses during period - at cost	46,466	9,575
Depreciation for period	(286,317)	(682)
Translation adjustment	(986,465)	(308)
Net book value as at 31 March 2017	<u>24,445,208</u>	<u>13,992</u>

During the three-month period ended 31 March 2016, local subsidiaries 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 previous period consolidated income statement (31 March 2017: None).

As at 31 March 2017, the subsidiaries have mortgaged 36 vessels (31 December 2016: 35 vessels) with net book value of Baht 24,404.83 million (31 December 2016: Baht 24,708.39 million) with banks to secure long-term loans as referred to in Note 12 to the financial statements.

As at 31 March 2017, the Group performed impairment reviews in respect of the vessels expected to be sold in 2017 and recognised an impairment loss of USD 3.44 million (or approximately Baht 118.51 million) (31 December 2016: USD 3.44 million (or approximately Baht 123.27 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.

10. Advances for vessel constructions

Movements of the advances for vessel constructions account during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	2,712,401	2,701,134
Other direct costs	12,244	11,926
Translation adjustment	(104,650)	(104,211)
Balance as at 31 March 2017	<u>2,619,995</u>	<u>2,608,849</u>

During the three-month period ended 31 March 2017, there were the amended/cancelled of shipbuilding contracts as detailed below.

10.1 Settlement Agreements of 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.

(Unaudited but reviewed)

As of 31 March 2016, the Company recorded USD 0.82 million (or approximately Baht 29 million) as interest income on the advances refunded to the Company for Hull nos. SF130130, SF130131, SF130132 and SF130133.

On 17 November 2016, the Company and Sanfu (jointly referred to as the “Parties”) have executed the second override settlement agreement for Hull No. SF130127 (“Second Settlement Agreement”). The key terms of the Second Settlement Agreement are as follows:

1. The Parties agreed and fixed the delivery date of SF130127 for between 4 and 7 April 2017 (exact date shall be mutually agreed later).
2. The advance paid under the Contract for Hull No. SF130133 plus interest upto 25 November 2016 to be refunded to the Company and applied as partial repayment of unsecured corporate loan for SF130129. After the refund, the Contract for Hull No. SF130133 to be terminated.
3. On the delivery date of SF130127, the unsecured corporate loan for SF130129 to be reinstated to USD 6 million.

During the year 2016, three vessels with Hull Nos. SF130126, SF130128 and SF130129 were delivered and three contracts for building three new vessels with Hull Nos. SF130131, SF130132 and SF130133 were cancelled.

On 18 April 2017, the vessel with Hull No. SF130127 was also delivered as mentioned in Note 19 to the financial statements.

10.2 Amendment for the Shipbuilding Contracts

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 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 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 conditions on 2 (a) 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.

On 17 November 2016, the Parties have executed a Memorandum of Agreement ("MOA") which is effective retroactively from 18 October 2016. The key terms of the MOA are as follows:

1. The Parties agreed to extend the deadline for the fulfilment of certain conditions related to extension of refund guarantee from 18 October 2016 to 30 May 2017.
2. No installments for SF130130 to become due before 1 May 2017.

10.3 Cancellation of the Shipbuilding Contracts

During the year 2016 and 2015, the Company cancelled twelve Shipbuilding Contracts signed with Sainty Marine Corporation, China ("Shipbuilder") on 24 and 26 February 2014 for twelve 64,000 DWT bulk carrier vessels bearing hull nos. SAM14017B - SAM14028B ("Vessels").

(Unaudited but reviewed)

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.

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. During the year 2016, the Company received the refund of the advances along with interest thereon for three vessels bearing hull nos. SAM14024B, SAM14025B and SAM14026B amounting in aggregate to USD 8.81 million from CEXIM since neither party invoked arbitration in respect of these vessels.

In March 2017, the Company (and its nominee) received an additional USD 0.18 million (or approximately Baht 6.25 million) from Shipbuilder, being the shortfall in the interest amount refunded by the CEXIM under the Letters of Guarantee for three vessels bearing hull nos. SAM14024B, SAM14025B and SAM14026B and the interest amount due and payable by the Shipbuilder in accordance with the relevant SBCs. A sum of USD 0.12 million out of the aforesaid amount is receivable from the nominee and is recorded as receivable in other current assets.

For the Vessels for which the Company has received notices 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 2017, details of the cancellations of the SBCs by the Company and by the Shipbuilder (under dispute by the Company) (not including the three vessels for which the Company received the refunds from CEXIM aforesaid) are as follows:

Hull No.	Shipbuilding Contract date	Cancelled by	Date of Cancellation Notice	Date of Notice of Arbitration	Contract Price (Million USD)	Advances Claim (Million USD)
SAM14017B	24 February 2014	The Company	11 September 2015	25 September 2015	27.90	11.16
SAM14018B	24 February 2014	The Company	11 September 2015	25 September 2015	27.90	11.16
SAM14019B	26 February 2014	The Company	16 November 2015	24 November 2015	27.97	11.16
SAM14020B	26 February 2014	The Company	16 November 2015	24 November 2015	27.97	11.16
SAM14021B	26 February 2014	The Company	29 January 2016	3 February 2016	27.97	5.58
SAM14022B	26 February 2014	The Company	29 January 2016	3 February 2016	27.97	5.58
SAM14023B	26 February 2014	The Shipbuilder The Company	15 September 2015 30 March 2016	7 December 2015	27.47	2.74
SAM14027B	26 February 2014	The Shipbuilder The Company	20 November 2015 29 August 2016	6 September 2016	27.97	2.79
SAM14028B	26 February 2014	The Shipbuilder The Company	20 November 2015 29 August 2016	6 September 2016	27.97	2.79
Total					251.09	64.12

(Unaudited but reviewed)

11. Deferred contract costs

Movements of the deferred contract costs account during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
	<hr/>
Balance as at 1 January 2017	253,466
Amortisation for the period	(4,860)
Translation adjustment	(9,711)
Balance as at 31 March 2017	<hr/> <hr/>

(Unaudited but reviewed)

12. Long-term loan facilities

As at 31 March 2017 and 31 December 2016, 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				Total		
Facility 1		Facility 2		Facility 3		Facility 4		Facility 5		Facility 6		Facility 8		Facility 10		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	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
Long-term loans	702,782	730,946	1,282,095	1,333,476	1,094,923	1,161,807	566,442	600,694	522,870	561,367	2,288,539	2,456,709	902,700	938,876	817,329	864,864	1,753,692	1,827,640	1,224,663	1,376,214	11,156,035	11,852,593
Add (less): Deferred financial fees	(3,476)	(3,919)	(18,610)	(20,713)	(14,750)	(16,051)	(3,364)	(3,653)	(2,792)	(3,081)	32,069	25,197	(16,927)	(18,407)	(33,365)	(36,237)	(58,399)	(64,162)	23,938	22,596	(95,676)	(118,430)
Total	699,306	727,027	1,263,485	1,312,763	1,080,173	1,145,756	563,078	597,041	520,078	558,286	2,320,608	2,481,906	885,773	920,469	783,964	828,627	1,695,293	1,763,478	1,248,601	1,398,810	11,060,359	11,734,163
Less: Current portion	(699,306)	-	(1,263,485)	-	(87,283)	(90,749)	(44,163)	(45,926)	(67,107)	(69,786)	(174,022)	(206,084)	(33,809)	(17,567)	(783,964)	(56,644)	(1,189,801)	(122,825)	(234,402)	(277,764)	(4,577,342)	(887,345)
Long-term loans - net of current portion	-	727,027	-	1,312,763	992,890	1,055,007	518,915	551,115	452,971	488,500	2,146,586	2,275,822	851,964	902,902	-	771,983	505,492	1,640,653	1,014,199	1,121,046	6,483,017	10,846,818

(Unaudited but reviewed)

Movements in the long-term loans accounts during the three-month period ended 31 March 2017 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		Total
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 8	Facility 10	Facility 1	Facility 2	
Balance as at 1 January 2017	727,027	1,312,763	1,145,756	597,041	558,286	2,481,906	920,469	828,627	1,763,478	1,398,810	11,734,163
Add: Amortisation of financial fees	296	1,320	690	150	172	7,932	780	1,492	3,328	2,237	18,397
Unrealised exchange loss	-	-	-	-	-	-	-	-	29,750	-	29,750
Less: Repayment	-	-	(22,369)	(11,233)	(17,058)	-	-	(14,372)	(33,317)	-	(98,349)
Prepayment	-	-	-	-	-	(74,344)	-	-	-	(99,641)	(173,985)
Translation adjustment	(28,017)	(50,598)	(43,904)	(22,880)	(21,322)	(94,886)	(35,476)	(31,783)	(67,946)	(52,805)	(449,617)
Balance as at 31 March 2017	<u>699,306</u>	<u>1,263,485</u>	<u>1,080,173</u>	<u>563,078</u>	<u>520,078</u>	<u>2,320,608</u>	<u>885,773</u>	<u>783,964</u>	<u>1,695,293</u>	<u>1,248,601</u>	<u>11,060,359</u>

During the period, the updated transactions of the Group's loan facilities are as follows.

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

Facility 1

On 18 January 2017, the value of security increased to over 130% of total loan outstanding, and the borrowers then requested and received USD 1,006,667 from a release of cash collateral. Further on 21 April 2017, the additional USD 916,667 was also released from cash collateral.

On 26 April 2017, DNB Asia Ltd. ("DNB") as agent and security agent of the facility approved the waiver of the testing of the financial covenant regarding the funded debt to EBITDA ratio up to 31 December 2017 or any date to be notified by the agent ("Temporary Waiver Period").

The above approvals have been granted subject to the Company complying with the condition that the Company cannot pay any dividends or make any other distributions to any shareholder during the Temporary Waiver Period.

Facility 2

On 5 April 2017, the value of security increased to over 130% of total loan outstanding, and the borrowers then requested and received USD 4,979,200 from a release of cash collateral.

Facility 6

On 2 February 2017 the borrowers made a prepayment of USD 4.99 million, applied in direct order of maturity of the repayment instalments and on 7 February 2017, 1 vessel was mortgaged as additional security to cure the security shortfall for this facility and Facility 2 for purchasing of vessels.

Facility 8

On 26 April 2017, the value of security increased to over 125% of total loan outstanding, and the borrowers then requested a release of cash collateral of USD 3,628,906.

(Unaudited but reviewed)

The Group's bank loan facilities are summarised below.

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan/amendment agreement	Maximum facility amount per loan/amendment agreement	
				31 March 2017	31 December 2016
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 indirect subsidiaries in Singapore	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 local subsidiaries	LIBOR + margin	78.24	78.24
Facility 8	DNB Asia Ltd. and Export-Import Bank of China	The Company and indirect subsidiaries in Singapore	LIBOR + margin	30.00	30.00
Facility 10	BNP Paribas	The Company and indirect subsidiaries in Singapore	LIBOR + margin	24.75	24.75
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 local subsidiaries	LIBOR + margin	64.82	64.82

As at 31 March 2017 and 31 December 2016, the Group had no undrawn loan balance.

As at 31 March 2017, the Group had outstanding bank loans amounting to Baht 3,936.56 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 2017 the Group has presented the balance of these loans as current liabilities. However, on 26 April 2017, the Group has received the waiver of the testing of certain financial covenants from the bank of the outstanding loans amounting to Baht 699.31 million.

13. 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 No.7/2015 on 6 October 2015 and the Extraordinary General Meeting of Shareholders No.2/2015 on 5 November 2015.

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 interest rate of 5.25% per annum to USD fixed interest rate of 5.99% per annum.

Further, on 9 December 2016, the Company issued 1,960,000 Unsubordinated and Unsecured Debentures of par value Baht 1,000 each by way of a Private Placement to Institutional Investors and High Net Worth Investors ("II&HNW") and accordingly received the aggregate proceeds of Baht 1,960 million. The maturity of the debentures will be 3.5 years at the interest rate of 5.00% per annum. The interest payment will be quarterly. The issuance of the debentures was approved by the Annual General Meeting of Shareholders No.1/2016 on 30 March 2016 and the Meeting of the Executive Board of Directors No. 8/2016 on 11 July 2016.

Subsequently on 4 January 2017, the entire proceeds of Baht 1,960 million were swapped into US Dollars, amounting to USD 54.90 million vide a Cross Currency Swap entered into by the Company. The Company also swapped THB fixed interest rate of 5.00% per annum to USD fixed interest rate of 5.75% per annum.

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

(Unaudited but reviewed)

As at 31 March 2017 and 31 December 2016, detail of long-term debentures are as follows.

Series	Maturity date	No. of units (Thousand units)	Par value (Baht)	Interest rate (% p.a.)	Term of interest payment	(Unit: Thousand Baht) Carrying amount	
						31 March 2017	31 December 2016
1	Entirely redeemed on 22 January 2021 (5 years)	3,590	1,000	5.25	Quarterly	3,572,960	3,572,869
2	Entirely redeemed on 9 June 2020 (3.5 years)	1,960	1,000	5.00	Quarterly	1,950,697	1,950,647
Total						5,523,657	5,523,516
Less: Deferred debenture issuing costs						(23,151)	(25,706)
Long-term debenture - net						5,500,506	5,497,810

14. Provision for maritime claims

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2017	162,782
Decrease during the period	(36,645)
Translation adjustment	(5,861)
Balance as at 31 March 2017	120,276

15. Warrants

On 16 June 2015, the Company issued and allotted warrants (PSL-W1), which are registered and transferable warrants, to the Company's ordinary shares in an amount of 51,975,666 units. Details of the warrants are summarised below.

Number of warrants issued :	51,975,666 units
Offering price :	Baht 0 per unit
Offering method :	Allocation proportionately to existing shareholders of the Company who subscribe and make subscription payment for the Rights Offering at the offering ratio of 10 newly issued ordinary shares to 1 unit of the warrant
Exercise ratio and price :	1 unit of the warrant per 1 newly issued ordinary share at a price of Baht 17.50 per share
Term of the warrant :	Not exceeding 3 years from the initial issuance date of warrants
Expiry date :	15 June 2018
Period of exercise :	On the last day of each calendar quarter after the 2 nd anniversary from the issuance date (16 June 2017) until the date of expiration of the Warrants. Accordingly, the first and the last exercise dates shall be 30 June 2017 and 15 June 2018, respectively.

16. 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.

17. 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.

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 2017 and 2016.

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 31 March										
	Time charter		Voyage charter		Total		Elimination		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Hire income	808,290	571,644	-	-	808,290	571,644	-	-	808,290	571,644
Freight income	-	-	271,803	258,336	271,803	258,336	(34,746)	(27,550)	237,057	230,786
Total vessel operating income	808,290	571,644	271,803	258,336	1,080,093	829,980	(34,746)	(27,550)	1,045,347	802,430
Voyage disbursements	-	-	(90,701)	(99,965)	(90,701)	(99,965)	34,746	27,550	(55,955)	(72,415)
Bunker consumption	-	-	(64,573)	(76,894)	(64,573)	(76,894)	-	-	(64,573)	(76,894)
Total voyage expenses	-	-	(155,274)	(176,859)	(155,274)	(176,859)	34,746	27,550	(120,528)	(149,309)
Net vessel operating income/time charter equivalent income	808,290	571,644	116,529	81,477	924,819	653,121	-	-	924,819	653,121

18. Commitments and contingent liabilities

18.1 Shipbuilding contracts commitments

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

	31 March 2017		31 December 2016	
	(Million USD)	(Equivalent to Million Baht)	(Million USD)	(Equivalent to Million Baht)
The Company	36.13	1,244.70	36.13	1,294.59

19. Events after the reporting period

- a) On 21 March 2017, Precious Mountains Limited, (“the local subsidiary”) entered into a Memorandum of Agreement with an overseas company to sell one vessel for USD 2.10 million.

On 24 April 2017, the vessel was delivered to the buyer and the subsidiary has received the sale proceeds (selling price plus payment for some agreed unused inventory less direct selling expenses) of USD 2.20 million (or approximately Baht 76.74 million).

- b) On 18 April 2017, a dry bulk carrier with Hull No. SF130127 (“Vessel”) under a shipbuilding contract with Taizhou Sanfu Ship Engineering Co. Ltd., China, was completed and delivered to the Company’s indirect subsidiary incorporated in Singapore (Precious Grace Pte. Limited). The contract price of the Vessel is USD 25.00 million or approximately Baht 872.39 million.

20. Functional currency financial statements

The USD functional currency statements of financial position as at 31 March 2017 and 31 December 2016 and the income statements for the three-month periods ended 31 March 2017 and 2016 are as follows.

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

	(Unit: Thousand USD)			
	Consolidated financial statements		Separate financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	71,897	74,693	57,563	59,872
Current portion of restricted bank deposits	9,524	1,007	-	-
Trade and other receivables	5,944	3,907	129,022	129,200
Bunker oil	1,279	1,137	-	-
Other current assets				
Advances to vessel masters	2,433	2,539	-	-
Claim recoverables	1,039	677	-	-
Others	3,337	2,587	569	568
Total other current assets	6,809	5,803	569	568
Total current assets	95,453	86,547	187,154	189,640
Non-current assets				
Restricted bank deposits - net of current portion	381	9,905	-	-
Long-term loans to subsidiaries	-	-	154,702	154,702
Investments in subsidiaries	-	-	206,289	206,289
Investment in associate held by a subsidiary	2,607	2,407	-	-
Other long-term investment	568	568	568	568
Receivables from cross currency swap contracts	6,172	-	7,126	806
Property, plant and equipment	709,583	716,467	406	151
Intangible assets	27	33	27	33
Other non-current assets				
Claim recoverables - maritime claims	2,397	3,122	-	-
Advances for vessel constructions	76,052	75,700	75,728	75,386
Deferred contract costs	6,934	7,074	-	-
Others	89	86	70	67
Total other non-current assets	85,472	85,982	75,798	75,453
Total non-current assets	804,810	815,362	444,916	438,002
Total assets	900,263	901,909	632,070	627,642

(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
	2017	2016	2017	2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade and other payables	1,905	1,056	154	7
Advances received from related parties	-	-	50,804	48,556
Accrued crew accounts	2,645	2,672	-	-
Accrued expenses	4,176	3,921	1,323	1,391
Accrued employee bonus	245	950	212	817
Total trade and other payables	8,971	8,599	52,493	50,771
Advances received from charterers	1,741	387	-	-
Current portion of long-term loans	132,869	24,765	-	-
Income tax payable	-	2	-	-
Other current liabilities	609	518	356	246
Total current liabilities	144,190	34,271	52,849	51,017
Non-current liabilities				
Payables to cross currency swap contracts	-	1,000	-	-
Long-term loans - net of current portion	188,185	302,724	-	-
Debentures	159,666	153,439	159,666	153,439
Provision for maritime claims	3,491	4,543	-	-
Unsecured corporate loans	22,371	22,371	22,371	22,371
Provision for long-term employee benefits	2,506	2,350	2,373	2,228
Total non-current liabilities	376,219	486,427	184,410	178,038
Total liabilities	520,409	520,698	237,259	229,055
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	498	509	498	509
Unappropriated	244,653	246,344	272,353	276,118
Other components of shareholders' equity	(1,718)	(2,063)	-	-
Equity attributable to owners of the Company	379,853	381,210	394,811	398,587
Non-controlling interests of the subsidiaries	1	1	-	-
Total shareholders' equity	379,854	381,211	394,811	398,587
Total liabilities and shareholders' equity	900,263	901,909	632,070	627,642

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 31 March 2017**

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

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Revenues				
Vessel operating income				
Hire income	23,199	16,066	-	-
Freight income	6,804	6,486	-	-
Total vessel operating income	30,003	22,552	-	-
Service income	27	30	594	784
Gains on sales of equipment	57	-	57	-
Gains on cancellation of shipbuilding contracts	180	-	180	-
Interest income	67	859	47	840
Exchange gains	-	754	-	787
Other income	4	-	-	-
Total revenues	30,338	24,195	878	2,411
Expenses				
Vessel operating costs				
Vessel running expenses	11,911	15,223	-	-
Voyage disbursements	1,606	2,035	-	-
Bunker consumption	1,853	2,161	-	-
Total vessel operating costs	15,370	19,419	-	-
Depreciation	8,218	10,863	20	18
Cost of services	56	30	-	-
Loss on sales of vessels and equipment	-	9,526	-	-
Loss on impairment of assets	-	4,352	-	-
Administrative expenses	1,917	1,951	1,607	1,657
Management remuneration including perquisites	547	613	540	566
Bad debts and doubtful accounts (reversal)	(311)	703	74	-
Exchange losses	198	-	135	-
Total expenses	25,995	47,457	2,376	2,241
Profit (loss) before share of profit (loss) from investment in associate and finance cost	4,343	(23,262)	(1,498)	170
Share of profit (loss) from investment in associate held by a subsidiary	81	(81)	-	-
Profit (loss) before finance cost	4,424	(23,343)	(1,498)	170
Finance cost	(6,126)	(10,701)	(2,278)	(6,266)
Loss for the period	(1,702)	(34,044)	(3,776)	(6,096)
Loss attributable to:				
Equity holders of the Company	(1,702)	(34,044)	(3,776)	(6,096)
Non-controlling interests of the subsidiaries	-	-	-	-
Loss for the period	(1,702)	(34,044)	(3,776)	(6,096)
Basic earnings per share				
Loss attributable to equity holders of the Company	(0.0011)	(0.0218)	0.0024	(0.0039)
Weighted average number of ordinary shares (Thousand Shares)	1,559,281	1,559,281	1,559,281	1,559,281

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 28 April 2017.