

Precious Shipping Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month period ended
31 March 2018

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 2018, 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 modified conclusion on the aforementioned interim financial information, I draw attention to note 9 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: 3 May 2018

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,716,246	1,853,618	859,868	1,240,080
Trade and other receivables	3, 4	182,265	193,408	4,093,677	4,249,398
Bunker oil		44,077	56,023	-	-
Other current assets					
Advances to vessel masters		83,837	84,983	-	-
Claim recoverables		7,397	20,131	-	-
Others		39,127	42,429	14,271	12,721
Total other current assets		130,361	147,543	14,271	12,721
Total current assets		2,072,949	2,250,592	4,967,816	5,502,199
Non-current assets					
Long-term loans to subsidiaries	5	-	-	4,831,622	5,055,801
Investments in subsidiaries	6	-	-	6,355,993	6,650,900
Investment in associate held by a subsidiary	7	74,456	75,502	-	-
Other long-term investment		17,725	18,548	17,725	18,548
Receivables from cross currency swap contracts		780,947	527,083	751,978	523,133
Property, plant and equipment	8	22,212,736	23,474,670	9,506	10,650
Intangible assets		153	341	153	341
Other non-current assets					
Claim recoverables - maritime claims		51,306	51,712	-	-
Advances for vessel constructions	9	2,120,653	2,219,047	2,112,658	2,210,682
Deferred contract costs	10	198,909	212,697	-	-
Others		3,050	3,048	2,398	2,396
Total other non-current assets		2,373,918	2,486,504	2,115,056	2,213,078
Total non-current assets		25,459,935	26,582,648	14,082,033	14,472,451
Total assets		27,532,884	28,833,240	19,049,849	19,974,650

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 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables					
	4	74,573	70,336	10,181	2,582
	4	-	-	1,684,509	1,919,833
		84,582	87,156	-	-
		212,225	280,486	147,047	153,632
		9,145	36,197	6,393	25,922
		380,525	474,175	1,848,130	2,101,969
		23,729	36,673	-	-
	11	4,682,030	802,485	-	-
		180	188	-	-
		19,690	20,388	13,757	12,743
		5,106,154	1,333,909	1,861,887	2,114,712
Non-current liabilities					
	11	4,862,912	9,483,366	-	-
	12	5,504,024	5,504,550	5,504,024	5,504,550
	13	62,638	83,139	-	-
		93,217	92,789	73,917	74,180
		10,522,791	15,163,844	5,577,941	5,578,730
		15,628,945	16,497,753	7,439,828	7,693,442

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 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	31 March 2018 (Unaudited but reviewed)	31 December 2017 (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	16,286	16,443	16,286	16,443
Unappropriated	8,789,616	8,681,785	7,729,640	7,856,617
Other components of shareholders' equity	(1,228,711)	(689,491)	60,700	604,753
Equity attributable to owners of the Company	11,903,906	12,335,452	11,610,021	12,281,208
Non-controlling interests of the subsidiaries	33	35	-	-
Total shareholders' equity	11,903,939	12,335,487	11,610,021	12,281,208
Total liabilities and shareholders' equity	27,532,884	28,833,240	19,049,849	19,974,650
	-	-	-	-

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 2018**

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Vessel operating income					
Hire income		1,014,728	808,290	-	-
Freight income		73,608	237,057	-	-
Total vessel operating income		1,088,336	1,045,347	-	-
Service income	4	918	955	22,037	20,689
Gains on sales of equipment		-	1,999	-	1,999
Gains on cancellation of shipbuilding contracts		-	6,252	-	6,252
Interest income		2,564	2,331	1,873	1,634
Exchange gains		184	-	2,752	-
Other income		3	128	2	-
Total revenues		1,092,005	1,057,012	26,664	30,574
Expenses					
Vessel operating costs					
Vessel running expenses		379,383	414,974	-	-
Voyage disbursements		6,514	55,955	-	-
Bunker consumption		16,733	64,573	-	-
Total vessel operating costs		402,630	535,502	-	-
Depreciation	8	277,693	286,317	745	682
Cost of services		1,935	1,968	-	-
Administrative expenses	4	92,916	66,795	59,452	55,985
Management remuneration including perquisites	4	21,949	19,057	20,799	18,799
Bad debts and doubtful accounts (reversal)		(1,957)	(10,840)	-	2,597
Exchange losses		-	6,894	-	4,717
Total expenses		795,166	905,693	80,996	82,780
Profit (loss) before share of profit from investment in associate and finance cost					
Share of profit from investment in associate held by a subsidiary	7.1	3,635	2,850	-	-
Profit (loss) before finance cost		300,474	154,169	(54,332)	(52,206)
Finance cost		(192,800)	(213,447)	(72,802)	(79,356)
Profit (loss) for the period		107,674	(59,278)	(127,134)	(131,562)

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 2018

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit (loss) attributable to:					
Equity holders of the Company		107,674	(59,287)	(127,134)	(131,562)
Non-controlling interests of the subsidiaries		-	9	-	-
Profit (loss) for the period		<u>107,674</u>	<u>(59,278)</u>	<u>(127,134)</u>	<u>(131,562)</u>
Basic earnings per share	15				
Profit (loss) attributable to equity holders of the Company		<u>0.07</u>	<u>(0.04)</u>	<u>(0.08)</u>	<u>(0.08)</u>
Weighted average number of ordinary shares (Thousand shares)		<u>1,559,281</u>	<u>1,559,281</u>	<u>1,559,281</u>	<u>1,559,281</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 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit (loss) for the period	<u>107,674</u>	<u>(59,278)</u>	<u>(127,134)</u>	<u>(131,562)</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>11,079</u>	<u>14,705</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>11,079</u>	<u>14,705</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>(550,301)</u>	<u>(528,482)</u>	<u>(544,053)</u>	<u>(548,813)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(550,301)</u>	<u>(528,482)</u>	<u>(544,053)</u>	<u>(548,813)</u>
Other comprehensive income for the period	<u>(539,222)</u>	<u>(513,777)</u>	<u>(544,053)</u>	<u>(548,813)</u>
Total comprehensive income for the period	<u>(431,548)</u>	<u>(573,055)</u>	<u>(671,187)</u>	<u>(680,375)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(431,546)	(573,063)	(671,187)	(680,375)
Non-controlling interests of the subsidiaries	(2)	8	-	-
	<u>(431,548)</u>	<u>(573,055)</u>	<u>(671,187)</u>	<u>(680,375)</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 2018

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to owners of the Company							Other components of shareholders' equity - other comprehensive income	Exchange differences on translation of financial statements	Total equity attributable to owners 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 The Company	Subsidiaries	reserve responsibility reserve	Unappropriated					
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>	
Balance as at 1 January 2018	1,559,281	1,967,716	172,446	103,952	523,320	16,443	8,681,785	(689,491)	12,335,452	35	12,335,487	
Profit for the period	-	-	-	-	-	-	107,674	-	107,674	-	107,674	
Other comprehensive income for the period	-	-	-	-	-	-	-	(539,220)	(539,220)	(2)	(539,222)	
Total comprehensive income for the period	-	-	-	-	-	-	107,674	(539,220)	(431,546)	(2)	(431,548)	
Appropriated to corporate social responsibility reserve	-	-	-	-	-	(157)	157	-	-	-	-	
Balance as at 31 March 2018	<u>1,559,281</u>	<u>1,967,716</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>16,286</u>	<u>8,789,616</u>	<u>(1,228,711)</u>	<u>11,903,906</u>	<u>33</u>	<u>11,903,939</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 2018

(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 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	<u>1,559,281</u>	<u>1,967,716</u>	<u>172,446</u>	<u>103,952</u>	<u>15,805</u>	<u>8,495,130</u>	<u>1,286,941</u>	<u>13,601,271</u>	
Balance as at 1 January 2018	1,559,281	1,967,716	172,446	103,952	16,443	7,856,617	604,753	12,281,208	
Loss for the period	-	-	-	-	-	(127,134)	-	(127,134)	
Other comprehensive income for the period	-	-	-	-	-	-	(544,053)	(544,053)	
Total comprehensive income for the period	-	-	-	-	-	(127,134)	(544,053)	(671,187)	
Appropriated to corporate social responsibility reserve	-	-	-	-	(157)	157	-	-	
Balance as at 31 March 2018	<u>1,559,281</u>	<u>1,967,716</u>	<u>172,446</u>	<u>103,952</u>	<u>16,286</u>	<u>7,729,640</u>	<u>60,700</u>	<u>11,610,021</u>	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	

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 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit (loss) before tax	107,674	(59,278)	(127,134)	(131,562)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	277,867	286,510	919	874
Bad debts and doubtful accounts (reversal)	(1,957)	(10,840)	-	2,597
Gains on sales of equipment	-	(1,999)	-	(1,999)
Gains on cancellation of shipbuilding contracts	-	(6,252)	-	(6,252)
Amortisation of deferred contract costs	4,374	4,860	-	-
Share of profit from investment in associate held by a subsidiary	(3,635)	(2,850)	-	-
Reversal of provisions for maritime claims	(4,537)	(11,361)	-	-
Provision for long-term employee benefits	2,150	2,174	1,449	1,917
Unrealised exchange losses (gains)	(4,424)	2,563	(4,844)	1,631
Amortised financial fees to interest expense	11,782	18,397	-	-
Interest expense	177,722	192,428	71,354	77,746
Amortisation of deferred debentures issuing cost	1,448	1,609	1,448	1,609
Profit (loss) from operating activities before changes in operating assets and liabilities	568,464	415,961	(56,808)	(53,439)
Operating assets (increase) decrease				
Trade and other receivables	4,534	(60,121)	(32,832)	3,626
Bunker oil	9,500	(4,954)	-	-
Other current assets	(2,281)	(29,758)	(1,377)	4,968
Other non-current assets	-	(10)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(74,073)	4,311	(162,093)	52,156
Advances received from charterers	(11,363)	47,160	-	-
Other current liabilities	(69)	2,722	1,337	3,468
Non-current liabilities	(1,675)	-	(1,675)	-
Cash flows from (used in) operating activities	493,037	375,311	(253,448)	10,779
Cash paid for corporate income tax and withholding tax deducted at source	(695)	(622)	(395)	(383)
Net cash flows from (used in) operating activities	492,342	374,689	(253,843)	10,396

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 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses	(55,761)	(46,466)	(71)	(9,575)
Cash received from sales of equipment	-	1,999	-	1,999
Cash paid for advances for vessel constructions and other direct costs	-	(5,855)	-	(5,537)
Cash received from amendment/cancellation of shipbuilding contracts	-	1,994	-	1,994
Dividend received from associate held by a subsidiary	9,530	7,869	-	-
Net cash flows used in investing activities	(46,231)	(40,459)	(71)	(11,119)
Cash flows from financing activities				
Decrease in restricted bank deposits	-	35,073	-	-
Cash paid for interest expense	(178,983)	(194,393)	(72,615)	(79,711)
Repayment of long-term loans	(113,747)	(98,349)	-	-
Prepayment of long-term loans	(208,783)	(173,985)	-	-
Net cash flows used in financing activities	(501,513)	(431,654)	(72,615)	(79,711)
Decrease in translation adjustments	(81,970)	(102,027)	(53,683)	(81,755)
Net decrease in cash and cash equivalents	(137,372)	(199,451)	(380,212)	(162,189)
Cash and cash equivalents at beginning of period	1,853,618	2,676,310	1,240,080	2,145,249
Cash and cash equivalents at end of period	1,716,246	2,476,859	859,868	1,983,060
	-	-	-	-

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 2018

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 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 2017. There have been no changes in the composition of the Group during the current period.

1.4 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries’ financial statements.

(b) Financial reporting standard that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

(Unaudited but reviewed)

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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 2017.

3. Trade and other receivables

	Consolidated financial		(Unit: Thousand Baht) Separate financial	
	statements	statements	statements	statements
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	179,613	192,588	-	-
3 - 6 months	2,314	541	-	-
6 - 12 months	338	279	-	-
Over 12 months	2,218	5,589	-	-
Total	184,483	198,997	-	-
Less: Allowance for doubtful debts	(2,218)	(5,589)	-	-
Total trade receivables - unrelated parties, net	182,265	193,408	-	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 4)	-	-	4,093,677	4,249,398
Total other receivables	-	-	4,093,677	4,249,398
Total trade and other receivables - net	182,265	193,408	4,093,677	4,249,398

(Unaudited but reviewed)

4. 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.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2018	2017	2018	2017	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	22,037	20,689	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Condominium rental expenses	-	-	1,704	1,711	Market price
Transaction with associate					
Dividend received	9,530	7,869	-	-	As declared
Transactions with related companies					
Air ticket expenses	2,997	1,762	986	378	Market price
Rental and service expenses	5,036	4,128	3,951	3,406	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	31 December	31 March	31 December
	2018	2017	2018	2017
Other receivables - related parties (Note 3)				
Subsidiaries	-	-	4,093,677	4,249,398
Total other receivables - related parties	-	-	4,093,677	4,249,398
Trade and other payables - related parties				
Subsidiaries	-	-	1,684,509	1,919,833
Related companies	1,624	372	696	143
Total trade and other payables - related parties	1,624	372	1,685,205	1,919,976

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 2018 and 2017, 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	
	2018	2017	2018	2017
Short-term employee benefits	21,459	18,549	20,310	18,291
Post-employment benefits	490	508	489	508
Total	<u>21,949</u>	<u>19,057</u>	<u>20,799</u>	<u>18,799</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.

5. Long-term loans to subsidiaries

Long-term loans to subsidiaries consisted of the following.

- 1) As at 31 March 2018, 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 2017: 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. As at 31 March 2018 and 31 December 2017, the Company had an advance receivables and short-term loan to PSSP amounting to USD 145 million.

(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 2018	5,055,801
Translation adjustment	(224,179)
Balance as at 31 March 2018	4,831,622

6. 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
	2018	2017	2018	2017	2018	2017
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	330,922	346,276
Precious Wishes Limited	230,000	230,000	99.99	99.99	281,698	294,769
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	263,141	275,350
Precious Minerals Limited	230,000	230,000	99.99	99.99	239,282	250,384
Precious Lands Limited	306,000	306,000	99.99	99.99	302,830	316,880
Precious Rivers Limited	234,000	234,000	99.99	99.99	199,038	208,273
Precious Lakes Limited	184,000	184,000	99.99	99.99	174,660	182,764
Precious Seas Limited	100,000	100,000	99.99	99.99	122,477	128,160
Precious Stars Limited	105,000	105,000	99.99	99.99	128,601	134,568
Precious Oceans Limited	175,000	175,000	99.99	99.99	214,336	224,280
Precious Planets Limited	270,000	270,000	99.99	99.99	290,627	304,111
Precious Diamonds Limited	205,000	205,000	99.99	99.99	181,953	190,396
Precious Sapphires Limited	144,000	144,000	99.99	99.99	123,447	129,174
Precious Emeralds Limited	366,000	366,000	99.99	99.99	296,007	309,741
Precious Rubies Limited	259,360	259,360	99.99	99.99	247,147	258,615
Precious Opals Limited	249,360	249,360	99.99	99.99	239,220	250,320
Precious Garnets Limited	379,000	379,000	99.99	99.99	305,312	319,478
Precious Pearls Limited	173,000	173,000	99.99	99.99	174,381	182,472
Precious Flowers Limited	336,000	336,000	99.99	99.99	336,220	351,820
Precious Forests Limited	286,000	286,000	99.99	99.99	261,392	273,520
Precious Trees Limited	202,000	202,000	99.99	99.99	204,055	213,523
Precious Ponds Limited	124,000	124,000	99.99	99.99	122,737	128,431
Precious Ventures Limited	202,000	202,000	99.99	99.99	221,338	231,608
Precious Capitals Limited	200,000	200,000	99.99	99.99	244,955	256,321
Precious Jasmines Limited	147,000	147,000	99.99	99.99	166,420	174,142
Precious Orchids Limited	217,000	217,000	99.99	99.99	188,061	196,787

(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
2018	2017	2018	2017	2018	2017	
Precious Lagoons Limited	140,000	140,000	99.99	99.99	171,468	179,424
Precious Cliffs Limited	140,000	140,000	99.99	99.99	171,468	179,424
Precious Hills Limited	140,000	140,000	99.99	99.99	171,468	179,424
Precious Mountains Limited	140,000	140,000	99.99	99.99	171,468	179,424
Precious Resorts Limited	140,000	140,000	99.99	99.99	171,468	179,424
Precious Cities Limited	170,000	170,000	99.99	99.99	194,982	204,028
Precious Comets Limited	141,000	141,000	99.99	99.99	130,364	136,413
Precious Ornaments Limited	156,000	156,000	99.99	99.99	143,077	149,715
Precious Moons Limited	1,000	1,000	99.98	99.98	954	998
Precious Venus Limited	298,800	298,800	99.99	99.99	264,828	277,115
Precious Neptune Limited	298,800	298,800	99.99	99.99	264,828	277,115
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	312	327
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	327,638	342,840
Precious Shipping (UK) Limited	250	250	100.00	100.00	312	327
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	338,683	354,398
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
Total investments in subsidiaries					8,383,575	8,772,559
Less: Allowance for loss on investments in subsidiaries					(2,027,582)	(2,121,659)
Total investments in subsidiaries - net					6,355,993	6,650,900

As at 31 March 2018, the Company has pledged the shares of 31 subsidiaries amounting to Baht 5,447.72 million (net of allowance for loss on investments) (31 December 2017: 31 subsidiaries amounting to Baht 5,700.48 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 11 to the financial statements.

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

The allowance for loss on investments in subsidiaries in the separate financial statements applied for the subsidiaries which sold their vessels and have no recent plan for the replacements was USD 64.92 million or approximately Baht 2,027.58 million.

(Unaudited but reviewed)

7. Investment in associate held by a subsidiary

7.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

		Consolidated financial statements						Carrying amounts based on equity method	
		Shareholding Percentage		Cost					
		31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Associate's name	Nature of business	Country of incorporation							
		%	%						
International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40	63,639	66,592	74,456	75,502	

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 profit		Dividend received	
		2018	2017	2018	2017
International Seaports (Haldia) Private Limited		3,635	2,850	9,530	7,869

Shares of profit from investment in associate held by a subsidiary for the three-month periods ended 31 March 2018 and 2017, included in the consolidated income statements, were recorded based on the financial information for the three-month periods ended 31 December 2017 and 2016, respectively.

7.2 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 three-month periods ended		Profit for the three-month periods ended		
	31 December		31 December		31 December		31 December		31 December		
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
		Thousand INR	Thousand INR								
International Seaports (Haldia) Private Limited	440,580	440,580	368,401	433,765	36,007	32,833	116,020	117,285	16,228	12,724	

8. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2018	23,474,670	10,650
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses during period - at cost	55,761	71
Depreciation for the period	(277,693)	(745)
Translation adjustment	(1,040,002)	(470)
Net book value as at 31 March 2018	<u>22,212,736</u>	<u>9,506</u>

As at 31 March 2018, the subsidiaries have mortgaged 35 vessels (31 December 2017: 35 vessels) with net book value of Baht 21,401.46 million (31 December 2017: Baht 22,617.74 million) with banks to secure long-term loans as referred to in Note 11 to the financial statements.

9. Advances for vessel constructions

Movements of the advances for vessel constructions account during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2018	2,219,047	2,210,682
Translation adjustment	(98,394)	(98,024)
Balance as at 31 March 2018	<u>2,120,653</u>	<u>2,112,658</u>

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

(Unaudited but reviewed)

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. The Company received the refunds along with the interest for 3 vessels between 2016 and 2017. For the other 9 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 Irrevocable Letters of Guarantee related to these vessels are automatically extended until 90 days after the final arbitration award is published. At present, the arbitrations for these 9 Vessels are still on-going. The final arbitration awards will determine whether the Company will receive the refund of the advances which the Company paid to the Shipbuilder along with interest thereon and/or any damages or whether the Company will have to pay any damages to the Shipbuilder.

As of 31 March 2018, details of the cancellations of the SBCs 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	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

10. Deferred contract costs

Movements of the deferred contract costs account during the three-month period ended 31 March 2018 are summarised below.

(Unit: Thousand Baht)

Consolidated
financial statements

Balance as at 1 January 2018	212,697
Amortisation for the period	(4,374)
Translation adjustment	(9,414)
Balance as at 31 March 2018	198,909

(Unaudited but reviewed)

11. Long-term loan facilities

As at 31 March 2018 and 31 December 2017, 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 7		Facility 8		Facility 9		Facility 1		Facility 2		Total		
31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	
March	December	March	December	March	December	March	December	March	December	March	December	March	December	March	December	March	December	March	December	March	December	March	December	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
Long-term loans	637,129	666,690	1,162,323	1,216,252	912,426	975,744	473,249	505,744	412,860	448,016	1,830,388	2,008,295	787,139	840,001	689,442	734,912	428,217	458,043	1,463,888	1,537,234	782,750	943,687	9,579,811	10,334,618
Add (less): Deferred financial fees	(2,077)	(2,451)	(12,073)	(13,871)	(10,962)	(12,077)	(2,526)	(2,775)	(1,949)	(2,183)	56,047	52,656	(12,487)	(13,823)	(25,125)	(27,610)	(6,807)	(7,450)	(41,130)	(46,004)	24,220	26,821	(34,869)	(48,767)
Total	635,052	664,239	1,150,250	1,202,381	901,464	963,667	470,723	502,969	410,911	445,833	1,886,435	2,060,951	774,652	826,178	664,317	707,302	421,410	450,593	1,422,758	1,491,230	806,970	970,508	9,544,942	10,285,851
Less: Current portion	(635,052)	-	(1,150,250)	-	(79,246)	(82,892)	(40,061)	(41,915)	(60,876)	(63,690)	(91,629)	(143,204)	(774,652)	(84,295)	(664,317)	(51,898)	(37,459)	(39,162)	(1,025,740)	(123,189)	(122,748)	(192,220)	(4,682,030)	(802,485)
Long-term loans - net of current portion	-	664,239	-	1,202,381	822,218	880,775	430,662	461,054	350,035	382,143	1,794,806	1,917,747	-	761,883	-	655,404	383,951	411,411	397,018	1,368,041	684,222	778,288	4,862,912	9,483,366

(Unaudited but reviewed)

Movements in the long-term loans accounts during the three-month period ended 31 March 2018 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 7	Facility 8	Facility 9	Facility 1	Facility 2	
Balance as at 1 January 2018	664,239	1,202,381	963,667	502,969	445,833	2,060,951	826,178	707,302	450,593	1,491,230	970,508	10,285,851
Add: Amortisation of financial fees	266	1,188	581	126	138	5,749	726	1,266	314	2,845	(1,417)	11,782
Unrealised exchange loss	-	-	-	-	-	-	-	-	-	24,781	-	24,781
Less: Repayment	-	-	(20,132)	(10,110)	(15,352)	-	(15,679)	(12,935)	(9,554)	(29,985)	-	(113,747)
Prepayment	-	-	-	-	-	(89,213)	-	-	-	-	(119,570)	(208,783)
Translation adjustment	(29,453)	(53,319)	(42,652)	(22,262)	(19,708)	(91,052)	(36,573)	(31,316)	(19,943)	(66,113)	(42,551)	(454,942)
Balance as at 31 March 2018	635,052	1,150,250	901,464	470,723	410,911	1,886,435	774,652	664,317	421,410	1,422,758	806,970	9,544,942

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 6

In relation to this facility and Facility 2 for purchasing of vessels, on 11 April 2018, Export-Import Bank of Thailand approved the waiver of the testing of the financial covenants regarding the Net Funded Debt to EBITDA ratio for the period starting from 1 January 2018 to 31 December 2018.

Facility 8

On 18 April 2018, the Company, Precious Tides Pte. Ltd., and Precious Skies Pte. Ltd., as Joint Borrowers, executed a Supplemental Agreement with BNP Paribas as Lender to amend the Loan Agreement. The Lender agreed to permanently waive the Joint Borrowers' requirement to comply with the Funded Debt to EBITDA ratio on the condition that the Value to Loan coverage be increased from 125% to 135%.

Loan facilities for purchasing of vessels

Facility 1

On 30 March 2018, Thanachart Bank PLC as the facility agent of the USD 50.00 million loan agreement dated 9 March 2012 approved the waiver of the testing of the financial covenants regarding the Debt to EBITDA ratio up to 31 December 2018.

(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 2018	31 December 2017
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 7	DNB Asia Ltd. and Export-Import Bank of China	The Company and indirect subsidiaries in Singapore	LIBOR + margin	30.00	30.00
Facility 8	BNP Paribas	The Company and indirect subsidiaries in Singapore	LIBOR + margin	24.75	24.75
Facility 9	BNP Paribas	The Company and indirect subsidiary in Singapore	LIBOR + margin	14.63	14.63
Facility 10	Export-Import Bank of Thailand	The Company and local subsidiary	LIBOR + margin	18.00	18.00

(Unaudited but reviewed)

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan/amendment agreement	Maximum facility amount per loan/amendment agreement	
				31 March 2018	31 December 2017
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 2018 and 31 December 2017, the Group had undrawn loan balance amounting to USD 18 million.

(Unaudited but reviewed)

As at 31 March 2018, the Group had outstanding bank loans amounting to Baht 4,250.01 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 statements for the three-month period ended 31 March 2018 in accordance with generally accepted accounting standards, the Group has presented the balance of these loans as current liabilities. However, on 18 April 2018, the Group has received the permanent waive of the testing of certain financial covenants from the bank of the outstanding loans amounting to Baht 664.32 million.

12. Debentures

As at 31 March 2018 and 31 December 2017, details 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 2018	31 December 2017
1	Entirely redeemed on 22 January 2021 (5 years)	3,590	1,000	5.25	Quarterly	3,570,053	3,571,824
2	Entirely redeemed on 9 June 2020 (3.5 years)	1,960	1,000	5.00	Quarterly	1,949,110	1,950,077
Total						5,519,163	5,521,901
Less: Deferred debenture issuing costs						(15,139)	(17,351)
Long-term debenture - net						5,504,024	5,504,550

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.

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.

13. Provision for maritime claims

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2018	83,139
Increase during the period	7,721
Decrease (including actual claims) during the period	(24,603)
Translation adjustment	(3,619)
Balance as at 31 March 2018	<u>62,638</u>

14. 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.

During the three-month period ended 31 March 2018, PSL-W1 warrants had not been exercised by the shareholders, and therefore, number of the warrants to purchase the Company's ordinary shares as at 31 March 2018 remained 51,975,666 units.

15. Basic earnings per share

Basic earnings per share is calculated by dividing profit (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.

Diluted earnings per share is calculated by dividing profit (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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

No calculation of diluted earnings per share from warrants for the three-month period ended 31 March 2018 was made because the warrants are excluded from the potential ordinary shares since their exercise price is in excess of the weighted average fair value of the Company's ordinary shares.

16. 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) Handysize, 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.

(Unaudited but reviewed)

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 2018 and 2017.

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 31 March										
	Time charter		Voyage charter		Total		Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Hire income	1,014,728	808,290	-	-	1,014,728	808,290	-	-	1,014,728	808,290
Freight income	-	-	73,496	271,803	73,496	271,803	112	(34,746)	73,608	237,057
Total vessel operating income	1,014,728	808,290	73,496	271,803	1,088,224	1,080,093	112	(34,746)	1,088,336	1,045,347
Voyage disbursements	-	-	(6,402)	(90,701)	(6,402)	(90,701)	(112)	34,746	(6,514)	(55,955)
Bunker consumption	-	-	(16,733)	(64,573)	(16,733)	(64,573)	-	-	(16,733)	(64,573)
Total voyage expenses	-	-	(23,135)	(155,274)	(23,135)	(155,274)	(112)	34,746	(23,247)	(120,528)
Net vessel operating income/time charter equivalent income	1,014,728	808,290	50,361	116,529	1,065,089	924,819	-	-	1,065,089	924,819

17. Functional currency financial statements

The USD functional currency statements of financial position as at 31 March 2018 and 31 December 2017 and the income statements for the three-month periods ended 31 March 2018 and 2017 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	31	31	31
	March	December	March	December
	2018	2017	2018	2017
Assets				
Current assets				
Cash and cash equivalents	54,952	56,719	27,532	37,945
Trade and other receivables	5,836	5,918	131,074	130,027
Bunker oil	1,411	1,714	-	-
Other current assets				
Advances to vessel masters	2,684	2,600	-	-
Claim recoverables	237	616	-	-
Others	1,253	1,298	457	389
Total other current assets	4,174	4,514	457	389
Total current assets	66,373	68,865	159,063	168,361
Non-current assets				
Long-term loans to subsidiaries	-	-	154,702	154,702
Investments in subsidiaries	-	-	203,510	203,510
Investment in associate held by a subsidiary	2,384	2,310	-	-
Other long-term investment	568	568	568	568
Receivables from cross currency swap contracts	25,005	16,128	24,077	16,007
Property, plant and equipment	711,222	718,300	304	326
Intangible assets	5	11	5	11
Other non-current assets				
Claim recoverables - maritime claims	1,643	1,583	-	-
Advances for vessel constructions	67,900	67,900	67,644	67,644
Deferred contract costs	6,369	6,508	-	-
Others	97	93	77	73
Total other non-current assets	76,009	76,084	67,721	67,717
Total non-current assets	815,193	813,401	450,887	442,841
Total assets	881,566	882,266	609,950	611,202

(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 2018	31 December 2017	31 March 2018	31 December 2017
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade and other payables	2,388	2,152	326	79
Advances received from related parties	-	-	53,936	58,745
Accrued crew accounts	2,708	2,667	-	-
Accrued expenses	6,795	8,582	4,708	4,701
Accrued employee bonus	293	1,108	205	793
Total trade and other payables	12,184	14,509	59,175	64,318
Advances received from charterers	760	1,122	-	-
Current portion of long-term loans	149,912	24,555	-	-
Income tax payable	6	6	-	-
Other current liabilities	630	624	440	390
Total current liabilities	163,492	40,816	59,615	64,708
Non-current liabilities				
Long-term loans - net of current portion	155,704	290,181	-	-
Debentures	176,231	168,433	176,231	168,433
Provision for maritime claims	2,006	2,544	-	-
Provision for long-term employee benefits	2,985	2,839	2,367	2,270
Total non-current liabilities	336,926	463,997	178,598	170,703
Total liabilities	500,418	504,813	238,213	235,411
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	511	516	511	516
Unappropriated	245,959	242,520	249,266	253,315
Other components of shareholders' equity	(1,743)	(2,004)	-	-
Equity attributable to owner of the Company	381,147	377,452	371,737	375,791
Non-controlling interests of the subsidiaries	1	1	-	-
Total shareholders' equity	381,148	377,453	371,737	375,791
Total liabilities and shareholders' equity	881,566	882,266	609,950	611,202

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 31 March 2018**

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

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Revenues				
Vessel operating income				
Hire income	32,361	23,199	-	-
Freight income	2,347	6,804	-	-
Total vessel operating income	34,708	30,003	-	-
Service income	29	27	703	594
Gains on sales of equipment	-	57	-	57
Gains on cancellation of shipbuilding contracts	-	180	-	180
Interest income	82	67	60	47
Exchange gains	6	-	88	-
Other income	-	4	-	-
Total revenues	34,825	30,338	851	878
Expenses				
Vessel operating costs				
Vessel running expenses	12,099	11,911	-	-
Voyage disbursements	208	1,606	-	-
Bunker consumption	533	1,853	-	-
Total vessel operating costs	12,840	15,370	-	-
Depreciation	8,856	8,218	24	20
Cost of services	62	56	-	-
Administrative expenses	2,963	1,917	1,896	1,607
Management remuneration including perquisites	700	547	663	540
Bad debts and doubtful accounts (reversal)	(62)	(311)	-	74
Exchange losses	-	198	-	135
Total expenses	25,359	25,995	2,583	2,376
Profit (loss) before share of profit from investment in associate and finance cost	9,466	4,343	(1,732)	(1,498)
Share of profit from investment in associate held by a subsidiary	116	81	-	-
Profit (loss) before finance cost	9,582	4,424	(1,732)	(1,498)
Finance cost	(6,148)	(6,126)	(2,322)	(2,278)
Profit (loss) for the period	3,434	(1,702)	(4,054)	(3,776)
Profit (loss) attributable to:				
Equity holders of the Company	3,434	(1,702)	(4,054)	(3,776)
Non-controlling interests of the subsidiaries	-	-	-	-
Profit (loss) for the period	3,434	(1,702)	(4,054)	(3,776)
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	0.0022	(0.0011)	(0.0026)	(0.0024)
Weighted average number of ordinary shares (Thousand shares)	1,559,281	1,559,281	1,559,281	1,559,281

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 3 May 2018.