

Precious Shipping Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 2013

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 30 June 2013, the related consolidated statements of income, and comprehensive income for the three-month and six-month periods ended 30 June 2013, and the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month period ended 30 June 2013, 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 periods. 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*.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited
Bangkok: 26 July 2013

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2013 (Unaudited but reviewed)	31 December 2012 (Audited)	30 June 2013 (Unaudited but reviewed)	31 December 2012 (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,055,778	1,901,015	618,612	646,276
Current investment	3	-	-	-	-
Trade and other receivables	4, 5	275,494	216,784	1,181,359	1,088,380
Short-term loans to a subsidiary	6	-	-	2,110,417	2,352,507
Current portion of advances for vessel constructions	14	1,126,446	482,996	759,245	391,959
Bunker oil		73,859	146,752	-	-
Other current assets					
Advances to vessel masters		118,112	103,108	-	-
Claim recoverables		41,143	23,720	-	-
Others		93,646	67,071	51,403	44,848
Total other current assets		252,901	193,899	51,403	44,848
Total current assets		2,784,478	2,941,446	4,721,036	4,523,970
Non-current assets					
Investments in subsidiaries	8	-	-	7,231,199	7,002,038
Investment in joint venture	9	-	-	-	-
Investment in associate held by a subsidiary	10	102,389	104,694	-	-
Other long-term investment		8,100	7,971	8,100	7,971
Long-term loans to jointly controlled entity	7	-	-	-	410,035
Long-term loans to a subsidiary	7	-	-	505,380	-
Receivables from cross currency swap contracts		61,991	84,132	-	-
Property, plant and equipment	11	17,786,182	16,212,572	7,751	7,859
Intangible assets	12	8,456	12,856	8,419	12,813
Other non-current assets					
Claim recoverables - maritime claims		110,028	45,635	-	-
Advance for vessel purchase	13	49,803	-	-	-
Advances for vessel constructions - net of current portion	14	3,910,439	4,459,352	2,951,610	3,858,844
Deferred financial fees	15	107,232	125,212	78,636	100,561
Deferred contract costs	20.4	110,462	32,806	-	-
Others		3,035	3,016	2,395	2,396
Total other non-current assets		4,290,999	4,666,021	3,032,641	3,961,801
Total non-current assets		22,258,117	21,088,246	10,793,490	11,402,517
Total assets		25,042,595	24,029,692	15,514,526	15,926,487

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		
	Note	30 June 2013 (Unaudited but reviewed)	31 December 2012 (Audited)	30 June 2013 (Unaudited but reviewed)	31 December 2012 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables					
Trade accounts payable		65,957	1,722	515	6
Advances received from related parties	5	-	-	2,317,030	2,626,665
Accrued crew accounts		83,065	74,210	-	-
Accrued expenses		121,294	133,738	2,330	3,775
Current portion of accrued employee bonus		35,073	44,223	32,369	40,890
Total trade and other payables		305,389	253,893	2,352,244	2,671,336
Advances received from charterers		35,377	34,324	-	-
Current portion of long-term loans	16	657,883	801,969	-	481,890
Income tax payable		1,441	4,432	-	-
Other current liabilities					
Withholding tax payable		3,989	11,048	2,777	9,722
Others		17,436	13,775	3,963	5,119
Total other current liabilities		21,425	24,823	6,740	14,841
Total current liabilities		1,021,515	1,119,441	2,358,984	3,168,067
Non-current liabilities					
Accrued employee bonus - net of current portion		14,973	22,986	13,784	21,227
Long-term loans - net of current portion	16	8,847,252	8,265,022	371,309	712,681
Provision for maritime claims		141,818	67,699	-	-
Provision for long-term employee benefits		73,432	70,312	67,293	64,298
Total non-current liabilities		9,077,475	8,426,019	452,386	798,206
Total liabilities		10,098,990	9,545,460	2,811,370	3,966,273

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	
	30 June 2013 (Unaudited but reviewed)	31 December 2012 (Audited)	30 June 2013 (Unaudited but reviewed)	31 December 2012 (Audited)
Shareholders' equity				
Share capital				
Registered share capital				
1,039,520,600 ordinary shares of Baht 1 each	1,039,521	1,039,521	1,039,521	1,039,521
Issued and paid-up share capital				
1,039,520,600 ordinary shares of Baht 1 each	1,039,521	1,039,521	1,039,521	1,039,521
Paid-in capital				
Premium on ordinary shares	411,430	411,430	411,430	411,430
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	518,120	-	-
Corporate social responsibility reserve	16,701	14,951	16,701	14,951
Unappropriated	14,416,858	14,193,833	11,222,953	10,694,210
Other components of shareholders' equity	(1,741,859)	(1,971,249)	(263,847)	(476,296)
Equity attributable to owners of the Company	14,942,369	14,483,004	12,703,156	11,960,214
Non-controlling interests of the subsidiaries	1,236	1,228	-	-
Total shareholders' equity	14,943,605	14,484,232	12,703,156	11,960,214
Total liabilities and shareholders' equity	25,042,595	24,029,692	15,514,526	15,926,487
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The accompanying notes are an integral part of the financial statements.

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Directors
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(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2013**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Revenues					
Vessel operating income					
Hire income		673,602	594,281	-	-
Freight income		208,870	396,588	-	-
Total vessel operating income		882,472	990,869	-	-
Service income	5	1,447	1,497	22,678	17,957
Gains on novation of shipbuilding contracts	14	260,452	-	260,452	-
Interest income	5	2,185	5,455	2,863	6,710
Exchange gains		6,664	1,711	8,365	2,194
Other income		1,108	-	1,108	-
Dividend received	5	-	-	130,600	264,750
Total revenues		1,154,328	999,532	426,066	291,611
Expenses					
Vessel operating costs					
Vessel running expenses		402,832	317,264	-	-
Voyage disbursements		34,629	60,540	-	-
Bunker consumption		88,437	185,323	-	-
Total vessel operating costs		525,898	563,127	-	-
Depreciation		278,065	230,191	612	949
Cost of services		1,791	1,872	-	-
Administrative expenses	5	61,362	43,453	53,813	35,867
Management remuneration including perquisites	5	30,760	20,901	28,881	20,016
Bad debts and doubtful accounts		3,434	185	-	-
Total expenses		901,310	859,729	83,306	56,832
Profit before share of profit (loss) from investment					
in associate, finance cost and income tax expenses		253,018	139,803	342,760	234,779
Share of profit (loss) from investment in associate					
held by a subsidiary	10.1	12,241	(6,785)	-	-
Profit before finance cost and					
income tax expenses		265,259	133,018	342,760	234,779
Finance cost		(103,101)	(117,414)	(23,160)	(45,579)
Profit before income tax expenses		162,158	15,604	319,600	189,200
Income tax expenses		(963)	(1,506)	-	-
Profit for the period		161,195	14,098	319,600	189,200

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 30 June 2013

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit (loss) attributable to:				
Equity holders of the Company	161,198	13,139	319,600	189,200
Non-controlling interests of the subsidiaries	(3)	959	-	-
Profit for the period	161,195	14,098	319,600	189,200

(Unit: Baht)

Basic earnings per share		17		
Profit attributable to equity holders of the Company	0.15	0.01	0.31	0.18

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 30 June 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit for the period	161,195	14,098	319,600	189,200
Other comprehensive income:				
Exchange differences on translation of foreign operation's financial statements	(13,419)	(8,357)	-	-
Exchange differences on translation of functional currency to presentation currency financial statements	870,918	469,142	734,415	376,109
Other comprehensive income for the period	857,499	460,785	734,415	376,109
Total comprehensive income for the period	1,018,694	474,883	1,054,015	565,309
Total comprehensive income attributable to:				
Equity holders of the Company	1,018,624	473,401	1,054,015	565,309
Non-controlling interests of the subsidiaries	70	1,482	-	-
	1,018,694	474,883	1,054,015	565,309

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the six-month period ended 30 June 2013**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Revenues					
Vessel operating income					
Hire income		1,245,505	1,040,027	-	-
Freight income		515,675	738,393	-	-
Total vessel operating income		1,761,180	1,778,420	-	-
Service income	5	6,447	2,855	43,902	33,664
Gains on novation/cancellation of shipbuilding contracts	14	672,967	-	650,826	-
Interest income	5	3,816	12,427	5,317	13,539
Exchange gains		3,778	-	4,804	-
Other income		1,129	2	1,129	2
Dividend received	5, 8	-	-	259,500	264,750
Total revenues		2,449,317	1,793,704	965,478	311,955
Expenses					
Vessel operating costs					
Vessel running expenses		766,875	582,476	-	-
Voyage disbursements		83,130	107,583	-	-
Bunker consumption		254,819	340,084	-	-
Total vessel operating costs		1,104,824	1,030,143	-	-
Depreciation	11	530,649	422,423	1,586	2,057
Cost of services		2,911	2,893	-	-
Administrative expenses	5	115,791	86,043	99,654	73,716
Management remuneration including perquisites	5	56,825	41,127	53,393	39,404
Bad debts and doubtful accounts (reversal)		(10,993)	19,464	-	-
Exchange losses		-	641	-	2,501
Total expenses		1,800,007	1,602,734	154,633	117,678
Profit before share of profit (loss) from investment					
in associate, finance cost and income tax expenses		649,310	190,970	810,845	194,277
Share of profit (loss) from investment in associate					
held by a subsidiary	10.1	17,322	(10,891)	-	-
Profit before finance cost and income tax expenses					
income tax expenses		666,632	180,079	810,845	194,277
Finance cost		(227,500)	(204,159)	(72,574)	(78,594)
Profit (loss) before income tax expenses		439,132	(24,080)	738,271	115,683
Income tax expenses		(1,390)	(2,238)	-	-
Profit (loss) for the period		437,742	(26,318)	738,271	115,683

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 six-month period ended 30 June 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Profit (loss) attributable to:					
Equity holders of the Company		437,753	(27,818)	738,271	115,683
Non-controlling interests of the subsidiaries		(11)	1,500	-	-
Profit (loss) for the period		437,742	(26,318)	738,271	115,683

(Unit: Baht)

	17				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		0.42	(0.03)	0.71	0.11

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 six-month period ended 30 June 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit (loss) for the period	<u>437,742</u>	<u>(26,318)</u>	<u>738,271</u>	<u>115,683</u>
Other comprehensive income:				
Exchange differences on translation of foreign operation's financial statements	(11,374)	(1,792)	-	-
Exchange differences on translation of functional currency to presentation currency financial statements	240,783	56,491	212,449	45,850
Other comprehensive income for the period	<u>229,409</u>	<u>54,699</u>	<u>212,449</u>	<u>45,850</u>
Total comprehensive income for the period	<u><u>667,151</u></u>	<u><u>28,381</u></u>	<u><u>950,720</u></u>	<u><u>161,533</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	667,143	27,243	950,720	161,533
Non-controlling interests of the subsidiaries	8	1,138	-	-
	<u><u>667,151</u></u>	<u><u>28,381</u></u>	<u><u>950,720</u></u>	<u><u>161,533</u></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 six-month period ended 30 June 2013**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit (loss) before tax	439,132	(24,080)	738,271	115,683
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	535,077	427,058	6,008	6,686
Bad debts and doubtful accounts (reversal)	(10,993)	19,464	-	-
Write-off equipment	45	-	45	-
Gains on novation/cancellation of shipbuilding contracts	(672,967)	-	(650,826)	-
Write-off deferred financial fees due to cancellation of loan facility	15,755	25,443	15,755	25,443
Share of (profit) loss from investment in associate held by a subsidiary	(17,322)	10,891	-	-
Provision for maritime claims	9,157	1,997	-	-
Provision for long-term employee benefits	3,127	2,912	3,003	2,808
Unrealised exchange (gains) losses	(2,192)	3,508	(3,477)	2,333
Amortised financial fees to interest expenses	14,692	13,226	-	-
Interest expenses	134,636	111,841	-	-
Interest income	(2,823)	(11,777)	(4,635)	(13,122)
Profit from operating activities before changes in operating assets and liabilities	445,324	580,483	104,144	139,831
Operating assets (increase) decrease				
Trade and other receivables	(41,542)	(115,632)	683,115	891,364
Bunker oil	72,335	14,315	-	-
Other current assets	(52,178)	(19,877)	(4,868)	2,476
Other non-current assets	(39,809)	(11,076)	-	1
Operating liabilities increase (decrease)				
Trade and other payables	48,731	88,236	(341,931)	104,632
Advances received from charterers	303	(34,467)	-	-
Other current liabilities	(2,850)	(18,516)	(7,613)	(5,347)
Non-current liabilities	(7,033)	(40,610)	(6,538)	(37,449)
Cash flows from operating activities	423,281	442,856	426,309	1,095,508
Cash paid for withholding tax deducted at source	(8,243)	(2,628)	(1,604)	(1,619)
Net cash flows from operating activities	415,038	440,228	424,705	1,093,889

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 six-month period ended 30 June 2013**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses	(1,205,032)	(2,028,770)	(1,397)	(2,117)
Cash paid for advances for vessel constructions and other direct costs	(455,467)	(889,187)	(229,575)	(161,256)
Cash paid for advances from vessel purchases	(49,803)	-	-	-
Cash received from novation/cancellation of shipbuilding contracts	1,084,733	-	886,075	-
Cash paid for acquisition of a subsidiary	(414,474)	-	(414,474)	-
Cash paid for investments in subsidiaries	-	-	(109,900)	(909,000)
Cash received from repayment of long-term loans to a subsidiary	-	-	168,884	-
Decrease (increase) in short-term loans to a subsidiary	-	-	263,232	(165,142)
Dividend received from associate held by a subsidiary	10,814	-	-	-
Interest income	2,823	11,777	4,635	13,122
Net cash flows from (used in) investing activities	(1,026,406)	(2,906,180)	567,480	(1,224,393)
Cash flows from financing activities				
Cash paid for interest expenses and commitment fees	(154,841)	(149,096)	(6,501)	(16,674)
Cash paid for deferred financial fees	(1,596)	(48,059)	-	(35,318)
Cash received from long-term loans	1,621,275	2,100,673	-	-
Repayment of long-term loans	(525,855)	(1,297,143)	(355,544)	(786,217)
Prepayment of long-term loans	(512,060)	-	-	-
Prepayment of long-term loans due to cancellation of loan facility	(454,697)	-	(454,697)	-
Dividend paid to the Company's shareholders	(207,778)	(259,846)	(207,778)	(259,846)
Dividend paid to non-controlling interests of the subsidiary	-	(34,183)	-	-
Net cash flows from (used in) financing activities	(235,552)	312,346	(1,024,520)	(1,098,055)
Increase (decrease) in translation adjustments	(83)	(24,605)	4,671	(15,784)
Net decrease in cash and cash equivalents	(847,003)	(2,178,211)	(27,664)	(1,244,343)
Cash and cash equivalents at beginning of period	1,901,015	4,374,711	646,276	2,719,519
Increase cash from acquisition of a subsidiary	1,766	-	-	-
Cash and cash equivalents at end of period	1,055,778	2,196,500	618,612	1,475,176
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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 six-month period ended 30 June 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Supplemental cash flows information				
Non-cash transactions				
Dividend income from subsidiaries offset against receivable from/payable to subsidiaries	-	-	259,500	264,750
Transfer of interest expenses and commitment fee to advances for vessel constructions	19,082	46,804	5,548	15,117
Amortisation of financial fees to advances for vessel constructions	493	737	175	567
Transfer of deferred financial fees to present as a deduction from long-term loans	19,860	45,268	1,257	1,221
Transfer of deferred financial fees to subsidiaries in proportion to the drawdown amount	-	-	7,571	48,405
Transfer of advances for vessel constructions to vessels and equipment of subsidiaries	580,029	917,527	580,029	917,527

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 six-month period ended 30 June 2013

(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				Exchange differences on translation of financial statements	Other components of shareholders' equity - other comprehensive income	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						Total equity	Equity attributable	Total
				Statutory reserve											
				The Company	Subsidiaries	the Company	the subsidiaries						equity		
Balance as at 1 January 2012	1,039,521	411,430	172,446	103,952	518,120	15,333	14,521,659	(1,459,091)	15,323,370	33,129	15,356,499				
Dividend paid to the Company's shareholders	-	-	-	-	-	-	(259,846)	-	(259,846)	-	(259,846)				
Dividend paid to non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	(34,183)	(34,183)				
Total comprehensive income for the period	-	-	-	-	-	-	(27,818)	55,061	27,243	1,138	28,381				
Appropriated to corporate social responsibility reserve	-	-	-	-	-	875	(875)	-	-	-	-				
Balance as at 30 June 2012	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>518,120</u>	<u>16,208</u>	<u>14,233,120</u>	<u>(1,404,030)</u>	<u>15,090,767</u>	<u>84</u>	<u>15,090,851</u>				
											-				
Balance as at 1 January 2013	1,039,521	411,430	172,446	103,952	518,120	14,951	14,193,833	(1,971,249)	14,483,004	1,228	14,484,232				
Dividend paid to the Company's shareholders (Note 19)	-	-	-	-	-	-	(207,778)	-	(207,778)	-	(207,778)				
Total comprehensive income for the period	-	-	-	-	-	-	437,753	229,390	667,143	8	667,151				
Appropriated to statutory reserve	-	-	-	-	5,200	-	(5,200)	-	-	-	-				
Appropriated to corporate social responsibility reserve	-	-	-	-	-	1,750	(1,750)	-	-	-	-				
Balance as at 30 June 2013	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>16,701</u>	<u>14,416,858</u>	<u>(1,741,859)</u>	<u>14,942,369</u>	<u>1,236</u>	<u>14,943,605</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 six-month period ended 30 June 2013

(Unit: Thousand Baht)

	Separate financial statements							Other components of shareholders' equity - other comprehensive income	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Retained earnings			Exchange differences on translation of financial statements		
				Statutory reserve	Appropriated				
					Corporate social responsibility reserve	Unappropriated			
Balance as at 1 January 2012	1,039,521	411,430	172,446	103,952	15,333	10,624,884	(59,831)	12,307,735	
Dividend paid to the Company's shareholders	-	-	-	-	-	(259,846)	-	(259,846)	
Total comprehensive income for the period	-	-	-	-	-	115,683	45,850	161,533	
Appropriated to corporate social responsibility reserve	-	-	-	-	875	(875)	-	-	
Balance as at 30 June 2012	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>16,208</u>	<u>10,479,846</u>	<u>(13,981)</u>	<u>12,209,422</u>	
Balance as at 1 January 2013	1,039,521	411,430	172,446	103,952	14,951	10,694,210	(476,296)	11,960,214	
Dividend paid to the Company's shareholders (Note 19)	-	-	-	-	-	(207,778)	-	(207,778)	
Total comprehensive income for the period	-	-	-	-	-	738,271	212,449	950,720	
Appropriated to corporate social responsibility reserve	-	-	-	-	1,750	(1,750)	-	-	
Balance as at 30 June 2013	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>16,701</u>	<u>11,222,953</u>	<u>(263,847)</u>	<u>12,703,156</u>	
	-	-	-	-	-	-	-	-	

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

Precious Shipping Public Company Limited and its subsidiaries

Notes to interim financial statement

For the three-month and six-month periods ended 30 June 2013

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 2009) "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 2012, except below changes in the composition of the Group during the current period.

On 18 January 2013, the Company (“the Buyer”) completed the signing and the closing of a Share Sale and Purchase Agreement with Varada Marine Pte. Limited (“the Seller”) to purchase one ordinary share of jointly controlled entity, Associated Bulk Carriers Pte. Limited (“ABC Company”), at a par value of USD 1 each. On the Closing Date of 18 January 2013, the Company paid the purchase price of USD 1 per share equivalent to Baht 30.64 per share plus procured the repayment to the Seller of the outstanding shareholder loans advanced by the Seller to ABC Company from time to time of USD 13.99 million or equivalent to Baht 414.47 million. Therefore, ABC Company is now a wholly owned subsidiary of the Company since 18 January 2013 and is no longer the jointly controlled entity. The transaction was entered in accordance with a resolution of the Executive Board of Directors’ Meeting No.1/2013 held on 17 January 2013.

1.4 Application of new accounting standards during the period

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance all of which are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of
Government Assistance

Financial Reporting Standard:

TFRS 8 Operating Segments

Accounting Standard Interpretations:

TSIC 10 Government Assistance - No Specific Relation to Operating
Activities

Accounting Treatment Guidance for Transfers of Financial Assets

(Unaudited but reviewed)

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements.

2. New accounting standards issued during the period and not yet effective

The Federation of Accounting Professions has issued notifications, which have been published in the Royal Gazette during the current period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows.

		<u>Effective date</u>
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016
Accounting Standard Interpretation:		
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

(Unaudited but reviewed)

3. Current investment

(Unit: Thousand Baht)

Consolidated financial statements								
Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method		
30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	
Thousand INR	Thousand INR	%	%					
Investment in associate held by a subsidiary								
Southern LPG Limited	64,592	64,592	50.00	50.00	27,165	26,733	17,093	16,821
Less: Allowance for loss on investment							(17,093)	(16,821)
Current investment - net							-	-

A subsidiary (Precious Shipping (Mauritius) Limited) recorded investment in an associated company incorporated in India under equity method only until 31 December 2000, since the Company's management is making efforts to sell this investment. The investment has therefore been classified as current investment, under current assets, and provision for loss on investment in full has been set up.

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	260,482	209,034	-	-
3 - 6 months	13,447	1,034	-	-
6 - 12 months	1,565	6,716	-	-
Over 12 months	3,837	25,119	-	-
Total	279,331	241,903	-	-
Less: Allowance for doubtful debts	(3,837)	(25,119)	-	-
Total trade receivables - unrelated parties, net	275,494	216,784	-	-
<u>Other receivables - related parties</u>				
Advances to related parties	-	-	1,181,359	1,088,380
Total other receivables - related parties	-	-	1,181,359	1,088,380
Trade and other receivables - net	275,494	216,784	1,181,359	1,088,380

(Unaudited but reviewed)

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.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2013	2012	2013	2012	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	20,866	16,067	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Vessel construction supervision income	-	-	1,812	-	In accordance with contract based on market practice
Dividend received	-	-	130,600	264,750	As declared
Interest income	-	-	1,897	2,429	At interest rate of 0.40% per annum (2012: 0.40% per annum)
Condominium rental expenses	-	-	2,281	2,372	Market price
Transaction with jointly controlled entity					
(Eliminated from consolidated financial statements in proportion with the Company's shareholding)					
Vessel construction supervision income	-	945	-	1,890	In accordance with contract based on market practice
Transactions with related companies					
Air ticket expenses	2,072	3,362	919	1,363	Market price
Rental and service expenses	1,263	2,605	1,165	2,092	Market price
Computer purchases	254	177	254	177	Market price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2013	2012	2013	2012	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	40,312	29,932	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Vessel construction supervision income	-	-	3,590	-	In accordance with contract based on market practice
Dividend received	-	-	259,500	264,750	As declared
Interest income	-	-	4,001	4,553	At interest rate of 0.40% per annum (2012: 0.40% per annum)
Condominium rental expenses	-	-	4,422	4,671	Market price
Sales of newbuilding vessels	-	-	580,029	917,527	At cost
Transaction with jointly controlled entity					
(Eliminated from consolidated financial statements in proportion with the Company's shareholding)					
Vessel construction supervision income	-	1,866	-	3,732	In accordance with contract based on market practice
Transactions with related companies					
Air ticket expenses	6,315	5,961	1,618	2,174	Market price
Rental and service expenses	4,271	4,632	3,686	3,951	Market price
Computer purchases	254	1,119	254	418	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	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Other receivables - related parties (Note 4)				
Subsidiaries	-	-	1,181,359	921,754
Jointly controlled entity	-	-	-	166,626
Total other receivables - related parties	-	-	1,181,359	1,088,380

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Trade and other payables - related parties				
Subsidiaries	-	-	2,317,030	2,626,665
Total trade and other payables - related parties	-	-	2,317,030	2,626,665

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

Directors and management's benefits

The Group had employee benefit expenses of its directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Short-term employee benefits	24,005	20,463	22,758	19,572
Post-employment benefits	490	498	490	498
Other long-term benefits (reversal)	6,265	(60)	5,633	(54)
Total	30,760	20,901	28,881	20,016

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Short-term employee benefits	49,591	34,093	46,791	33,028
Post-employment benefits	969	993	969	993
Other long-term benefits	6,265	6,041	5,633	5,383
Total	56,825	41,127	53,393	39,404

Guarantee obligations with related parties

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

6. Short-term loans to a subsidiary

As at 30 June 2013, short-term loans to a wholly owned subsidiary, Precious Shipping (Singapore) Pte. Limited, are in the form of promissory notes in US Dollar, amounting to USD 67.80 million (31 December 2012: USD 76.80 million), which carry interest at the rate of 0.40% per annum (31 December 2012: 0.40% per annum), and are due at call. Movements in the balance of the loans during the period were as follows.

	(Unit: Thousand Baht) Separate <u>financial statements</u>
Balance as at 1 January 2013	2,352,507
Increase	181,199
Decrease	(444,431)
Translation adjustment	<u>21,142</u>
Balance as at 30 June 2013	<u><u>2,110,417</u></u>

7. Long-term loans to a subsidiary / jointly controlled entity

As at 30 June 2013, long-term loans to a wholly owned subsidiary, Associated Bulk Carriers Pte. Limited (“ABC Company”), are in the form of promissory notes, 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.

The details of long-term loans were as follows.

- (a) USD 11.40 Million (31 December 2012: presented as long-term loans to jointly controlled entity amounting to USD 8.55 million), this loan was made available by the Company to enable ABC One Pte. Limited and ABC Two Pte. Limited, the 2 subsidiaries of ABC Company to pay the installments due to ABG Shipyard Ltd., India per Shipbuilding Contracts signed on 22 April 2010.

(Unaudited but reviewed)

- (b) USD 4.84 million (31 December 2012: presented as long-term loans to jointly controlled entity amounting to USD 4.84 million), this loan was made available by the Company to enable ABC Two Pte. Limited and ABC Three Pte. Limited, the 2 subsidiaries of ABC Company to pay the installments due to China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China per Shipbuilding Contracts signed on 5 December 2012.

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

(Unit: Thousand Baht)

	Separate financial statements
Balance as at 1 January 2013	-
Transferred from long-term loans to jointly controlled entity	410,035
Increase from acquisition of a subsidiary	253,325
Decrease due to receipt of the repayment	(168,884)
Translation adjustment	10,904
Balance as at 30 June 2013	<u>505,380</u>

8. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	For the six-month periods ended 30 June	
			%	%			2013	2012
Precious Metals Limited	275,000	275,000	99.99	99.99	329,812	324,562	-	-
Precious Wishes Limited	230,000	230,000	99.99	99.99	280,754	276,285	23,000	32,200
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	262,259	258,084	26,000	31,200
Precious Minerals Limited	230,000	230,000	99.99	99.99	238,480	234,683	23,000	23,000
Precious Lands Limited	306,000	306,000	99.99	99.99	301,814	297,010	-	-
Precious Rivers Limited	234,000	234,000	99.99	99.99	198,371	195,213	35,100	35,100
Precious Lakes Limited	184,000	184,000	99.99	99.99	174,074	171,304	-	-
Precious Seas Limited	100,000	100,000	99.99	99.99	122,067	120,124	-	30,000
Precious Stars Limited	105,000	105,000	99.99	99.99	128,170	126,130	-	21,000
Precious Oceans Limited	175,000	175,000	99.99	99.99	213,617	210,217	-	-
Precious Planets Limited	270,000	270,000	99.99	99.99	289,652	285,042	13,500	-
Precious Diamonds Limited	205,000	205,000	99.99	99.99	181,343	178,456	10,250	51,250
Precious Sapphires Limited	144,000	144,000	99.99	99.99	123,033	121,074	21,600	14,400

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements								
Subsidiaries' name	Paid-up capital		Shareholding percentage		Cost		Dividend received	
	30	31	30	31	30	31	For the six-month	
	June	December	June	December	June	December	periods ended 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012
			%	%				
Precious Emeralds Limited	366,000	366,000	99.99	99.99	295,014	290,318	18,300	-
Precious Rubies Limited	84,000	84,000	99.99	99.99	76,698	75,477	-	-
Precious Opals Limited	74,000	74,000	99.99	99.99	68,798	67,702	-	-
Precious Garnets Limited	379,000	379,000	99.99	99.99	304,288	299,445	18,950	-
Precious Pearls Limited	173,000	173,000	99.99	99.99	173,796	171,030	-	-
Precious Flowers Limited	336,000	336,000	99.99	99.99	335,093	329,759	-	-
Precious Forests Limited	96,000	96,000	99.99	99.99	93,069	91,587	-	-
Precious Trees Limited	202,000	202,000	99.99	99.99	203,371	200,133	20,200	-
Precious Ponds Limited	124,000	84,000	99.99	99.99	122,325	78,867	-	-
Precious Ventures Limited	202,000	202,000	99.99	99.99	220,596	217,085	10,100	-
Precious Capitals Limited	200,000	200,000	99.99	99.99	244,134	240,248	-	-
Precious Jasmines Limited	147,000	147,000	99.99	99.99	165,862	163,222	-	-
Precious Orchids Limited	217,000	217,000	99.99	99.99	187,431	184,447	-	-
Precious Lagoons Limited	140,000	140,000	99.99	99.99	170,894	168,173	-	-
Precious Cliffs Limited	140,000	140,000	99.99	99.99	170,894	168,173	-	-
Precious Hills Limited	140,000	140,000	99.99	99.99	170,894	168,173	-	26,600
Precious Mountains Limited	140,000	140,000	99.99	99.99	170,894	168,173	14,000	-
Precious Resorts Limited	140,000	140,000	99.99	99.99	170,894	168,173	-	-
Precious Cities Limited	170,000	170,000	99.99	99.99	194,328	191,234	25,500	-
Precious Comets Limited	141,000	71,100	99.99	99.99	129,927	55,319	-	-
Precious Ornaments Limited	68,100	68,100	99.99	99.99	53,844	52,987	-	-
Nedtex Limited	2,500	2,500	69.99	69.99	791	779	-	-
Precious Storage Terminals Limited	6,000	6,000	69.99	69.99	5,126	5,045	-	-
Thebes Pte. Limited	0.0365	0.0365	100.00	100.00	-	-	-	-
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	311	306	-	-
Precious Shipping (Mauritius) Limited	250	250	100.00	100.00	311	306	-	-
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	326,540	321,342	-	-
Precious Shipping (UK) Limited	250	250	100.00	99.99	311	306	-	-
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	337,548	332,175	-	-
Precious Projects Pte. Limited	0.0345	0.0345	100.00	100.00	-	-	-	-
Associated Bulk Carriers Pte. Limited	0.0664	-	100.00	-	-	-	-	-
Total investments in subsidiaries					7,237,428	7,008,168	259,500	264,750
Less: Allowance for loss on investments in subsidiaries					(6,229)	(6,130)		
Total investments in subsidiaries - net					7,231,199	7,002,038		

(Unaudited but reviewed)

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

As at 30 June 2013, the Company has pledged the shares of 36 subsidiaries amounting to Baht 5,174.21 million (31 December 2012: 33 subsidiaries amounting to Baht 4,892.83 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 16 to the financial statements.

The change in cost of investments in subsidiaries other than the acquisition of ABC Company as discussed in Note 1.3 to the financial statements and the additional investments in subsidiaries as detailed below is from the exchange differences on translation of functional currency to presentation currency.

Additional investments in subsidiaries

1. On 25 April 2013, the Company has subscribed and paid for newly issued ordinary shares of subsidiaries as detailed below.

Subsidiaries' name	New ordinary shares		
	Par value	No. of shares	Total value
	(Baht)	(Million Shares)	(Million Baht)
Precious Ponds Limited	100.00	0.40	40.00
Precious Comets Limited	100.00	0.70	69.90

2. On 1 June 2013, the Company purchased one ordinary share of Precious Shipping (UK) Limited from the non-controlling interests of the subsidiary at par value of USD 1.00.

Acquisition of ABC Company

On 18 January 2013, the Company purchased one ordinary share of ABC Company from Varada as discussed in Note 1.3 to the financial statements. Details of the net assets acquired and acquisition considerations transferred for the acquisition of ABC Company are provided below.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Cash and cash equivalents	1,766
Other current assets	950
Advances for vessel constructions	533,026
Deferred financial fees	12,811
Other non-current assets	34,043
Total assets	<u>582,596</u>
Trade and other payables	1,512
Long-term loan	166,610
Total liabilities	<u>168,122</u>
Net assets	<u>414,474</u>
Fair value of net assets acquired	<u>414,474</u>
Acquisition consideration transferred	<u>414,474</u>

On 6 February 2013, ABC Company has formed one Special Purpose Vehicle subsidiary (the "SPV Subsidiary") named ABC Four Pte. Limited ("ABC Four Company") which is incorporated under the laws of the Republic of Singapore. The SPV Subsidiary has been incorporated to specifically order, own and operate another Cement Carrier Vessel to perform the long-term Time Charter signed by the Company with the Charterer who has also signed 3 other such Time Charters for 3 Cement Carrier Vessels. The initial registered capital of the SPV Subsidiary is USD 1.00, fully paid-up, divided into 1 ordinary share with a par value of USD 1.00 each held by the ABC Company.

9. Investment in joint venture

(Unit: Baht)

Jointly controlled entity's name	Nature of business	Separate financial statements					
		Shareholding percentage		Cost		Carrying amounts based on cost method	
		30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
		%	%				
Associated Bulk Carriers Pte. Limited	Holding company	-	50	-	31	-	31

(Unaudited but reviewed)

As at 31 December 2012, investment in joint venture represented investment under joint venture agreement in Associated Bulk Carriers Pte. Limited ("ABC Company") which was jointly controlled by the Company and Varada Marine Pte. Limited ("Varada") for the purpose of owning and operating cement carriers.

Since the Company purchased one ordinary share of ABC Company from Varada as discussed in Note 1.3 to the financial statements, ABC Company is now a wholly owned subsidiary of the Company.

10. Investment in associate held by a subsidiary

10.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

		Consolidated financial statements						
Associate's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 June	31 December	30 June	31 December	30 June	31 December
			2013	2012	2013	2012	2013	2012
			%	%				
International Seaports (Haldia) Private Limited	Berth construction and development	India	22.40	22.40	63,426	62,416	102,389	104,694

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

(Unit: Thousand Baht)

Associate's name	Consolidated financial statements			
	For the three-month periods ended 30 June			
	Share of profit (loss) from investment in associate held by a subsidiary		Dividend received from associate held by a subsidiary	
	2013	2012	2013	2012
International Seaports (Haldia) Private Limited	12,241	(6,785)	10,814	-

(Unit: Thousand Baht)

Associate's name	Consolidated financial statements			
	For the six-month periods ended 30 June			
	Share of profit (loss) from investment in associate held by a subsidiary		Dividend received from associate held by a subsidiary	
	2013	2012	2013	2012
International Seaports (Haldia) Private Limited	17,322	(10,891)	10,814	-

(Unaudited but reviewed)

10.2 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		Profit (loss) for the	
	31 March		31 March		31 March		the six-month		six-month periods ended	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Thousand INR	Thousand INR								
International Seaports										
(Haldia) Private Limited	440,580	440,580	619,485	610,410	162,389	166,659	257,845	126,020	77,330	(48,622)

11. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2013	16,212,572	7,859
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses during period - at cost	1,205,032	1,397
Transfer from advances for vessel constructions	580,029	-
Transfer out/write-off	(47)	(47)
Depreciation for period	(530,649)	(1,586)
Translation adjustment	319,245	128
Net book value as at 30 June 2013	17,786,182	7,751

As at 30 June 2013, the subsidiaries have mortgaged 33 vessels with net book value totaling Baht 16,548.42 million (31 December 2012: 30 vessels totaling to Baht 14,972.61 million) with banks to secure long-term loans as referred to in Note 16 to the financial statements.

(Unaudited but reviewed)

12. Intangible assets

Movements of intangible assets which are computer software during the six-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2013	12,856	12,813
Amortisation for period	(4,428)	(4,422)
Translation adjustment	28	28
Net book value as at 30 June 2013	8,456	8,419

13. Advance for vessel purchase

As of 30 June 2013, the Group has outstanding balance of advance for vessel purchase as detailed below.

Subsidiary's name	Memorandum of Agreement date	Purchase price	Deposit paid (10% of the purchase price)
Precious Ornaments Limited	12 March 2013	USD 16.00 million (or approximately Baht 468.94 million)	USD 1.60 million (or approximately Baht 49.80 million)

14. Advances for vessel constructions

Movements of the advances for vessel constructions account during the six-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2013	4,942,348	4,250,803
Additions	430,844	213,156
Increase from acquisition of investment in a subsidiary	533,026	-
Interest costs and commitment fee	19,082	5,548
Amortisation of financial fees	493	175
Other direct costs	24,623	16,419
Novation/cancellation of shipbuilding contracts	(411,766)	(235,249)
Transfer to cost of vessel and equipment of a subsidiary	(580,029)	(580,029)
Translation adjustment	78,264	40,032
Balance as at 30 June 2013	5,036,885	3,710,855
Less: Current portion	(1,126,446)	(759,245)
Advances for vessel constructions - net of current portion	3,910,439	2,951,610

(Unaudited but reviewed)

During the six-month period ended 30 June 2013, the amounts of borrowing costs capitalised were Baht 19.08 million in the consolidated financial statements and Baht 5.55 million in the separate financial statements. The weighted average capitalisation rates used to determine the amount of borrowing costs eligible for capitalisation were 1.43% - 2.60% in the consolidated financial statements and 1.43% - 1.56% in the separate financial statements.

Novation of new Shipbuilding Contracts

Details of 4 Novation Agreements signed on 10 September 2012 are as follows.

Hull No.	Details of novated shipbuilding contract				Novation Consideration per Novation Agreement					
					Maximum amount per Novation Agreement (USD)	To be paid by the New Buyer		To be paid by the Shipbuilder (through adjustment against other Shipbuilding Contracts)		
	DWT	Shipbuilding Contract Date	Contract Amount (USD)	Installments paid to the Shipbuilder by the Company (USD)		The last payment date	Maximum amount (USD) ⁽¹⁾	Termination date	Pay (adjust) the next installment of Hull No.	Maximum amount (USD) ⁽²⁾
336	32,000	20 July 2007	29,999,997	5,999,999	8,405,478	15 November 2012	100,000	29 November 2012	337	8,305,478
340	32,000	20 July 2007	29,999,997	5,999,999	9,005,889	31 December 2012	100,000	31 March 2014	342	8,905,889
316	54,000	14 September 2007	37,999,998	15,199,998	24,023,490	31 December 2012	13,440,752	29 January 2013	348	10,582,738
347	54,000	11 February 2008	37,999,998	15,199,998	23,896,997	31 December 2012	13,440,752	31 March 2013	349	10,456,245

(1) if the payment is made on the last payment date

(2) if the payment (by way of adjustment) is made on the Termination Date

According to the Novation Agreements, the New Buyer and the Shipbuilder will repay the Company all installments of Hull Nos. 336, 340, 316 and 347 paid to the Shipbuilder plus interest at a rate of 7.50% per annum from the dates of payment of the respective installments with additional compensation to the Company partly in cash and partly as adjustment of the Company's liability to pay the next installments of Hull Nos. 337, 342, 348 and 349, subject to a refund guarantee received in accordance with the terms of the same Shipbuilding Contracts against which the adjustments are made.

For each Novation Agreement,

- a) if the Novation Consideration to be paid by the New Buyer is not received by the Company; or
- b) the Novation Consideration to be paid by the Shipbuilder is not received by the Company; or

(Unaudited but reviewed)

- c) the Shipbuilder fails to obtain extension of the relevant Refund Guarantees of the installments paid under the relevant Shipbuilding Contracts.

The Company will be entitled to cancel the respective Shipbuilding Contracts and all the payments made to the Shipbuilder by the Company under the respective Shipbuilding Contracts plus interest accrued on each such payment at a rate of 7.50% per annum shall be due and payable by the Shipbuilder, in accordance with the respective Shipbuilding Contracts.

Further, with respect to the installments paid for the vessel construction, the Company still holds valid letters of guarantee from overseas banks, guaranteeing the refund of installments paid (with certain interest rates) in case of a failure by the New Buyer or Shipbuilder to perform in accordance with the Novation Agreements and/or the Shipbuilding Contracts.

The Company completed 4 Novations of Shipbuilding Contracts for Hull Nos. 316, 336, 340 and 347 and recorded gains on Novation of Shipbuilding Contracts of USD 8.63 million (or approximately Baht 260.45 million) and USD 21.80 million (or approximately Baht 650.83 million) in the consolidated and separate income statements for the three-month and six-month periods ended 30 June 2013, respectively.

Delivery of vessel under the Shipbuilding Contract with ABG Shipyard Ltd., India

On 15 January 2013, the third vessel (Hull No. 335) was completed and delivered to the Company's indirect subsidiary incorporated in Singapore (Precious Thoughts Pte. Limited). The Company, therefore, transferred advances for vessel construction and other direct costs which were relevant to the vessel, totaling USD 19.58 million or approximately Baht 580.03 million, and recorded as cost of vessel and equipment of the aforesaid indirect subsidiary.

Cancellation of the Shipbuilding Contract

On 18 January 2013, ABC Three Pte. Limited ("ABC Three Company") signed a Cancellation Agreement in relation to the Shipbuilding Contract dated 22 April 2010 with ABG Shipyard Ltd. ("Shipbuilder") for the construction of one 20,000 DWT cement carrier with Hull No. 380 ("Vessel") since ABC Three Company has already ordered the same Vessel with the Chinese Shipbuilder. Details of Cancellation Agreement of Shipbuilding Contract for Hull No. 380 are as follows.

Hull No.	DWT	Shipbuilding Contract Date	Contract Amount (USD)	Installments paid to the Builder by ABC Three Company (USD)
380	20,000	22 April 2010	28,500,000	5,700,000

ABC Three Company received the cancellation proceeds of USD 6.70 million or approximately Baht 198.66 million in accordance with the Cancellation Agreement on 18 January 2013, and recorded gain on Cancellation of Shipbuilding Contract of USD 0.75 million or approximately Baht 22.14 million in the consolidated income statement for the six-month period ended 30 June 2013.

The signing of shipbuilding contract for a cement carrier vessel of a subsidiary

On 3 April 2013, ABC Four Pte. Limited (“ABC Four Company”), has entered into a Shipbuilding Contract for a cement carrier vessel (“Vessel”) with China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd. The contract price for the vessel is USD 24.18 million or approximately Baht 710.41 million, which will be paid in 5 installments with the first 4 installments of 10% each becoming payable on the submission of a refund guarantee in favor of ABC Four Company with the milestone certificates and the last installment of 60% becoming payable on delivery. The vessel is expected to be delivered in July 2014.

The issuance of cancellation notices of shipbuilding contracts

On 10 June 2013, the Company and ABC Two Pte. Limited (the “Buyers”) have issued the Cancellation Notices to ABG Shipyard Limited (“Shipbuilder”) under the Shipbuilding Contracts dated 20 July 2007, 11 February 2008 and 22 April 2010 (“SBC”) for Hull Nos. 337, 348 and 379, respectively. The Buyers have made claims for USD 20.83 million, USD 28.25 million and USD 13.17 million, respectively, being refund of advance installments paid and interest thereon under the respective SBC.

As of 30 June 2013, the Buyers have not received any amounts against the above claims. The Buyers are in discussions with the Shipbuilder for receiving the amounts claimed and/or re-negotiating the terms of the SBC of Hull 337.

(Unaudited but reviewed)

15. Deferred financial fees

Movements of the deferred financial fees account during the six-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2013	125,212	100,561
Additions	1,596	-
Increase from acquisition of investment in a subsidiary	12,811	-
Transfer to present as a deduction against long-term loans	(19,860)	(1,257)
Transfer to a subsidiary as borrower	-	(7,571)
Write-off deferred financial fee due to cancellation of loan facility	(13,842)	(13,842)
Translation adjustment	1,315	745
Balance as at 30 June 2013	107,232	78,636

(Unaudited but reviewed)

16. Long-term loan facilities

As at 30 June 2013 and 31 December 2012, 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 1		Facility 3		Total		
30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	
Long-term loans	1,691,963	2,093,783	177,424	174,601	2,128,097	1,618,758	4,184,949	4,546,766	1,509,291	811,370	9,691,724	9,245,278
Less: Deferred financial fees	(10,516)	(11,942)	(4,445)	(2,350)	(39,977)	(31,183)	(117,610)	(122,670)	(14,041)	(10,142)	(186,589)	(178,287)
Total	1,681,447	2,081,841	172,979	172,251	2,088,120	1,587,575	4,067,339	4,424,096	1,495,250	801,228	9,505,135	9,066,991
Less: Current portion	(95,195)	(546,134)	(172,979)	(5,742)	(172,991)	(127,614)	(122,347)	(122,479)	(94,371)	-	(657,883)	(801,969)
Long-term loans - net of												
current portion	1,586,252	1,535,707	-	166,509	1,915,129	1,459,961	3,944,992	4,301,617	1,400,879	801,228	8,847,252	8,265,022

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements	
	Loan facilities for financing the construction and acquisition of new vessels	
	Facility 1	
	30 June 2013	31 December 2012
Long-term loans	373,525	1,200,759
Less: Deferred financial fees	(2,216)	(6,188)
Total	371,309	1,194,571
Less: Current portion	-	(481,890)
Long-term loans - net of current portion	371,309	712,681

Movements in the long-term loan accounts during the six-month period ended 30 June 2013 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 1	Facility 3	
Balance as at 1 January 2013	2,081,841	172,251	1,587,575	4,424,096	801,228	9,066,991
Add: Drawdown	429,616	-	533,317	-	658,342	1,621,275
Amortisation of financial fees	911	318	3,176	6,799	3,981	15,185
Write-off deferred financial fees due to cancellation of loan facility	1,913	-	-	-	-	1,913
Increase from acquisition of investment in a subsidiary	-	166,610	-	-	-	166,610
Less: Deferred financial fees	(1,257)	-	(11,033)	-	(7,570)	(19,860)
Repayment	(394,415)	-	(74,229)	(57,211)	-	(525,855)
Prepayment	-	(172,139)	-	(339,921)	-	(512,060)
Prepayment due to cancellation of loan facility	(454,697)	-	-	-	-	(454,697)
Unrealised exchange gain	-	-	-	(22,435)	-	(22,435)
Translation adjustment	17,535	5,939	49,314	56,011	39,269	168,068
Balance as at 30 June 2013	1,681,447	172,979	2,088,120	4,067,339	1,495,250	9,505,135

(Unaudited but reviewed)

(Unit: Thousand Baht)

	<u>Separate financial statements</u>
	Loan facilities for financing the construction and acquisition of new vessels
	<u>Facility 1</u>
Balance as at 1 January 2013	1,194,571
Add: Amortisation of financial fees	175
Transfer of deferred financial fee to a subsidiary	3,064
Write-off deferred financial fees due to cancellation of loan facility	1,913
Less: Deferred financial fees	(1,257)
Repayment	(355,544)
Prepayment due to cancellation of loan facility	(454,697)
Translation adjustment	(16,916)
Balance as at 30 June 2013	<u>371,309</u>

During the current period, the Group entered into loan facility agreement and amended and restated agreements with banks. Details are as follows.

**Loan facility for financing the construction and acquisitions of new vessels
(Newbuildings)**

Facility 1

During the six-month period ended 30 June 2013, the Company prepaid the loan drawn and cancelled the undrawn balance loan facility against the respective Hull as follows.

Hull No.	Prepayment Date/ Cancellation Date	Undrawn Loan Facility Cancellation Amount	Loan Prepayment Amount
		(USD)	(USD)
348	12 March 2013	22,800,001	7,599,999
349	12 June 2013	22,800,001	7,599,999
337	10 May 2013	24,000,000	-

Facility 2

On 3 June 2013, ABC One Pte. Limited (“ABC One Company”) issued an “Irrevocable Notice of Prepayment” (“Notice”) to NIBC Bank Ltd., Singapore (“NIBC”). ABC One Company agreed to prepay the entire loan of USD 11.40 million drawn from NIBC in two installments, viz. USD 5.70 million on 28 June 2013 and USD 5.70 million on 30 August 2013.

Loan facility for purchasing of vessels

Facility 2

On 28 June 2013, the Company executed the Supplemental Letter to the Secured Term Loan Facility Agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch, Kasikorn Bank Plc. and Thanachart Bank Plc. to extend the availability period of the Loan Facility to 30 June 2014.

(Unaudited but reviewed)

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

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan/amendment agreement	Maximum facility amount per loan/amendment agreement		Undrawn loan balance	
				30 June 2013	31 December 2012	30 June 2013	31 December 2012
Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)							
Facility 1	DNB NOR Bank ASA (Singapore Branch) and 5 other banks, total 6 banks	The Company and subsidiaries	LIBOR + margin	78.50	167.20	12.00	88.00
Facility 2	NIBC Bank Ltd., Singapore	ABC One Pte. Limited	LIBOR + margin	-	22.80	-	11.40
Facility 3	ING Bank N.V. (Singapore Branch) and DNB NOR Bank ASA (Singapore Branch)	4 indirect subsidiaries in Singapore	LIBOR + margin	84.96	84.96	-	21.24
Facility 4	Bangkok Bank PCL (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited	LIBOR + margin	45.60	45.60	45.60	45.60

(Unaudited but reviewed)

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan/amendment agreement	Maximum facility amount per loan/amendment agreement		Undrawn loan balance	
				30 June 2013	31 December 2012	30 June 2013	31 December 2012
Loan facilities for purchasing of vessels							
Facility 1	Krung Thai Bank PCL 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	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch and 2 other banks, total 3 banks	The Company and subsidiaries	LIBOR + margin	150.00	150.00	150.00	150.00
Facility 3	Export-Import Bank of Thailand	The Company and subsidiaries	LIBOR + margin	100.00	100.00	47.98	69.98

17. Basic earnings per share

Basic earnings (loss) 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.

18. Segment information

The Group's operations involve the business of owning and internationally operating (chartering) small handy sized and supramax dry 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, as under:

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 30 June										
	Time charter		Voyage charter		Total		Elimination		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Hire income	685,926	607,129	-	-	685,926	607,129	(12,324)	(12,848)	673,602	594,281
Freight income	-	-	227,253	407,229	227,253	407,229	(18,383)	(10,641)	208,870	396,588
Total vessel operating income	685,926	607,129	227,253	407,229	913,179	1,014,358	(30,707)	(23,489)	882,472	990,869
Voyage disbursements	-	-	(65,336)	(84,029)	(65,336)	(84,029)	30,707	23,489	(34,629)	(60,540)
Bunker consumption	-	-	(88,437)	(185,323)	(88,437)	(185,323)	-	-	(88,437)	(185,323)
Total voyage expenses	-	-	(153,773)	(269,352)	(153,773)	(269,352)	30,707	23,489	(123,066)	(245,863)
Net vessel operating income/time charter equivalent income	685,926	607,129	73,480	137,877	759,406	745,006	-	-	759,406	745,006

(Unit: Thousand Baht)

Consolidated financial statements										
For the six-month periods ended 30 June										
	Time charter		Voyage charter		Total		Elimination		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Hire income	1,269,530	1,065,041	-	-	1,269,530	1,065,041	(24,025)	(25,014)	1,245,505	1,040,027
Freight income	-	-	583,024	775,253	583,024	775,253	(67,349)	(36,860)	515,675	738,393
Total vessel operating income	1,269,530	1,065,041	583,024	775,253	1,852,554	1,840,294	(91,374)	(61,874)	1,761,180	1,778,420
Voyage disbursements	-	-	(174,504)	(169,457)	(174,504)	(169,457)	91,374	61,874	(83,130)	(107,583)
Bunker consumption	-	-	(254,819)	(340,084)	(254,819)	(340,084)	-	-	(254,819)	(340,084)
Total voyage expenses	-	-	(429,323)	(509,541)	(429,323)	(509,541)	91,374	61,874	(337,949)	(447,667)
Net vessel operating income/time charter equivalent income	1,269,530	1,065,041	153,701	265,712	1,423,231	1,330,753	-	-	1,423,231	1,330,753

19. Dividend

The dividends were approved for paying to the Company's ordinary shareholders as at the closing date of the share register, after deduction of the shares held by the registrar (Thailand Securities Depository Co., Ltd. for Depositors who are both Thai and Foreign shareholders), which are disqualified from receiving dividend, from the total number of shares outstanding (1,039,520,600 shares).

Dividends declared during the six-month period ended 30 June 2013 consist of the following.

	Approved by	Qualified ordinary share (shares)	Shares held by the registrar (shares)	Dividend per share (Baht)	Dividend paid (Million Baht)	Paid date
a) Interim dividend based on the retained earnings as of 31 March 2013	Board of Directors' meeting on 30 April 2013	1,038,394,700	1,125,900	0.10	103.84	29 May 2013
b) Final dividend based on the retained earnings as of 31 December 2012	Annual General Meeting of the shareholders on 1 April 2013	1,039,379,600	141,000	0.10	103.94	11 April 2013
Total				<u>0.20</u>	<u>207.78</u>	

20. Commitments and contingent liabilities

20.1 Shipbuilding contracts commitments

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

	30 June 2013		31 December 2012	
	(Million USD)	(Equivalent to Million Baht)	(Million USD)	(Equivalent to Million Baht)
The Company	78.40	2,440.36	122.60	3,755.43
Subsidiaries	88.95	2,768.76	-	-
Jointly controlled entity - proportion with the Company's shareholding (50%) - with India Shipbuilder	-	-	25.65	785.70
Jointly controlled entity - with Chinese Shipbuilder	-	-	43.52	1,333.21
Total	167.35	5,209.12	191.77	5,874.34

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

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

Facility	Commitment fees payable by the Group	Undrawn loan balance as at		Terms of payment of commitment fees	Payable upto
		30 June 2013	31 December 2012		
		(Million USD)	(Million USD)		
Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)					
Facility 1	0.35% per annum of undrawn loan balance	12.00*	88.00	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 2	1.20% per annum of undrawn loan balance	-	11.40	Every three months until the end of the drawdown period	Upon delivery of the vessel
Facility 3	1.15% per annum of undrawn loan balance	-	21.24	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 4	1.20% per annum of undrawn loan balance	45.60	45.60	Every three months until the end of the drawdown period	Upon delivery of each vessel

(Unaudited but reviewed)

Facility	Commitment fees payable by the Group	Undrawn loan balance as at		Terms of payment of commitment fees	Payable upto
		30 June 2013	31 December 2012		
		(Million USD)	(Million USD)		
Loan facilities for purchasing of vessels					
Facility 2	0.70% per annum of undrawn loan balance	150.00	150.00	Every three months until the end of the drawdown period	30 June 2014
Facility 3	0.70% per annum of undrawn loan balance	47.98	69.98	Every three months until the end of the drawdown period	30 December 2013

* The Company has no obligation in respect of charges for commitment fee on this undrawn portion of loan facilities.

20.3 Uncalled portion of other long-term investment

As at 30 June 2013, the Company has a commitment of Baht 10.13 million in respect of the uncalled portion of other long-term investment (TMN Company Limited) (31 December 2012: Baht 10.13 million).

20.4 Long-term time charter commitments

Pursuant to a Memorandum of Understanding signed in October 2009, on 2 December 2009 and on 7 September 2012, the Company signed Long-Term Time Charter Contracts with a company incorporated in India (the charterer) for 4 new cement carriers. The charter periods under the contracts are 15 years, with a fixed charter rate per day as stipulated in the contracts. There is an option to extend the charter period twice by blocks of 5 years, with reduced charter rates as stipulated in the contracts. The vessels are new custom-built cement carriers, which have to be delivered to the charterer as per the committed schedule during 2011 to 2014. If the vessels are not delivered to the charterer within the agreed schedule, there is a fine payable of USD 4,250 per vessel per day.

As at 30 June 2013, ABC One Pte. Limited and ABC Two Pte. Limited have paid the fine payable to the charterer due to the delay of vessel delivery amounting to USD 3.55 million or approximately Baht 110.46 million (31 December 2012: ABC One Pte. Limited, in proportion with the Company's shareholding (50%) amounting to USD 1.07 million or approximately Baht 32.81 million) recorded in deferred contract costs account in the consolidated statement of financial position. This amount will be deducted from the final payment to the shipbuilder, as stipulated in the shipbuilding agreement ordered by ABC One Pte. Limited and ABC Two Pte. Limited.

20.5 Commitment from option deed agreement

Apart from the Share Sale and Purchase Agreement signed with Varada Marine Pte. Limited (“the Seller”) as mentioned in Note 1.3 to the financial statements, ABC Company (as Grantor) has also entered into an Option Deed with the Seller on 18 January 2013 under which, the Seller shall have the option to purchase 50% of the issued share capital of each of the existing Subsidiaries (“Option Securities”) at the Price of ABC Company’s cost of investment (including Shareholder Loans) together with interest at 7.5% per annum. Each of the Option Securities for each of the subsidiary, may be exercised at any time during the period of 60 days commencing 30 days after the date of actual delivery of each Vessel of each of the Subsidiaries under the respective Shipbuilding Contracts.

20.6 Vessel purchase contract commitments

As of 30 June 2013, a local subsidiary (Precious Ornaments Limited) had commitments of USD 14.40 million or approximately Baht 450.25 million according to the Memorandum of Agreement with an overseas company to purchase a second-hand vessel as discussed in Note 13 to the financial statements.

21. Functional currency financial statements

The USD functional currency statements of financial position as at 30 June 2013 and 31 December 2012 and the income statements for the three-month and six-month periods ended 30 June 2013 and 2012 are as follows.

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2013	2012	2013	2012
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	33,918	62,061	19,874	21,098
Current investment	-	-	-	-
Trade and other receivables	8,851	7,077	37,953	35,531
Short-term loans to a subsidiary	-	-	67,800	76,800
Current portion of advances for vessel constructions	36,189	15,768	24,392	12,796
Bunker oil	2,373	4,791	-	-
Other current assets				
Advances to vessel masters	3,794	3,366	-	-
Claim recoverables	1,322	774	-	-
Others	3,008	2,190	1,651	1,465
Total other current assets	8,124	6,330	1,651	1,465
Total current assets	89,455	96,027	151,670	147,690
Non-current assets				
Investments in subsidiaries	-	-	232,312	228,589
Investment in joint venture	-	-	-	-
Investment in associate held by a subsidiary	3,289	3,418	-	-
Other long-term investment	260	260	260	260
Long-term loans to jointly controlled entity	-	-	-	13,386
Long-term loans to a subsidiary	-	-	16,236	-
Receivables from cross currency swap contracts	1,992	2,746	-	-
Property, plant and equipment	571,405	529,276	249	257
Intangible assets	272	420	271	418
Other non-current assets				
Claim recoverables - maritime claims	3,535	1,490	-	-
Advance for vessel purchase	1,600	-	-	-
Advances for vessel constructions - net of current portion	125,628	145,580	94,824	125,976
Deferred financial fees	3,445	4,088	2,526	3,283
Deferred contract costs	3,549	1,071	-	-
Others	97	98	77	78
Total other non-current assets	137,854	152,327	97,427	129,337
Total non-current assets	715,072	688,447	346,755	372,247
Total assets	804,527	784,474	498,425	519,937

(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	
	30 June	31 December	30 June	31 December
	2013	2012	2013	2012
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade accounts payable	2,119	56	16	-
Advances received from related parties	-	-	74,438	85,750
Accrued crew accounts	2,668	2,423	-	-
Accrued expenses	3,897	4,366	75	124
Current portion of accrued employee bonus	1,127	1,444	1,040	1,335
Total trade and other payables	9,811	8,289	75,569	87,209
Advances received from charterers	1,137	1,120	-	-
Current portion of long-term loans	21,136	26,181	-	15,732
Income tax payable	46	145	-	-
Other current liabilities				
Withholding tax payable	128	360	89	317
Others	560	450	127	167
Total other current liabilities	688	810	216	484
Total current liabilities	32,818	36,545	75,785	103,425
Non-current liabilities				
Accrued employee bonus - net of current portion	481	750	443	693
Long-term loans - net of current portion	284,230	269,820	11,929	23,266
Provision for maritime claims	4,556	2,210	-	-
Provision for long-term employee benefits	2,359	2,296	2,162	2,099
Total non-current liabilities	291,626	275,076	14,534	26,058
Total liabilities	324,444	311,621	90,319	129,483
Shareholders' equity				
Share capital				
Registered share capital	35,308	35,308	35,308	35,308
Issued and paid-up share capital	35,308	35,308	35,308	35,308
Paid-in capital				
Premium on ordinary shares	16,135	16,135	16,135	16,135
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	14,285	-	-
Corporate social responsibility reserve	525	467	525	467
Unappropriated	407,487	400,142	348,517	330,923
Other components of shareholders' equity	(1,492)	(1,145)	-	-
Equity attributable to owner of the Company	480,044	472,813	408,106	390,454
Non-controlling interests of the subsidiaries	39	40	-	-
Total shareholders' equity	480,083	472,853	408,106	390,454
Total liabilities and shareholders' equity	804,527	784,474	498,425	519,937

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2013**

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
Revenues				
Vessel operating income				
Hire income	22,305	18,876	-	-
Freight income	6,916	12,596	-	-
Total vessel operating income	29,221	31,472	-	-
Service income	48	48	751	570
Gains on novation of shipbuilding contracts	8,624	-	8,624	-
Interest income	73	173	95	214
Exchange gains	220	55	277	70
Other income	36	-	36	-
Dividend received	-	-	4,386	8,448
Total revenues	38,222	31,748	14,169	9,302
Expenses				
Vessel operating costs				
Vessel running expenses	13,339	10,078	-	-
Voyage disbursements	1,146	1,923	-	-
Bunker consumption	2,929	5,886	-	-
Total vessel operating costs	17,414	17,887	-	-
Depreciation	9,208	7,312	20	30
Cost of services	59	60	-	-
Administrative expenses	2,032	1,380	1,781	1,139
Management remuneration including perquisites	1,018	663	957	636
Bad debts and doubtful accounts	114	6	-	-
Total expenses	29,845	27,308	2,758	1,805
Profit before share of profit (loss) from investment in associate, finance cost and income tax expenses	8,377	4,440	11,411	7,497
Share of profit (loss) from investment in associate held by a subsidiary	406	(215)	-	-
Profit before finance cost and income tax expenses	8,783	4,225	11,411	7,497
Finance cost	(3,414)	(3,730)	(767)	(1,447)
Profit before income tax expenses	5,369	495	10,644	6,050
Income tax expenses	(32)	(47)	-	-
Profit for the period	5,337	448	10,644	6,050
Profit (loss) attributable to:				
Equity holders of the Company	5,338	418	10,644	6,050
Non-controlling interests of the subsidiaries	(1)	30	-	-
Profit for the period	5,337	448	10,644	6,050
				(Unit: USD)
Basic earnings per share				
Profit attributable to equity holders of the Company	0.0051	0.0004	0.0102	0.0058

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the six-month period ended 30 June 2013**

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Revenues				
Vessel operating income				
Hire income	41,607	33,390	-	-
Freight income	17,271	23,726	-	-
Total vessel operating income	58,878	57,116	-	-
Service income	217	92	1,467	1,082
Gains on novation/cancellation of shipbuilding contracts	22,547	-	21,800	-
Interest income	128	400	178	436
Exchange gains	123	-	157	-
Other income	37	-	37	-
Dividend received	-	-	8,708	8,448
Total revenues	81,930	57,608	32,347	9,966
Expenses				
Vessel operating costs				
Vessel running expenses	25,626	18,713	-	-
Voyage disbursements	2,783	3,455	-	-
Bunker consumption	8,544	10,925	-	-
Total vessel operating costs	36,953	33,093	-	-
Depreciation	17,733	13,571	53	66
Cost of services	97	93	-	-
Administrative expenses	3,869	2,767	3,329	2,372
Management remuneration including perquisites	1,898	1,322	1,784	1,267
Bad debts and doubtful accounts (reversal)	(373)	634	-	-
Exchange losses	-	22	-	83
Total expenses	60,177	51,502	5,166	3,788
Profit before share of profit (loss) from investment in associate, finance cost and income tax expenses	21,753	6,106	27,181	6,178
Share of profit (loss) from investment in associate held by a subsidiary	577	(349)	-	-
Profit before finance cost and income tax expenses	22,330	5,757	27,181	6,178
Finance cost	(7,613)	(6,554)	(2,435)	(2,522)
Profit (loss) before income tax expenses	14,717	(797)	24,746	3,656
Income tax expenses	(46)	(71)	-	-
Profit (loss) for the period	14,671	(868)	24,746	3,656
Profit (loss) attributable to:				
Equity holders of the Company	14,672	(916)	24,746	3,656
Non-controlling interests of the subsidiaries	(1)	48	-	-
Profit (loss) for the period	14,671	(868)	24,746	3,656
				(Unit: USD)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company	0.0141	(0.0009)	0.0238	0.0035

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 26 July 2013.