

Precious Shipping Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 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 September 2013, the related consolidated statements of income, and comprehensive income for the three-month and nine-month periods ended 30 September 2013, and the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period ended 30 September 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: 28 October 2013

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	30 September	31 December	30 September	31 December	
	Note	2013	2012	2013	2012
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		2,396,030	1,901,015	1,772,320	646,276
Current investment	2	-	-	-	-
Trade and other receivables	3, 4, 12	901,118	216,784	1,884,621	1,088,380
Short-term loans to a subsidiary	5	-	-	2,241,296	2,352,507
Current portion of advances for vessel constructions	12	1,721,945	482,996	1,133,172	391,959
Bunker oil		136,656	146,752	-	-
Other current assets					
Advances to vessel masters		128,979	103,108	-	-
Claim recoverables		31,062	23,720	-	-
Others		84,386	67,071	46,590	44,848
Total other current assets		244,427	193,899	46,590	44,848
Total current assets		5,400,176	2,941,446	7,077,999	4,523,970
Non-current assets					
Investments in subsidiaries	7	-	-	7,381,941	7,002,038
Investment in joint venture	8	-	-	-	-
Investment in associate held by a subsidiary	9	80,350	104,694	-	-
Other long-term investment		8,168	7,971	8,168	7,971
Long-term loans to jointly controlled entity	6	-	-	-	410,035
Long-term loans to a subsidiary	6	-	-	483,480	-
Receivables from cross currency swap contracts		51,270	84,132	-	-
Property, plant and equipment	10	18,151,113	16,212,572	7,244	7,859
Intangible assets	11	6,202	12,856	6,167	12,813
Other non-current assets					
Claim recoverables - maritime claims		117,021	45,635	-	-
Advances for vessel constructions - net of current portion	12	614,725	4,459,352	-	3,858,844
Deferred financial fees	13	95,139	125,212	72,185	100,561
Deferred contract costs	18.4	135,945	32,806	-	-
Others		3,046	3,016	2,395	2,396
Total other non-current assets		965,876	4,666,021	74,580	3,961,801
Total non-current assets		19,262,979	21,088,246	7,961,580	11,402,517
Total assets		24,663,155	24,029,692	15,039,579	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		
	30 September	31 December	30 September	31 December	
	Note	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		15,992	1,722	591	6
Advances received from related parties	4	-	-	1,962,741	2,626,665
Accrued crew accounts		83,291	74,210	-	-
Accrued expenses		81,424	133,738	711	3,775
Current portion of accrued employee bonus		39,588	44,223	36,515	40,890
Total trade and other payables		220,295	253,893	2,000,558	2,671,336
Advances received from charterers		59,266	34,324	-	-
Current portion of long-term loans	14	571,024	801,969	-	481,890
Income tax payable		2,895	4,432	-	-
Other current liabilities					
Withholding tax payable		4,161	11,048	2,838	9,722
Others		16,025	13,775	4,019	5,119
Total other current liabilities		20,186	24,823	6,857	14,841
Total current liabilities		873,666	1,119,441	2,007,415	3,168,067
Non-current liabilities					
Accrued employee bonus - net of current portion		22,974	22,986	21,120	21,227
Long-term loans - net of current portion	14	8,567,186	8,265,022	-	712,681
Provision for maritime claims		155,013	67,699	-	-
Provision for long-term employee benefits		74,981	70,312	68,780	64,298
Total non-current liabilities		8,820,154	8,426,019	89,900	798,206
Total liabilities		9,693,820	9,545,460	2,097,315	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 September 2013 (Unaudited but reviewed)	31 December 2012 (Audited)	30 September 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	15,917	14,951	15,917	14,951
Unappropriated	14,334,217	14,193,833	11,357,760	10,694,210
Other components of shareholders' equity	(1,632,713)	(1,971,249)	(158,762)	(476,296)
Equity attributable to owners of the Company	14,968,090	14,483,004	12,942,264	11,960,214
Non-controlling interests of the subsidiaries	1,245	1,228	-	-
Total shareholders' equity	14,969,335	14,484,232	12,942,264	11,960,214
Total liabilities and shareholders' equity	24,663,155	24,029,692	15,039,579	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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Precious Shipping Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Revenues					
Vessel operating income					
Hire income		637,287	575,593	-	-
Freight income		296,458	238,791	-	-
Total vessel operating income		933,745	814,384	-	-
Service income	4	2,196	5,390	23,453	18,173
Gains on sales of equipment		-	272	-	272
Gains on novation/cancellation of shipbuilding contracts	12	193,706	305,101	178,408	305,101
Interest income	4	183	2,730	2,296	4,269
Exchange gains		2,798	-	2,601	-
Other income		903	3,328	903	2,737
Dividend received	4	-	-	127,150	116,000
Total revenues		1,133,531	1,131,205	334,811	446,552
Expenses					
Vessel operating costs					
Vessel running expenses		441,933	304,171	-	-
Voyage disbursements		35,629	44,667	-	-
Bunker consumption		126,512	103,095	-	-
Total vessel operating costs		604,074	451,933	-	-
Depreciation		302,926	236,201	598	949
Cost of services		1,007	587	-	-
Administrative expenses	4	50,539	46,951	44,816	42,224
Management remuneration including perquisites	4	25,816	25,044	24,466	23,599
Bad debts and doubtful accounts		12,285	570	-	-
Exchange losses		-	5,226	-	4,546
Total expenses		996,647	766,512	69,880	71,318
Profit before share of profit from investment					
in associate, finance cost and income tax expenses		136,884	364,693	264,931	375,234
Share of profit from investment in associate					
held by a subsidiary	9.1	7,863	1,745	-	-
Profit before finance cost and income tax expenses		144,747	366,438	264,931	375,234
Finance cost		(122,884)	(145,489)	(27,071)	(75,832)
Profit before income tax expenses		21,863	220,949	237,860	299,402
Income tax expenses		(1,453)	(1,383)	-	-
Profit for the period		20,410	219,566	237,860	299,402

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 September 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Profit (loss) attributable to:					
Equity holders of the Company		20,412	219,229	237,860	299,402
Non-controlling interests of the subsidiaries		(2)	337	-	-
Profit for the period		20,410	219,566	237,860	299,402

(Unit: Baht)

	15				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.02	0.21	0.23	0.29

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 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit for the period	20,410	219,566	237,860	299,402
Other comprehensive income:				
Exchange differences on translation of foreign operation's financial statements	(16,759)	6,072	-	-
Exchange differences on translation of functional currency to presentation currency financial statements	125,916	(475,084)	105,085	(385,357)
Other comprehensive income for the period	109,157	(469,012)	105,085	(385,357)
Total comprehensive income for the period	129,567	(249,446)	342,945	(85,955)
Total comprehensive income attributable to:				
Equity holders of the Company	129,558	(249,776)	342,945	(85,955)
Non-controlling interests of the subsidiaries	9	330	-	-
	129,567	(249,446)	342,945	(85,955)

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

Precious Shipping Public Company Limited and its subsidiaries

Income statement

For the nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Revenues					
Vessel operating income					
Hire income		1,882,792	1,615,620	-	-
Freight income		812,133	977,184	-	-
Total vessel operating income		2,694,925	2,592,804	-	-
Service income	4	8,643	8,245	67,355	51,837
Gains on sales of equipment		-	272	-	272
Gains on novation/cancellation of shipbuilding contracts	12	866,673	305,101	829,234	305,101
Interest income	4	3,999	15,157	7,613	17,808
Exchange gains		6,576	-	7,405	-
Other income		2,032	3,330	2,032	2,739
Dividend received	4, 7	-	-	386,650	380,750
Total revenues		3,582,848	2,924,909	1,300,289	758,507
Expenses					
Vessel operating costs					
Vessel running expenses		1,208,808	886,647	-	-
Voyage disbursements		118,759	152,250	-	-
Bunker consumption		381,331	443,179	-	-
Total vessel operating costs		1,708,898	1,482,076	-	-
Depreciation	10	833,575	658,624	2,184	3,006
Cost of services		3,918	3,480	-	-
Administrative expenses	4	166,330	132,994	144,470	115,940
Management remuneration including perquisites	4	82,641	66,171	77,859	63,003
Bad debts and doubtful accounts		1,292	20,034	-	-
Exchange losses		-	5,867	-	7,047
Total expenses		2,796,654	2,369,246	224,513	188,996
Profit before share of profit (loss) from investment					
in associate, finance cost and income tax expenses		786,194	555,663	1,075,776	569,511
Share of profit (loss) from investment in associate					
held by a subsidiary	9.1	25,185	(9,146)	-	-
Profit before finance cost and income tax expenses		811,379	546,517	1,075,776	569,511
Finance cost		(350,384)	(349,648)	(99,645)	(154,426)
Profit before income tax expenses		460,995	196,869	976,131	415,085
Income tax expenses		(2,843)	(3,621)	-	-
Profit for the period		458,152	193,248	976,131	415,085

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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Profit (loss) attributable to:					
Equity holders of the Company		458,165	191,411	976,131	415,085
Non-controlling interests of the subsidiaries		(13)	1,837	-	-
Profit for the period		458,152	193,248	976,131	415,085

(Unit: Baht)

	15				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.44	0.18	0.94	0.40

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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit for the period	458,152	193,248	976,131	415,085
Other comprehensive income:				
Exchange differences on translation of foreign operation's financial statements	(28,133)	4,280	-	-
Exchange differences on translation of functional currency to presentation currency financial statements	366,699	(418,593)	317,534	(339,507)
Other comprehensive income for the period	338,566	(414,313)	317,534	(339,507)
Total comprehensive income for the period	796,718	(221,065)	1,293,665	75,578
Total comprehensive income attributable to:				
Equity holders of the Company	796,701	(222,533)	1,293,665	75,578
Non-controlling interests of the subsidiaries	17	1,468	-	-
	796,718	(221,065)	1,293,665	75,578

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 nine-month period ended 30 September 2013**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before tax	460,995	196,869	976,131	415,085
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	840,345	665,606	8,945	9,978
Bad debts and doubtful accounts	1,292	20,034	-	-
Gains on sales of equipment	-	(272)	-	(272)
Write-off equipment	51	-	51	-
Gains on novation/cancellation of shipbuilding contracts	(866,673)	(305,101)	(829,234)	(305,101)
Write-off deferred financial fees due to cancellation of loan facility	30,960	43,124	20,519	43,124
Share of (profit) loss from investment in associate held by a subsidiary	(25,185)	9,146	-	-
Provision for maritime claims	15,130	1,215	-	-
Provision for long-term employee benefits	4,685	4,357	4,499	4,201
Unrealised exchange (gains) losses	915	7,133	(1,338)	6,338
Amortised financial fees to interest expenses	25,515	20,395	-	-
Interest expenses	209,062	172,087	-	-
Interest income	(2,880)	(14,466)	(6,923)	(17,387)
Profit from operating activities before changes in operating assets and liabilities	694,212	820,127	172,650	155,966
Operating assets (increase) decrease				
Trade and other receivables	(65,933)	(101,068)	605,216	1,024,595
Bunker oil	9,737	(35,262)	-	-
Other current assets	(46,037)	(22,503)	1,325	2,266
Other non-current assets	(64,535)	(17,207)	-	1
Operating liabilities increase (decrease)				
Trade and other payables	(40,763)	(19,429)	(716,492)	(486,499)
Advances received from charterers	24,055	(57,518)	-	-
Other current liabilities	(4,543)	2,660	(7,745)	(8,166)
Non-current liabilities	87	(33,390)	(15)	(30,766)
Cash flows from operating activities	506,280	536,410	54,939	657,397
Cash paid for withholding tax deducted at source	(3,409)	(3,711)	(2,470)	(2,449)
Net cash flows from operating activities	502,871	532,699	52,469	654,948

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 nine-month period ended 30 September 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	(1,723,742)	(2,081,529)	(1,424)	(3,626)
Cash paid for advances for vessel constructions and other direct costs	(691,597)	(1,570,315)	(231,312)	(165,036)
Cash paid for advances for vessel purchases	-	(239,231)	-	-
Cash received from novation/cancellation of shipbuilding contracts	3,667,107	1,725,562	3,078,716	1,725,562
Proceeds from sales of equipment	-	272	-	272
Cash paid for acquisition of a subsidiary	(414,474)	-	(414,474)	-
Cash paid for investments in subsidiaries	-	-	(197,800)	(909,000)
Cash received from repayment of long-term loans to a subsidiary	-	-	195,243	-
Decrease (increase) in short-term loans to a subsidiary	-	-	149,450	(165,142)
Dividend received from associate held by a subsidiary	25,263	-	-	-
Interest income	2,880	14,466	6,923	17,387
Net cash flows from (used in) investing activities	865,437	(2,150,775)	2,585,322	500,417
Cash flows from financing activities				
Cash paid for interest expenses and commitment fees	(236,862)	(228,571)	(8,845)	(24,129)
Cash paid for deferred financial fees	(1,712)	(49,681)	-	(35,318)
Cash received from long-term loans	2,025,831	2,669,609	-	-
Repayment of long-term loans	(625,149)	(2,129,762)	(355,544)	(1,261,372)
Prepayment of long-term loans	(890,470)	-	-	-
Prepayment of long-term loans due to cancellation of loan facility	(833,968)	-	(833,968)	-
Dividend paid to the Company's shareholders	(311,615)	(363,764)	(311,615)	(363,764)
Dividend paid to non-controlling interests of the subsidiary	-	(34,183)	-	-
Net cash flows used in financing activities	(873,945)	(136,352)	(1,509,972)	(1,684,583)
Decrease in translation adjustments	(1,114)	(101,685)	(1,775)	(71,633)
Net increase (decrease) in cash and cash equivalents	493,249	(1,856,113)	1,126,044	(600,851)
Cash and cash equivalents at beginning of period	1,901,015	4,374,711	646,276	2,719,519
Cash increased from acquisition of a subsidiary	1,766	-	-	-
Cash and cash equivalents at end of period	2,396,030	2,518,598	1,772,320	2,118,668
	0		0	

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 nine-month period ended 30 September 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 receivables from/payables to subsidiaries	-	-	386,650	380,750
Transfer of interest expense and commitment fee to advances for vessel constructions	25,286	60,951	6,501	20,083
Amortisation of financial fees to advances for vessel constructions	606	981	175	725
Transfer of financial fees to present as a deduction from long-term loans	24,513	56,297	1,257	1,221
Transfer of deferred financial fees to subsidiary in proportion to the drawdown amount	-	-	12,223	4,358
Transfer of advances for vessel constructions to vessel and equipment of subsidiary	580,029	2,638,309	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 nine-month period ended 30 September 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				Other components of shareholders' equity - other comprehensive income	Exchange differences on translation of financial statements	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity					
				Appropriated		Corporate social responsibility reserve	Unappropriated						Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity		
				Statutory reserve												The Company	Subsidiaries
				The Company	Subsidiaries												
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	-	-	-	-	-	-	(363,764)	-	(363,764)	-	(363,764)						
Dividend paid to non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	(34,183)	(34,183)						
Total comprehensive income for the period	-	-	-	-	-	-	191,411	(413,944)	(222,533)	1,468	(221,065)						
Appropriated to corporate social responsibility reserve	-	-	-	-	-	466	(466)	-	-	-	-						
Balance as at 30 September 2012	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>518,120</u>	<u>15,799</u>	<u>14,348,840</u>	<u>(1,873,035)</u>	<u>14,737,073</u>	<u>414</u>	<u>14,737,487</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 17)	-	-	-	-	-	-	(311,615)	-	(311,615)	-	(311,615)						
Total comprehensive income for the period	-	-	-	-	-	-	458,165	338,536	796,701	17	796,718						
Appropriated to statutory reserve	-	-	-	-	5,200	-	(5,200)	-	-	-	-						
Appropriated to corporate social responsibility reserve	-	-	-	-	-	966	(966)	-	-	-	-						
Balance as at 30 September 2013	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>15,917</u>	<u>14,334,217</u>	<u>(1,632,713)</u>	<u>14,968,090</u>	<u>1,245</u>	<u>14,969,335</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 nine-month period ended 30 September 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		
				Appropriated		Unappropriated			
				Statutory reserve	Corporate social responsibility reserve				
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	-	-	-	-	-	(363,764)	-	(363,764)	
Total comprehensive income for the period	-	-	-	-	-	415,085	(339,507)	75,578	
Appropriated to corporate social responsibility reserve	-	-	-	-	466	(466)	-	-	
Balance as at 30 September 2012	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>15,799</u>	<u>10,675,739</u>	<u>(399,338)</u>	<u>12,019,549</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 17)	-	-	-	-	-	(311,615)	-	(311,615)	
Total comprehensive income for the period	-	-	-	-	-	976,131	317,534	1,293,665	
Appropriated to corporate social responsibility reserve	-	-	-	-	966	(966)	-	-	
Balance as at 30 September 2013	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>15,917</u>	<u>11,357,760</u>	<u>(158,762)</u>	<u>12,942,264</u>	
	-	-	-	-	-	-	-	-	

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 and nine-month periods ended 30 September 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. Ltd. (“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 New accounting standards

Below is a summary of accounting standards that became effective in the current accounting period and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting period

Accounting standard:

TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
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Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretation:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
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Accounting Treatment Guidance for Transfers of Financial Assets

(Unaudited but reviewed)

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

(b) Accounting standards that will become effective in the future

	<u>Effective date</u>
Accounting Standard:	
TAS 12 (revised 2012) Income taxes	1 January 2014
Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretations:	
TSIC 15 Operating Leases - Incentives	1 January 2014
TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32 Intangible Assets - Web Site Costs	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 <i>Financial Reporting in Hyperinflationary Economies</i>	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
TFRIC 17 Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18 Transfers of Assets from Customers	1 January 2014

(Unaudited but reviewed)

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

2. Current investment

(Unit: Thousand Baht)

Consolidated financial statements								
Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method		
30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 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	<u>27,396</u>	<u>26,733</u>	17,238	16,821
Less: Allowance for loss on investment							<u>(17,238)</u>	<u>(16,821)</u>
Current investment - net							<u>-</u>	<u>-</u>

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.

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	283,418	209,034	-	-
3 - 6 months	1,703	1,034	-	-
6 - 12 months	4,728	6,716	-	-
Over 12 months	<u>3,870</u>	<u>25,119</u>	-	-
Total	293,719	241,903	-	-
Less: Allowance for doubtful debts	<u>(3,870)</u>	<u>(25,119)</u>	-	-
Total trade receivables - unrelated parties, net	<u>289,849</u>	<u>216,784</u>	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
<u>Other receivables - unrelated parties</u>				
Guarantors receivables (Note 12)	611,269	-	611,269	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 4)	-	-	1,273,352	1,088,380
Total other receivables	611,269	-	1,884,621	1,088,380
Trade and other receivables - net	901,118	216,784	1,884,621	1,088,380

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 30 September				Transfer pricing policy
	Consolidated		Separate		
	2013	2012	2013	2012	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	21,557	16,298	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Vessel construction supervision income	-	-	1,896	-	In accordance with contract based on market practice
Dividend received	-	-	127,150	116,000	As declared
Interest income	-	-	2,276	2,454	At interest rate of 0.40% per annum (2012: 0.40% per annum)
Condominium rental expenses	-	-	2,256	2,274	Market price
Transaction with jointly controlled entity					
(Eliminated from consolidated financial statements in proportion with the Company's shareholding)					
Vessel construction supervision income	-	938	-	1,875	In accordance with contract based on market practice
Transactions with related companies					
Air ticket expenses	2,489	1,686	635	805	Market price
Rental and service expenses	979	794	509	644	Market price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				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	-	-	61,869	46,230	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Vessel construction supervision income	-	-	5,486	-	In accordance with contract based on market practice
Dividend received	-	-	386,650	380,750	As declared
Interest income	-	-	6,277	7,007	At interest rate of 0.40% per annum (2012: 0.40% per annum)
Condominium rental expenses	-	-	6,678	6,945	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	-	2,804	-	5,607	In accordance with contract based on market practice
Transactions with related companies					
Air ticket expenses	8,804	7,647	2,253	2,979	Market price
Rental and service expenses	5,250	5,426	4,195	4,595	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 September	31 December	30 September	31 December
	2013	2012	2013	2012
Other receivables - related parties (Note 3)				
Subsidiaries	-	-	1,273,352	921,754
Jointly controlled entity	-	-	-	166,626
Total other receivables - related parties	-	-	1,273,352	1,088,380

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Trade and other payables - related parties				
Subsidiaries	-	-	1,962,741	2,626,665
Total trade and other payables - related parties	-	-	1,962,741	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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Short-term employee benefits	21,853	21,138	20,855	20,057
Post-employment benefits	483	492	483	492
Other long-term benefits	3,480	3,414	3,128	3,050
Total	25,816	25,044	24,466	23,599

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Short-term employee benefits	71,444	55,231	67,646	53,085
Post-employment benefits	1,452	1,485	1,452	1,485
Other long-term benefits	9,745	9,455	8,761	8,433
Total	82,641	66,171	77,859	63,003

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. Short-term loans to a subsidiary

As at 30 September 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 71.40 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 financial statements
	<hr/>
Balance as at 1 January 2013	2,352,507
Increase	294,981
Decrease	(444,431)
Translation adjustment	38,239
Balance as at 30 September 2013	<hr/> <hr/>

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

As at 30 September 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 5.70 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, the subsidiary 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 9.70 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 3 subsidiaries of ABC Company and ABC Company per details below to pay the installments due to China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China per respective Shipbuilding Contracts.

Subsidiaries' name	Shipbuilding Contract date
ABC Two Pte. Limited	5 December 2012
ABC Three Pte. Limited	5 December 2012
ABC Four Pte. Limited	3 April 2013
Associated Bulk Carriers Pte. Limited	30 August 2013

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	(195,243)
Translation adjustment	15,363
Balance as at 30 September 2013	<u>483,480</u>

7. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

Subsidiaries' name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	For the nine-month periods ended 30 September	
			%	%			2013	2012
Precious Metals Limited	275,000	275,000	99.99	99.99	332,605	324,562	-	-
Precious Wishes Limited	230,000	230,000	99.99	99.99	283,131	276,285	23,000	32,200
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	264,480	258,084	39,000	31,200
Precious Minerals Limited	230,000	230,000	99.99	99.99	240,499	234,683	23,000	23,000
Precious Lands Limited	306,000	306,000	99.99	99.99	304,370	297,010	-	-
Precious Rivers Limited	234,000	234,000	99.99	99.99	200,051	195,213	35,100	35,100
Precious Lakes Limited	184,000	184,000	99.99	99.99	175,549	171,304	-	-
Precious Seas Limited	100,000	100,000	99.99	99.99	123,100	120,124	-	40,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements								
Subsidiaries' name	Shareholding						Dividend received	
	Paid-up capital		percentage		Cost			
	30	31	30	31	30	31	For the nine-month periods	
	September	December	September	December	September	December	ended 30 September	
	2013	2012	2013	2012	2013	2012	2013	2012
			%	%				
Precious Stars Limited	105,000	105,000	99.99	99.99	129,255	126,130	-	21,000
Precious Oceans Limited	175,000	175,000	99.99	99.99	215,426	210,217	-	-
Precious Planets Limited	270,000	270,000	99.99	99.99	292,105	285,042	13,500	-
Precious Diamonds Limited	205,000	205,000	99.99	99.99	182,879	178,456	30,750	61,500
Precious Sapphires Limited	144,000	144,000	99.99	99.99	124,075	121,074	36,000	43,200
Precious Emeralds Limited	366,000	366,000	99.99	99.99	297,513	290,318	36,600	-
Precious Rubies Limited	84,000	84,000	99.99	99.99	77,348	75,477	-	-
Precious Opals Limited	74,000	74,000	99.99	99.99	69,380	67,702	-	-
Precious Garnets Limited	379,000	379,000	99.99	99.99	306,865	299,445	37,900	18,950
Precious Pearls Limited	173,000	173,000	99.99	99.99	175,268	171,030	-	-
Precious Flowers Limited	336,000	336,000	99.99	99.99	337,931	329,759	-	-
Precious Forests Limited	96,000	96,000	99.99	99.99	93,857	91,587	-	-
Precious Trees Limited	202,000	202,000	99.99	99.99	205,093	200,133	20,200	-
Precious Ponds Limited	124,000	84,000	99.99	99.99	123,361	78,867	-	-
Precious Ventures Limited	202,000	202,000	99.99	99.99	222,464	217,085	10,100	-
Precious Capitals Limited	200,000	200,000	99.99	99.99	246,201	240,248	-	-
Precious Jasmines Limited	147,000	147,000	99.99	99.99	167,267	163,222	-	-
Precious Orchids Limited	217,000	217,000	99.99	99.99	189,018	184,447	-	-
Precious Lagoons Limited	140,000	140,000	99.99	99.99	172,341	168,173	-	-
Precious Cliffs Limited	140,000	140,000	99.99	99.99	172,341	168,173	14,000	-
Precious Hills Limited	140,000	140,000	99.99	99.99	172,341	168,173	14,000	26,600
Precious Mountains Limited	140,000	140,000	99.99	99.99	172,341	168,173	28,000	14,000
Precious Resorts Limited	140,000	140,000	99.99	99.99	172,341	168,173	-	-
Precious Cities Limited	170,000	170,000	99.99	99.99	195,973	191,234	25,500	34,000
Precious Comets Limited	141,000	71,100	99.99	99.99	131,028	55,319	-	-
Precious Ornaments Limited	156,000	68,100	99.99	99.99	143,804	52,987	-	-
Nedtex Limited	2,500	2,500	69.99	69.99	798	779	-	-
Precious Storage Terminals Limited	6,000	6,000	69.99	69.99	5,170	5,045	-	-
Thebes Pte. Limited	0.0365	0.0365	100.00	100.00	-	-	-	-
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	314	306	-	-
Precious Shipping (Mauritius) Limited	250	250	100.00	100.00	314	306	-	-
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	329,305	321,342	-	-
Precious Shipping (UK) Limited	250	250	100.00	99.99	314	306	-	-
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	340,406	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					7,388,222	7,008,168	386,650	380,750
Less: Allowance for loss on investments in subsidiaries					(6,281)	(6,130)		
Total investments in subsidiaries - net					7,381,941	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 September 2013, the Company has pledged the shares of 36 subsidiaries amounting to Baht 5,714.19 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 14 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. During the period, the Company has subscribed and paid for newly issued ordinary shares of subsidiaries as detailed below.

Subsidiaries' name	Date	New ordinary shares		
		Par value	No. of shares	Total value
		(Baht)	(Million Shares)	(Million Baht)
Precious Ponds Limited	25 April 2013	100.00	0.40	40.00
Precious Comets Limited	25 April 2013	100.00	0.70	69.90
Precious Ornaments Limited	31 July 2013	100.00	0.88	87.90

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.

8. 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 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 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.

9. Investment in associate held by a subsidiary

9.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

		Consolidated financial statements							
		Shareholding percentage				Carrying amounts based on equity method			
		30		31		30		31	
		September		December		September		December	
Associate's name	Nature of business	Country of incorporation	2013	2012	2013	2012	2013	2012	
		%		%					
International Seaports (Haldia) Private Limited	Berth construction and development	India	22.40	22.40	63,963	62,416	80,350	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)

		Consolidated financial statements			
		For the three-month periods ended 30 September			
		Share of profit from investment in associate held by a subsidiary		Dividend received from associate held by a subsidiary	
		2013		2012	
Associate's name		2013	2012	2013	2012
International Seaports (Haldia) Private Limited		7,863	1,745	14,448	-

(Unit: Thousand Baht)

		Consolidated financial statements			
		For the nine-month periods ended 30 September			
		Share of profit (loss) from investment in associate held by a subsidiary		Dividend received from associate held by a subsidiary	
		2013		2012	
Associate's name		2013	2012	2013	2012
International Seaports (Haldia) Private Limited		25,185	(9,146)	25,263	-

(Unaudited but reviewed)

9.2 Summarised financial information of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for		Profit (loss) for the	
	30 June		30 June		30 June		the nine-month		nine-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	579,516	636,981	156,747	177,530	392,626	211,382	112,434	(40,831)

On 11 September 2013, International Lighterage Limited, ("Lighterage"), a subsidiary of the Company, which is registered in Mauritius (shareholding is through Precious Shipping (Mauritius) Limited), sold all 9,868,287 shares of its investment in the ordinary shares of International Seaports (Haldia) Private Limited ("Haldia") to Precious Shipping (Singapore) Pte. Limited ("Precious Singapore"), another subsidiary of the Company, at a price of INR 10.00 per share, totaling INR 98.68 million (or approximately Baht 46.21 million). This restructuring of shareholding was made in order to improve administrative convenience. The above change of ownership does not change the percentage holding in Haldia of the Group which is unchanged at 22.40%. This transaction was approved by Directors' Resolution of Precious Singapore on 20 May 2013 and Directors' Meeting of Lighterage on 30 May 2013. The transaction is considered as sales of investment under common control of the Group.

10. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 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	1,723,742	1,424
Transfer from advances for vessel constructions	580,029	-
Transfer out/write-off	(52)	(52)
Depreciation for period	(833,575)	(2,184)
Translation adjustment	468,397	197
Net book value as at 30 September 2013	18,151,113	7,244

(Unaudited but reviewed)

As at 30 September 2013, the subsidiaries have mortgaged 33 vessels with net book value totaling Baht 16,434.32 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 14 to the financial statements.

11. Intangible assets

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2013	12,856	12,813
Amortisation for period	(6,770)	(6,761)
Translation adjustment	116	115
Net book value as at 30 September 2013	6,202	6,167

12. Advances for vessel constructions

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 1 January 2013	4,942,348	4,250,803
Additions	661,062	213,156
Increase from acquisition of investment in a subsidiary	533,026	-
Interest costs and commitment fee	25,286	6,501
Amortisation of financial fees	606	175
Other direct costs	30,535	18,156
Novation/cancellation of shipbuilding contracts	(3,415,895)	(2,864,942)
Transfer to cost of vessel and equipment of a subsidiary	(580,029)	(580,029)
Translation adjustment	139,731	89,352
Balance as at 30 September 2013	2,336,670	1,133,172
Less: Current portion	(1,721,945)	(1,133,172)
Advances for vessel constructions - net of current portion	614,725	-

During the nine-month period ended 30 September 2013, the amounts of borrowing costs capitalised were Baht 25.29 million in the consolidated financial statements and Baht 6.50 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% - 2.64% 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					
	DWT	Shipbuilding Contract Date	Contract Amount (USD)	Installments paid to the Shipbuilder by the Company (USD)	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)		
						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
- 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 21.80 million (or approximately Baht 650.83 million) in the consolidated and separate income statements for the nine-month period ended 30 September 2013.

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 Contracts

(a) 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 (Million USD)	Installments paid to the Shipbuilder by ABC Three Company (Million USD)
380	20,000	22 April 2010	28.50	5.70

(Unaudited but reviewed)

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 nine-month period ended 30 September 2013.

- (b) The Company and ABC Two Pte. Limited (the “Buyers”) issued 5 Cancellation Notices to ABG Shipyard Ltd. (“Shipbuilder”) under 5 Shipbuilding Contracts (“SBCs”). The Buyers made claims of advance installments paid and interest thereon under the SBCs. Since the Shipbuilder failed to fulfill the Shipbuilder’s obligation in accordance with the SBCs and did not make the payment demanded to the Buyers for the claims, the Buyers then invoked the Guarantees available with the Buyers and submitted the Letters of Demand against the Irrevocable Letters of Guarantee and/or Performance Guarantees to the various Indian Banks in India (“Guarantors”) in accordance with the SBCs.

As of 30 September 2013, the Buyers have received an aggregate amount of USD 81.71 million (or approximately Baht 2,582.53 million) being all the guaranteed amounts with applicable interest pursuant to 4 SBCs for Hull Nos. 337, 348, 379 and 349 from the Guarantors as a result of the claims submitted, and for Hull No. 338, the Company received USD 0.50 million (or approximately Baht 15.80 million) and recorded the remaining balance of USD 19.47 million (or approximately Baht 611.27 million) under “Trade and other receivables” account in the statement of financial position. Table below presents amounts received from Guarantors during the nine-month period ended 30 September 2013.

Hull No.	Shipbuilding Contract date	Cancellation Notice date	Letter of Demand date	Amounts received from Guarantors (Million USD)
337	20 July 2007	10 June 2013	20 August 2013	19.19
348	11 February 2008	10 June 2013	20 August 2013	24.84
379	22 April 2010	10 June 2013	20 August 2013	12.33
349	11 February 2008	29 July 2013	20 August 2013	24.85
338	20 July 2007	16 September 2013	17 September 2013	0.50
Total				81.71

(Unaudited but reviewed)

For the three-month and nine-month periods ended 30 September 2013, the Group recorded gains on Cancellation of Shipbuilding Contracts for all the 5 Hulls of USD 6.13 million (or approximately Baht 193.71 million) in the consolidated income statements and USD 5.64 million (or approximately Baht 178.41 million) in the separate income statements.

Subsequently, on 4 October 2013, and 7 October 2013, the Company received the remaining balance of USD 19.47 million (or approximately Baht 611.27 million) towards the claims for Hull No. 338 from the Guarantors.

The signing of shipbuilding contracts for cement carriers of subsidiaries

During the nine-month period ended 30 September 2013, 2 shipbuilding contracts have been signed per details below.

Vessel type	Cement Carrier	Cement Carrier
Acquirer	ABC Four Pte. Limited (“ABC Four ”)	Associated Bulk Carriers Pte. Limited (“ABC”)
Shipbuilder	China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China	China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China
Contract date	3 April 2013	30 August 2013
Contract price	USD 24.18 million	USD 24.48 million
Payment terms	The contract price will be paid in 5 installments. The first installment of 10% would be payable on the submission of a bank guarantee in favor of ABC Four to secure the refunds of the 4 installments paid before delivery. The next 3 installments of 10% each would be payable on the submission of relevant milestone certificates. The last installment of 60% would be payable on delivery.	The contract price will be paid in 5 installments. The first installment of 10% would be payable on the submission of a bank guarantee in favor of ABC to secure the refunds of the 4 installments paid before delivery. The next 3 installments of 10% each would be payable on the submission of relevant milestone certificates. The last installment of 60% would be payable on delivery.
Expected delivery date	July 2014	November 2014

(Unaudited but reviewed)

13. Deferred financial fees

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

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2013	125,212	100,561
Additions	1,712	-
Increase from acquisition of investment in a subsidiary	12,811	-
Transfer to present as a deduction against long-term loans	(24,513)	(1,257)
Transfer to a subsidiary as borrower	-	(12,223)
Write-off deferred financial fee due to prepayment/ cancellation of loan facilities	(22,396)	(16,356)
Translation adjustment	2,313	1,460
Balance as at 30 September 2013	<u>95,139</u>	<u>72,185</u>

(Unaudited but reviewed)

14. Long-term loan facilities

As at 30 September 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 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	
Long-term loans	1,305,451	2,093,783	-	174,601	2,101,670	1,618,758	3,982,537	4,546,766	1,923,873	811,370	9,313,531	9,245,278
Less: Deferred financial fees	(7,973)	(11,942)	-	(2,350)	(38,464)	(31,183)	(113,129)	(122,670)	(15,755)	(10,142)	(175,321)	(178,287)
Total	1,297,478	2,081,841	-	172,251	2,063,206	1,587,575	3,869,408	4,424,096	1,908,118	801,228	9,138,210	9,066,991
Less: Current portion	(96,019)	(546,134)	-	(5,742)	(174,542)	(127,614)	(122,378)	(122,479)	(178,085)	-	(571,024)	(801,969)
Long-term loans - net of												
current portion	1,201,459	1,535,707	-	166,509	1,888,664	1,459,961	3,747,030	4,301,617	1,730,033	801,228	8,567,186	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 September 2013	31 December 2012
Long-term loans	-	1,200,759
Less: Deferred financial fees	-	(6,188)
Total	-	1,194,571
Less: Current portion	-	(481,890)
Long-term loans - net of current portion	-	712,681

Movements in the long-term loan accounts during the nine-month period ended 30 September 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	Total
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	-	1,062,898	2,025,831
Amortisation of financial fees	1,311	431	5,040	12,313	7,026	26,121
Write-off deferred financial fees due to cancellation of loan facility	4,163	4,401	-	-	-	8,564
Increase from acquisition of investment in a subsidiary	-	166,610	-	-	-	166,610
Less: Deferred financial fees	(1,257)	-	(11,033)	-	(12,223)	(24,513)
Repayment	(418,732)	-	(118,983)	(87,434)	-	(625,149)
Prepayment	-	(352,293)	-	(538,177)	-	(890,470)
Prepayment due to cancellation of loan facility	(833,968)	-	-	-	-	(833,968)
Unrealised exchange gain	-	-	-	(33,440)	-	(33,440)
Translation adjustment	34,504	8,600	67,290	92,050	49,189	251,633
Balance as at 30 September 2013	1,297,478	-	2,063,206	3,869,408	1,908,118	9,138,210

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements
	Loan facilities for financing the construction and acquisition of new vessels
	Facility 1
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	4,163
Less: Deferred financial fees	(1,257)
Repayment	(355,544)
Prepayment due to cancellation of loan facility	(833,968)
Translation adjustment	(11,204)
Balance as at 30 September 2013	-

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

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

Facility 1

During the nine-month period ended 30 September 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	Cancellation Amount of Undrawn Loan Facility	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	-
338	31 July 2013 / 12 September 2013	12,000,002	11,999,998

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.

Facility 4

On 18 September 2013, ABC Two Pte. Limited and ABC Three Pte. Limited, SPC subsidiaries of ABC Company, have executed the First Supplemental Agreement in relation to a Term Loan Facility with Bangkok Bank PCL, Singapore Branch, signed earlier on 15 February 2012, mainly to amend the purpose, maximum loan facility, repayment term and security per details below.

Facility / Description	Pre-delivery facility	Post-delivery facility
Purpose	To finance the Pre and Post-delivery Installments of the construction of two new cement carriers ordered with China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China, for replacement of the two cement carriers ordered with ABG Shipyard Ltd., India, which were subsequently cancelled.	
Maximum Loan Facility	Maximum loan facility for both Vessels shall not exceed USD 38,688,000 of which, each vessel loan shall not exceed USD 19,344,000 per vessel.	
Repayment	To be repaid in one lump sum (from post-delivery facility) upon delivery of each vessel	For each Vessel, in 39 equal quarterly installments of USD 322,400 and a balloon repayment of USD 6,770,400 together with the last installment. The first repayment installment to be due 3 months after the final drawdown of each vessel.
Security	Corporate Guarantee from the Company	Corporate Guarantee from the Company for up to USD 8 million per vessel.

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 September 2013	31 December 2012	30 September 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	54.50	167.20	-	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	38.69	45.60	38.69	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 September 2013	31 December 2012	30 September 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	35.18	69.98

15. Basic earnings per share

Basic earnings per share is calculated by dividing profit 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.

16. 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 September										
	Time charter		Voyage charter		Total		Elimination		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Hire income	650,276	588,473	-	-	650,276	588,473	(12,989)	(12,880)	637,287	575,593
Freight income	-	-	296,458	238,791	296,458	238,791	-	-	296,458	238,791
Total vessel operating										
Income	650,276	588,473	296,458	238,791	946,734	827,264	(12,989)	(12,880)	933,745	814,384
Voyage disbursements	-	-	(48,618)	(57,547)	(48,618)	(57,547)	12,989	12,880	(35,629)	(44,667)
Bunker consumption	-	-	(126,512)	(103,095)	(126,512)	(103,095)	-	-	(126,512)	(103,095)
Total voyage expenses	-	-	(175,130)	(160,642)	(175,130)	(160,642)	12,989	12,880	(162,141)	(147,762)
Net vessel operating										
income/time charter										
equivalent income	650,276	588,473	121,328	78,149	771,604	666,622	-	-	771,604	666,622

(Unit: Thousand Baht)

Consolidated financial statements										
For the nine-month periods ended 30 September										
	Time charter		Voyage charter		Total		Elimination		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Hire income	1,919,806	1,653,514	-	-	1,919,806	1,653,514	(37,014)	(37,894)	1,882,792	1,615,620
Freight income	-	-	879,482	1,014,044	879,482	1,014,044	(67,349)	(36,860)	812,133	977,184
Total vessel operating										
income	1,919,806	1,653,514	879,482	1,014,044	2,799,288	2,667,558	(104,363)	(74,754)	2,694,925	2,592,804
Voyage disbursements	-	-	(223,122)	(227,004)	(223,122)	(227,004)	104,363	74,754	(118,759)	(152,250)
Bunker consumption	-	-	(381,331)	(443,179)	(381,331)	(443,179)	-	-	(381,331)	(443,179)
Total voyage expenses	-	-	(604,453)	(670,183)	(604,453)	(670,183)	104,363	74,754	(500,090)	(595,429)
Net vessel operating										
income/time charter										
equivalent income	1,919,806	1,653,514	275,029	343,861	2,194,835	1,997,375	-	-	2,194,835	1,997,375

17. 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 nine-month period ended 30 September 2013 consist of the following.

	Approved by	Qualified ordinary share	Shares held by the registrar	Dividend per share	Dividend paid	Paid date
		(shares)	(shares)	(Baht)	(Million Baht)	
a) Interim dividend based on the retained earnings as of 30 June 2013	Board of Directors' meeting on 31 July 2013	1,038,373,899	1,146,701	0.10	103.84	28 August 2013
b) 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
c) 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>0.30</u>	<u>311.62</u>	

18. Commitments and contingent liabilities

18.1 Shipbuilding contracts commitments

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

	30 September 2013		31 December 2012	
	(Million USD)	(Equivalent to Million Baht)	(Million USD)	(Equivalent to Million Baht)
The Company	24.00	753.38	122.60	3,755.43
Subsidiaries	89.05	2,795.21	-	-
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	113.05	3,548.59	191.77	5,874.34

18.2 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 September 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	-	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	38.69	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 September 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	35.18	69.98	Every three months until the end of the drawdown period	30 December 2013

18.3 Uncalled portion of other long-term investment

As at 30 September 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).

18.4 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 September 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 4.33 million or approximately Baht 135.95 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.

18.5 Commitment from option deed agreement

Apart from the Share Sale and Purchase Agreement signed with Varada Marine Pte. Ltd. (“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.

19. Functional currency financial statements

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

	Consolidated		(Unit: Thousand USD) Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	76,329	62,061	56,460	21,098
Current investment	-	-	-	-
Trade and other receivables	28,707	7,077	60,038	35,531
Short-term loans to a subsidiary	-	-	71,400	76,800
Current portion of advances for vessel constructions	54,855	15,768	36,099	12,796
Bunker oil	4,353	4,791	-	-
Other current assets				
Advances to vessel masters	4,109	3,366	-	-
Claim recoverables	990	774	-	-
Others	2,688	2,190	1,484	1,465
Total other current assets	7,787	6,330	1,484	1,465
Total current assets	172,031	96,027	225,481	147,690
Non-current assets				
Investments in subsidiaries	-	-	235,163	228,589
Investment in joint venture	-	-	-	-
Investment in associate held by a subsidiary	2,560	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	-	-	15,402	-
Receivables from cross currency swap contracts	1,633	2,746	-	-
Property, plant and equipment	578,232	529,276	231	257
Intangible assets	198	420	196	418
Other non-current assets				
Claim recoverables - maritime claims	3,728	1,490	-	-
Advances for vessel constructions - net of current portion	19,583	145,580	-	125,976
Deferred financial fees	3,031	4,088	2,300	3,283
Deferred contract costs	4,330	1,071	-	-
Others	97	98	76	78
Total other non-current assets	30,769	152,327	2,376	129,337
Total non-current assets	613,652	688,447	253,628	372,247
Total assets	785,683	784,474	479,109	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	financial statements	financial statements
	30 September	31 December	30 September	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	510	56	19	-
Advances received from related parties	-	-	62,526	85,750
Accrued crew accounts	2,653	2,423	-	-
Accrued expenses	2,594	4,366	23	124
Current portion of accrued employee bonus	1,261	1,444	1,163	1,335
Total trade and other payables	7,018	8,289	63,731	87,209
Advances received from charterers	1,888	1,120	-	-
Current portion of long-term loans	18,191	26,181	-	15,732
Income tax payable	92	145	-	-
Other current liabilities				
Withholding tax payable	133	360	90	317
Others	510	450	128	167
Total other current liabilities	643	810	218	484
Total current liabilities	27,832	36,545	63,949	103,425
Non-current liabilities				
Accrued employee bonus - net of current portion	732	750	673	693
Long-term loans - net of current portion	272,921	269,820	-	23,266
Provision for maritime claims	4,938	2,210	-	-
Provision for long-term employee benefits	2,389	2,296	2,191	2,099
Total non-current liabilities	280,980	275,076	2,864	26,058
Total liabilities	308,812	311,621	66,813	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	504	467	504	467
Unappropriated	404,818	400,142	352,728	330,923
Other components of shareholders' equity	(2,014)	(1,145)	-	-
Equity attributable to owner of the Company	476,832	472,813	412,296	390,454
Non-controlling interests of the subsidiaries	39	40	-	-
Total shareholders' equity	476,871	472,853	412,296	390,454
Total liabilities and shareholders' equity	785,683	784,474	479,109	519,937

(Unaudited but reviewed)

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

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
Revenues				
Vessel operating income				
Hire income	20,164	18,412	-	-
Freight income	9,380	7,639	-	-
Total vessel operating income	29,544	26,051	-	-
Service income	69	172	742	581
Gains on sales of equipment	-	9	-	9
Gains on novation/cancellation of shipbuilding contracts	6,129	9,760	5,645	9,760
Interest income	5	88	72	136
Exchange gains	88	-	82	-
Other income	29	107	29	87
Dividend received	-	-	4,023	3,691
Total revenues	35,864	36,187	10,593	14,264
Expenses				
Vessel operating costs				
Vessel running expenses	13,982	9,730	-	-
Voyage disbursements	1,128	1,429	-	-
Bunker consumption	4,003	3,298	-	-
Total vessel operating costs	19,113	14,457	-	-
Depreciation	9,584	7,556	19	30
Cost of services	32	18	-	-
Administrative expenses	1,599	1,502	1,418	1,350
Management remuneration including perquisites	817	802	774	755
Bad debts and doubtful accounts	388	18	-	-
Exchange losses	-	167	-	146
Total expenses	31,533	24,520	2,211	2,281
Profit before share of profit from investment in associate, finance cost and income tax expenses	4,331	11,667	8,382	11,983
Share of profit from investment in associate held by a subsidiary	249	56	-	-
Profit before finance cost and income tax expenses	4,580	11,723	8,382	11,983
Finance cost	(3,888)	(4,654)	(856)	(2,427)
Profit before income tax expenses	692	7,069	7,526	9,556
Income tax expenses	(46)	(45)	-	-
Profit for the period	646	7,024	7,526	9,556
Profit attributable to:				
Equity holders of the Company	646	7,013	7,526	9,556
Non-controlling interests of the subsidiaries	-	11	-	-
Profit for the period	646	7,024	7,526	9,556
				(Unit: USD)
Basic earnings per share				
Profit attributable to equity holders of the Company	0.0006	0.0068	0.0072	0.0092

(Unaudited but reviewed)

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

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
Revenues				
Vessel operating income				
Hire income	61,771	51,802	-	-
Freight income	26,651	31,365	-	-
Total vessel operating income	88,422	83,167	-	-
Service income	286	264	2,209	1,663
Gains on sales of equipment	-	9	-	9
Gains on novation/cancellation of shipbuilding contracts	28,676	9,760	27,445	9,760
Interest income	133	488	250	572
Exchange gains	211	-	239	-
Other income	66	107	66	87
Dividend received	-	-	12,731	12,139
Total revenues	117,794	93,795	42,940	24,230
Expenses				
Vessel operating costs				
Vessel running expenses	39,608	28,443	-	-
Voyage disbursements	3,911	4,884	-	-
Bunker consumption	12,547	14,223	-	-
Total vessel operating costs	56,066	47,550	-	-
Depreciation	27,317	21,127	72	96
Cost of services	129	111	-	-
Administrative expenses	5,468	4,269	4,747	3,722
Management remuneration including perquisites	2,715	2,124	2,558	2,022
Bad debts and doubtful accounts	15	652	-	-
Exchange losses	-	189	-	229
Total expenses	91,710	76,022	7,377	6,069
Profit before share of profit (loss) from investment in associate, finance cost and income tax expenses	26,084	17,773	35,563	18,161
Share of profit (loss) from investment in associate held by a subsidiary	826	(293)	-	-
Profit before finance cost and income tax expenses	26,910	17,480	35,563	18,161
Finance cost	(11,501)	(11,208)	(3,291)	(4,949)
Profit before income tax expenses	15,409	6,272	32,272	13,212
Income tax expenses	(92)	(116)	-	-
Profit for the period	15,317	6,156	32,272	13,212
Profit attributable to:				
Equity holders of the Company	15,318	6,097	32,272	13,212
Non-controlling interests of the subsidiaries	(1)	59	-	-
Profit for the period	15,317	6,156	32,272	13,212
(Unit: USD)				
Basic earnings per share				
Profit attributable to equity holders of the Company	0.0147	0.0059	0.0310	0.0127

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 28 October 2013.