

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 2019

## **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 2019, the related consolidated statements of income, and comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Precious Shipping Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

**Emphasis of matter**

Without expressing a modified conclusion on the aforementioned interim financial information, I draw attention to note 9 and 18 to the financial statements regarding the cancellation of the Shipbuilding Contracts and the uncertainty regarding the outcome of arbitration proceedings.

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

EY Office Limited

Bangkok: 7 November 2019

**Precious Shipping Public Company Limited and its subsidiaries**

**Statement of financial position**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	Note	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,303,684	1,842,832	331,381	496,614
Trade and other receivables	3, 4	132,420	254,214	4,258,778	4,155,581
Bunker oil		54,638	95,946	-	-
Other current assets					
Advances to vessel masters		67,300	87,398	-	-
Claim recoverables		1,419	6,222	-	-
Others		41,262	30,541	11,964	12,613
Total other current assets		109,981	124,161	11,964	12,613
<b>Total current assets</b>		<b>1,600,723</b>	<b>2,317,153</b>	<b>4,602,123</b>	<b>4,664,808</b>
<b>Non-current assets</b>					
Long-term loans to subsidiaries	5	-	-	4,350,229	5,020,049
Investments in subsidiaries	6	-	-	6,126,159	6,498,212
Investment in associate held by a subsidiary	7	73,629	73,356	-	-
Other long-term investment		17,362	18,417	17,362	18,417
Receivables from cross currency swap contracts		879,111	565,590	852,413	559,158
Property, plant and equipment	8	20,547,393	22,409,263	7,352	9,440
Intangible assets		5,221	7	5,221	7
Other non-current assets					
Claim recoverables - maritime claims		37,240	51,777	-	-
Advances for vessel constructions	9	2,077,203	2,203,355	2,069,373	2,195,049
Deferred contract costs	10	169,414	193,136	-	-
Others		4,751	4,853	3,987	4,083
Total other non-current assets		2,288,608	2,453,121	2,073,360	2,199,132
<b>Total non-current assets</b>		<b>23,811,324</b>	<b>25,519,754</b>	<b>13,432,096</b>	<b>14,304,415</b>
<b>Total assets</b>		<b>25,412,047</b>	<b>27,836,907</b>	<b>18,034,219</b>	<b>18,969,223</b>

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 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables					
Trade and other payables	4	91,750	73,773	5,784	664
Advances received from related parties	4	-	-	1,821,926	1,726,757
Accrued crew accounts		84,598	86,351	-	-
Accrued expenses		185,858	192,952	76,500	43,037
Accrued employee bonus		25,950	35,609	18,553	25,532
<b>Total trade and other payables</b>		<b>388,156</b>	<b>388,685</b>	<b>1,922,763</b>	<b>1,795,990</b>
Advances received from charterers		50,397	19,938	-	-
Current portion of long-term loans	11	1,783,813	1,877,206	-	-
Current portion of debentures	12	1,947,447	-	1,947,447	-
Income tax payable		-	984	-	-
Other current liabilities		18,170	21,662	13,376	13,747
<b>Total current liabilities</b>		<b>4,187,983</b>	<b>2,308,475</b>	<b>3,883,586</b>	<b>1,809,737</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	11	5,736,213	7,150,290	-	-
Debentures - net of current portion	12	3,564,900	5,510,771	3,564,900	5,510,771
Provision for maritime claims	13	48,692	59,786	-	-
Provision for long-term employee benefits	14	151,736	112,129	119,719	89,758
<b>Total non-current liabilities</b>		<b>9,501,541</b>	<b>12,832,976</b>	<b>3,684,619</b>	<b>5,600,529</b>
<b>Total liabilities</b>		<b>13,689,524</b>	<b>15,141,451</b>	<b>7,568,205</b>	<b>7,410,266</b>

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)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	Note	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital	15				
Registered share capital					
1,559,291,862 ordinary shares of Baht 1 each (31 December 2018: 1,611,256,930 ordinary shares of Baht 1 each)		1,559,292	1,611,257	1,559,292	1,611,257
Issued and paid-up share capital					
1,559,291,862 ordinary shares of Baht 1 each		1,559,292	1,559,292	1,559,292	1,559,292
Paid-in capital					
Premium on ordinary shares		1,967,897	1,967,897	1,967,897	1,967,897
Premium on treasury stock		172,446	172,446	172,446	172,446
Retained earnings					
Appropriated					
Statutory reserve - the Company		103,952	103,952	103,952	103,952
- subsidiaries		523,320	523,320	-	-
Corporate social responsibility reserve		17,980	17,393	17,980	17,393
Unappropriated		8,876,186	9,135,683	6,780,476	7,220,773
Other components of shareholders' equity		(1,498,583)	(784,562)	(136,029)	517,204
Equity attributable to owners of the Company		11,722,490	12,695,421	10,466,014	11,558,957
Non-controlling interests of the subsidiaries		33	35	-	-
<b>Total shareholders' equity</b>		<b>11,722,523</b>	<b>12,695,456</b>	<b>10,466,014</b>	<b>11,558,957</b>
<b>Total liabilities and shareholders' equity</b>		<b>25,412,047</b>	<b>27,836,907</b>	<b>18,034,219</b>	<b>18,969,223</b>
		-	-	-	-

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

Directors

(Unaudited but reviewed)

**Precious Shipping Public Company Limited and its subsidiaries****Income statement****For the three-month period ended 30 September 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Revenues</b>					
Vessel operating income					
Hire income		858,951	1,045,041	-	-
Freight income		183,796	268,029	-	-
Total vessel operating income		1,042,747	1,313,070	-	-
Service income	4	1,880	958	22,325	22,945
Interest income		5,893	11,152	2,468	5,590
Dividend income		405	-	405	-
Exchange gains		689	-	950	-
<b>Total revenues</b>		<b>1,051,614</b>	<b>1,325,180</b>	<b>26,148</b>	<b>28,535</b>
<b>Expenses</b>					
Vessel operating costs					
Vessel running expenses		371,948	420,763	-	-
Voyage disbursements		36,680	67,875	-	-
Bunker consumption		73,330	76,880	-	-
Total vessel operating costs		481,958	565,518	-	-
Depreciation	8	294,577	306,146	769	747
Cost of services		1,069	1,112	-	-
Administrative expenses	4	110,376	100,784	85,069	64,020
Management remuneration including perquisites	4	19,985	22,117	20,675	20,525
Reversal of bad debts and doubtful accounts		(1,363)	(1,682)	-	-
Exchange losses		-	549	-	112
<b>Total expenses</b>		<b>906,602</b>	<b>994,544</b>	<b>106,513</b>	<b>85,404</b>
<b>Profit (loss) before share of profit from investment in associate and finance cost</b>					
		145,012	330,636	(80,365)	(56,869)
Share of profit from investment in associate held by a subsidiary					
	7.1	8,462	6,293	-	-
<b>Profit (loss) before finance cost</b>		<b>153,474</b>	<b>336,929</b>	<b>(80,365)</b>	<b>(56,869)</b>
Finance cost		(182,898)	(230,358)	(75,840)	(76,458)
<b>Profit (loss) for the period</b>		<b>(29,424)</b>	<b>106,571</b>	<b>(156,205)</b>	<b>(133,327)</b>

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 2019**

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

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2019	2018	2019	2018
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(29,424)	106,571	(156,205)	(133,327)
Non-controlling interests of the subsidiaries		-	-	-	-
<b>Profit (loss) for the period</b>		<u>(29,424)</u>	<u>106,571</u>	<u>(156,205)</u>	<u>(133,327)</u>
<b>Basic earnings per share</b>	16				
Profit (loss) attributable to equity holders of the Company		<u>(0.02)</u>	<u>0.07</u>	<u>(0.10)</u>	<u>(0.08)</u>
Weighted average number of ordinary shares (Thousand shares)		<u>1,559,292</u>	<u>1,559,292</u>	<u>1,559,292</u>	<u>1,559,292</u>

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



(Unaudited but reviewed)

**Precious Shipping Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the three-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Profit (loss) for the period</b>	<u>(29,424)</u>	<u>106,571</u>	<u>(156,205)</u>	<u>(133,327)</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	<u>7,285</u>	<u>(10,354)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>7,285</u>	<u>(10,354)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of functional currency to presentation currency financial statements	<u>(58,781)</u>	<u>(294,751)</u>	<u>(52,480)</u>	<u>(277,871)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(58,781)</u>	<u>(294,751)</u>	<u>(52,480)</u>	<u>(277,871)</u>
<b>Other comprehensive income for the period</b>	<u>(51,496)</u>	<u>(305,105)</u>	<u>(52,480)</u>	<u>(277,871)</u>
<b>Total comprehensive income for the period</b>	<u><u>(80,920)</u></u>	<u><u>(198,534)</u></u>	<u><u>(208,685)</u></u>	<u><u>(411,198)</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>(80,920)</u>	<u>(198,533)</u>	<u>(208,685)</u>	<u>(411,198)</u>
Non-controlling interests of the subsidiaries	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
	<u><u>(80,920)</u></u>	<u><u>(198,534)</u></u>	<u><u>(208,685)</u></u>	<u><u>(411,198)</u></u>

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 nine-month period ended 30 September 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Revenues</b>					
Vessel operating income					
Hire income		2,478,825	3,083,680	-	-
Freight income		516,070	501,736	-	-
Total vessel operating income		2,994,895	3,585,416	-	-
Service income	4	6,829	2,762	66,777	67,679
Gains on sales of equipment		387	-	-	-
Interest income		24,813	27,472	9,731	17,259
Dividend income		405	-	405	-
Other income		119	4	-	3
<b>Total revenues</b>		<b>3,027,448</b>	<b>3,615,654</b>	<b>76,913</b>	<b>84,941</b>
<b>Expenses</b>					
Vessel operating costs					
Vessel running expenses		1,186,778	1,195,637	-	-
Voyage disbursements		103,942	117,413	-	-
Bunker consumption		174,442	148,808	-	-
Total vessel operating costs		1,465,162	1,461,858	-	-
Depreciation	8	889,661	875,463	2,301	2,212
Cost of services		4,297	4,106	-	-
Administrative expenses	4	307,041	285,961	213,659	185,853
Management remuneration including perquisites	4	72,280	66,445	73,528	62,114
Bad debts and doubtful accounts (reversal)		226	(3,639)	-	-
Exchange losses		3,821	2,772	25	1,599
<b>Total expenses</b>		<b>2,742,488</b>	<b>2,692,966</b>	<b>289,513</b>	<b>251,778</b>
<b>Profit (loss) before share of profit from investment in associate, finance cost and income tax revenue</b>					
		284,960	922,688	(212,600)	(166,837)
Share of profit from investment in associate held by a subsidiary					
	7.1	13,444	13,135	-	-
<b>Profit (loss) before finance cost and income tax revenue</b>					
		298,404	935,823	(212,600)	(166,837)
Finance cost					
		(553,031)	(629,699)	(223,740)	(228,714)
<b>Profit (loss) before income tax revenue</b>					
		(254,627)	306,124	(436,340)	(395,551)
Income tax revenue					
		-	46	-	-
<b>Profit (loss) for the period</b>					
		<b>(254,627)</b>	<b>306,170</b>	<b>(436,340)</b>	<b>(395,551)</b>

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 2019**

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

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2019	2018	2019	2018
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(254,627)	306,170	(436,340)	(395,551)
Non-controlling interests of the subsidiaries		-	-	-	-
<b>Profit (loss) for the period</b>		<u>(254,627)</u>	<u>306,170</u>	<u>(436,340)</u>	<u>(395,551)</u>
<b>Basic earnings per share</b>	16				
Profit (loss) attributable to equity holders of the Company		<u>(0.16)</u>	<u>0.20</u>	<u>(0.28)</u>	<u>(0.25)</u>
Weighted average number of ordinary shares (Thousand shares)		<u>1,559,292</u>	<u>1,559,285</u>	<u>1,559,292</u>	<u>1,559,285</u>

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

(Unaudited but reviewed)

**Precious Shipping Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Profit (loss) for the period</b>	<u>(254,627)</u>	<u>306,170</u>	<u>(436,340)</u>	<u>(395,551)</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	<u>10,426</u>	<u>(11,023)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>10,426</u>	<u>(11,023)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial loss	<u>(4,283)</u>	<u>-</u>	<u>(3,370)</u>	<u>-</u>
Exchange differences on translation of functional currency to presentation currency financial statements	<u>(724,449)</u>	<u>(101,325)</u>	<u>(653,233)</u>	<u>(106,383)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(728,732)</u>	<u>(101,325)</u>	<u>(656,603)</u>	<u>(106,383)</u>
<b>Other comprehensive income for the period</b>	<u>(718,306)</u>	<u>(112,348)</u>	<u>(656,603)</u>	<u>(106,383)</u>
<b>Total comprehensive income for the period</b>	<u><u>(972,933)</u></u>	<u><u>193,822</u></u>	<u><u>(1,092,943)</u></u>	<u><u>(501,934)</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>(972,931)</u>	<u>193,822</u>	<u>(1,092,943)</u>	<u>(501,934)</u>
Non-controlling interests of the subsidiaries	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>(972,933)</u></u>	<u><u>193,822</u></u>	<u><u>(1,092,943)</u></u>	<u><u>(501,934)</u></u>

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

(Unaudited but reviewed)

## Precious Shipping Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>												
Equity attributable to owners of the Company												
	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 owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated		Corporate social responsibility reserve	Unappropriated					
				The Company	Subsidiaries							
<b>Balance as at 1 January 2018</b>	1,559,281	1,967,716	172,446	103,952	523,320	16,443	8,681,785	(689,491)	12,335,452	35	12,335,487	
Profit for the period	-	-	-	-	-	-	306,170	-	306,170	-	306,170	
Other comprehensive income for the period	-	-	-	-	-	-	-	(112,348)	(112,348)	-	(112,348)	
Total comprehensive income for the period	-	-	-	-	-	-	306,170	(112,348)	193,822	-	193,822	
Issuance of ordinary shares as a result of warrants exercised	11	181	-	-	-	-	-	-	192	-	192	
Appropriated to corporate social responsibility reserve	-	-	-	-	-	412	(412)	-	-	-	-	
<b>Balance as at 30 September 2018</b>	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>16,855</u>	<u>8,987,543</u>	<u>(801,839)</u>	<u>12,529,466</u>	<u>35</u>	<u>12,529,501</u>	
<b>Balance as at 1 January 2019</b>	1,559,292	1,967,897	172,446	103,952	523,320	17,393	9,135,683	(784,562)	12,695,421	35	12,695,456	
Loss for the period	-	-	-	-	-	-	(254,627)	-	(254,627)	-	(254,627)	
Other comprehensive income for the period	-	-	-	-	-	-	(4,283)	(714,021)	(718,304)	(2)	(718,306)	
Total comprehensive income for the period	-	-	-	-	-	-	(258,910)	(714,021)	(972,931)	(2)	(972,933)	
Appropriated to corporate social responsibility reserve	-	-	-	-	-	587	(587)	-	-	-	-	
<b>Balance as at 30 September 2019</b>	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>17,980</u>	<u>8,876,186</u>	<u>(1,498,583)</u>	<u>11,722,490</u>	<u>33</u>	<u>11,722,523</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 2019

(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			
<b>Balance as at 1 January 2018</b>	1,559,281	1,967,716	172,446	103,952	16,443	7,856,617	604,753	12,281,208	
Loss for the period	-	-	-	-	-	(395,551)	-	(395,551)	
Other comprehensive income for the period	-	-	-	-	-	-	(106,383)	(106,383)	
Total comprehensive income for the period	-	-	-	-	-	(395,551)	(106,383)	(501,934)	
Issuance of ordinary shares as a result of warrants exercised	11	181	-	-	-	-	-	192	
Appropriated to corporate social responsibility reserve	-	-	-	-	412	(412)	-	-	
<b>Balance as at 30 September 2018</b>	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>16,855</u>	<u>7,460,654</u>	<u>498,370</u>	<u>11,779,466</u>	
<b>Balance as at 1 January 2019</b>	1,559,292	1,967,897	172,446	103,952	17,393	7,220,773	517,204	11,558,957	
Loss for the period	-	-	-	-	-	(436,340)	-	(436,340)	
Other comprehensive income for the period	-	-	-	-	-	(3,370)	(653,233)	(656,603)	
Total comprehensive income for the period	-	-	-	-	-	(439,710)	(653,233)	(1,092,943)	
Appropriated to corporate social responsibility reserve	-	-	-	-	587	(587)	-	-	
<b>Balance as at 30 September 2019</b>	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>17,980</u>	<u>6,780,476</u>	<u>(136,029)</u>	<u>10,466,014</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 nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(254,627)	306,124	(436,340)	(395,551)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	889,665	875,786	2,305	2,536
Bad debts and doubtful accounts (reversal)	226	(3,639)	-	-
Losses (gains) on sales and write-off of equipment	(387)	26	-	26
Amortisation of deferred contract costs	12,923	13,400	-	-
Share of profit from investment in associate held by a subsidiary	(13,444)	(13,135)	-	-
Provision for maritime claims (reversal)	3,890	(7,106)	-	-
Provision for long-term employee benefits	42,109	6,469	33,371	4,360
Unrealised exchange losses (gains)	(2,534)	242	(3,963)	(754)
Amortised financial fees to interest expense	18,442	29,012	-	-
Interest expense	534,936	574,493	216,275	222,162
Amortisation of deferred debentures issuing cost	4,373	4,502	4,373	4,502
Write-off withholding tax deducted at source	-	2,097	-	1,981
Profit (loss) from operating activities before changes in operating assets and liabilities	1,235,572	1,788,271	(183,979)	(160,738)
Operating assets (increase) decrease				
Trade and other receivables	108,285	(22,363)	(342,660)	(259,241)
Bunker oil	34,482	(20,413)	-	-
Other current assets	8,997	(25,950)	1,603	(3,224)
Other non-current assets	1	(120)	1	-
Operating liabilities increase (decrease)				
Trade and other payables	20,517	(114,810)	229,317	(299,365)
Advances received from charterers	32,574	(1,358)	-	-
Other current liabilities	(2,470)	1,849	108	2,868
Non-current liabilities	(6,888)	(3,374)	(6,888)	(3,374)
Cash flows from (used in) operating activities	1,431,070	1,601,732	(302,498)	(723,074)
Cash paid for corporate income tax and withholding tax deducted at source	(3,097)	(2,345)	(1,250)	(1,301)
<b>Net cash flows from (used in) operating activities</b>	<b>1,427,973</b>	<b>1,599,387</b>	<b>(303,748)</b>	<b>(724,375)</b>

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 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Cash flows from investing activities</b>				
Acquisitions of equipment and payment of dry-dock and special survey expenses	(298,376)	(194,563)	(728)	(354)
Cash received from sales of equipment	405	-	-	-
Acquisitions of computer software	(5,232)	-	(5,232)	-
Decrease in long-term loans to a subsidiary	-	-	393,725	196,935
Dividend received from associate held by a subsidiary	15,213	16,523	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>(287,990)</b>	<b>(178,040)</b>	<b>387,765</b>	<b>196,581</b>
<b>Cash flows from financing activities</b>				
Cash paid for interest expense	(535,105)	(575,117)	(216,445)	(222,786)
Cash paid for deferred financial fees	(5,416)	-	-	-
Cash received from long-term loans	496,977	-	-	-
Repayment of long-term loans	(857,724)	(349,725)	-	-
Prepayment of long-term loans	(681,139)	(640,592)	-	-
Cash received from share subscription as a result of warrant exercised	-	192	-	192
<b>Net cash flows used in financing activities</b>	<b>(1,582,407)</b>	<b>(1,565,242)</b>	<b>(216,445)</b>	<b>(222,594)</b>
Decrease in translation adjustments	(96,724)	(11,320)	(32,805)	(13,756)
<b>Net decrease in cash and cash equivalents</b>	<b>(539,148)</b>	<b>(155,215)</b>	<b>(165,233)</b>	<b>(764,144)</b>
Cash and cash equivalents at beginning of period	1,842,832	1,853,618	496,614	1,240,080
<b>Cash and cash equivalents at end of period</b>	<b>1,303,684</b>	<b>1,698,403</b>	<b>331,381</b>	<b>475,936</b>

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 2019**

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

These interim financial statements are presented in Thai Baht which is different from the functional currency of the Company, which is US Dollar. The presentation in Thai Baht is in accordance with 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 2018. There have been no changes in the composition of the Group during the current period.

### **1.4 New financial reporting standards**

#### **(a) Financial reporting standards that became effective in the current period**

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s and its subsidiaries’ financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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

This standard does not have any significant impact on the Company’s and its subsidiaries’ financial statements.

**(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

**TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

**2. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018.

**3. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	114,969	250,030	-	-
3 - 6 months	10,586	1,574	-	-
6 - 12 months	6,865	1,728	-	-
Over 12 months	153	882	-	-
Total	132,573	254,214	-	-
Less: Allowance for doubtful debts	(153)	-	-	-
Total trade receivables - unrelated parties, net	132,420	254,214	-	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 4)	-	-	4,258,778	4,155,581
Total other receivables	-	-	4,258,778	4,155,581
Total trade and other receivables - net	132,420	254,214	4,258,778	4,155,581

(Unaudited but reviewed)

#### 4. Related party transactions

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<b>Transactions with subsidiaries</b>					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	22,325	22,945	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Condominium rental expenses	-	-	1,872	1,644	Market price
<b>Transaction with associate</b>					
Dividend received	8,454	-	-	-	As declared
<b>Transactions with related companies</b>					
Air ticket expenses	985	2,247	374	143	Market price
Rental and service expenses	1,930	2,108	1,749	1,754	Market price

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<b>Transactions with subsidiaries</b>					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	66,777	67,679	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Condominium rental expenses	-	-	5,346	5,090	Market price
<b>Transaction with associate</b>					
Dividend received	15,213	16,523	-	-	As declared
<b>Transactions with related companies</b>					
Air ticket expenses	4,479	7,319	1,340	2,127	Market price
Rental and service expenses	9,527	9,481	7,857	7,726	Market price

(Unaudited but reviewed)

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 2019	31 December 2018	30 September 2019	31 December 2018
<b>Other receivables - related parties (Note 3)</b>				
Subsidiaries	-	-	4,258,778	4,155,581
Total other receivables - related parties	-	-	4,258,778	4,155,581
<b>Trade and other payables - related parties</b>				
Subsidiaries	-	-	1,821,926	1,726,757
Related companies	233	285	171	12
Total trade and other payables - related parties	233	285	1,822,097	1,726,769

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

#### Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2019 and 2018, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	19,160	21,628	19,850	20,038
Post-employment benefits	825	489	825	487
Total	19,985	22,117	20,675	20,525

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	58,657	64,971	59,905	60,643
Post-employment benefits	13,623	1,474	13,623	1,471
Total	72,280	66,445	73,528	62,114

#### Guarantee obligations with related parties

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

#### **5. Long-term loans to subsidiaries**

Long-term loans to subsidiaries consisted of the following.

- 1) As at 30 September 2019, long-term loans to a wholly owned subsidiary, Associated Bulk Carriers Pte. Limited, are in the form of promissory notes amounting to USD 9.70 million (31 December 2018: USD 9.70 million), bearing no interest and are due at call. The Company does not intend to call for the loans repayment in the foreseeable future; therefore, the loans are classified as long-term loans.
- 2) On 28 December 2018, the Company has executed an agreement to extend the period of repayment of advance receivables and short-term loan to Precious Shipping (Singapore) Pte. Limited ("PSSP") amounting to USD 145 million to 4 years. As at 30 September 2019, the Company had an advance receivables and short-term loan to PSSP amounting to USD 132.50 million (31 December 2018: USD 145 million).

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

(Unit: Thousand Baht)

	Separate
	financial statements
Balance as at 1 January 2019	5,020,049
Decrease	(393,725)
Translation adjustment	(276,095)
Balance as at 30 September 2019	4,350,229

## 6. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2019	2018	2019	2018	2019	2018
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	324,141	343,827
Precious Wishes Limited	230,000	230,000	99.99	99.99	275,927	292,684
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	257,750	273,403
Precious Minerals Limited	230,000	230,000	99.99	99.99	234,379	248,614
Precious Lands Limited	306,000	306,000	99.99	99.99	296,625	314,640
Precious Rivers Limited	234,000	234,000	99.99	99.99	194,960	206,800
Precious Lakes Limited	184,000	184,000	99.99	99.99	171,082	181,472
Precious Seas Limited	100,000	100,000	99.99	99.99	119,968	127,254
Precious Stars Limited	105,000	105,000	99.99	99.99	125,966	133,616
Precious Oceans Limited	175,000	175,000	99.99	99.99	209,944	222,694
Precious Planets Limited	270,000	270,000	99.99	99.99	284,672	301,961
Precious Diamonds Limited	205,000	205,000	99.99	99.99	178,225	189,049
Precious Sapphires Limited	144,000	144,000	99.99	99.99	120,917	128,261
Precious Emeralds Limited	366,000	366,000	99.99	99.99	289,942	307,550
Precious Rubies Limited	259,360	259,360	99.99	99.99	242,084	256,786
Precious Opals Limited	249,360	249,360	99.99	99.99	234,319	248,550
Precious Garnets Limited	379,000	379,000	99.99	99.99	299,057	317,219
Precious Pearls Limited	173,000	173,000	99.99	99.99	170,808	181,182
Precious Flowers Limited	336,000	336,000	99.99	99.99	329,332	349,332
Precious Forests Limited	286,000	286,000	99.99	99.99	256,036	271,585
Precious Trees Limited	202,000	202,000	99.99	99.99	199,874	212,013
Precious Ponds Limited	124,000	124,000	99.99	99.99	120,222	127,523
Precious Ventures Limited	202,000	202,000	99.99	99.99	216,803	229,970
Precious Capitals Limited	200,000	200,000	99.99	99.99	239,936	254,508
Precious Jasmines Limited	147,000	147,000	99.99	99.99	163,011	172,911
Precious Orchids Limited	217,000	217,000	99.99	99.99	184,208	195,395
Precious Lagoons Limited	140,000	140,000	99.99	99.99	167,955	178,155
Precious Cliffs Limited	140,000	140,000	99.99	99.99	167,955	178,155
Precious Hills Limited	140,000	140,000	99.99	99.99	167,955	178,155
Precious Mountains Limited	140,000	140,000	99.99	99.99	167,955	178,155
Precious Resorts Limited	140,000	140,000	99.99	99.99	167,955	178,155
Precious Cities Limited	170,000	170,000	99.99	99.99	190,986	202,585
Precious Comets Limited	141,000	141,000	99.99	99.99	127,693	135,448
Precious Ornaments Limited	156,000	156,000	99.99	99.99	140,145	148,656
Precious Moons Limited	1,000	1,000	99.98	99.98	934	991
Precious Venus Limited	298,800	298,800	99.99	99.99	259,402	275,156



(Unaudited but reviewed)

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2019	2018	2019	2018	2019	2018
			%	%		
Precious Neptune Limited	298,800	298,800	99.99	99.99	259,402	275,156
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	306	325
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	320,925	340,416
Precious Shipping (UK) Limited	250	250	100.00	100.00	306	325
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	331,744	351,892
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
Total investments in subsidiaries					8,211,806	8,710,524
Less: Allowance for loss on investments in subsidiaries					(2,085,647)	(2,212,312)
Total investments in subsidiaries - net					6,126,159	6,498,212

As at 30 September 2019, the Company has pledged the shares of 25 subsidiaries amounting to Baht 4,583.69 million (net of allowance for loss on investments) (31 December 2018: 25 subsidiaries amounting to Baht 4,862.06 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 11 to the financial statements.

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

As at 30 September 2019 and 31 December 2018, the amounts under allowance for loss on investments in subsidiaries in the separate financial statements are derived from subsidiaries which have sold vessels and insofar have no plan of buying replacement vessels.

## 7. Investment in associate held by a subsidiary

### 7.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30	31	30	31	30	31
			September	December	September	December	September	December
			2019	2018	2019	2018	2019	2018
			%	%				
International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40	62,336	66,121	73,629	73,356

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

Associate's name	Consolidated financial statements			
	For the three-month periods ended 30 September			
	Share of profit		Dividend received	
	2019	2018	2019	2018
International Seaports (Haldia) Private Limited	8,462	6,293	8,454	-

(Unit: Thousand Baht)

Associate's name	Consolidated financial statements			
	For the nine-month periods ended 30 September			
	Share of profit		Dividend received	
	2019	2018	2019	2018
International Seaports (Haldia) Private Limited	13,444	13,135	15,213	16,523

Shares of profit from investment in associate held by a subsidiary for the three-month and nine-month periods ended 30 September 2019 and 2018, included in the consolidated income statements, were recorded based on the financial information for the three-month and nine-month periods ended 30 June 2019 and 2018, respectively.

## 7.2 Summarised financial information of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the		Profit for the	
	30 June		30 June		30 June		nine-month periods ended		nine-month periods ended	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Thousand INR	Thousand INR								
International Seaports (Haldia) Private Limited	440,580	440,580	372,808	306,601	44,105	40,489	359,443	369,813	60,016	58,638

(Unaudited but reviewed)

## 8. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2019	22,409,263	9,440
Acquisitions of equipment and payment of dry-dock and special survey expenses during period - at cost	298,376	728
Disposals	(18)	-
Depreciation for the period	(889,661)	(2,301)
Translation adjustment	(1,270,567)	(515)
Net book value as at 30 September 2019	<u>20,547,393</u>	<u>7,352</u>

As at 30 September 2019, the subsidiaries have mortgaged 30 vessels (31 December 2018: 32 vessels) with net book value of Baht 17,398.20 million (31 December 2018: Baht 20,309.16 million) with banks to secure long-term loans as referred to in Note 11 to the financial statements.

## 9. Advances for vessel constructions

As at 30 September 2019, the Group has balance of advances for vessel constructions amounting to USD 67.90 million or approximately Baht 2,077.20 million (including the advances plus other related costs), which related to the Nine Shipbuilding Contracts with Sainty Marine Corporation ("Sainty") for hull nos. SAM14017B to SAM14023B and SAM14027B to SAM14028B, which are under arbitration.

Movements of the advances for vessel constructions account during the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial	financial
	<u>statements</u>	<u>statements</u>
Balance as at 1 January 2019	2,203,355	2,195,049
Translation adjustment	(126,152)	(125,676)
Balance as at 30 September 2019	<u>2,077,203</u>	<u>2,069,373</u>

(Unaudited but reviewed)

During the year 2016 and 2015, the Company cancelled 12 Shipbuilding Contracts signed with Sainty Marine Corporation, China (“Sainty”) on 24 and 26 February 2014 for twelve 64,000 DWT bulk carrier vessels bearing hull nos. SAM14017B to SAM14028B (“Vessels”).

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

The Company submitted Letters of Demand to the Guarantor Bank, Export-Import Bank of China, Jiangsu Branch (“CEXIM”), against the Irrevocable Letters of Guarantee provided to the Company by CEXIM in accordance with the SBCs to seek full refund of the abovementioned advances, along with interest thereon. The Company received the refunds of the advances along with the interest for three vessels between 2016 and 2017. The Company received notices of arbitration from Sainty for the remaining nine vessels. As per the terms of the Irrevocable Letters of Guarantee and the SBCs, the Irrevocable Letters of Guarantee related to these vessels are automatically extended until 90 days after the final arbitration award is published. At present, the arbitrations for these nine Vessels are on-going. Further details are mentioned in Note 18 of the financial statements.

As of 30 September 2019 and 31 December 2018, details of the cancellations of the SBCs by the Company and by Sainty (under dispute by the Company) are as follows:

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

(Unaudited but reviewed)

**10. Deferred contract costs**

Movements of the deferred contract costs account during the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
Balance as at 1 January 2019	193,136
Amortisation for the period	(12,923)
Translation adjustment	(10,799)
Balance as at 30 September 2019	<u><u>169,414</u></u>

(Unaudited but reviewed)

**11. Long-term loan facilities**

As at 30 September 2019 and 31 December 2018, long-term loans accounts are presented below.

(Unit: Thousand Baht)

Consolidated financial statements										
Facility	Long-term loans		Deferred financial fees		Total		Current portion		Long-term loans - net of current portion	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Loan facilities for financing the construction and acquisition of new vessels</b>										
Facility 1	560,857	661,976	(454)	(1,317)	560,403	660,659	(560,403)	(91,841)	-	568,818
Facility 2	1,008,554	1,207,651	(4,674)	(8,788)	1,003,880	1,198,863	(381,915)	(182,459)	621,965	1,016,404
Facility 3	775,882	885,506	(7,500)	(9,617)	768,382	875,889	(77,807)	(82,433)	690,575	793,456
Facility 4	404,376	460,320	(1,767)	(2,238)	402,609	458,082	(39,279)	(41,644)	363,330	416,438
Facility 5	314,533	381,298	(1,184)	(1,618)	313,349	379,680	(59,686)	(63,280)	253,663	316,400
Facility 6	1,618,812	1,855,609	46,470	51,814	1,665,282	1,907,423	(179,151)	(189,893)	1,486,131	1,717,530
Facility 7	-	769,162	-	(10,740)	-	758,422	-	(758,422)	-	-
Facility 8	599,601	676,173	(17,418)	(22,201)	582,183	653,972	(51,984)	(51,785)	530,199	602,187
Facility 9	363,518	415,256	(4,907)	(6,110)	358,611	409,146	(36,781)	(38,966)	321,830	370,180
Facility 10	486,578	-	(5,156)	-	481,422	-	(35,661)	-	445,761	-
<b>Loan facilities for purchasing of vessels</b>										
Facility 1	856,121	979,082	(15,580)	(22,271)	840,541	956,811	(123,623)	(123,452)	716,918	833,359
Facility 2	533,407	751,408	9,957	17,141	543,364	768,549	(237,523)	(253,031)	305,841	515,518
<b>Total</b>	<b>7,522,239</b>	<b>9,043,441</b>	<b>(2,213)</b>	<b>(15,945)</b>	<b>7,520,026</b>	<b>9,027,496</b>	<b>(1,783,813)</b>	<b>(1,877,206)</b>	<b>5,736,213</b>	<b>7,150,290</b>

(Unaudited but reviewed)

Movements in the long-term loans accounts during the nine-month period ended 30 September 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements												
	Loan facilities for financing the construction and acquisition of new vessels										Loan facilities for purchasing of vessels		Total
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 1	Facility 2	
Balance as at 1 January 2019	660,659	1,198,863	875,889	458,082	379,680	1,907,423	758,422	653,972	409,146	-	956,811	768,549	9,027,496
Add: Drawdown	-	-	-	-	-	-	-	-	-	496,977	-	-	496,977
Amortisation of financial fees	804	3,686	1,599	350	348	(2,426)	10,189	3,583	871	245	5,528	(6,335)	18,442
Unrealised exchange loss	-	-	-	-	-	-	-	-	-	-	21,467	-	21,467
Less: Deferred financial fees	-	-	-	-	-	-	-	-	-	(5,416)	-	-	(5,416)
Repayment	(64,451)	(132,632)	(60,139)	(30,198)	(45,859)	(133,245)	(46,834)	(38,637)	(28,539)	(9,036)	(89,569)	(178,585)	(857,724)
Prepayment	-	-	-	-	-	-	(681,139)	-	-	-	-	-	(681,139)
Translation adjustment	(36,609)	(66,037)	(48,967)	(25,625)	(20,820)	(106,470)	(40,638)	(36,735)	(22,867)	(1,348)	(53,696)	(40,265)	(500,077)
Balance as at 30 September 2019	560,403	1,003,880	768,382	402,609	313,349	1,665,282	-	582,183	358,611	481,422	840,541	543,364	7,520,026

(Unaudited but reviewed)

The Group's bank loan facilities are summarised below.

Facility	Bank	Borrower	Interest rate per loan/amendment agreement
<b>Loan facilities for financing the construction and acquisition of new vessels (New buildings)</b>			
Facility 1	DNB Asia Ltd. and 5 other banks, total 6 banks	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 2	ING Bank N.V. (Singapore Branch) and DNB Asia Ltd.	4 indirect subsidiaries in Singapore	LIBOR + margin
Facility 3	Bangkok Bank PLC. (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited	LIBOR + margin
Facility 4	Bangkok Bank PLC. (Singapore Branch)	ABC Four Pte. Limited	LIBOR + margin
Facility 5	TMB Bank PLC.	ABC One Pte. Limited	LIBOR + margin
Facility 6	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 7	DNB Asia Ltd. and Export-Import Bank of China	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 8	BNP Paribas	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 9	BNP Paribas	The Company and indirect subsidiary in Singapore	LIBOR + margin
Facility 10	Export-Import Bank of Thailand	The Company and local subsidiary	LIBOR + margin
<b>Loan facilities for purchasing of vessels</b>			
Facility 1	Krung Thai Bank PLC. and 2 other banks, total 3 banks	The Company and local subsidiaries	MLR-1 for Thai Baht loan and LIBOR + margin for USD loan
Facility 2	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin



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

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

**Facility 1**

On 9 September 2019, DNB Bank ASA as the facility agent informed the Company and indirect subsidiaries in Singapore that the lenders approved the waiver of the testing of the financial covenants regarding the Funded Debt to EBITDA ratio up to 31 December 2019.

**Facility 2**

As at 30 September 2019, the Company is unable to maintain compliance with a certain financial covenant. The Company has been in discussions with the bank to request a waiver to test this financial covenant for a certain period. However, the Company's management, on the basis of a legal opinion from its in-house counsel as well as external counsel, believes that the breach of this covenant does not constitute an Event of Default and therefore does not make the outstanding loan due and payable on demand under the loan agreement. Therefore, the Company has presented the part of the outstanding balance of this loan that is not due for repayment within the next twelve months, as non-current liabilities.

**Facility 6**

On 12 July 2019, the Company and 4 local subsidiaries executed an Amendment Agreement with Export-Import Bank of Thailand, whereby the financial covenant in relation to the net funded debt to EBITDA ratio was replaced with two financial covenants. After the amendments, the financial covenants are as follows:

- a) Debt service coverage ratio of at least 1.1:1;
- b) Debt to equity ratio not exceeding 2:1 with minimum total shareholders' equity of USD 300,000,000;
- c) Minimum free cash balance of USD 100,000 per vessel owned by the Group.

**Facility 7**

On 13 August 2019, the Company prepaid all outstanding loan.

**Facility 10**

On 12 July 2019, the Company and a local subsidiary, executed an Amendment Agreement with Export-Import Bank of Thailand to extend the availability period up to 15 November 2019 (from 28 June 2019).

On 9 August 2019, the Company had drawn down the loan amounting to USD 16.20 million.

## **Loan facilities for purchasing of vessels**

### **Facility 1**

On 10 May 2019, Krung Thai Bank Plc. as the facility agent informed the Company that the lenders approved the waiver of the testing of the financial covenants regarding the Debt to EBITDA ratio up to 31 December 2019. A principal condition of the approval is that the Company is not allowed to pay dividends or make any other distributions to its shareholders during the waiver period.

As at 30 September 2019, the Company is unable to maintain compliance with a certain financial covenant regarding Debt Service Coverage Ratio covenant. However, the Company's management, on the basis of a legal opinion from its in-house counsel as well as external counsel, believes that the breach of this covenant does not constitute an Event of Default and therefore does not make the outstanding loan due and payable on demand under the loan agreement. Therefore, the Company has presented the part of the outstanding balance of this loan that is not due for repayment within the next twelve months, as non-current liabilities.

Subsequently on 8 October 2019, Krung Thai Bank Plc. as the facility agent informed the Company that the lenders approved the waiver for the obligation to comply with Debt Service Coverage Ratio covenant for the period ending 30 September 2019 and 31 December 2019. A principal condition of the approval is that the Company is not allowed to pay dividends or make any other distributions to its shareholders during the waiver period.

### **Facility 2**

On 12 July 2019, the Company and 5 local subsidiaries executed the Amendment Agreement with Export-Import Bank of Thailand, whereby the financial covenant in relation to the net funded debt to EBITDA ratio was replaced with two financial covenants. After the amendments, the financial covenants applicable to this Facility are as follows:

- a) Debt service coverage ratio of at least 1.1:1;
- b) Debt to equity ratio not exceeding 2:1 with minimum total shareholders' equity of USD 300,000,000;
- c) Minimum free cash balance of USD 100,000 per vessel owned by the Group.

(Unaudited but reviewed)

## 12. Debentures

As at 30 September 2019 and 31 December 2018, details of debentures are as follows.

Series	Maturity date	No. of units  (Thousand units)	Par value  (Baht)	Interest rate  (% p.a.)	Term of interest payment	(Unit: Thousand Baht) Carrying amount	
						30 September 2019	31 December 2018
1	Entirely redeemed on 22 January 2021 (5 years)	3,590	1,000	5.25	Quarterly	3,569,673	3,571,838
2	Entirely redeemed on 9 June 2020 (3.5 years)	1,960	1,000	5.00	Quarterly	1,948,902	1,950,084
Total						5,518,575	5,521,922
Less: Deferred debenture issuing costs						(6,228)	(11,151)
Debentures - net						5,512,347	5,510,771
Less: Current portion						(1,947,447)	-
Debentures - net of current portion						3,564,900	5,510,771

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

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

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

## 13. Provision for maritime claims

	(Unit: Thousand Baht) Consolidated financial statements
Balance as at 1 January 2019	59,786
Increase during the period	20,074
Decrease (including actual claims) during the period	(28,006)
Translation adjustment	(3,162)
Balance as at 30 September 2019	48,692

**14. Provision for long-term employee benefits**

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment. During the nine-month period ended 30 September 2019, the Group reflected the effect of the change by recognising past service costs of Baht 32.93 million (The Company only: Baht 27.15 million) as expenses in the income statement.

**15. Share capital**

On 4 April 2019, the Annual General Meeting of the Shareholders passed a resolution approving the reduction of the registered capital of the Company in the amount of Baht 51,965,068 from Baht 1,611,256,930 to Baht 1,559,291,862 by way of cancellation of 51,965,068 unissued shares at Baht 1 par value per share. The unissued shares are mainly due to the unexercised warrants. On 9 April 2019, the Company completed the registration of the aforementioned reduction of the registered capital with the Ministry of Commerce.

**16. Basic earnings per share**

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

**17. Segment information**

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

The Group's operations involve the business of owning and internationally operating Handysize, Supramax and Ultramax dry bulk vessels on a tramp shipping basis (i.e. without any set routes). This is the main industry segment that the company operates in and almost all revenues are derived from it. As such, no segmental bifurcation is applicable since the operations are almost entirely limited to this one main segment.

(Unaudited but reviewed)

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

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

The following table presents net vessel operating income from Time charter and Voyage charter of the Group for the three-month and nine-month periods ended 30 September 2019 and 2018.

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 30 September										
	Time charter		Voyage charter		Total		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Hire income	858,951	1,045,041	-	-	858,951	1,045,041	-	-	858,951	1,045,041
Freight income	-	-	221,399	294,378	221,399	294,378	(37,603)	(26,349)	183,796	268,029
Total vessel operating income	858,951	1,045,041	221,399	294,378	1,080,350	1,339,419	(37,603)	(26,349)	1,042,747	1,313,070
Voyage disbursements	-	-	(74,283)	(94,224)	(74,283)	(94,224)	37,603	26,349	(36,680)	(67,875)
Bunker consumption	-	-	(73,330)	(76,880)	(73,330)	(76,880)	-	-	(73,330)	(76,880)
Total voyage expenses	-	-	(147,613)	(171,104)	(147,613)	(171,104)	37,603	26,349	(110,010)	(144,755)
Net vessel operating income/time charter equivalent income	858,951	1,045,041	73,786	123,274	932,737	1,168,315	-	-	932,737	1,168,315

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements										
For the nine-month periods ended 30 September										
	Time charter		Voyage charter		Total		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Hire income	2,478,825	3,083,680	-	-	2,478,825	3,083,680	-	-	2,478,825	3,083,680
Freight income	-	-	649,464	527,973	649,464	527,973	(133,394)	(26,237)	516,070	501,736
Total vessel operating income	2,478,825	3,083,680	649,464	527,973	3,128,289	3,611,653	(133,394)	(26,237)	2,994,895	3,585,416
Voyage disbursements	-	-	(237,336)	(143,650)	(237,336)	(143,650)	133,394	26,237	(103,942)	(117,413)
Bunker consumption	-	-	(174,442)	(148,808)	(174,442)	(148,808)	-	-	(174,442)	(148,808)
Total voyage expenses	-	-	(411,778)	(292,458)	(411,778)	(292,458)	133,394	26,237	(278,384)	(266,221)
Net vessel operating income/time charter equivalent income	2,478,825	3,083,680	237,686	235,515	2,716,511	3,319,195	-	-	2,716,511	3,319,195

## 18. Contingent Liability in respect of the Arbitrations regarding the cancellation of the Shipbuilding Contracts with Sainty

As mentioned in Note 9 to the financial statements, there are 9 on-going arbitrations with Sainty in relation to the cancellation of the 9 Shipbuilding Contracts for construction of 9 vessels, i.e., hull nos. SAM14017B to SAM14023B and SAM14027B to SAM14028B.

The final arbitration awards (if none of the parties appeal against these arbitration awards) will determine whether: i) the Company will receive the refund of the advances which the Company paid to Sainty along with interest thereon and/or any damages, or ii) whether the Company will have to pay any claim amounts including damages to Sainty.

In the event that the final arbitration awards or the Court's ruling (in case of appeal) for all 9 arbitrations go against the Company, the Company may lose the advances for vessel constructions totaling USD 64.12 million plus other related costs, and may have a liability to pay Sainty an additional USD 18.56 million plus unquantified damages, losses, interest and/or costs in accordance with their claims.

The Company's management based on the opinion of the Company's in-house legal counsel believes that the outcome of the arbitrations is quite uncertain and is therefore unable to reliably estimate the amount of potential liability and therefore no provisions have been made in respect of the arbitration cases. However, a contingent liability in respect of the same has been acknowledged and disclosed as above.

## 19. Functional currency financial statements

The USD functional currency statements of financial position as at 30 September 2019 and 31 December 2018 and the income statements for the three-month and nine-month periods ended 30 September 2019 and 2018 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	31	30	31
	September	December	September	December
	2019	2018	2019	2018
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	42,615	56,790	10,832	15,304
Trade and other receivables	4,329	7,834	139,213	128,062
Bunker oil	1,786	2,957	-	-
Other current assets				
Advances to vessel masters	2,200	2,693	-	-
Claim recoverables	46	192	-	-
Others	1,349	941	391	389
Total other current assets	3,595	3,826	391	389
<b>Total current assets</b>	<b>52,325</b>	<b>71,407</b>	<b>150,436</b>	<b>143,755</b>
<b>Non-current assets</b>				
Long-term loans to subsidiaries	-	-	142,202	154,702
Investments in subsidiaries	-	-	200,254	200,254
Investment in associate held by a subsidiary	2,407	2,261	-	-
Other long-term investment	568	568	568	568
Receivables from cross currency swap contracts	28,737	17,430	27,864	17,231
Property, plant and equipment	671,661	690,582	240	291
Intangible assets	170	-	170	-
Other non-current assets				
Claim recoverables - maritime claims	1,218	1,595	-	-
Advances for vessel constructions	67,900	67,900	67,644	67,644
Deferred contract costs	5,538	5,952	-	-
Others	155	150	131	126
Total other non-current assets	74,811	75,597	67,775	67,770
<b>Total non-current assets</b>	<b>778,354</b>	<b>786,438</b>	<b>439,073</b>	<b>440,816</b>
<b>Total assets</b>	<b>830,679</b>	<b>857,845</b>	<b>589,509</b>	<b>584,571</b>

(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 September 2019	31 December 2018	30 September 2019	31 December 2018
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables				
Trade and other payables	2,999	2,274	189	21
Advances received from related parties	-	-	59,556	53,213
Accrued crew accounts	2,765	2,661	-	-
Accrued expenses	6,076	5,946	2,501	1,326
Accrued employee bonus	848	1,097	606	787
Total trade and other payables	12,688	11,978	62,852	55,347
Advances received from charterers	1,648	614	-	-
Current portion of long-term loans	58,310	57,850	-	-
Current portion of debentures	63,659	-	63,659	-
Income tax payable	-	30	-	-
Other current liabilities	594	668	437	424
<b>Total current liabilities</b>	<b>136,899</b>	<b>71,140</b>	<b>126,948</b>	<b>55,771</b>
<b>Non-current liabilities</b>				
Long-term loans - net of current portion	187,507	220,349	-	-
Debentures - net of current portion	116,531	169,824	116,531	169,824
Provision for maritime claims	1,592	1,843	-	-
Provision for long-term employee benefits	4,960	3,456	3,914	2,766
<b>Total non-current liabilities</b>	<b>310,590</b>	<b>395,472</b>	<b>120,445</b>	<b>172,590</b>
<b>Total liabilities</b>	<b>447,489</b>	<b>466,612</b>	<b>247,393</b>	<b>228,361</b>
<b>Shareholders' equity</b>				
Share capital				
Registered share capital	51,055	52,598	51,055	52,598
Issued and paid-up share capital	51,055	51,055	51,055	51,055
Paid-in capital				
Premium on ordinary shares	63,290	63,290	63,290	63,290
Premium on treasury stock	4,819	4,819	4,819	4,819
Retained earnings				
Appropriated				
Statutory reserve - the Company	2,802	2,802	2,802	2,802
- subsidiaries	14,460	14,460	-	-
Corporate social responsibility reserve	561	543	561	543
Unappropriated	248,283	256,547	219,589	233,701
Other components of shareholders' equity	(2,081)	(2,284)	-	-
Equity attributable to owner of the Company	383,189	391,232	342,116	356,210
Non-controlling interests of the subsidiaries	1	1	-	-
<b>Total shareholders' equity</b>	<b>383,190</b>	<b>391,233</b>	<b>342,116</b>	<b>356,210</b>
<b>Total liabilities and shareholders' equity</b>	<b>830,679</b>	<b>857,845</b>	<b>589,509</b>	<b>584,571</b>



(Unaudited but reviewed)

**Precious Shipping Public Company Limited and its subsidiaries****Income statement****For the three-month period ended 30 September 2019**

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
<b>Revenues</b>				
Vessel operating income				
Hire income	27,999	31,839	-	-
Freight income	5,992	8,166	-	-
Total vessel operating income	33,991	40,005	-	-
Service income	61	29	728	699
Interest income	192	339	80	170
Dividend income	13	-	13	-
Exchange gains	22	-	31	-
<b>Total revenues</b>	<b>34,279</b>	<b>40,373</b>	<b>852</b>	<b>869</b>
<b>Expenses</b>				
Vessel operating costs				
Vessel running expenses	12,125	12,819	-	-
Voyage disbursements	1,195	2,068	-	-
Bunker consumption	2,391	2,342	-	-
Total vessel operating costs	15,711	17,229	-	-
Depreciation	9,602	9,327	25	23
Cost of services	35	34	-	-
Administrative expenses	3,598	3,071	2,773	1,950
Management remuneration including perquisites	651	674	674	626
Reversal of bad debts and doubtful accounts	(45)	(52)	-	-
Exchange losses	-	17	-	3
<b>Total expenses</b>	<b>29,552</b>	<b>30,300</b>	<b>3,472</b>	<b>2,602</b>
<b>Profit (loss) before share of profit from investment in associate and finance cost</b>	<b>4,727</b>	<b>10,073</b>	<b>(2,620)</b>	<b>(1,733)</b>
Share of profit from investment in associate held by a subsidiary	276	192	-	-
<b>Profit (loss) before finance cost</b>	<b>5,003</b>	<b>10,265</b>	<b>(2,620)</b>	<b>(1,733)</b>
Finance cost	(5,962)	(7,018)	(2,472)	(2,329)
<b>Profit (loss) for the period</b>	<b>(959)</b>	<b>3,247</b>	<b>(5,092)</b>	<b>(4,062)</b>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(959)	3,247	(5,092)	(4,062)
Non-controlling interests of the subsidiaries	-	-	-	-
<b>Profit (loss) for the period</b>	<b>(959)</b>	<b>3,247</b>	<b>(5,092)</b>	<b>(4,062)</b>
<b>Basic earnings per share</b>				
Profit (loss) attributable to equity holders of the Company	(0.0006)	0.0021	(0.0033)	(0.0026)
Weighted average number of ordinary shares (Thousand shares)	1,559,292	1,559,292	1,559,292	1,559,292

(Unaudited but reviewed)

**Precious Shipping Public Company Limited and its subsidiaries****Income statement****For the nine-month period ended 30 September 2019**

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
<b>Revenues</b>				
Vessel operating income				
Hire income	79,431	95,968	-	-
Freight income	16,544	15,481	-	-
Total vessel operating income	95,975	111,449	-	-
Service income	218	86	2,139	2,106
Gain on sales of equipment	12	-	-	-
Interest income	793	848	311	534
Dividend income	13	-	13	-
Other income	4	-	-	-
<b>Total revenues</b>	<b>97,015</b>	<b>112,383</b>	<b>2,463</b>	<b>2,640</b>
<b>Expenses</b>				
Vessel operating costs				
Vessel running expenses	37,997	37,189	-	-
Voyage disbursements	3,331	3,611	-	-
Bunker consumption	5,602	4,588	-	-
Total vessel operating costs	46,930	45,388	-	-
Depreciation	28,497	27,231	74	69
Cost of services	137	128	-	-
Administrative expenses	9,843	8,897	6,856	5,782
Management remuneration including perquisites	2,312	2,068	2,352	1,934
Bad debts and doubtful accounts (reversal)	6	(114)	-	-
Exchange losses	121	86	-	47
<b>Total expenses</b>	<b>87,846</b>	<b>83,684</b>	<b>9,282</b>	<b>7,832</b>
<b>Profit (loss) before share of profit from investment in associate, finance cost and income tax revenue</b>	<b>9,169</b>	<b>28,699</b>	<b>(6,819)</b>	<b>(5,192)</b>
Share of profit from investment in associate held by a subsidiary	434	407	-	-
<b>Profit (loss) before finance cost and income tax revenue</b>	<b>9,603</b>	<b>29,106</b>	<b>(6,819)</b>	<b>(5,192)</b>
Finance cost	(17,714)	(19,575)	(7,168)	(7,116)
<b>Profit (loss) before income tax revenue</b>	<b>(8,111)</b>	<b>9,531</b>	<b>(13,987)</b>	<b>(12,308)</b>
Income tax revenue	-	2	-	-
<b>Profit (loss) for the period</b>	<b>(8,111)</b>	<b>9,533</b>	<b>(13,987)</b>	<b>(12,308)</b>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(8,111)	9,533	(13,987)	(12,308)
Non-controlling interests of the subsidiaries	-	-	-	-
<b>Profit (loss) for the period</b>	<b>(8,111)</b>	<b>9,533</b>	<b>(13,987)</b>	<b>(12,308)</b>
<b>Basic earnings per share</b>				
Profit (loss) attributable to equity holders of the Company	(0.0052)	0.0061	(0.0090)	(0.0079)
Weighted average number of ordinary shares (Thousand shares)	1,559,292	1,559,285	1,559,292	1,559,285

(Unaudited but reviewed)

**20. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's authorised directors on 7 November 2019.