

Precious Shipping Public Company Limited
and subsidiaries and jointly controlled entity
Audit report and consolidated financial statements
31 December 2012

Independent Auditor's Report

To the Shareholders of Precious Shipping Public Company Limited

I have audited the accompanying consolidated financial statements of Precious Shipping Public Company Limited and its subsidiaries and jointly controlled entity, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Precious Shipping Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Precious Shipping Public Company Limited and its subsidiaries and jointly controlled entity and of Precious Shipping Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited
Bangkok: 4 February 2013

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity

Statement of financial position

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	6	1,901,014,613	4,374,710,831	646,276,355	2,719,518,786
Current investment	7	-	-	-	-
Trade and other receivables	8	216,783,794	125,093,908	1,088,380,489	771,932,752
Short-term loans to a subsidiary	10	-	-	2,352,506,880	2,275,428,160
Current portion of advances for vessel constructions	19	482,995,696	1,327,296,167	391,959,194	1,327,296,167
Bunker oil		146,751,814	68,962,534	-	-
Other current assets					
Advances to vessel masters		103,108,288	63,297,992	-	-
Claim recoverables		23,720,413	18,717,858	-	-
Others		67,070,964	43,465,857	44,847,951	13,874,730
Total other current assets		193,899,665	125,481,707	44,847,951	13,874,730
Total current assets		2,941,445,582	6,021,545,147	4,523,970,869	7,108,050,595
Non-current assets					
Investments in subsidiaries	12	-	-	7,002,037,745	6,003,737,796
Investment in joint venture	13	-	-	31	32
Investment in associate held by a subsidiary	14	104,694,188	111,681,183	-	-
Other long-term investment	15	7,970,699	8,246,419	7,970,699	8,246,419
Long-term loans to jointly controlled entity	11	-	-	410,034,598	270,959,760
Receivables from cross currency swap contracts		84,131,993	48,752,293	-	-
Property, plant and equipment	16	16,212,572,345	9,445,533,320	7,859,418	6,734,944
Intangible assets	17	12,855,864	22,782,018	12,813,206	22,725,080
Other non-current assets					
Claim recoverables - maritime claims		45,634,958	41,564,593	-	-
Advances for vessel purchase	18	-	396,140,000	-	-
Advances for vessel constructions - net of current portion	19	4,459,352,096	6,571,893,082	3,858,843,592	4,487,724,751
Deferred financial fees	20	125,212,100	211,831,896	100,560,614	168,154,793
Others	34.4	35,822,140	13,278,643	2,396,105	2,405,874
Total other non-current assets		4,666,021,294	7,234,708,214	3,961,800,311	4,658,285,418
Total non-current assets		21,088,246,383	16,871,703,447	11,402,516,008	10,970,689,449
Total assets		24,029,691,965	22,893,248,594	15,926,486,877	18,078,740,044

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

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity

Statement of financial position (continued)

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables					
Trade accounts payable		1,721,660	33,149,672	6,057	523,558
Advances received from related parties	9	-	-	2,626,664,945	3,430,580,742
Accrued crew accounts		74,209,876	47,659,255	-	-
Accrued expenses		133,738,153	59,641,166	3,775,329	5,421,211
Current portion of accrued employee bonus	21	44,223,367	66,761,343	40,890,034	61,556,221
Total trade and other payables		253,893,056	207,211,436	2,671,336,365	3,498,081,732
Advances received from charterers		34,324,164	86,237,567	-	-
Current portion of long-term loans	22	801,969,153	718,548,807	481,889,760	286,950,863
Income tax payable		4,431,719	505,569	-	-
Other current liabilities					
Withholding tax payable		11,047,729	14,205,822	9,722,301	12,778,024
Others		13,775,810	20,525,852	5,120,090	9,706,563
Total other current liabilities		24,823,539	34,731,674	14,842,391	22,484,587
Total current liabilities		1,119,441,631	1,047,235,053	3,168,068,516	3,807,517,182
Non-current liabilities					
Accrued employee bonus - net of current portion	21	22,985,687	54,027,882	21,226,715	49,836,307
Long-term loans - net of current portion	22	8,265,021,817	6,307,825,838	712,680,665	1,856,651,461
Provision for maritime claims	23	67,698,899	64,637,371	-	-
Provision for long-term employee benefits	24	70,312,484	63,023,284	64,297,907	57,001,255
Total non-current liabilities		8,426,018,887	6,489,514,375	798,205,287	1,963,489,023
Total liabilities		9,545,460,518	7,536,749,428	3,966,273,803	5,771,006,205

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

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity

Statement of financial position (continued)

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Shareholders' equity					
Share capital					
Registered share capital					
1,039,520,600 ordinary shares of Baht 1 each		1,039,520,600	1,039,520,600	1,039,520,600	1,039,520,600
Issued and paid-up share capital					
1,039,520,600 ordinary shares of Baht 1 each		1,039,520,600	1,039,520,600	1,039,520,600	1,039,520,600
Paid-in capital					
Premium on ordinary shares		411,429,745	411,429,745	411,429,745	411,429,745
Premium on treasury stock		172,445,812	172,445,812	172,445,812	172,445,812
Retained earnings					
Appropriated					
Statutory reserve - the Company	25	103,952,060	103,952,060	103,952,060	103,952,060
- subsidiaries	25	518,120,000	518,120,000	-	-
Corporate social responsibility reserve	26	14,951,051	15,332,951	14,951,051	15,332,951
Unappropriated		14,193,833,311	14,521,658,969	10,694,209,831	10,624,883,723
Other components of shareholders' equity		(1,971,248,753)	(1,459,090,358)	(476,296,025)	(59,831,052)
Equity attributable to owners of the Company		14,483,003,826	15,323,369,779	11,960,213,074	12,307,733,839
Non-controlling interests of the subsidiaries		1,227,621	33,129,387	-	-
Total shareholders' equity		14,484,231,447	15,356,499,166	11,960,213,074	12,307,733,839
Total liabilities and shareholders' equity		24,029,691,965	22,893,248,594	15,926,486,877	18,078,740,044
		0	0	0	0

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

Directors

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity

Income statement

For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues					
Vessel operating income					
Hire income		2,180,520,512	2,102,650,117	-	-
Freight income		1,307,016,473	976,265,257	-	-
Total vessel operating income		3,487,536,985	3,078,915,374	-	-
Service income	9	11,183,540	4,845,459	72,261,099	52,232,890
Gains on sales of equipment		272,268	1,831,319	272,268	1,412,510
Gains on novation of shipbuilding contracts	19	305,454,329	319,167,621	305,454,329	319,167,621
Interest income	9	20,253,936	26,071,027	22,805,124	24,156,135
Exchange gains		-	-	-	684,684
Other income		3,320,742	2,170,014	2,743,619	14,370
Dividend received	9, 12, 15	-	506,521	539,249,380	982,335,321
Total revenues		3,828,021,800	3,433,507,335	942,785,819	1,380,003,531
Expenses					
Vessel operating costs					
Vessel running expenses		1,256,798,284	874,904,589	-	-
Voyage disbursements		217,973,095	131,305,127	-	-
Bunker consumption		570,871,316	327,083,608	-	-
Total vessel operating costs		2,045,642,695	1,333,293,324	-	-
Depreciation	16	910,298,065	646,563,290	4,021,488	4,833,128
Cost of services		4,320,114	5,586,962	-	-
Administrative expenses	9	177,666,787	185,530,467	152,365,284	155,949,276
Management remuneration including perquisites	9	88,393,647	99,390,770	84,094,511	93,976,987
Bad debts and doubtful accounts		12,130,779	124,468	-	-
Exchange losses		5,651,267	5,447,550	7,488,910	-
Total expenses		3,244,103,354	2,275,936,831	247,970,193	254,759,391
Profit before share of profit (loss) from investment in associate, finance cost and income tax expenses		583,918,446	1,157,570,504	694,815,626	1,125,244,140
Share of profit (loss) from investment in associate held by a subsidiary	14.1	(2,425,454)	7,637,073	-	-
Profit before finance cost and income tax expenses		581,492,992	1,165,207,577	694,815,626	1,125,244,140
Finance cost		(433,659,430)	(440,757,218)	(156,424,627)	(313,548,816)
Profit before income tax expenses		147,833,562	724,450,359	538,390,999	811,695,324
Income tax expenses	28	(4,152,840)	(3,638,021)	-	-
Profit for the year		143,680,722	720,812,338	538,390,999	811,695,324
Profit attributable to:					
Equity holders of the Company		141,026,469	718,524,855	538,390,999	811,695,324
Non-controlling interests of the subsidiaries		2,654,253	2,287,483	-	-
Profit for the year		143,680,722	720,812,338	538,390,999	811,695,324
Basic earnings per share					
Profit attributable to equity holders of the Company	30	0.14	0.69	0.52	0.78

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

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity
Statement of comprehensive income
For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit for the year	<u>143,680,722</u>	<u>720,812,338</u>	<u>538,390,999</u>	<u>811,695,324</u>
Other comprehensive income:				
Exchange differences on translation of foreign operation's financial statements	202,163	(23,873,553)	-	-
Exchange differences on translation of functional currency to presentation currency financial statements	(512,733,770)	749,415,877	(416,464,973)	602,582,679
Actuarial loss recognised during the year	<u>(1,532,113)</u>	<u>-</u>	<u>(1,744,877)</u>	<u>-</u>
Other comprehensive income for the year	<u>(514,063,720)</u>	<u>725,542,324</u>	<u>(418,209,850)</u>	<u>602,582,679</u>
Total comprehensive income for the year	<u>(370,382,998)</u>	<u>1,446,354,662</u>	<u>120,181,149</u>	<u>1,414,278,003</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(372,664,039)	1,442,508,190	120,181,149	1,414,278,003
Non-controlling interests of the subsidiaries	<u>2,281,041</u>	<u>3,846,472</u>	<u>-</u>	<u>-</u>
	<u>(370,382,998)</u>	<u>1,446,354,662</u>	<u>120,181,149</u>	<u>1,414,278,003</u>

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

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity

Cash flow statement

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	147,833,562	724,450,359	538,390,999	811,695,324
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	919,582,272	655,730,565	13,293,157	13,993,535
Bad debt and doubtful accounts	12,130,779	124,468	-	-
Write-off and donation of equipment	4	5	4	5
Gains on sales of equipment	(272,272)	(1,831,319)	(272,272)	(1,412,510)
Gains on novation of shipbuilding contracts	(305,454,329)	(319,167,621)	(305,454,329)	(319,167,621)
Write-off deferred financial fees due to cancellation of loan facility	43,123,964	89,513,976	43,123,964	89,513,976
Share of (profit) loss from investment in associate held by a subsidiary	2,425,454	(7,637,073)	-	-
Provision for maritime claims (reversal)	(165,099)	2,507,343	-	-
Provision for long-term employee benefits	5,808,674	5,930,849	5,601,576	5,737,637
Unrealised exchange losses (gains)	5,384,742	620,599	5,458,056	(2,677,699)
Amortised financial fees to interest expense	30,266,802	8,466,799	-	-
Interest expense	234,315,334	111,417,070	-	-
Interest income	(18,831,685)	(23,780,098)	(21,765,461)	(23,183,401)
Profit from operating activities before changes in operating assets and liabilities	1,076,148,202	1,246,345,922	278,375,694	574,499,246
Operating assets (increase) decrease				
Trade and other receivables	(107,919,596)	(85,696,364)	495,561,872	220,693,238
Bunker oil	(79,415,667)	(61,473,623)	-	-
Other current assets	(67,099,164)	(32,829,749)	(28,060,046)	5,809,686
Other non-current assets	(23,196,172)	(10,096,275)	9,287	-
Operating liabilities increase (decrease)				
Trade and other payables	41,347,725	21,187,748	(711,566,610)	760,533,514
Advances received from charterers	(49,596,679)	36,434,741	-	-
Other current liabilities	(3,779,814)	(27,279,154)	(8,047,866)	(57,888,004)
Other non-current liabilities	(30,625,179)	(24,973,142)	(28,223,746)	(22,712,672)
Cash flows from (used in) operating activities	755,863,656	1,061,620,104	(1,951,415)	1,480,935,008
Cash paid for corporate income tax and withholding tax deducted at source	(4,687,473)	(11,022,168)	(3,298,233)	(3,115,275)
Net cash flows from (used in) operating activities	751,176,183	1,050,597,936	(5,249,648)	1,477,819,733

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

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity

Cash flow statement (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses	(5,146,620,136)	(2,717,584,755)	(5,417,726)	(391,116)
Acquisitions of computer software	-	(351,100)	-	(289,821)
Cash paid for advances for vessel constructions and other direct costs	(1,138,145,101)	(1,363,186,373)	(776,758,946)	(808,354,084)
Cash paid for advances for vessel purchase	-	(389,908,750)	-	-
Cash received from novation of shipbuilding contracts	1,728,630,001	2,167,572,480	1,728,630,001	2,167,572,480
Proceeds from sales of equipment	272,272	1,923,077	272,272	1,501,388
Dividend received from associate held by a subsidiary	-	3,375,001	-	-
Increase in investment in a subsidiary	-	-	(1,216,000,000)	-
Increase in short-term loans to subsidiary	-	-	(165,142,500)	(249,541,600)
Increase in long-term loans to jointly controlled entity	-	-	(148,340,915)	-
Interest income	18,831,685	23,780,098	21,765,461	23,183,400
Net cash flows from (used in) investing activities	(4,537,031,279)	(2,274,380,322)	(560,992,353)	1,133,680,647
Cash flows from financing activities				
Cash paid for interest expense and commitment fee	(301,761,633)	(162,738,434)	(27,806,026)	(47,804,213)
Cash paid for deferred financial fees	(50,795,817)	(40,085,098)	(35,318,340)	-
Cash received from long-term loans	5,032,143,604	4,453,525,405	368,091,538	842,227,200
Repayment of long-term loans	(1,174,322,501)	(892,651,149)	(552,808,738)	(655,171,200)
Prepayment of long-term loans	(864,637,257)	-	-	-
Prepayment of long-term loans due to cancellation of loan facility	(708,563,107)	(1,563,072,746)	(708,563,107)	(1,563,072,746)
Dividends paid to the Company's shareholders	(467,701,914)	(644,413,837)	(467,701,914)	(644,413,837)
Dividend paid to non-controlling interests of the subsidiary	(34,182,807)	-	-	-
Net cash flows from (used in) financing activities	1,430,178,568	1,150,564,141	(1,424,106,587)	(2,068,234,796)
Increase (decrease) in translation adjustments	(118,019,690)	224,505,960	(82,893,843)	134,904,263
Net increase (decrease) in cash and cash equivalents	(2,473,696,218)	151,287,715	(2,073,242,431)	678,169,847
Cash and cash equivalents at beginning of year	4,374,710,831	4,223,423,116	2,719,518,786	2,041,348,939
Cash and cash equivalents at end of year	1,901,014,613	4,374,710,831	646,276,355	2,719,518,786
	0	0	0	0

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

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity

Cash flow statement (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Supplemental cash flows information				
Non-cash transactions				
Dividend income from subsidiaries offset against receivable from/payable to subsidiaries	-	-	539,249,380	981,828,800
Transfer of interest expense and commitment fee to advances for vessel constructions	69,315,978	47,744,245	25,170,550	44,170,852
Amortisation of financial fees to advances for vessel constructions	1,303,269	1,802,291	963,857	1,565,209
Transfer of deferred financial fees to present as a deduction from long-term loans	91,484,567	89,849,508	3,660,237	6,063,432
Transfer of deferred financial fees to subsidiary in proportion to the drawdown amount	-	-	58,995,055	86,586,466
Transfer of advances for vessel constructions to vessel and equipment of subsidiaries	2,617,409,495	588,433,904	778,557,360	588,433,904
Adjustment of deferred financial fee and advances for vessel constructions	-	(979,265)	-	(979,265)
Adjustment of provision for long-term employee benefits with the beginning balance of retained earnings	-	(57,407,906)	-	(51,551,192)

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

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity

Statement of changes in shareholders' equity

For the year ended 31 December 2012

(Unit: 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			Unappropriated	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						
				The Company	Subsidiaries							
Balance as at 1 January 2011	1,039,520,600	411,429,745	172,445,812	103,952,060	518,120,000	14,335,865	14,448,545,037	(2,183,073,693)	14,525,275,426	29,282,915	14,554,558,341	
Dividend paid to the Company's shareholders (Note 33)	-	-	-	-	-	-	(644,413,837)	-	(644,413,837)	-	(644,413,837)	
Total comprehensive income for the year	-	-	-	-	-	-	718,524,855	723,983,335	1,442,508,190	3,846,472	1,446,354,662	
Appropriated to corporated social responsibility reserve (Note 26)	-	-	-	-	-	997,086	(997,086)	-	-	-	-	
Balance as at 31 December 2011	<u>1,039,520,600</u>	<u>411,429,745</u>	<u>172,445,812</u>	<u>103,952,060</u>	<u>518,120,000</u>	<u>15,332,951</u>	<u>14,521,658,969</u>	<u>(1,459,090,358)</u>	<u>15,323,369,779</u>	<u>33,129,387</u>	<u>15,356,499,166</u>	
Balance as at 1 January 2012	1,039,520,600	411,429,745	172,445,812	103,952,060	518,120,000	15,332,951	14,521,658,969	(1,459,090,358)	15,323,369,779	33,129,387	15,356,499,166	
Dividend paid to the Company's shareholders (Note 33)	-	-	-	-	-	-	(467,701,914)	-	(467,701,914)	(34,182,807)	(501,884,721)	
Total comprehensive income for the year	-	-	-	-	-	-	139,494,356	(512,158,395)	(372,664,039)	2,281,041	(370,382,998)	
Appropriated to corporated social responsibility reserve (Note 26)	-	-	-	-	-	(381,900)	381,900	-	-	-	-	
Balance as at 31 December 2012	<u>1,039,520,600</u>	<u>411,429,745</u>	<u>172,445,812</u>	<u>103,952,060</u>	<u>518,120,000</u>	<u>14,951,051</u>	<u>14,193,833,311</u>	<u>(1,971,248,753)</u>	<u>14,483,003,826</u>	<u>1,227,621</u>	<u>14,484,231,447</u>	
	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	

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

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Separate financial statements							Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Retained earnings			Other components of shareholders' equity - other comprehensive income	
				Statutory reserve	Appropriated			
					Corporate social responsibility reserve	Unappropriated		
			Exchange differences on translation of financial statements					
Balance as at 1 January 2011	1,039,520,600	411,429,745	172,445,812	103,952,060	14,335,865	10,458,599,322	(662,413,731)	11,537,869,673
Dividend paid to the Company's shareholders (Note 33)	-	-	-	-	-	(644,413,837)	-	(644,413,837)
Total comprehensive income for the year	-	-	-	-	-	811,695,324	602,582,679	1,414,278,003
Appropriated to corporated social responsibility reserve (Note 26)	-	-	-	-	997,086	(997,086)	-	-
Balance as at 31 December 2011	<u>1,039,520,600</u>	<u>411,429,745</u>	<u>172,445,812</u>	<u>103,952,060</u>	<u>15,332,951</u>	<u>10,624,883,723</u>	<u>(59,831,052)</u>	<u>12,307,733,839</u>
Balance as at 1 January 2012	1,039,520,600	411,429,745	172,445,812	103,952,060	15,332,951	10,624,883,723	(59,831,052)	12,307,733,839
Dividend paid to the Company's shareholders (Note 33)	-	-	-	-	-	(467,701,914)	-	(467,701,914)
Total comprehensive income for the year	-	-	-	-	-	536,646,122	(416,464,973)	120,181,149
Appropriated to corporated social responsibility reserve (Note 26)	-	-	-	-	(381,900)	381,900	-	-
Balance as at 31 December 2012	<u>1,039,520,600</u>	<u>411,429,745</u>	<u>172,445,812</u>	<u>103,952,060</u>	<u>14,951,051</u>	<u>10,694,209,831</u>	<u>(476,296,025)</u>	<u>11,960,213,074</u>
	-	-	-	-	-	-	0	0
	-	-	-	-	-	-	0	0

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

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity

Notes to consolidated financial statements

For the year ended 31 December 2012

1. General 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.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

These 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 financial statements are translated into the Thai Baht presentation currency financial statements at the rate of exchange prevailing on 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 components of shareholders' equity.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Precious Shipping Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”), associate and joint venture (“the Group”).

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2012	2011
			%	%
<u>Subsidiaries held by the Company</u>				
1. Precious Metals Limited	Shipowner	Thailand	99.99	99.99
2. Precious Wishes Limited	Shipowner	Thailand	99.99	99.99
3. Precious Stones Shipping Limited	Shipowner	Thailand	99.99	99.99
4. Precious Minerals Limited	Shipowner	Thailand	99.99	99.99
5. Precious Lands Limited	Shipowner	Thailand	99.99	99.99
6. Precious Rivers Limited	Shipowner	Thailand	99.99	99.99
7. Precious Lakes Limited	Shipowner	Thailand	99.99	99.99
8. Precious Seas Limited	Shipowner	Thailand	99.99	99.99
9. Precious Stars Limited	Shipowner	Thailand	99.99	99.99
10. Precious Oceans Limited	Shipowner	Thailand	99.99	99.99
11. Precious Planets Limited	Shipowner	Thailand	99.99	99.99
12. Precious Diamonds Limited	Shipowner	Thailand	99.99	99.99
13. Precious Sapphires Limited	Shipowner	Thailand	99.99	99.99
14. Precious Emeralds Limited	Shipowner	Thailand	99.99	99.99
15. Precious Rubies Limited	Shipowner	Thailand	99.99	99.99
16. Precious Opals Limited	Shipowner	Thailand	99.99	99.99
17. Precious Garnets Limited	Shipowner	Thailand	99.99	99.99
18. Precious Pearls Limited	Shipowner	Thailand	99.99	99.99
19. Precious Flowers Limited	Shipowner	Thailand	99.99	99.99
20. Precious Forests Limited	Shipowner	Thailand	99.99	99.99
21. Precious Trees Limited	Shipowner	Thailand	99.99	99.99
22. Precious Ponds Limited	Shipowner	Thailand	99.99	99.99
23. Precious Ventures Limited	Shipowner	Thailand	99.99	99.99
24. Precious Capitals Limited	Shipowner	Thailand	99.99	99.99
25. Precious Jasmines Limited	Shipowner	Thailand	99.99	99.99
26. Precious Orchids Limited	Shipowner	Thailand	99.99	99.99
27. Precious Lagoons Limited	Shipowner	Thailand	99.99	99.99
28. Precious Cliffs Limited	Shipowner	Thailand	99.99	99.99
29. Precious Hills Limited	Shipowner	Thailand	99.99	99.99
30. Precious Mountains Limited	Shipowner	Thailand	99.99	99.99
31. Precious Resorts Limited	Shipowner	Thailand	99.99	99.99
32. Precious Cities Limited	Shipowner	Thailand	99.99	99.99
33. Precious Comets Limited	Shipowner	Thailand	99.99	99.99
34. Precious Ornaments Limited	Shipowner	Thailand	99.99	99.99
35. Nedtex Limited	Bulk storage barges*	Thailand	69.99	69.99
36. Precious Storage Terminals Limited	Bulk storage barges*	Thailand	69.99	69.99
37. Thebes Pte. Limited	Maritime Business*	Singapore	100.00	100.00
38. Precious Shipping (Panama) S.A.	Shipowner/ Chartering	Panama	99.99	99.99
39. Precious Shipping (Mauritius) Limited	Holding company*	Mauritius	100.00	100.00
40. Precious Shipping (Singapore) Pte. Limited	Holding company/ Chartering	Singapore	100.00	100.00
41. Precious Shipping (UK) Limited	Chartering	England	99.99	99.99
42. Great Circle Shipping Agency Limited	Technical manager of ships	Thailand	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2012	2011
			%	%
43. Precious Projects Pte. Limited	Investment holding company*	Singapore	100.00	100.00
<u>Subsidiaries held by subsidiaries</u>				
44. Rapid Port Leasing Company Pte. Limited	Marine construction**	Singapore	-	100.00
45. PSL Investments Limited	Holding company*	Mauritius	100.00	100.00
46. International Lighterage Limited	Holding company	Mauritius	100.00	100.00
47. PSL Thun Shipping Pte. Limited	Chartering	Singapore	64.06	64.06
48. Regidor Pte. Limited	Maritime business *	Singapore	100.00	100.00
49. Precious Forests Pte. Limited	Shipowner	Singapore	100.00	100.00
50. Precious Fragrance Pte. Limited	Shipowner	Singapore	100.00	100.00
51. Precious Thoughts Pte. Limited	Shipowner	Singapore	100.00	100.00
52. Precious Comforts Pte. Limited	Shipowner	Singapore	100.00	100.00
53. Precious Sparks Pte. Limited	Shipowner	Singapore	100.00	100.00
54. Precious Visions Pte. Limited	Shipowner	Singapore	100.00	100.00
55. Precious Bridges Pte. Limited	Shipowner	Singapore	100.00	100.00
<u>Joint venture</u>				
56. Associated Bulk Carriers Pte. Limited	Holding company	Singapore	50.00	50.00
<u>Subsidiaries of joint venture (SPC Subsidiaries)</u>				
57. ABC One Pte. Limited	Shipowner	Singapore	50.00	50.00
58. ABC Two Pte. Limited	Shipowner	Singapore	50.00	50.00
59. ABC Three Pte. Limited	Shipowner	Singapore	50.00	50.00
<u>Associate held by a subsidiary</u>				
60. International Seaports (Haldia) Private Limited	Berth construction and development	India	22.40	22.40

*Business suspended

**The relevant authority in Singapore approved the dissolution of this company on 12 January 2012.

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

Joint venture is accounted for in the consolidated financial statements using the proportionate shares of the assets, liabilities, revenues and expenses with the Company's shareholding in the joint venture (proportionate consolidation method).

Investment in associate is accounted for using the equity method and is recognised initially at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investee from the date that significant influence incurs until the date that significant influence ceases.

- c) The financial statements of the subsidiaries and joint venture are prepared for the same reporting period as the Company and using the same significant accounting policies as the Company.

The financial statements of the associate are prepared for a reporting date that differs from that of the Company by no more than three months. In this respect, the accounting periods and differences are consistent and the financial statements are prepared using the same significant accounting policies as the Company.

- d) The financial statements of all subsidiaries, associate and joint venture are prepared in their respective functional currencies. Where the functional currency is not USD, the financial statements are translated into USD using the exchange rate prevailing on 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. The resultant differences have been shown under the caption of "Exchange differences on translation of financial statements" in other comprehensive income, other components of shareholders' equity.

- e) Material balances and transactions between the Company and subsidiaries, and investments in subsidiaries by the Company and shareholders' equity of the subsidiaries have been eliminated from the consolidated financial statements.

Material balances and transactions between the Company and joint venture, and investment in joint venture by the Company and shareholders' equity of the joint venture have been eliminated from the consolidated financial statements in proportion with the Company's shareholding in the joint venture.

- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements, which present investments in subsidiaries and joint venture under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards

TAS 12 Income Taxes

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

TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates
Financial Reporting Standard

TFRS 8 Operating Segments

Accounting Standard Interpretations

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company adopted TAS 12 and TAS 21 (revised 2009) and SIC 21 and SIC 25 in 2011. For TAS 20 (revised 2009), TFRS 8 and SIC 10, the Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013
Accounting Standard Interpretation:	
SIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The management of the Company is evaluating the first-year impact to the financial statements of the accounting treatment guidance and accounting standard interpretations and has yet to reach a conclusion.

4. Significant accounting policies

4.1 Revenue and expense recognition

Vessel operating income

Vessel operating income (consisting of Hire income from Time charter and Freight income from Voyage charter) and related expenses are recognised on an accrual basis.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised as interest accrues based on the effective rate method.

Dividend received

Dividends received are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Bunker oil

Bunker oil is valued at the lower of cost (first-in, first-out method) and net realisable value and is charged to vessel operating costs whenever consumed.

4.5 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- b) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and joint venture are accounted for in the separate financial statements using the cost method.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in the income statement. If the Company disposes only part of the investment, the carrying value per share used to calculate the cost of the portion sold is determined using the weighted average method.

4.6 Property, plant and equipment

Land and condominium units, vessels and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of vessels, condominium units and equipment is calculated by reference to their costs, after deducting residual value, on the straight-line basis over the following estimated useful lives.

Vessels and equipment	25 years and 5 years, respectively
Dry-dock and special survey expenses	2 years and 4 years, respectively
Condominium units	20 years
Leasehold improvement	5 years
Others	5 years

Depreciation is included in determining income.

No depreciation is provided on land and asset under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to income statement.

A summary of the intangible assets with finite useful lives is as follows.

Computer software	5 years and 10 years
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4.9 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

4.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.11 Long-term leases

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

4.12 Foreign currencies

The Group's financial statements are presented in Thai Baht, which is different from the Group's functional currency of USD. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency. Foreign currency transactions during a particular month are translated into functional currency at the average exchange rates ruling during the previous transaction month.

Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency at the exchange rate ruling at the end of reporting period. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

b) Group companies

The assets and liabilities of Group companies whose functional currency is not USD are translated into USD at the exchange rate ruling at the end of reporting period and their income statement and statements of comprehensive income are translated at a rate that approximates the actual rate at the date of the transaction.

The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

4.13 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the income statement.

4.14 Employee benefits

a) Short-term employee benefits

Short-term employee benefit obligations, which include salaries, wages, bonuses, and contributions to the social security fund, are measured on an undiscounted basis and are expensed when they are incurred.

b) Post-employment benefits

The Group provides post-employment benefits through a defined contribution plan (under the Provident Fund Act B.E. 2530 (1987)) and a defined benefit plan (obligations for retired employees under the Thai Labor Protection Act B.E. 2541 (1998)).

- Defined contribution plan

A defined contribution plan comprises a provident fund which is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

- Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. Such benefits are discounted to determine its present value using the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same

currency in which the benefits are expected to be paid. The calculation is performed by an independent actuary using the Projected Unit Credit Method.

The Group recognised all actuarial gains or losses arising from defined benefit plans in other comprehensive income in the period in which they arise.

c) Other long-term employee benefits

The Group's obligation in respect of accrued bonuses is classified as long-term employee benefits other than retirement benefit plans, and is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in the income statement.

d) Termination benefits

The Group recognised termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

4.15 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions for maritime claims

Provisions for maritime claims are recorded by the subsidiaries upon receipt of the claim advices from the charterers, based on the best estimate of the expenditure required to settle the subsidiaries present obligation.

4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Income tax of the Company and subsidiaries in Thailand is provided for in the accounts based on the taxable income determined in accordance with tax legislation in Thailand. Overseas subsidiaries, associate and jointly control entity calculate corporate income tax in accordance with the method and tax rates stipulated by tax laws in those countries.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognised deferred tax liabilities for all taxable temporary differences while it recognised deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Premium on treasury stock

Gains on disposal of treasury stock are determined by reference to the carrying amount and are presented as premium on treasury stock. Losses on disposal of treasury stock are determined by reference to the carrying amount and are presented in premium on treasury stock and retained earnings, consecutively.

4.18 Derivatives

Cross currency swap contracts

Receivables and payables arising from cross currency swap contracts are translated into USD at the exchange rates ruling at the end of reporting period. Unrecognised gains and losses from the translation are recognised in the income statement.

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercises judgment, using a variety of valuation techniques. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and long-term volatility of financial instruments.

Property, plant and equipment/Depreciation

In calculating depreciation on vessels, condominium units and equipment, the management estimates useful lives and residual values of the Company's and subsidiaries' vessels, condominium units and equipment and reviews estimated useful lives and residual values if there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangible assets and subsequent impairment testing require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be recognised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	757	674	745	663
Bank deposits	1,900,258	4,374,037	645,531	2,718,856
Total	<u>1,901,015</u>	<u>4,374,711</u>	<u>646,276</u>	<u>2,719,519</u>

As at 31 December 2012, bank deposits carried interest between 0.10% - 0.40% per annum for USD savings accounts, 0.75% per annum for Baht savings accounts and 0.64% - 1.25% per annum for USD fixed deposits (2011: between 0.10% - 0.50% per annum for USD savings accounts, 0.75% per annum for Baht savings accounts, 0.20% - 1.50% per annum for USD fixed deposits and 1.37% - 2.25% per annum for EUR fixed deposits).

7. Current investment

(Unit: Thousand Baht)

Consolidated financial statements								
Paid-up capital		Shareholding percentage		Cost		Carrying amount based on equity method		
2012	2011	2012	2011	2012	2011	2012	2011	
Thousand INR	Thousand INR	%	%					
Investment in associate held by a subsidiary								
Southern LPG Limited	64,592	64,592	50.00	50.00	26,733	27,658	16,821	17,403
Less: Allowance for loss on investment							(16,821)	(17,403)
Current investment - net							-	-

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

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	209,034	104,741	-	-
3 - 6 months	1,034	117	-	-
6 - 12 months	6,716	20,236	-	-
Over 12 months	25,119	20,109	-	-
Total	241,903	145,203	-	-
Less: Allowance for doubtful debts	(25,119)	(20,109)	-	-
Total trade receivables - unrelated parties, net	216,784	125,094	-	-

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<u>Other receivables - related parties</u>				
Advances to related parties	-	-	1,088,380	771,933
Total other receivables - related parties, net	-	-	1,088,380	771,933
Trade and other receivables - net	216,784	125,094	1,088,380	771,933

9. Related party transactions

In addition to relationship between the Company and its subsidiaries as stated in Note 12, its jointly controlled entity as stated in Note 13, and its associate as stated in Note 14, the other related party transactions and relationship are summarised below.

Related party's name	Transaction	Relationship
Globex Corporation Limited	None	Major shareholder holding 25.65% ordinary shares in the Company and related by way of the Company's directors as shareholders and directors in the related party
Unistretch Limited	Office rental and service expenses	Related by way of common shareholders and directors
Ambika Tour Agency Limited	Air ticket expenses	Related by way of common shareholders and directors
Geepee Air Service Limited	Air ticket expenses	Related by way of common shareholders and directors
Maestro Controls Limited	Air-conditioning service expenses	Related by way of common shareholders and directors
Maxwin Builders Limited	Office and apartment management expenses	Related by way of common shareholders and directors
InsurExcellence Insurance Brokers Limited	Insurance expense	Related by way of Company Directors' close family member as the related party's shareholder
InsurExcellence Life Insurance Brokers Limited	Insurance expense	Related by way of Company Directors' close family member as the related party's shareholder
Quidlab Company Limited	Computer hardware or software purchases	Related by way of Company Senior Manager's close family member as the related party's shareholder and director

During the years, 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)
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
2012	2011	2012	2011		
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	64,813	46,094	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Dividend received	-	-	539,249	981,829	As declared
Interest income	-	-	9,415	10,914	At interest rate of 0.40% per annum (2011: 0.40% and 0.70% per annum)
Condominium rental expenses	-	-	9,161	9,404	Market price
Transaction with jointly controlled entity					
(Eliminated from consolidated financial statements in proportion with the Company's shareholding)					
Vessel construction supervision income	3,724	3,069	7,448	6,139	In accordance with contract based on market practice
Transaction with associate					
Dividend received	-	3,375	-	-	As declared
Transactions with related companies					
Air ticket expenses	9,856	7,731	3,764	3,488	Market price
Rental and service expenses	6,775	5,793	5,733	4,507	Market price
Computer purchases	1,290	1,764	589	626	Market price

The balances of the accounts as at 31 December 2012 and 2011 between the Company and those related parties are as follows.

					(Unit: Thousand Baht)
	Consolidated		Separate		
	financial statements		financial statements		
	2012	2011	2012	2011	
Other receivables - related parties (Note 8)					
Subsidiaries	-	-	921,754	731,132	
Jointly controlled entity	-	-	166,626	40,801	
Total other receivables - related parties	-	-	1,088,380	771,933	

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Trade and other payables - related parties				
Subsidiaries	-	-	2,626,665	3,430,581
Related companies	-	91	-	32
Total trade and other payables - related parties	-	91	2,626,665	3,430,613

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

During the years ended 31 December 2012 and 2011, the Group had employee benefit expenses of their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Short-term employee benefits	75,977	72,631	72,804	69,878
Post-employment benefits	1,981	2,363	1,981	2,363
Other long-term benefits	10,436	24,397	9,310	21,736
Total	88,394	99,391	84,095	93,977

Guarantee obligations with related parties

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

10. Short-term loans to subsidiary

As at 31 December 2012, short-term loans to wholly owned subsidiary are in the form of promissory notes in US Dollar, amounting to USD 76.80 million (2011: USD 71.80 million), which carry interest at the rate of 0.40% per annum (2011: 0.40% and 0.70% per annum), and are due at call. Movements in the balance of the loans during the year were as follows.

(Unit: Thousand Baht)

	Separate financial statements			
	2011	Increase	Translation adjustment	2012
Short-term loans to subsidiary				
Precious Shipping (Singapore) Pte. Limited	2,275,428	165,142	(88,063)	2,352,507

11. Long-term loans to jointly controlled entity

As at 31 December 2012, long-term loans to jointly controlled entity, Associated Bulk Carriers Pte. Limited (“ABC Company”) are in the form of promissory note, bearing no interest and is 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 8.55 Million (2011: USD 8.55 million), this loan represents Company’s contribution (in lieu of equity capital) to ABC Company in proportion with the Company’s shareholding (50%) in ABC Company. An equal amount is also received by ABC Company from the other partner shareholder, Varada Marine Pte. Limited (“Varada”). This loan was made to enable the 3 SPC subsidiaries of ABC Company to pay the installments due to ABG Shipyard Ltd., India per Shipbuilding Contracts signed on 22 April 2010.
- (b) USD 4.84 million (2011: Nil), this loan was made available by the Company to enable the 2 SPC subsidiaries of ABC Company to pay the installments due to China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China per Shipbuilding Contracts signed on 5 December 2012. ABC Company did not receive any equivalent loan from Varada.

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

(Unit: Thousand Baht)

	Separate financial statements			
	2011	Increase	Translation adjustment	2012
Long-term loans to jointly controlled entity				
Associated Bulk Carriers Pte. Limited	270,960	148,341	(9,266)	410,035

12. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements							Dividend received	
	Paid-up capital		Shareholding		Cost		for the years ended		
	2012	2011	percentage		2012	2011	31 December		
			2012	2011			2012	2011	
			%	%					
Precious Metals Limited	275,000	250,000	99.99	99.99	324,562	310,698	-	-	
Precious Wishes Limited	230,000	230,000	99.99	99.99	276,285	285,842	32,200	23,000	
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	258,084	267,012	44,200	18,200	
Precious Minerals Limited	230,000	230,000	99.99	99.99	234,683	242,802	34,500	32,200	
Precious Lands Limited	306,000	84,000	99.99	99.99	297,010	78,088	-	-	
Precious Rivers Limited	234,000	234,000	99.99	99.99	195,213	201,966	35,100	84,240	
Precious Lakes Limited	184,000	99,000	99.99	99.99	171,304	89,474	-	-	
Precious Seas Limited	100,000	100,000	99.99	99.99	120,124	124,279	50,000	72,000	
Precious Stars Limited	105,000	105,000	99.99	99.99	126,130	130,493	31,500	51,450	
Precious Oceans Limited	175,000	175,000	99.99	99.99	210,217	217,488	35,000	63,000	
Precious Planets Limited	270,000	100,000	99.99	99.99	285,042	124,279	-	-	
Precious Diamonds Limited	205,000	205,000	99.99	99.99	178,456	184,630	71,749	116,850	
Precious Sapphires Limited	144,000	144,000	99.99	99.99	121,074	125,262	43,200	95,040	
Precious Emeralds Limited	366,000	366,000	99.99	99.99	290,318	300,361	18,300	36,600	
Precious Rubies Limited	84,000	84,000	99.99	99.99	75,477	78,088	-	-	
Precious Opals Limited	74,000	74,000	99.99	99.99	67,702	70,044	-	-	
Precious Garnets Limited	379,000	379,000	99.99	99.99	299,445	309,803	37,900	7,580	
Precious Pearls Limited	173,000	73,000	99.99	99.99	171,030	75,817	-	-	
Precious Flowers Limited	336,000	76,000	99.99	99.99	329,759	78,230	-	-	
Precious Forests Limited	96,000	96,000	99.99	99.99	91,587	94,755	-	-	
Precious Trees Limited	202,000	80,000	99.99	99.99	200,133	81,886	-	-	
Precious Ponds Limited	84,000	84,000	99.99	99.99	78,867	81,595	-	-	
Precious Ventures Limited	202,000	80,000	99.99	99.99	217,085	99,423	-	-	
Precious Capitals Limited	200,000	200,000	99.99	99.99	240,248	248,558	-	100,000	
Precious Jasmines Limited	147,000	147,000	99.99	99.99	163,222	168,869	-	-	
Precious Orchids Limited	217,000	217,000	99.99	99.99	184,447	190,827	-	2,170	
Precious Lagoons Limited	140,000	140,000	99.99	99.99	168,173	173,990	-	60,200	
Precious Cliffs Limited	140,000	140,000	99.99	99.99	168,173	173,990	-	43,400	
Precious Hills Limited	140,000	140,000	99.99	99.99	168,173	173,990	33,600	53,200	
Precious Mountains Limited	140,000	140,000	99.99	99.99	168,173	173,990	21,000	39,200	
Precious Resorts Limited	140,000	140,000	99.99	99.99	168,173	173,990	-	7,000	
Precious Cities Limited	170,000	170,000	99.99	99.99	191,234	197,849	51,000	76,499	
Precious Comets Limited	71,100	71,100	99.99	99.99	55,319	57,233	-	-	
Precious Ornaments Limited	68,100	68,100	99.99	99.99	52,987	54,820	-	-	
Nedtex Limited	2,500	2,500	69.99	69.99	779	806	-	-	
Precious Storage Terminals Limited	6,000	6,000	69.99	69.99	5,045	5,219	-	-	

(Unit: Thousand Baht)

Separate financial statements								
Subsidiaries' name	Paid-up capital		Shareholding percentage		Cost		Dividend received for the years ended 31 December	
	2012	2011	2012	2011	2012	2011	2012	2011
			%	%				
Thebes Pte. Limited	0.0365	0.0365	100.00	100.00	-	-	-	-
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	306	317	-	-
Precious Shipping (Mauritius) Limited	250	250	100.00	100.00	306	317	-	-
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	321,342	332,457	-	-
Precious Shipping (UK) Limited	250	250	99.99	99.99	306	317	-	-
Great Circle Shipping Agency Limited	210,000	100,000	99.99	99.99	332,175	230,226	-	-
Precious Projects Pte. Limited	0.0345	0.0345	100.00	100.00	-	-	-	-
Total investments in subsidiaries					7,008,168	6,010,080	539,249	981,829
Less: Allowance for loss on investments in subsidiaries					(6,130)	(6,342)		
Total investments in subsidiaries - net					7,002,038	6,003,738		

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

The change in cost of investments in subsidiaries other than the changes below in the investments is from the exchange differences on translation of functional currency to presentation currency.

During the year ended 31 December 2012, the Company subscribed and paid for newly issued ordinary shares of subsidiaries as detailed below.

Subsidiaries' name	Date of payment for newly issued ordinary shares	New ordinary shares		
		Par value	No. of shares	Total value
		(Baht)	(Million Shares)	(Million Baht)
Precious Metals Limited	24 February 2012	100.00	0.25	25.00
Precious Planets Limited	24 February 2012	100.00	1.70	170.00
Great Circle Shipping Agency Limited	15 March 2012	100.00	1.10	110.00
Precious Ventures Limited	23 May 2012	100.00	1.22	122.00
Precious Trees Limited	23 May 2012	100.00	1.22	122.00
Precious Pearls Limited	27 June 2012	100.00	1.00	100.00
Precious Flowers Limited	27 June 2012	100.00	2.60	260.00
Precious Lands Limited	19 November 2012	100.00	2.22	222.00
Precious Lakes Limited	19 November 2012	100.00	0.85	85.00

13. Investment in joint venture

13.1 Details of investment in joint venture

Investment in joint venture represents investment under joint venture agreement in Associated Bulk Carriers Pte. Limited ("ABC Company") which is jointly controlled by the Company and Varada Marine Pte. Limited for the purpose of owning and operating cement carriers. Details of the investment are as follows.

(Unit: Baht)

Jointly controlled entity's name	Nature of business	Separate financial statements					
		Shareholding percentage		Cost		Carrying amounts based on cost method	
		2012 (%)	2011 (%)	2012	2011	2012	2011
Associated Bulk Carriers Pte. Limited	Holding company	50	50	31	32	31	32

The change in cost of investment in joint venture is from the exchange differences on translation of functional currency to presentation currency.

13.2 Summarised financial information of jointly controlled entity

The consolidated financial statements include the Company's proportionate shares of the assets, liabilities, revenues and expenses of Associated Bulk Carriers Pte. Limited, according to the proportion under the joint venture agreement as follows.

(Unit: Thousand Baht)

	2012	2011
Cash and cash equivalents	1,826	12,174
Other current assets	982	1,016
Advances for vessel constructions	617,478	455,719
Deferred financial fees	13,245	3,289
Other non-current assets	32,806	10,304
Total assets	666,337	482,502
Trade and other payables	1,563	1,860
Current portion of long-term loan	5,742	8,893
Long term loan - net of current portion	166,508	168,969
Total liabilities	173,813	179,722
Net assets	492,524	302,780

(Unit: Thousand Baht)

For the years ended
31 December

	2012	2011
Revenues	6	4
Administrative expenses	(582)	(603)
Exchange loss	(3)	(3)
Finance cost	2,863	(3,647)
Profit (loss) for the year	2,284	(4,249)

14. Investment in associate held by a subsidiary

14.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

Consolidated financial statements								
Associate's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2012	2011	2012	2011	2012	2011
			%	%				
International Seaports (Haldia) Private Limited	Berth construction and development	India	22.40	22.40	62,416	64,576	104,694	111,681

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 years ended 31 December				
Associate's name	Dividend received from associate held by a subsidiary		Share of profit (loss) from investment in associate held by a subsidiary	
	2012	2011	2012	2011
International Seaports (Haldia) Private Limited	-	3,375	(2,425)	7,637

Share of profit (loss) from investment in associate held by a subsidiary for the years ended 31 December 2012 and 2011, included in the consolidated income statements, was calculated based on the financial information of that associate as at 30 September 2012 and 2011.

14.2 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		Profit (loss)	
	30 September		30 September		30 September		for the years ended		for the years ended	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Thousand INR	Thousand INR								
International Seaports										
(Haldia) Private Limited	440,580	440,580	632,149	635,935	164,764	137,358	426,578	467,380	(10,828)	34,094

15. Other long-term investment

In 2006, the Company acquired 2,026,086 ordinary shares in TMN Company Limited with a par value of Baht 10 each, representing a 3% equity interest. The Company paid up Baht 5 per share, or a total of Baht 10.13 million.

The change in cost of other long-term investment is from the exchange differences on translation of functional currency to presentation currency.

During the year ended 31 December 2011, the Company received dividend income from TMN Company Limited amounting to Baht 0.51 million.

16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Land and condominium units	Vessels and equipment			Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
		Vessels and equipment	Dry-dock and special survey expenses	Total				
Cost								
1 January 2012	227,170	14,103,378	465,311	14,568,689	53,708	13,541	11,133	14,874,241
Acquisitions/transfer in	865	7,743,814	295,836	8,039,650	1,806	1,305	2,371	8,045,997
Disposals/transfer out/write-off	-	-	(185,753)	(185,753)	(90)	(735)	(533)	(187,111)
Translation adjustment	(7,608)	(531,194)	(18,159)	(549,353)	(1,823)	(473)	(376)	(559,633)
31 December 2012	220,427	21,315,998	557,235	21,873,233	53,601	13,638	12,595	22,173,494
Accumulated depreciation								
1 January 2012	194,353	4,941,164	225,176	5,166,340	45,709	11,831	10,475	5,428,708
Depreciation for the year	12,348	670,601	221,810	892,411	4,076	828	635	910,298
Depreciation on disposals/transfer out/ write-off	-	-	(185,753)	(185,753)	(72)	(735)	(533)	(187,093)
Translation adjustment	(6,655)	(173,738)	(8,282)	(182,020)	(1,579)	(390)	(347)	(190,991)
31 December 2012	200,046	5,438,027	252,951	5,690,978	48,134	11,534	10,230	5,960,922
Net book value								
1 January 2012	32,817	9,162,214	240,135	9,402,349	7,999	1,710	658	9,445,533
31 December 2012	20,381	15,877,971	304,284	16,182,255	5,467	2,104	2,365	16,212,572
Depreciation for the year								
2012								910,298

(Unit: Thousand Baht)

Consolidated financial statements

	Land and condominium units	Vessels and equipment			Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
		Vessels and equipment	Dry-dock and special survey expenses	Total				
Cost								
1 January 2011	215,517	10,316,527	547,426	10,863,953	50,869	15,767	10,592	11,156,698
Acquisitions/transfer in	636	3,182,412	120,859	3,303,271	811	1,301	-	3,306,019
Disposals/transfer out/write-off	-	-	(225,031)	(225,031)	(572)	(4,205)	-	(229,808)
Translation adjustment	11,017	604,439	22,057	626,496	2,600	678	541	641,332
31 December 2011	227,170	14,103,378	465,311	14,568,689	53,708	13,541	11,133	14,874,241
Accumulated depreciation								
1 January 2011	173,220	4,269,839	250,170	4,520,009	39,896	13,769	9,471	4,756,365
Depreciation for the year	11,875	438,337	190,061	628,398	4,133	1,655	502	646,563
Depreciation on disposals/transfer out/ write-off	-	-	(224,747)	(224,747)	(485)	(4,215)	-	(229,447)
Translation adjustment	9,258	232,988	9,692	242,680	2,165	622	502	255,227
31 December 2011	194,353	4,941,164	225,176	5,166,340	45,709	11,831	10,475	5,428,708
Net book value								
1 January 2011	42,297	6,046,688	297,256	6,343,944	10,973	1,998	1,121	6,400,333
31 December 2011	32,817	9,162,214	240,135	9,402,349	7,999	1,710	658	9,445,533
Depreciation for the year 2011								646,563

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
Cost				
1 January 2012	21,976	12,220	8,466	42,662
Acquisitions/transfer in	1,742	1,305	2,371	5,418
Disposals/transfer out/write-off	(89)	(735)	(533)	(1,357)
Translation adjustment	(762)	(429)	(288)	(1,479)
31 December 2012	22,867	12,361	10,016	45,244
Accumulated depreciation				
1 January 2012	16,347	11,772	7,808	35,927
Depreciation for the year	2,817	569	635	4,021
Depreciation on disposals/ transfer out/write-off	(73)	(735)	(533)	(1,341)
Translation adjustment	(580)	(384)	(258)	(1,222)
31 December 2012	18,511	11,222	7,652	37,385
Net book value				
1 January 2012	5,629	448	658	6,735
31 December 2012	4,356	1,139	2,364	7,859
Depreciation for the year				
2012				4,021

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
Cost				
1 January 2011	21,084	14,947	8,055	44,086
Acquisitions/transfer in	391	-	-	391
Disposals/transfer out/write-off	(567)	(3,380)	-	(3,947)
Translation adjustment	1,068	653	411	2,132
31 December 2011	21,976	12,220	8,466	42,662
Accumulated depreciation				
1 January 2011	13,333	12,948	6,935	33,216
Depreciation for the year	2,734	1,597	502	4,833
Depreciation on disposals/ transfer out/write-off	(478)	(3,380)	-	(3,858)
Translation adjustment	758	607	371	1,736
31 December 2011	16,347	11,772	7,808	35,927
Net book value				
1 January 2011	7,751	1,999	1,120	10,870
31 December 2011	5,629	448	658	6,735
Depreciation for the year				
2011				4,833

As at 31 December 2012, certain condominium units, vessels and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 389.55 million (2011: Baht 197.18 million) in the consolidated financial statements and Baht 24.82 million (2011: Baht 19.55 million) in the separate financial statements.

As at 31 December 2012, the subsidiaries have mortgaged 30 vessels (2011: 14 vessels) with net book value of Baht 14,972.61 million (2011: Baht 6,394.78 million) with banks to secure long-term loans as referred to in Note 22 to the financial statements.

17. Intangible assets

Details of intangible assets which are computer software are as follows.

(Unit: Thousand Baht)

	Consolidated		Separated	
	financial statements		financial statements	
	2012	2011	2012	2011
Cost				
Cost at beginning of year	53,149	50,217	53,085	50,217
Acquisitions	-	351	-	290
Translation adjustment	(1,777)	2,581	(1,775)	2,578
Cost at end of year	51,372	53,149	51,310	53,085
Accumulated amortisation				
Accumulated amortisation at beginning of year	30,367	19,868	30,360	19,868
Amortisation for the year	9,284	9,167	9,272	9,160
Translation adjustment	(1,135)	1,332	(1,135)	1,332
Accumulated amortisation at end of year	38,516	30,367	38,497	30,360
Net book value as at 31 December	12,856	22,782	12,813	22,725
Amortisation for the year	9,284	9,167	9,272	9,160

18. Advances for vessel purchase

During the year 2011, a local subsidiary entered into a Purchase Agreement termed as Memorandum of Agreement with an overseas company to purchase a second-hand vessel for a total of USD 19.50 million. The local subsidiary paid deposit of USD 12.50 million or approximately Baht 396.14 million. Subsequently, on 12 January 2012, the local subsidiary made the final balance payment and took the delivery of the vessel.

19. Advances for vessel constructions

The Group has orders for Newbuilding Vessels as at 31 December 2012 as follows.

Vessel type	18 Bulk Carriers (12 Handysize vessels and 6 Supramax vessels)	3 Cement Carriers	2 Cement Carriers
Acquirer	The Company	Jointly Controlled Entities (Special Purpose Subsidiaries)	Jointly Controlled Entities (Special Purpose Subsidiaries)
Shipbuilder	ABG Shipyard Ltd., India	ABG Shipyard Ltd., India ("India Shipbuilder")	China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China ("Chinese Shipbuilder")
Contract date	20 July 2007 for the 12 Handysize vessels, 14 September 2007 for 3 Supramax vessels and 11 February 2008 for 3 more Supramax vessels	22 April 2010	5 December 2012
Contract price	USD 30.00 million per Handysize vessel and USD 38.00 million per Supramax vessel (or USD 588.00 million in aggregate)	USD 28.50 million per vessel (or USD 85.50 million in aggregate). The Company's shareholding is 50% and therefore, in all the contracts the Company's portion is 50% of the aggregate contract prices, which is USD 42.75 million.	USD 24.18 million per vessel (or USD 48.36 million in aggregate)
Payment terms	The contract price will be paid in 5 installments of 20% each, with each installment (except the last installment, which would be payable on delivery) paid only on the submission of a bank guarantee in favor of the Company and milestone certificates.	The contract price will be paid in 5 installments of 20% each, with each installment (except the last installment, which would be payable on delivery) paid only on the submission of a bank guarantee in favor of each SPC subsidiary and milestone certificates.	The contract price will be paid in 5 installments the first 4 installment of 10% each would be payable on the submission of a bank guarantee in favor of each SPC subsidiary and milestone certificates. The last installment of 60% would be payable on delivery.
Expected delivery schedule	2011 to 2014	2012	Within 2014

Movements of the advances for vessel constructions account during the years ended 31 December 2012 and 2011 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		Financial statements	
	2012	2011	2012	2011
Balance at beginning of year	7,899,189	8,548,113	5,815,021	7,112,688
Additions	972,052	1,321,392	736,183	781,436
Interest costs and commitment fees	69,316	47,744	25,170	44,171
Amortisation of financial fees	1,303	1,802	964	1,565
Other direct costs	166,093	41,794	40,576	26,918
Novation of shipbuilding contracts	(1,423,176)	(1,848,405)	(1,423,176)	(1,848,405)
Transfer to cost of vessel and equipment				
of subsidiaries	(2,617,409)	(588,433)	(778,557)	(588,433)
Adjustment	-	(979)	-	(979)
Translation adjustment	(125,020)	376,161	(165,378)	286,060
Balance at end of year	4,942,348	7,899,189	4,250,803	5,815,021
Less: Current portion of advances for				
vessel constructions	(482,996)	(1,327,296)	(391,959)	(1,327,296)
Advances for vessel constructions - net				
of current portion	4,459,352	6,571,893	3,858,844	4,487,725

During the years, the Group made payment of installments to the shipbuilders as below.

	2012		2011	
	(Million USD)	(Equivalent to Million Baht)	(Million USD)	(Equivalent to Million Baht)
The Company	28.52	875.15	36.47	1,111.30
Subsidiaries	53.90	1,676.91	14.70	453.55
Jointly controlled entity - in proportion with the Company's shareholding (50%) - paid to India Shipbuilder	2.85	87.53	2.85	86.40
Jointly controlled entity - paid to Chinese Shipbuilder	4.84	148.34	-	-
Total	90.11	2,787.93	54.02	1,651.25

During the year ended 31 December 2012, the amount of borrowing costs capitalised was Baht 69.32 million (2011: Baht 47.74 million) in the consolidated financial statements and Baht 25.17 million (2011: Baht 44.17 million) in the separate financial statements. The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 1.20% - 2.97% (2011: 1.44% - 2.97%) in the consolidated financial statements and was 1.43% - 1.78% (2011: 1.44% - 1.74%) in the separate financial statements.

Novation of new Shipbuilding Contracts

During the years 2012 and 2011, the Company signed a total of 9 Novation Agreements with Global Bulk Carriers Pte. Ltd. (the “New Buyer”) and ABG Shipyard Ltd., India (the “Shipbuilder”) to disposal of 9 new Shipbuilding Contracts. The details of Novation Agreements are as follow.

(a) 5 Novation Agreements signed and closed

Details of 5 Novation Agreements are as follows.

Novation Agreement Date	Vessel Hull No.	DWT	Shipbuilding Contract Date	Contract Amount (USD)	Installments paid to the Shipbuilder by the Company (USD)
18 March 2011	329	32,000	20 July 2007	29,999,997	17,999,997
18 March 2011	330	32,000	20 July 2007	29,999,997	17,999,997
18 March 2011	313	54,000	14 September 2007	37,999,998	22,799,998
21 December 2011	333	32,000	20 July 2007	29,999,997	17,999,997
25 January 2012	315	54,000	14 September 2007	37,999,998	22,799,998

According to the Novation Agreements, the New Buyer had to pay the Company all installments paid to the Shipbuilder plus interest at 7.50% per annum from the dates of payment of the respective installments plus an additional amount of USD 100,000 per new Shipbuilding Contract.

During the year ended 31 December 2012, the Company received in aggregate USD 51.66 million or approximately Baht 1,615.05 million as the novation proceeds from the disposal of 2 new Shipbuilding Contracts (Vessel Hull Nos. 333 and 315). The Company recorded gains on Novation of Shipbuilding Contracts amounting to USD 9.77 million or approximately Baht 305.45 million in the consolidated and separate income statements for the year ended 31 December 2012.

During the year ended 31 December 2011, the Company received in aggregate USD 71.47 million or approximately Baht 2,167.57 million as the novation proceeds from the disposal of 3 new Shipbuilding Contracts (Vessel Hull Nos. 329,330 and 313). The Company recorded gains on Novation of Shipbuilding Contracts amounting to USD 10.52 million or approximately Baht 319.17 million in the consolidated and separate income statements for the year ended 31 December 2011.

(b) 4 Novation Agreements signed on 10 September 2012

Details of 4 Novation Agreements 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.

During the year ended 31 December 2012, the Company received USD 3.64 or approximately Baht 113.58 million being part of the novation consideration for Hull Nos. 316 and 336.

Subsequently, on 18 January 2013, the Company received further USD 7.28 million or approximately Baht 216.88 million being part of the novation consideration for Hull Nos. 316, 340 and 347. The Company is in discussion with the New Buyer and the Shipbuilder with respect to the balance of the novation proceeds.

Amendment of the Shipbuilding Contract

On 27 August 2012, the Company has executed the Addendum Agreement to the Shipbuilding Contract dated 20 July 2007 with ABG Shipyard Ltd., India for the construction of Hull No. 335, mainly to amend the Contract Price from USD 29,999,997 to USD 23,000,000 and the Delivery Date from 30 March 2012 (including 90 days' grace period) to 31 January 2013.

Delivery of vessels under the Shipbuilding Contracts with ABG Shipyard Ltd., India

On 26 March 2012, the second vessel (Hull No. 334) was completed and delivered to the Company's indirect subsidiary incorporated in Singapore (Precious Fragrance Pte. Limited). The Company, therefore, transferred advances for vessel construction and other direct costs which were relevant to the vessel, totaling USD 29.88 million or approximately Baht 917.53 million, and recorded as cost of vessel and equipment of the aforesaid indirect subsidiary.

Delivery of vessels under the Shipbuilding Contracts with Yangzhou Guoyu Shipbuilding Co. Ltd., China

During the year ended 31 December 2012, 4 vessels were completed and delivered to the Company's 4 indirect subsidiaries incorporated in Singapore as detailed below.

Delivery date	Subsidiary's name	Cost of vessel construction and other direct costs
10 August 2012	Precious Comforts Pte. Limited	USD 27.51 million (or approximately Baht 859.95 million)
19 September 2012	Precious Sparks Pte. Limited	USD 27.54 million (or approximately Baht 860.83 million)
22 October 2012	Precious Visions Pte. Limited	USD 27.58 million (or approximately Baht 846.08 million)
29 November 2012	Precious Bridges Pte. Limited	USD 27.61 million (or approximately Baht 846.97 million)

20. Deferred financial fees

Movements of the deferred financial fees account during the years ended 31 December 2012 and 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance at beginning of year	211,832	329,044	168,155	324,784
Additions	50,796	40,085	35,318	-
Transfer to present as a deduction against long-term loans	(91,485)	(89,849)	(3,660)	(6,063)
Transfer to subsidiaries as a borrower	-	-	(54,637)	(82,317)
Write-off deferred financial fee due to cancellation and reduction of loan facilities	(39,895)	(81,749)	(39,895)	(81,749)
Translation adjustment	(6,036)	14,301	(4,720)	13,500
Balance at end of year	<u>125,212</u>	<u>211,832</u>	<u>100,561</u>	<u>168,155</u>

During the year 2012, the Company has written off Baht 39.90 million (2011: Baht 81.75 million) being a part of the deferred financial fees paid in earlier years due to the cancellation and reduction of loan facilities. The amount of write-off has been estimated on a pro-rata basis to the amount of reduction of the facilities.

21. Accrued employee bonus

As at 31 December 2012 and 2011, accrued employee bonus can be separated based on the year the payment is to be made to employees, as follows.

(Unit: Thousand Baht)

Payable within	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
1 year	44,223	66,761	40,890	61,556
2 - 3 years	22,986	54,028	21,227	49,836
Total	<u>67,209</u>	<u>120,789</u>	<u>62,117</u>	<u>111,392</u>

22. Long-term loan facilities

As at 31 December 2012 and 2011, 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	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Long-term loans	2,093,783	2,782,249	174,601	180,640	1,618,758	-	4,546,766	4,189,231	811,370	-	9,245,278	7,152,120
Less: Deferred financial fees	(11,942)	(15,536)	(2,350)	(2,778)	(31,183)	-	(122,670)	(107,431)	(10,142)	-	(178,287)	(125,745)
Total	2,081,841	2,766,713	172,251	177,862	1,587,575	-	4,424,096	4,081,800	801,228	-	9,066,991	7,026,375
Less: Current portion of long-term loans	(546,134)	(329,924)	(5,742)	(8,893)	(127,614)	-	(122,479)	(379,732)	-	-	(801,969)	(718,549)
Long-term loans - net of current portion	1,535,707	2,436,789	166,509	168,969	1,459,961	-	4,301,617	3,702,068	801,228	-	8,265,022	6,307,826

(Unit: Thousand Baht)

	Separate financial statements	
	Loan facilities for financing the construction and acquisition of new vessels	
	Facility 1	
	2012	2011
Long-term loans	1,200,759	2,155,001
Less: Deferred financial fees	(6,188)	(11,399)
Total	1,194,571	2,143,602
Less: Current portion of long-term loans	(481,890)	(286,951)
Long-term loans - net of current portion	712,681	1,856,651

Movements in the long-term loan accounts during the year ended 31 December 2012 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 at beginning of year	2,766,713	177,862	-	4,081,800	-	7,026,375
Add: Drawdown	933,185	-	1,642,536	1,535,580	920,843	5,032,144
Amortisation of financial fees	3,586	339	1,755	25,456	434	31,570
Write-off deferred financial fee						
due to cancellation of loan facility	3,229	-	-	-	-	3,229
Unrealised exchange loss	-	-	-	36,684	-	36,684
Less: Deferred financial fees	(3,660)	-	(33,187)	(44,048)	(10,590)	(91,485)
Repayment	(679,067)	-	(10,859)	(484,397)	-	(1,174,323)
Prepayment	(153,372)	-	-	(602,924)	(108,341)	(864,637)
Prepayment due to cancellation						
of loan facility	(708,563)	-	-	-	-	(708,563)
Translation adjustment	(80,210)	(5,950)	(12,670)	(124,055)	(1,118)	(224,003)
Balance at end of year	2,081,841	172,251	1,587,575	4,424,096	801,228	9,066,991

(Unit: Thousand Baht)

	<u>Separate financial statements</u>
	<u>Loan facilities for financing the construction and acquisition of new vessels</u>
	<u>Facility 1</u>
Balance at beginning of year	2,143,602
Add: Drawdown	368,092
Amortisation of financial fees	964
Transfer of deferred financial fees to subsidiaries	4,358
Write-off deferred financial fees due to cancellation of loan facility	3,229
Less: Deferred financial fees	(3,660)
Repayment	(552,809)
Prepayment due to cancellation of loan facility	(708,563)
Translation adjustment	(60,642)
Balance at end of year	<u>1,194,571</u>

The details of each loan facility are summarised as follows.

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

Facility 1

On 3 July 2008, the Company entered into a secured loan agreement with overseas and local commercial banks to obtain a loan facility of USD 398.40 million carrying interest at LIBOR plus margin. The loan was to be used to finance the construction and acquisition of 15 new vessels (9 handysize vessels and 6 supramax vessels) out of the 18 new vessels already ordered by the Company with ABG Shipyard Limited and the total loan amount was equivalent to 80% of the aggregate contract prices of the 15 vessels.

During the years ended 31 December 2012 and 2011, the Company novated the 9 New Shipbuilding Contracts per details provided in Note 19 to the financial statements and therefore, the Company prepaid the loans drawn and cancelled the undrawn balance loan facility against the respective Hulls as follows.

Hull No.	Prepayment Date	Undrawn Loan Facility Cancellation Amount	Loan Prepayment Amount
		(USD)	(USD)
315	24 January 2012	22,800,001	7,599,999
316	27 July 2012	22,800,001	7,599,999
336	-	24,000,000	-
334	-	5,600,000	-
335	-	5,600,000	-
347	31 August 2012	22,800,001	7,599,999
Total for 2012		<u>103,600,003</u>	<u>22,799,997</u>
329	26 April 2011	12,000,002	11,999,998
330	7 April 2011	12,000,002	11,999,998
313	26 July 2011	15,200,001	15,199,999
331	-	2,400,000	-
333	25 October 2011	12,000,002	11,999,998
Total for 2011		<u>53,600,007</u>	<u>51,199,993</u>

The drawing, final maturity, repayment and security of the above loan facility are summarised as follows.

Facility / Description	Pre-delivery facility	Post-delivery facility
Drawing	As per milestones in the shipbuilding contracts whereby the aggregate of all drawings per vessel would be equivalent to 60% of the contracted price of each vessel	100% of the post-delivery facility amount equivalent to 80% of the contracted price of each vessel is to be drawn upon delivery of the respective vessel out of which the entire pre-delivery facility amount of each vessel will be repaid.
Final maturity	Delivery of each vessel	10 years from delivery of the first vessel

Facility / Description	Pre-delivery facility	Post-delivery facility
Repayment	To be repaid in one lump sum upon delivery of the respective vessel	Each tranche (aggregate drawings in respect of each vessel) is to be amortised (repaid) in quarterly installments, each equivalent to 1/60th of the post-delivery facility amount, and in a balloon amount equal to the balance under such tranche on final maturity. The first quarterly repayment of each tranche shall commence 3 months after delivery of each respective vessel.
Security	<ul style="list-style-type: none"> a) Corporate guarantee from the Company if the Company is not a joint borrower b) 1st priority assignment of the shipbuilding contracts c) 1st priority assignment of the refund guarantees by the refund guarantors given in relation to the shipbuilding contracts with the Company 	<ul style="list-style-type: none"> a) 1st priority mortgage over the vessels b) Pledge of the vessel-owning subsidiaries' shares c) Corporate guarantee from the Company if the Company is not a joint borrower d) 1st priority assignment of requisition compensation in respect of the vessels e) 1st priority assignment of all insurance proceeds f) 1st priority assignment of the earnings of the vessels and pledge over the earnings and retention account of each vessel

The Loan Agreement contains covenants that, among other things, require the Company to maintain certain financial ratios which include:

- a) maintenance of a funded debt to total shareholders' equity ratio not exceeding 2:1
- b) maintenance of a funded debt to EBITDA ratio not exceeding 5:1
- c) maintenance of minimum free liquidity of USD 100,000 per vessel

Facility 2

On 28 October 2010, ABC One Pte. Limited, one of the three Singapore registered subsidiaries (referred to as the "SPC subsidiary" in this note) of Associated Bulk Carriers Pte. Limited, the Jointly Controlled Entity (the ABC Company) where the Company holds 50% interest, entered into a Secured Loan Agreement of USD 22.80 million with an international bank to fund 80% of the Contract Price of the new cement carrier ordered by the SPC subsidiary on 22 April 2010. The loan carries interest at LIBOR plus margin. The drawing, final maturity, repayment and security of the loan facility are summarised as follows.

Facility / Description	Pre-delivery facility	Post-delivery facility
Drawing	As per milestones in the shipbuilding contract whereby the aggregate of all drawings would be equivalent to 60% of the contract price of the vessel	100% of the post-delivery facility amount equivalent to 80% of the contracted price of vessel is to be drawn upon delivery of the vessel out of which the entire pre-delivery facility amount (60% of the contract price) will be repaid.
Final maturity	Delivery of vessel	10 years from delivery of the vessel
Repayment	To be repaid in one lump sum (from post-delivery facility) upon delivery of vessel	The aggregate drawings (the post-delivery facility amount) are to be repaid in quarterly installments, each equivalent to 1/60th of the post-delivery facility amount with the balance payable as a balloon with last repayment installment on maturity. The first quarterly repayment shall commence 3 months after delivery of the vessel.
Security	<p>a) Corporate Guarantee from Associated Bulk Carriers Pte. Limited (the Shareholder of the SPC subsidiary)</p> <p>b) Several but not Joint Corporate Guarantees from the Company and the JV Partner's 2 Companies in proportion to the respective partner's interest in the SPC subsidiary, which is 50% from the Company and 50% from the JV partner</p> <p>c) 1st priority assignment of the shipbuilding contract</p> <p>d) 1st priority assignment of the refund guarantees by the refund guarantors given in relation to the shipbuilding contract</p>	<p>a) 1st priority mortgage over the vessel</p> <p>b) 1st priority assignment of Earnings and Time Charter with Charterer</p> <p>c) Several but not Joint Corporate Guarantees from the Company and the JV Partner's 2 companies in proportion to the respective partner's interest (50% holding by each partner) in the SPC subsidiary for an aggregate amount of upto USD 8 million. Therefore, the maximum amount of the Guarantee of the Company shall be USD 4 million.</p> <p>d) Pledge of the shares of ABC One Pte. Limited (the SPC subsidiary)</p> <p>e) 1st priority assignment of insurance proceeds</p> <p>f) 1st priority assignment of the earnings of the vessel and pledge over the earnings account and retention account of the vessel</p>

The Secured Loan Agreement contains covenants that, among other things, require ABC One Pte. Limited to maintain certain financial ratios which include:

- a) maintenance of EBITDA of no less than 1.1 times of Total Debt Service
- b) maintenance of Total Shareholders' Equity to the aggregate of Total Shareholders' Equity and Total Debt of no less than 20%.

As at 31 December 2012, ABC One Pte. Limited is under discussions with the Bank to extend the availability period and amend other terms.

Facility 3

On 14 October 2011, the 4 indirect subsidiaries incorporated in Singapore ("SPCs") have executed an USD 84.96 million Loan Agreement with ING Bank N.V., Singapore Branch and DnB NOR Bank ASA, Singapore Branch to finance up to 80% of the Total Acquisition Cost of the 4 new Supramax 57,000 DWT Dry Bulk vessels ordered by each SPC to be built in China. The loan carries interest at LIBOR plus margin. The drawing, final maturity, repayment and security of the loan facility are summarised as follows.

Facility / Description	Pre-delivery facility	Post-delivery facility
Drawing	Each request for drawdown, other than the portion of acquisition cost pertaining to the share purchase consideration shall be in accordance with the relevant shipbuilding contract(s).	100% of the post-delivery facility amount is to be drawn upon delivery of the respective vessels.
Final maturity	8 years after final drawdown of each vessel tranche	8 years after final drawdown of each vessel tranche
Repayment	To be repaid in one lump sum upon delivery of the respective Vessel from the proceeds of the post-delivery drawdown	For each Vessel, in 32 equal quarterly installments of USD 354,000 and a balloon repayment of USD 9,912,000 together with the last installment. The first repayment installment to be due 3 months after the final drawdown of each vessel.

Facility / Description	Pre-delivery facility	Post-delivery facility
Security	<ul style="list-style-type: none"> a) Pledge of shares of the borrowers b) First priority assignment of refund guarantees issued by the China Merchants Bank, or any other banks/financial institutions acceptable to the lenders c) First priority assignment of the shipbuilding contracts d) Corporate guarantee from the Company 	<ul style="list-style-type: none"> a) Pledge of shares of the borrowers b) First priority mortgage on the vessels c) First priority assignment of earnings and time charters d) First priority pledge over the earnings accounts with the security agent e) First priority assignment of all insurances and requisition compensation of the vessels f) Corporate guarantee from the Company g) All the above post-delivery securities to be cross collateralised

The Loan Agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

- a) maintenance of the maximum funded debt to total shareholders' equity ratio of 2:1
- b) maintenance of the maximum funded debt to EBITDA ratio of 5:1
- c) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Precious Group

Facility 4

On 15 February 2012, ABC Two Pte. Limited and ABC Three Pte. Limited, SPC subsidiaries of jointly controlled entity, Associated Bulk Carriers Pte. Limited, ("ABC Company"), where the Company holds 50% interest, executed a USD 45.60 million Term Loan Facility with Bangkok Bank Public Company Limited (Singapore Branch) to finance up to 80% of the Contract Price of two new Cement Carriers ordered by the SPC subsidiaries on 22 April 2010. The loan carries interest at LIBOR plus margin. The drawing, final maturity, repayment and security of the loan facility are summarised as follows.

Facility / Description	Pre-delivery facility	Post-delivery facility
Drawing	As per milestones in the shipbuilding contract whereby the aggregate of all drawings would be equivalent to 60% of the contract price of the vessel	100% of the post-delivery facility amount equivalent to 80% of the contracted price of vessel is to be drawn upon delivery of the vessel out of which the entire pre-delivery facility amount (60% of the contract price) will be repaid.
Final maturity	Delivery of vessel	9.75 years from delivery of the vessel
Repayment	To be repaid in one lump sum (from post-delivery facility) upon delivery of vessel	For each Vessel, in 39 equal quarterly installments of USD 380,000 and a balloon repayment of USD 7,980,000 together with the last installment. The first repayment installment to be due 3 months after the final drawdown of each vessel.
Security	<ul style="list-style-type: none"> a) 1st priority assignment of the shipbuilding contract b) 1st priority assignment of the refund guarantees by the refund guarantors given in relation to the shipbuilding contract c) Pledge of the shares of ABC Two Pte. Limited and ABC Three Pte. Limited (the SPC subsidiaries) d) Corporate Guarantee from ABC Two Pte. Limited and ABC Three Pte. Limited (the SPC subsidiaries) e) Corporate Guarantees from the Company and the JV Partner's 2 Companies in proportion to the respective partner's interest in the SPC subsidiary, which is 50% from the Company and 50% from the JV partner 	<ul style="list-style-type: none"> a) 1st priority mortgage over the vessel b) 1st priority assignment of all earnings insurance policies and requisition compensation of the vessels c) 1st priority assignment of Time Charter contracts d) 1st priority charge over the Earnings Account and Retention Account e) Corporate guarantee from ABC Two Pte. Limited and ABC Three Pte. Limited (the SPC subsidiaries) f) Corporate Guarantees from the Company and the JV Partner's 2 companies in proportion to the respective partner's interest (50% holding by each partner) in the SPC subsidiaries for an aggregate amount of upto USD 8 million. Therefore, the maximum amount of the Guarantee of the Company shall be USD 4 million.

The Secured Loan Agreement contains covenants that, among other things, require ABC Two Pte. Limited and ABC Three Limited to maintain certain financial ratios which include:

- a) Debt Service Coverage Ratio (“DSCR”) of no less than 1.1 times
- b) Equity Ratio (ratio of Equity to Total Assets) of no less than 20%.

22.2 Loan facilities for purchasing of vessels

Facility 1

On 23 February 2009, 29 October 2009 and 5 February 2010, the Company and local subsidiaries entered into an amended and restated agreement (of the main agreement dated 18 January 2007), with local commercial banks to obtain credit facilities, as detailed below.

- a) A term loan of Baht 8,750.00 million carrying interest at MLR minus 1.00% per annum. The loan is to be used for purchase of vessels, to be drawn down within 29 December 2010 (availability period), and to be repaid in equal quarterly installments over a period of 12 years (commencing after the completion of a grace period of one year from the date of first drawdown)
- b) A foreign currency exchange facility of USD 5.00 million
- c) A swap facility of Baht 8,750.00 million to be used for converting the Thai Baht loan (as and when the facility is drawn) into US Dollars so that there is no foreign exchange exposure for the Company and local subsidiaries when the loan facility is utilised. The swap period and payments correspond to the drawdown and loan repayment schedule. A swap fee is payable at a fixed rate per annum based on the market rates as and when the loan drawdowns are made and converted into US Dollar

On 31 January 2011, the Company executed the amendment of the Secured Loan Facility Agreement (to fund the acquisition of second-hand vessels) with Krung Thai Bank PCL and two other local Banks to (i) convert the unutilised portion of the Tranche A Facility at the end of the Tranche A Availability Period into a USD facility in the amount of USD 200.00 million, (ii) extend the availability period of the Facility upto 29 December 2011, (iii) expand the scope of the utilisation of the Hedging Facility to allow for interest rate swaps and extend the Hedging Availability Period.

On 18 May 2012 and 24 December 2012, 4 local subsidiaries entered into USD Interest Rate Swap Agreements covering interest of the USD outstanding loans, whereby floating interest rates are to be swapped for fixed interest rates. The swap periods and payments are quarterly and correspond to the interest payment schedules of the underlying USD loans. The swap agreements are effective for interest payable during the period from 31 December 2014 to 30 September 2022.

The loan facilities have been secured by the mortgage of the subsidiaries' vessels, the pledge of the subsidiaries' shares, the assignment of the beneficiary rights under the insurance policies for the mortgaged vessels of the subsidiaries, and the assignment of the revenues earned from the mortgaged vessels of the subsidiaries to the lenders.

The loan facility agreement contains covenants that, among other things, require the Company and subsidiaries to maintain certain financial ratios which include:

- a) maintenance of a total debt to total shareholders' equity ratio not exceeding 2:1
- b) maintenance of a total debt to EBITDA ratio not exceeding 5:1
- c) maintenance of minimum free liquidity of USD 100,000 per vessel
- d) maintenance of debt service coverage ratio of at least 1.1:1

The details of drawdown of the facility are as follows.

- a) During the years 2011 and 2010, 2 local subsidiaries had drawn down Baht 1,502.35 million for purchase of 2 vessels.
- b) During the year 2011, 4 local subsidiaries had drawn down USD 92.00 million from this facility and the undrawn facility was reduced to USD 108.00 million. In order to extend the availability period of the undrawn facility, on 9 March 2012, the Company and local subsidiaries executed a USD 50.00 million Term Loan Facility on same terms and conditions with one of the three local commercial banks and the loan was used for purchase of vessels by 2 local subsidiaries and thereafter the balance of USD 58.00 million was cancelled.
- c) During the years 2011 and 2010, 2 local subsidiaries swapped the Thai Baht loan of Baht 1,502.35 million into USD 45.90 million.
- d) During the year 2012, 4 local subsidiaries swapped the interest of the USD loans of USD 64.82 million, from floating interest rates (LIBOR) to fixed interest rate (2.10%) for interest payable during the period from 31 December 2014 to 30 September 2022.

Facility 2

On 14 January 2010, the Company entered into a new Secured Term Loan Facility Agreement of USD 250.00 million with the Bangkok Branch of an international bank and 4 local banks to fund additional second-hand vessels which the Company may want to buy. The loan is carrying interest at LIBOR plus margin. The loan is to be used for purchase of vessels and to be repaid in equal quarterly installments over a period of 8 years commencing from the end of the availability period.

The availability period of facility 2 for purchasing of vessels expired on 30 June 2011 which subsequently, on 18 July 2011, the Company executed the amending and restating agreement of the Secured Term Loan Facility Agreement for the extension of the availability period upto 30 June 2012 and for the withdrawal of one local Bank as one of the original Lenders, thereby reducing the amount of the total loan facility to USD 200.00 million.

On 19 July 2012, the Company executed the amending and restating agreement No. 2 of the Secured Term Loan Facility Agreement for the extension of the availability period of the facility up to 30 June 2013, an increase in the margin and the withdrawal of one local Bank as one of the original Lenders, thereby reducing the amount of the total loan facility to USD 150.00 million.

The loan facility has to be secured by the mortgage of the shipowning subsidiaries' vessels, the pledge of the subsidiaries' shares, the assignment of the beneficiary rights under the insurance policies for the mortgaged vessels of the subsidiaries, and the assignment of the revenues earned from the mortgaged vessels of the subsidiaries to the lenders when the facility is drawn down.

The Loan Agreement contains covenants that, among other things, require the Company and subsidiaries to maintain certain financial ratios which include:

- a) maintenance of funded debt to total shareholders' equity ratio not exceeding 2:1
- b) maintenance of funded debt to EBITDA ratio not exceeding 5:1
- c) maintenance of minimum free cash balance of USD 100,000 per vessel
- d) maintenance of debt service coverage ratio of at least 1.1:1

Facility 3

On 17 February 2012, the Company executed a USD 100 million Term Loan Facility with Export-Import Bank of Thailand to finance up to 80% of the Acquisition Cost of new or second-hand Dry Bulk Vessels which the Company may want to buy. The loan carries interest at LIBOR plus margin. The loan was to be drawn down within 30 December 2012 (availability period), and to be repaid in equal quarterly installments over a period of 8.5 years commencing from the end of the availability period.

The loan facility has to be secured by the mortgage of the shipowning subsidiaries' vessels, the pledge of the subsidiaries' shares and the assignment of the beneficiary rights under the insurance policies for the mortgaged vessels of the subsidiaries.

The Loan Agreement contains covenants that, among other things, require the Company and subsidiaries to maintain certain financial ratios which include:

- a) maintenance of debt to total shareholders' equity ratio not exceeding 2:1
- b) maintenance of net funded debt to EBITDA ratio not exceeding 5:1
- c) maintenance of debt service coverage ratio of at least 1.1:1

The availability period of facility 3 for purchasing of vessels expired on 30 December 2012. However, on 27 December 2012, the Company has executed the Amendment Agreement of the Secured Term Loan Facility Agreement for the extension of the availability period of the balance of the Facility of USD 69.98 million up to 30 December 2013.

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The Group's bank loan facilities and the undrawn loan balances as at 31 December 2012 and 2011 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	
				2012	2011	2012	2011
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	167.20	293.60	88.00	204.00
Facility 2	NIBC Bank Ltd., Singapore	ABC One Pte. Limited (a SPC subsidiary of the jointly controlled entity)	LIBOR + margin	22.80	22.80	11.40	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	84.96
Facility 4	Bangkok Bank PCL (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited (SPC subsidiaries of the jointly controlled entity)	LIBOR + margin	45.60	-	45.60	-

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan/amendment agreement	Maximum facility amount per loan/amendment agreement		Undrawn loan balance	
				2012	2011	2012	2011
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 200.00 million and Baht 1,502.35 million	-	USD 108.00 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	200.00	150.00	200.00
Facility 3	Export-Import Bank of Thailand	The Company and subsidiaries	LIBOR + margin	100.00	-	69.98	-

Under the loan facility for financing the construction and acquisition of new vessels (Facility 2), the Company holds 50% of the total shareholding in the SPC subsidiary of the jointly controlled entity, the maximum facility amount per Loan Agreement and the undrawn loan balance as at 31 December 2012 of the Company's portion is USD 11.40 million and USD 5.70 million, respectively (2011: USD 11.40 million and USD 5.70 million, respectively).

Under the loan facility for financing the construction and acquisition of new vessels (Facility 4), the Company holds 50% of the total shareholding in the SPC subsidiaries of the jointly controlled entity, the maximum facility amount per Loan Agreement and the undrawn loan balance as at 31 December 2012 of the Company's portion is USD 22.80 million and USD 22.80 million, respectively (2011: Nil).

23. Provision for maritime claims

(Unit: Thousand Baht)

	Consolidated financial statements	
	2012	2011
Balance at beginning of year	64,637	67,237
Increase during the year	27,857	24,222
Decrease during the year	(22,217)	(29,780)
Translation adjustment	(2,578)	2,958
Balance at end of year	67,699	64,637

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensation payable on employees' retirement, was as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Defined benefit obligation at beginning of year	63,023	57,408	57,001	51,551
Current service cost	3,630	3,849	3,497	3,721
Interest cost	2,179	2,082	2,105	2,016

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Actuarial loss	1,545	-	1,759	-
Translation Adjustment	(65)	(316)	(64)	(287)
Defined benefit obligation at end of year	70,312	63,023	64,298	57,001
Provisions for long-term employee benefits at end of year	<u>70,312</u>	<u>63,023</u>	<u>64,298</u>	<u>57,001</u>

Long-term employee benefit expenses included in the income statement were as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Current service cost	3,630	3,849	3,497	3,721
Interest cost	2,179	2,082	2,105	2,016
Total expenses recognised in the income statement	<u>5,809</u>	<u>5,931</u>	<u>5,602</u>	<u>5,737</u>
Line items under which such expenses are included in the income statement				
Administrative expenses	3,829	3,568	3,622	3,374
Management remuneration including perquisites	1,980	2,363	1,980	2,363

Total actuarial losses recognised in the other comprehensive income in the consolidated financial statements as at 31 December 2012 amounted to Baht 1.53 million (2011: Nil) (Separate financial statements: Baht 1.74 million and 2011: Nil)

Principal actuarial assumptions at the valuation date were as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.80	4.70	3.80	4.70
Future salary increase rate (depending on age)	6.50	6.50	6.50	6.50
Staff turnover rate	2.00 - 5.00	2.00 - 5.00	2.00 - 5.00	2.00 - 5.00

Amounts of defined benefit obligation for the current and previous two periods are as follows.

	(Unit: Thousand Baht)			
	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
Year 2012	70,312	64,298	(3,392)	(2,937)
Year 2011	63,023	57,001	-	-
Year 2010	57,408	51,551	-	-

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5.00% of its profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

According to Section 1202 of the Thai Civil and Commercial Code, a subsidiary (incorporated under Thai Laws) is required to set aside a statutory reserve equal to at least 5% of its profit each time the company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

26. Corporate social responsibility (CSR) reserve

The Company has earmarked 0.5% of its profit for the year as a reserve towards CSR activities. The Company expects to earmark amounts based on the same percentage of profit annually on a cumulative basis, but subject to a minimum of Baht 1.75 million and a maximum of Baht 25.00 million per year. The reserve was approved by a meeting of the Board of Directors of the Company on 14 August 2008.

During the year 2012, the Company set aside Baht 1.75 million (2011: Baht 3.59 million) to a reserve for CSR activities and reversed Baht 2.13 million (2011: Baht 2.60 million) from the reserve when the Company made related payments against the reserve.

27. Expenses by nature

Significant expenses by nature are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Salary, wages and other benefits				
of employees and crews	1,008,349	745,205	192,939	202,341
Rental expenses from operating				
lease agreements	5,157	5,321	3,726	3,887

28. Income tax

No corporate income tax was payable for the years 2012 and 2011, since the Company had tax losses brought forward from previous years.

In accordance with the Director - General's Notification on Income Tax No. 72 dated 1 January 1998, the local subsidiaries are exempted from the payment of income tax on their marine transportation income. In addition, the subsidiaries are exempted from the payment of income tax on their marine transportation business under the provisions of the Investment Promotion Act B.E. 2520.

Corporate income tax of the overseas subsidiaries, associate and jointly controlled entity has been calculated by applying the applicable statutory rates of the relevant countries.

As at 31 December 2012 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency and unused tax losses totaling Baht 1,657.52 million (2011: Baht 1,641.90 million) (the Company Baht 1,253.62 million, 2011: Baht 1,430.74 million). However, the Group did not recognise deferred tax assets as the Group believes that it is not probable that future taxable profit will be available to allow the entire deferred tax assets to be utilised.

As at 31 December 2012, the Company has temporary difference arising from exchange difference from the translation of the financial statements from functional currency into presentation currency associated with investments in subsidiaries for which deferred tax liability has not been recognised, aggregating Baht 35.04 million (2011: Baht 252.96 million).

29. Promotional privileges

The Company has been granted promotional privileges under the Investment Promotion Act, as approved by the Board of Investment under BOI certificate No. 1405/2550 dated 23 March 2007. Subject to certain imposed conditions, the significant privileges are the rights to employ skilled foreigners to work within the scope of duties approved by the Board of Investment and for the period for which they are permitted to stay in Thailand, permission to own land in an amount considered appropriate by the Board of Investment, and permission to transfer funds in or out of Thailand in foreign currencies.

Under the provisions of the Investment Promotion Act B.E. 2520, the subsidiaries were granted certain promotional privileges for their marine transportation. The promotional privileges include, among other things, exemption from the payment of income tax for a period of 8 years commencing as from the date of first earning operating income on the condition that the vessels owned by the subsidiaries are registered in Thailand. In 2012, the subsidiaries have 18 vessels (2011: 11 vessels) under investment promoted operations.

Revenues and expenses for 2012 and 2011 (before eliminating related transactions), classified between promoted and non-promoted operations can be summarised below.

(Unit: Thousand Baht)

	Non-promoted operations									
	Promoted operations		Operations exempted from corporate income tax in accordance with the Director-General's Notification on Income Tax No. 72				Operations not eligible for corporate income tax exemption		Total	
			2012	2011	2012	2011	2012	2011	2012	2011
Revenues	1,749,552	1,557,487	1,134,820	1,310,063	1,426,048	1,522,956	4,310,420	4,390,506		
Costs and expenses	(1,726,415)	(1,056,272)	(1,144,178)	(960,607)	(1,059,191)	(984,530)	(3,929,784)	(3,001,409)		

30. Basic earnings per share

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

31. 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:

(Unit: Thousand Baht)

	Consolidated financial statements									
	Time charter		Voyage charter		Total		Elimination		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Hire income	2,231,024	2,147,190	-	-	2,231,024	2,147,190	(50,503)	(44,540)	2,180,521	2,102,650
Freight income	-	-	1,396,593	1,133,442	1,396,593	1,133,442	(89,577)	(157,177)	1,307,016	976,265
Total vessel operating income	2,231,024	2,147,190	1,396,593	1,133,442	3,627,617	3,280,632	(140,080)	(201,717)	3,487,537	3,078,915
Voyage disbursements	-	-	(358,053)	(333,022)	(358,053)	(333,022)	140,080	201,717	(217,973)	(131,305)
Bunker consumption	-	-	(570,871)	(327,084)	(570,871)	(327,084)	-	-	(570,871)	(327,084)
Total voyage expenses	-	-	(928,924)	(660,106)	(928,924)	(660,106)	140,080	201,717	(788,844)	(458,389)
Net vessel operating income/time charter equivalent income	2,231,024	2,147,190	467,669	473,336	2,698,693	2,620,526	-	-	2,698,693	2,620,526

32. Provident fund

The Company and subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company/the subsidiaries contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Kasikornbank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2012, the Company and subsidiaries contributed Baht 3.13 million (2011: Baht 2.66 million) to the provident fund (Separate financial statements: Baht 2.89 million, 2011: Baht 2.41 million).

33. Dividends paid

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 year 2012 consist of the following.

	Approved by	Qualified ordinary share (shares)	Shares held by the registrar (shares)	Dividend per share (Baht)	Dividend paid (Million Baht)	Paid date
a) Interim dividend based on the retained earnings as of 30 September 2012	Board of Directors' meeting on 6 November 2012	1,039,378,300	142,300	0.10	103.94	3 December 2012
b) Interim dividend based on the retained earnings as of 30 June 2012	Board of Directors' meeting on 6 August 2012	1,039,187,097	333,503	0.10	103.91	3 September 2012
c) Interim dividend based on the retained earnings as of 31 March 2012	Board of Directors' meeting on 14 May 2012	1,039,380,297	140,303	0.10	103.94	12 June 2012
d) Final dividend based on the retained earnings as of 31 December 2011	Annual General Meeting of the shareholders on 26 March 2012	1,039,382,300	138,300	0.15	155.91	5 April 2012
Total				<u>0.45</u>	<u>467.70</u>	

Dividends declared during the year 2011 consist of the following.

	Approved by	Qualified ordinary share (shares)	Shares held by the registrar (shares)	Dividend per share (Baht)	Dividend paid (Million Baht)	Paid date
a) Interim dividend based on the retained earnings as of 30 September 2011	Board of Directors' meeting on 3 November 2011	1,039,379,450	141,150	0.15	155.90	1 December 2011
b) Interim dividend based on the retained earnings as of 30 June 2011	Board of Directors' meeting on 4 August 2011	1,039,376,100	144,500	0.15	155.91	2 September 2011
c) Interim dividend based on the retained earnings as of 31 March 2011	Board of Directors' meeting on 12 May 2011	1,039,373,000	147,600	0.10	103.94	8 June 2011
d) Final dividend based on the retained earnings as of 31 December 2010	Annual General Meeting of the shareholders on 14 March 2011	1,039,378,200	142,400	0.22	228.66	25 March 2011
Total				<u>0.62</u>	<u>644.41</u>	

34. Commitments and contingent liabilities

34.1 Vessel building contracts commitments

As at 31 December 2012 and 2011, the Group had future minimum payment commitments under vessel building contracts as detailed below.

	2012		2011	
	(Million USD)	(Equivalent to Million Baht)	(Million USD)	(Equivalent to Million Baht)
The Company	122.60	3,755.43	268.40	8,505.92
Subsidiaries	-	-	53.90	1,708.15
Jointly controlled entity - proportion with the Company's shareholding (50%) - with India Shipbuilder*	25.65	785.70	28.50	903.20
Jointly controlled entity - with Chinese Shipbuilder	43.52	1,333.21	-	-
Total	191.77	5,874.34	350.80	11,117.27

* As mentioned in note 37.2 to the financial statements, on 18 January 2013, the Company has completed the signing and the Closing of a Share Sale and Purchase Agreement, and accordingly, the Company has taken 100% control of Associated Bulk Carriers Pte. Limited since 18 January 2013.

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

As at 31 December 2012 and 2011, 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 31 December		Terms of payment of commitment fees	Payable upto
		2012 (Million USD)	2011 (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	204.00	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	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	84.96	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 4	1.20% per annum of undrawn loan balance	45.60	-	Every three months until the end of the drawdown period	Upon delivery of each vessel

Facility	Commitment fees payable by the Group	Undrawn loan balance as at 31 December		Terms of payment of commitment fees	Payable upto
		2012 (Million USD)	2011 (Million USD)		
Loan facilities for purchasing of vessels					
Facility 1	1.00% per annum of undrawn loan balance	-	108.00	Every three months until the end of the drawdown period	26 March 2012
Facility 2	0.70% per annum of undrawn loan balance	150.00	200.00	Every three months until the end of the drawdown period	30 June 2013
Facility 3	0.70% per annum of undrawn loan balance	69.98	-	Every three months until the end of the drawdown period	30 December 2013

Since the Company holds 50% of the total shareholding in the SPC subsidiaries of the jointly controlled entity, the undrawn loan balance of loan facility for financing the construction and acquisition of new vessels under Facility 2 and Facility 4 of the Company's portion is 50% of the undrawn loan balance.

34.3 Uncalled portion of other long-term investment

As at 31 December 2012, the Company has a commitment of Baht 10.13 million in respect of the uncalled portion of other long-term investment (2011: Baht 10.13 million).

34.4 Long-term time charter commitments

Pursuant to a Memorandum of Understanding signed in October 2009, on 2 December 2009, the Company signed Long-Term Time Charter Contracts with a company incorporated in India (the charterer) for 4 new cement carriers (3 definite vessels plus an additional vessel at Charterer's option to be declared). 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.

In 2011, the Company has nominated the 3 Long-Term Charter Contracts (3 definite vessels) to each SPC subsidiary of the jointly controlled entity. Since the Company holds 50% of the total shareholding in each SPC subsidiary (through the jointly controlled entity), the Company's portion is 50% of the commitments.

As at 31 December 2012, ABC One Pte. Limited (a SPC subsidiary of the jointly controlled entity) has paid the fine payable to the charterer due to the delay of vessel delivery amounting to USD 2.14 million or approximately Baht 65.61 million (2011: USD 0.65 million or approximately Baht 20.60 million). The Company's portion is 50% of the amount, which is USD 1.07 million or approximately Baht 32.81 million (2011: USD 0.33 million or approximately Baht 10.30 million) included in other non-current assets in the consolidated statement of financial position. This amount will be deducted from the final payment to the shipbuilder, as stipulated in the shipbuilding agreement ordered by ABC One Pte. Limited.

As mentioned in Note 37.2 to the financial statements, on 18 January 2013, the Company has completed the signing and the Closing of a Share Sale and Purchase Agreement, and accordingly, the Company has taken 100% control of Associated Bulk Carriers Pte. Limited, which was the jointly controlled entity until 18 January 2013.

34.5 Vessel purchase contract commitments

On 27 December 2012, 2 local subsidiaries entered into respective Purchase Agreements termed as Memorandum of Agreement with an overseas company to purchase two vessels as detailed below.

Subsidiary's name	Vessel purchase price	Vessel delivery date
Precious Ponds Limited	USD 13.25 million (or approximately Baht 405.87 million)	From 15 January 2013 to 15 March 2013
Precious Comets Limited	USD 14.25 million (or approximately Baht 436.50 million)	From 15 January 2013 to 15 March 2013

As of 31 December 2012, 2 local subsidiaries have commitment according to the above Memorandum of Agreement with an overseas company to purchase second-hand vessels for USD 27.50 million or approximately Baht 842.37 million. Subsequently, on 3 January 2013, the local subsidiaries paid deposits totaling USD 2.75 million or approximately Baht 83.51 million into respective joint bank accounts.

On 22 November 2011, a local subsidiary entered into respective Purchase Agreement termed as Memorandum of Agreement with an overseas company to purchase a vessel as detailed below.

Subsidiary's name	Vessel purchase price	Vessel delivery date
Precious Ventures Limited	USD 19.50 million (or approximately Baht 617.98 million)	From 1 December 2011 to 31 January 2012

As of 31 December 2011, a local subsidiary had a commitment of USD 7.00 million or approximately Baht 221.84 million according to the Memorandum of Agreement with an overseas company to purchase a second-hand vessel. Subsequently, on 12 January 2012, the local subsidiary made the final balance payment and took the delivery of the vessel.

35. Financial instruments

35.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, investments, trade and other payables and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable. The Group manages the risk by adopting a credit policy whereby they evaluate the creditworthiness of charterers and other parties and restricts dealings to financially sound parties, and strictly attend to the preparation and completeness of documentation and therefore do not expect to incur material financial losses. In addition, the Group does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks and long-term loans. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

Consolidated financial statement

As at 31 December 2012

	Fixed		Non-interest bearing	Total	Interest rate (% p.a.)			
	maturity date within 1 year	Floating interest rate			Total	Fixed	Floating	
						USD	USD	Baht
						interest rate with		
<u>Financial assets</u>								
Cash and cash equivalents	1,290,546	495,481	114,988	1,901,015	0.64 - 1.25	0.10 - 0.40	0.75	
Trade and other receivables	-	-	216,784	216,784	-	-	-	
Total	1,290,546	495,481	331,772	2,117,799				
<u>Financial liabilities</u>								
Trade accounts payable	-	-	1,722	1,722	-	-	-	
Long-term loans	-	9,066,991	-	9,066,991	-	1.51 - 3.13	6.38	
Total	-	9,066,991	1,722	9,068,713				

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2012

	Fixed		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)			
	maturity date within 1 year	Fixed interest rate with maturity date at call				Total	Fixed	Floating	
							USD	USD	Baht
							interest rate with		
<u>Financial assets</u>									
Cash and cash equivalents	343,023	-	302,508	745	646,276	1.25	0.10 - 0.30	0.75	
Trade and other receivables	-	-	-	1,088,380	1,088,380	-	-	-	
Short-term loans to a subsidiary	-	2,352,507	-	-	2,352,507	0.40	-	-	
Long-term loans to jointly controlled entity	-	-	-	410,035	410,035				
Total	343,023	2,352,507	302,508	1,499,160	4,497,198				
<u>Financial liabilities</u>									
Trade accounts payable	-	-	-	6	6	-	-	-	
Advances received from related parties	-	-	-	2,626,665	2,626,665	-	-	-	
Long-term loans	-	-	1,195,570	-	1,195,570	-	1.51 - 1.56	-	
Total	-	-	1,195,570	2,626,671	3,822,241				

(Unit: Thousand Baht)

Consolidated financial statement

As at 31 December 2011

	Fixed interest rate with maturity date within 1 year	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)			
					Fixed		Floating	
					USD	EUR	USD	Baht
					Financial assets			
Cash and cash equivalents	3,971,729	349,898	53,084	4,374,711	0.20 - 1.50	1.37, 2.25	0.10 - 0.50	0.75
Trade and other receivables	-	-	125,094	125,094	-	-	-	-
Total	3,971,729	349,898	178,178	4,499,805				
Financial liabilities								
Trade accounts payable	-	-	33,150	33,150	-	-	-	-
Long-term loans	-	7,026,375	-	7,026,375	-	-	1.54 - 3.31	6.50
Total	-	7,026,375	33,150	7,059,525				

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2011

	Fixed interest rate with maturity date within 1 year	Fixed interest rate with maturity date at call	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)		
						Fixed	Floating	
						USD	USD	Baht
						Financial assets		
Cash and cash equivalents	2,624,935	-	92,658	1,926	2,719,519	0.20 - 1.50	0.10 - 0.50	0.75
Trade and other receivables	-	-	-	771,933	771,933	-	-	-
Short-term loans to a subsidiary	-	2,275,428	-	-	2,275,428	0.40	-	-
Long-term loans to jointly controlled entity	-	-	-	270,960	270,960	-	-	-
Total	2,624,935	2,275,428	92,658	1,044,819	6,037,840			
Financial liabilities								
Trade accounts payable	-	-	-	524	524	-	-	-
Advances received from related parties	-	-	-	3,430,581	3,430,581	-	-	-
Long-term loans	-	-	2,143,602	-	2,143,602	-	1.58 - 1.74	-
Total	-	-	2,143,602	3,431,105	5,574,707			

Foreign currency risk

Almost all revenues and expenditures of the Group is denominated in US Dollars, which provide a natural hedge against the currency risk associated with transactions in US Dollars. Consequently, the Group is exposed to a currency risk in respect of financial instruments denominated in other currencies. However, the Group's management has decided to maintain an open position with regard to this exposure, but endeavors to limit this exposure to the minimum possible amounts by not holding significant amounts of financial instruments denominated in other currencies or use derivative instruments, as and when it considers appropriate, to manage such risks.

The Group does not use foreign currency forward contracts or purchased currency options for trading purposes.

The Group has the following significant financial assets and liabilities denominated in foreign currencies (currencies other than US Dollars which is the Group's functional currency).

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2012	2011	2012	2011	2012	2011
	(Million)	(Million)	(Million)	(Million)	(USD per 1 foreign currency unit)	
Baht loan	-	-	1,220.66	1,345.85	0.0325	0.0314
Euro fixed deposit	-	7.45	-	-	-	1.2905

Foreign currency swap contracts outstanding are summarised below.

As at 31 December 2012				
Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
		Bought	Sold	
(USD per 1 foreign currency unit)				
Baht 1,220.66 million	USD 37.29 million	0.0302, 0.0309	-	Quarterly corresponding to the loan repayment schedule upto September 2022

As at 31 December 2011				
Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
		Bought	Sold	
(USD per 1 foreign currency unit)				
Baht 1,345.85 million	USD 41.12 million	0.0302, 0.0309	-	Quarterly corresponding to the loan repayment schedule upto September 2022

As at 31 December 2011				
Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
		Bought	Sold	
(USD per 1 foreign currency unit)				
USD 10.06 million	EUR 7.51 million	-	1.3313, 1.3503	February 2012 and March 2012 corresponding to the fixed deposit maturity dates

35.2 Fair values of financial instruments

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instruments.

Since the majority of the Group's financial assets and liabilities are short-term in nature or bear floating interest rates and long-term loans bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

36. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Group manages its capital position with reference to its debt-to-equity ratio also to comply with a condition in the long-term loan agreements, which require the Group to maintain a consolidated debt-to-equity ratio of not more than 2:1.

As at 31 December 2012, the Group's debt-to-equity ratio was 0.66:1 (2011: 0.49:1) and the Company's was 0.25:1 (2011: 0.47:1) which is calculated from USD functional currency financial statements.

37. Events after the reporting period

- 37.1 On 15 January 2013, the third vessel under one of the Newbuilding Contracts with ABG Shipyard Limited, India was completed and delivered to the Company's indirect subsidiary incorporated in Singapore (Precious Thoughts Pte. Limited). The contract price of the vessel with Hull No. 335 is USD 23.00 million or approximately Baht 692.28 million.

37.2 On 18 January 2013, the Company (“the Buyer”) has completed the signing and the Closing of a Share Sale and Purchase Agreement with Varada Marine Pte. Limited (“the Seller”) to purchase one ordinary share of jointly controlled entity, Associated Bulk Carriers Pte. Limited (“ABC Company”), at a par value of USD 1 each. On the Closing Date of 18 January 2013, the Company paid the purchase price of USD 1 per share equivalent to Baht 29.79 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 416.78 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.

Apart from the Share Sale and Purchase Agreement, 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 and a new Subsidiary which may be incorporated in the future of ABC Company (“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.

Further, the Company has issued a Letter of Confirmation in relation to the Cement Carriers’ Newbuilding program at ABG Shipyard Ltd. dated 18 January 2013 to ABG Shipyard Ltd. (“Shipbuilder”) and Varada Marine Pte. Limited (as may be applicable) in order to put the following matters into effect;

- (i) to procure that ABC One Pte. Limited agrees to extend the final cancellation date under the Shipbuilding Contract dated 22 April 2010 in relation to the construction of one 20,000 DWT cement carrier with Hull No. 378 to 30 November 2013;
- (ii) for the proposed Time Charter to be entered into for a Fourth Vessel with Ultratech Cement Ltd. (the existing Charterer of the 3 New Cement Carriers being built presently), to procure that the Company or the Company’s nominee, enters into a new shipbuilding contract (by way of Novation of the existing shipbuilding contract or a new shipbuilding contract) with the Shipbuilder in relation to the construction of a further 20,000 DWT cement carrier (the “Proposed New Vessel” which shall be the 4th Cement Carrier to be built) to replace the Shipbuilding Contract dated 22 April 2010 for the construction of one 20,000 DWT cement carrier with Hull No. 379 entered into by ABC Two Pte. Limited as Buyer and the Shipbuilder;

- (iii) to use commercially reasonable efforts to procure the release of the Guarantees issued by Varada Marine Pte. Limited and their companies in their group (as JV partner) in favor of the Lenders (two banks) to finance the acquisition of the 3 Vessels (Cement Carriers).

The transaction was entered in accordance with a resolution of the Executive Board of Directors' Meeting No.1/2013 held on 17 January 2013.

37.3 On 18 January 2013, ABC Three Pte., Limited ("ABC Three Company") has 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.

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

On 18 January 2013, ABC Three Company received USD 6.71 million or equivalent to Baht 199.90 million (including interest of USD 1.01 million) against the above Cancellation Agreement.

37.4 On 4 February 2013, the Company's Board of Directors' meeting passed a resolution to propose to the Annual General Meeting of shareholders to be held in March 2013 to adopt a resolution to pay a dividend of Baht 0.10 per share, or a total of Baht 103.95 million, to the shareholders in respect of the Company's retained earnings as of 31 December 2012.

Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

38. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2012 and 2011 and income statements for the years ended 31 December 2012 and 2011 are as follows.

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity

Statements of financial position

As at 31 December 2012

	(Unit: Thousand USD)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Assets				
Current assets				
Cash and cash equivalents	62,061	138,042	21,098	85,813
Current investment	-	-	-	-
Trade and other receivables	7,077	3,947	35,531	24,358
Short-term loans to a subsidiary	-	-	76,800	71,800
Current portion of advances for vessel constructions	15,768	41,882	12,796	41,882
Bunker oil	4,791	2,176	-	-
Other current assets				
Advances to vessel masters	3,366	1,997	-	-
Claim recoverables	774	591	-	-
Others	2,190	1,372	1,465	438
Total other current assets	6,330	3,960	1,465	438
Total current assets	96,027	190,007	147,690	224,291
Non-current assets				
Investments in subsidiaries	-	-	228,589	189,445
Investment in joint venture	-	-	-	-
Investment in associate held by a subsidiary	3,418	3,524	-	-
Other long-term investment	260	260	260	260
Long-term loans to jointly controlled entity	-	-	13,386	8,550
Receivables from cross currency swap contracts	2,746	1,538	-	-
Property, plant and equipment	529,276	298,049	257	213
Intangible assets	420	719	418	717
Other non-current assets				
Claim recoverables - maritime claims	1,490	1,312	-	-
Advances for vessel purchase	-	12,500	-	-
Advances for vessel constructions - net of current portion	145,580	207,373	125,976	141,608
Deferred financial fees	4,088	6,684	3,283	5,306
Others	1,169	419	78	76
Total other non-current assets	152,327	228,288	129,337	146,990
Total non-current assets	688,447	532,378	372,247	346,175
Total assets	784,474	722,385	519,937	570,466

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity
Statements of financial position (continued)
As at 31 December 2012

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade accounts payable	56	1,046	-	17
Advances received from related parties	-	-	85,750	108,250
Accrued crew accounts	2,423	1,504	-	-
Accrued expenses	4,366	1,882	124	171
Current portion of accrued employee bonus	1,444	2,107	1,335	1,942
Total trade and other payables	8,289	6,539	87,209	110,380
Advances received from charterers	1,120	2,721	-	-
Current portion of long-term loans	26,181	22,673	15,732	9,055
Income tax payable	145	16	-	-
Other current liabilities				
Withholding tax payable	360	448	317	403
Others	450	648	167	306
Total other current liabilities	810	1,096	484	709
Total current liabilities	36,545	33,045	103,425	120,144
Non-current liabilities				
Accrued employee bonus - net of current portion	750	1,704	693	1,572
Long-term loans - net of current portion	269,820	199,040	23,266	58,586
Provision for maritime claims	2,210	2,040	-	-
Provision for long-term employee benefits	2,296	1,989	2,099	1,799
Total non-current liabilities	275,076	204,773	26,058	61,957
Total liabilities	311,621	237,818	129,483	182,101
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	14,285	14,285	-	-
Corporate social responsibility reserve	467	473	467	473
Unappropriated	400,142	410,813	330,923	328,828
Other components of shareholders' equity	(1,145)	(1,113)	-	-
Equity attributable to owner of the Company	472,813	483,522	390,454	388,365
Non-controlling interests of the subsidiaries	40	1,045	-	-
Total shareholders' equity	472,853	484,567	390,454	388,365
Total liabilities and shareholders' equity	784,474	722,385	519,937	570,466

Precious Shipping Public Company Limited and subsidiaries and jointly controlled entity
Income statements
For the year ended 31 December 2012

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Revenues				
Vessel operating income				
Hire income	70,219	68,661	-	-
Freight income	42,117	31,854	-	-
Total vessel operating income	112,336	100,515	-	-
Service income	360	158	2,329	1,705
Gains on sales of equipment	9	59	9	46
Gains on novation of shipbuilding contracts	9,771	10,525	9,771	10,525
Interest income	654	848	735	786
Exchange gains	-	-	-	25
Other income	106	72	88	-
Dividend received	-	17	17,301	32,278
Total revenues	123,236	112,194	30,233	45,365
Expenses				
Vessel operating costs				
Vessel running expenses	40,510	28,550	-	-
Voyage disbursements	7,026	4,287	-	-
Bunker consumption	18,387	10,650	-	-
Total vessel operating costs	65,923	43,487	-	-
Depreciation	29,331	21,102	130	158
Cost of services	139	183	-	-
Administrative expenses	5,725	6,056	4,910	5,092
Management remuneration including perquisites	2,848	3,246	2,709	3,069
Bad debts and doubtful accounts	394	4	-	-
Exchange losses	182	174	243	-
Total expenses	104,542	74,252	7,992	8,319
Profit before share of profit (loss) from investment in associate, finance cost and income tax expenses	18,694	37,942	22,241	37,046
Share of profit (loss) from investment in associate held by a subsidiary	(74)	248	-	-
Profit before finance cost and income tax expenses	18,620	38,190	22,241	37,046
Finance cost	(13,947)	(14,354)	(5,014)	(10,214)
Profit before income tax expenses	4,673	23,836	17,227	26,832
Income tax expenses	(133)	(119)	-	-
Profit for the year	4,540	23,717	17,227	26,832
Profit attributable to:				
Equity holders of the Company	4,455	23,643	17,227	26,832
Non-controlling interests of the subsidiaries	85	74	-	-
Profit for the year	4,540	23,717	17,227	26,832
				(Unit: USD)
Basic earnings per share				
Profit attributable to equity holders of the Company	0.0043	0.0227	0.0166	0.0258

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 4 February 2013.