

Ref. : 2019-011

1st August 2019

To : The President of the Stock Exchange of Thailand

Subject : Interim Consolidated Financial Statements for the three and six month period ending 30 June 2019.

We hereby submit the Interim Consolidated Financial Statements of Precious Shipping Public Company Limited and its Subsidiaries (“the Company”) reviewed by EY Office Limited, Auditors, for the three and six month period ending 30 June 2019 together with the summarized operating results (Form 45-3).

The Company incurred a consolidated net loss of Baht 141.06 million for the three month period ending 30 June 2019 as compared to a net profit of Baht 91.93 million during the same period last year. The main reasons for changes to the three-month financial results are as follows:

1. Net vessel operating income (vessel operating income net of voyage disbursements and bunker consumption) for the second quarter of 2019 was 18 percent lower than the figure during the same period last year. This is due to a decrease in average earnings per vessel per day from USD 10,767 in the second quarter of 2018 to USD 9,002 in this quarter as a result of a weak dry bulk shipping market. The fleet size on 30 June 2019 stood at 36 vessels, which is unchanged from the same period last year.
2. The average operating expense per vessel per day (including depreciation/amortisation of drydocking/special survey expenses) has gone up from USD 4,519 in the second quarter of 2018 to USD 4,934 this quarter, mainly on account of higher drydocking and special survey expenses and higher stores and spares expenses.
3. Administrative expenses for the second quarter of 2019 have increased by Baht 21.94 million as compared to the same period of 2018, due to the recognition of additional severance pay rates as required by the Labor Protection Act (No. 7) B.E. 2562 which became effective on 5 May 2019.

For the six month period ending 30 June 2019, the Company incurred a consolidated net loss of Baht 225.20 million as compared to a net profit of Baht 199.60 million during the same period last year. The main reasons for changes to the six-month financial results are as follows:

1. Net vessel operating income (vessel operating income net of voyage disbursements and bunker consumption) during the first half of 2019 was 17 percent lower than the figure during the same period last year. This is due to a decrease in average earnings per day from USD 10,866 in the first half of 2018 to USD 9,113 during the first half of this year as a result of a weak dry bulk shipping market.
2. The average operating expense per vessel per day (including depreciation/amortisation of drydocking/special survey expenses) has gone up from USD 4,500 in the first half of 2018 to USD 4,875 during the first half of this year, mainly on account of higher drydocking and special survey expenses.
3. Administrative expenses for the first half of 2019 are Baht 11.49 million more than the same period last year, mainly due to the recognition of the additional severance pay rates as required by the Labor Protection Act (No. 7) B.E. 2562.
4. Finance costs during the first half of 2019 are Baht 29.21 million lower than the same period last year, due to a decrease in the outstanding long-term loans and as a consequence lower interest expenses.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khalid Moinuddin Hashim
Managing Director

Gautam Khurana
Executive Director