

Ref: 2014-031

27 October 2014

**To : The President of the Stock Exchange of Thailand**

**Subject : Submitting the Interim Consolidated Financial Statements for the three months and nine months period ended 30 September 2014 and 2013.**

We hereby report the Interim Consolidated Financial Statements of Precious Shipping Public Company Limited and Subsidiaries (“the Company”) reviewed by Auditors, for the three months and nine months period ended 30 September 2014 and 2013 together with the summarized operating results (Form 45-3). The reasons for changes in the operating results are explained below.

For the three months period ended 30 September 2014, the Company and its subsidiaries (jointly, “the Company”) have incurred a consolidated net loss of Baht 146.52 million as compared to the net income of Baht 20.41 million earned during the same period in 2013. The main reasons for changes are as follows:

1. The absolute Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the third quarter of 2014 has increased by about 4 percent over the Net Vessel Operating Income for the same period of 2013 mainly due to the increase in number of ships operated during the quarter. The income has been earned from an average of 43 vessels during the third quarter of 2014 as against an average of 40 vessels in the same period of 2013. The fleet size as on 30 September 2014 was 44 vessels.

However, the average earnings per day per Vessel have dropped from USD 7,041 in the third quarter of 2013 to USD 6,575 in this quarter due to the continued weakness in the Dry Bulk Freight Markets.

2. For the third quarter of 2014, the absolute Vessel running expenses are higher by 12 percent as compared to the same period of 2013 mainly due to the increase in number of ships operated during the quarter as explained above.

However, the average Vessel operating expenses per day per Vessel or Opex (including depreciation/amortisation of Drydocking/Special Survey expenses) have decreased from USD 4,622 in the third quarter of 2013 to USD 4,547 in this quarter.

3. The Company recorded gains on novation/ cancellation of shipbuilding contracts of Baht 39.55 million in the third quarter of 2014 which was about Baht 193.71 million in the same period of 2013.
4. The depreciation for the third quarter of 2014 is higher by Baht 20.88 million as compared to the same period of the previous year due to the increase in number of vessels.

For the nine months period ended 30 September 2014, the Company has incurred a consolidated net loss of Baht 59.66 million as compared to the net income of Baht 458.17 million earned during the same period in 2013. The main reasons for changes are as follows:

1. The Company recorded gains on novation/ cancellation of shipbuilding contracts of Baht 39.55 million for the nine months of 2014 which was about Baht 866.67 million in the same period of 2013.
2. The absolute Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the nine months of 2014 has increased by about 28 percent over the Net Vessel Operating Income for the same period of 2013 mainly due to the increase in the average earnings per day per Vessel from USD 7,194 for the nine months of 2013 to USD 8,120 for the same period of 2014. The increase is also on account of the fact that the income has been earned from an average of 41 vessels during the nine months of 2014 as against an average of 39 vessels in the same period of 2013.
3. For the nine months of 2014, the absolute Vessel running expenses are higher by 19 percent as compared to the same period of 2013, mainly due to the increase in number of ships operated during the period as explained above.

Moreover, the average Vessel operating expenses per day per Vessel or Opex (including depreciation/amortisation of Drydocking/Special Survey expenses) have increased from USD 4,503 for the nine months of 2013 to USD 4,648 in the same period of 2014.

4. The depreciation for the nine months of 2014 is higher by Baht 88.75 million as compared to the same period of the previous year due to the increase in the number of vessels.

5. Finance cost for the nine months of 2014 is higher by Baht 40.56 million as compared to the same period of the previous year mainly due to the one-time write-off of Baht 74.77 million of deferred upfront fees and other expenses related to the cancellation of certain loan facilities during the second quarter of this year.

Please be informed accordingly.

Yours sincerely,  
Precious Shipping Public Company Limited

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Khalid Moinuddin Hashim  
Managing Director

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Khushroo Kali Wadia  
Director