

Precious Shipping Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2021

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Precious Shipping Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Precious Shipping Public Company Limited and its subsidiaries as at 30 September 2021, the related consolidated statements of income, and comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Precious Shipping Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

EY Office Limited

Bangkok: 10 November 2021

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2021

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 2,021,020 | 1,100,490 | 290,147 | 612,724 |
| Trade and other receivables | 2, 3 | 133,140 | 168,701 | 2,678,271 | 3,648,305 |
| Bunker oil | | 11,992 | 34,627 | - | - |
| Derivative assets | 10 | - | 515,862 | - | 515,862 |
| Other current assets | | | | | |
| Advances to vessel masters | | 100,685 | 72,913 | - | - |
| Claim recoverables | | 8,964 | 9,828 | - | - |
| Others | | 44,731 | 35,469 | 16,645 | 14,633 |
| Total other current assets | | 154,380 | 118,210 | 16,645 | 14,633 |
| Total current assets | | 2,320,532 | 1,937,890 | 2,985,063 | 4,791,524 |
| Non-current assets | | | | | |
| Long-term loans to subsidiary | 4 | - | - | 2,561,821 | 3,378,394 |
| Derivative assets | | - | 17,839 | - | - |
| Investments in subsidiaries | 5 | - | - | 7,928,307 | 7,020,259 |
| Investment in associate held by a subsidiary | 6 | 84,440 | 74,311 | - | - |
| Investment in equity instrument of non-listed company | | 18,403 | 16,295 | 18,403 | 16,295 |
| Property, plant and equipment | 7 | 20,802,756 | 19,124,559 | 8,597 | 7,611 |
| Right-of-use assets | | 22,806 | 24,159 | 19,513 | 20,368 |
| Intangible assets | | 6,802 | 6,906 | 6,498 | 6,585 |
| Other non-current assets | | | | | |
| Claim recoverables - maritime claims | | 29,358 | 46,247 | - | - |
| Deferred contract costs | 8 | 150,258 | 145,482 | - | - |
| Others | | 3,171 | 3,158 | 2,395 | 2,397 |
| Total other non-current assets | | 182,787 | 194,887 | 2,395 | 2,397 |
| Total non-current assets | | 21,117,994 | 19,458,956 | 10,545,534 | 10,451,909 |
| Total assets | | 23,438,526 | 21,396,846 | 13,530,597 | 15,243,433 |

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2021

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | | |
|---|-----------------------------------|-----------------------------|-------------------------------|-----------------------------|------------------|
| | Note | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | | | | | |
| | | 109,530 | 113,676 | 4,285 | 281 |
| | 3 | - | - | 2,087,947 | 1,825,509 |
| | | 95,852 | 83,067 | - | - |
| | | 66,220 | 80,160 | 617 | 23,035 |
| | | 67,950 | - | 47,737 | - |
| | | 339,552 | 276,903 | 2,140,586 | 1,848,825 |
| | | 116,166 | 606,063 | - | - |
| | 9 | 1,748,663 | 1,500,007 | - | - |
| | 10 | - | 935,515 | - | 935,515 |
| | | 5,358 | 5,326 | 4,157 | 4,137 |
| | | 4,897 | - | - | - |
| | | - | 1,594 | - | - |
| | | 55,164 | 13,899 | 47,711 | 9,218 |
| | | 2,269,800 | 3,339,307 | 2,192,454 | 2,797,695 |
| Non-current liabilities | | | | | |
| | | 135,899 | - | 95,475 | - |
| | 9 | 7,211,956 | 4,730,340 | - | - |
| | 10 | - | 2,855,650 | - | 2,855,650 |
| | | 15,590 | 19,539 | 13,788 | 16,864 |
| | | 5,464 | 82,621 | - | - |
| | | 2,220 | 1,966 | - | - |
| | 11 | 46,436 | 67,069 | - | - |
| | | 172,864 | 166,064 | 128,213 | 124,998 |
| | | 7,590,429 | 7,923,249 | 237,476 | 2,997,512 |
| | | 9,860,229 | 11,262,556 | 2,429,930 | 5,795,207 |

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2021

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | | |
|---|-----------------------------------|-----------------------------|-------------------------------|-----------------------------|------------------|
| | Note | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered share capital | | | | | |
| | | 1,559,292 | 1,559,292 | 1,559,292 | 1,559,292 |
| Issued and paid-up share capital | | | | | |
| | | 1,559,292 | 1,559,292 | 1,559,292 | 1,559,292 |
| Paid-in capital | | | | | |
| | | 1,967,897 | 1,967,897 | 1,967,897 | 1,967,897 |
| | | 172,446 | 172,446 | 172,446 | 172,446 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| | 12 | 155,929 | 103,952 | 155,929 | 103,952 |
| | | 420,420 | 420,420 | - | - |
| | | 28,934 | 17,769 | 28,934 | 17,769 |
| | | 9,486,080 | 7,626,094 | 6,250,532 | 5,904,977 |
| Other components of shareholders' equity | | | | | |
| | | (212,737) | (1,733,611) | 965,637 | (278,107) |
| Equity attributable to owners of the Company | | | | | |
| | | 13,578,261 | 10,134,259 | 11,100,667 | 9,448,226 |
| Non-controlling interests of the subsidiaries | | | | | |
| | | 36 | 31 | - | - |
| Total shareholders' equity | | | | | |
| | | 13,578,297 | 10,134,290 | 11,100,667 | 9,448,226 |
| Total liabilities and shareholders' equity | | | | | |
| | | 23,438,526 | 21,396,846 | 13,530,597 | 15,243,433 |
| | | - | - | - | - |

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

Directors

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 September 2021**

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

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-----------------|-------------------------------|-----------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | | |
| Vessel operating income | | | | | |
| Time charter income | | 2,433,010 | 789,960 | - | - |
| Voyage charter income | | 204,595 | 153,341 | - | - |
| Total vessel operating income | | 2,637,605 | 943,301 | - | - |
| Service income | 3 | 896 | 878 | 23,084 | 22,615 |
| Interest income | 3 | 43 | 671 | 46,876 | 47,851 |
| Dividend income | 5 | - | - | 1,246,074 | - |
| Exchange gains | | 24,273 | 12,427 | 21,523 | 12,172 |
| Gains on ineffective portion of cash flow hedge | | | | | |
| on fair value adjustment of hedging instruments | | 175 | - | - | - |
| Other income | | 34 | 7 | - | - |
| Total revenues | | 2,663,026 | 957,284 | 1,337,557 | 82,638 |
| Expenses | | | | | |
| Vessel operating costs | | | | | |
| Vessel running expenses | | 463,308 | 382,768 | - | - |
| Voyage disbursements | | 17,945 | 30,539 | - | - |
| Bunker consumption | | 27,814 | 42,760 | - | - |
| Total vessel operating costs | | 509,067 | 456,067 | - | - |
| Depreciation | 7 | 316,353 | 304,948 | 2,157 | 1,971 |
| Cost of services | | 1,278 | 924 | - | - |
| Administrative expenses | 3 | 116,471 | 58,655 | 66,439 | 37,354 |
| Management remuneration including perquisites | 3 | 52,085 | 16,790 | 50,401 | 17,653 |
| Expected credit losses | | 4 | - | - | - |
| Losses on derivative | | 61,368 | - | 1,032 | - |
| Total expenses | | 1,056,626 | 837,384 | 120,029 | 56,978 |
| Operating profit | | 1,606,400 | 119,900 | 1,217,528 | 25,660 |
| Share of profit from investment in | | | | | |
| associate held by a subsidiary | 6.1 | 6,520 | 2,590 | - | - |
| Finance cost | | (111,658) | (144,595) | (30,010) | (77,424) |
| Profit (loss) for the period | | 1,501,262 | (22,105) | 1,187,518 | (51,764) |

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Income statement (continued)

For the three-month period ended 30 September 2021

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

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|--|-----------------|--------------------------------------|-----------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Profit (loss) attributable to: | | | | | |
| Equity holders of the Company | | 1,501,262 | (22,105) | 1,187,518 | (51,764) |
| Non-controlling interests of the subsidiaries | | - | - | - | - |
| Profit (loss) for the period | | <u>1,501,262</u> | <u>(22,105)</u> | <u>1,187,518</u> | <u>(51,764)</u> |
| Basic earnings per share | 13 | | | | |
| Profit (loss) attributable to equity holders of the Company | | <u>0.96</u> | <u>(0.01)</u> | <u>0.76</u> | <u>(0.03)</u> |

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2021

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-----------------|-------------------------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Profit (loss) for the period | 1,501,262 | (22,105) | 1,187,518 | (51,764) |
| Other comprehensive income: | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | |
| Exchange differences on translation of financial statements in foreign currency | (17,566) | (431) | - | - |
| Gains on cash flow hedges | 53,377 | 78,787 | - | 26,858 |
| Changes in cost of hedging | 3,017 | (26,741) | - | (7,262) |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods | 38,828 | 51,615 | - | 19,596 |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | | |
| Exchange differences on translation of functional currency to presentation currency financial statements | 730,122 | 260,216 | 600,157 | 243,258 |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods | 730,122 | 260,216 | 600,157 | 243,258 |
| Other comprehensive income for the period | 768,950 | 311,831 | 600,157 | 262,854 |
| Total comprehensive income for the period | 2,270,212 | 289,726 | 1,787,675 | 211,090 |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 2,270,210 | 289,725 | 1,787,675 | 211,090 |
| Non-controlling interests of the subsidiaries | 2 | 1 | - | - |
| | 2,270,212 | 289,726 | 1,787,675 | 211,090 |

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the nine-month period ended 30 September 2021**

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

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | | |
| Vessel operating income | | | | | |
| Time charter income | | 4,937,670 | 2,043,682 | - | - |
| Voyage charter income | | 862,879 | 633,421 | - | - |
| Total vessel operating income | | 5,800,549 | 2,677,103 | - | - |
| Service income | 3 | 2,751 | 2,666 | 67,552 | 67,573 |
| Interest income | 3 | 442 | 7,384 | 133,500 | 146,963 |
| Dividend income | 5 | 509 | - | 1,246,583 | - |
| Exchange gains | | 184,306 | 15,513 | 178,688 | 13,714 |
| Gains on ineffective portion of cash flow hedge | | | | | |
| on fair value adjustment of hedging instruments | | 1,041 | - | - | - |
| Gain on derivative | | - | 17,545 | - | 17,545 |
| Other income | | 791 | 7 | 712 | - |
| Total revenues | | 5,990,389 | 2,720,218 | 1,627,035 | 245,795 |
| Expenses | | | | | |
| Vessel operating costs | | | | | |
| Vessel running expenses | | 1,286,317 | 1,141,075 | - | - |
| Voyage disbursements | | 105,524 | 131,156 | - | - |
| Bunker consumption | | 195,607 | 238,010 | - | - |
| Total vessel operating costs | | 1,587,448 | 1,510,241 | - | - |
| Depreciation | 7 | 902,293 | 915,044 | 6,023 | 5,854 |
| Cost of services | | 3,899 | 2,974 | - | - |
| Administrative expenses | 3 | 287,704 | 228,446 | 165,570 | 169,544 |
| Management remuneration including perquisites | 3 | 122,829 | 40,566 | 119,276 | 42,971 |
| Losses on settlement agreement | | - | 868,717 | - | 860,602 |
| Expected credit losses (reversal) | | (8,777) | 8,912 | - | - |
| Losses on derivative | | 69,661 | - | 11,787 | - |
| Total expenses | | 2,965,057 | 3,574,900 | 302,656 | 1,078,971 |
| Operating profit (loss) | | 3,025,332 | (854,682) | 1,324,379 | (833,176) |
| Share of profit from investment in | | | | | |
| associate held by a subsidiary | 6.1 | 14,583 | 7,119 | - | - |
| Finance cost | | (337,212) | (474,715) | (136,108) | (228,507) |
| Profit (loss) for the period | | 2,702,703 | (1,322,278) | 1,188,271 | (1,061,683) |

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Income statement (continued)

For the nine-month period ended 30 September 2021

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

| Note | Consolidated financial statements | | Separate financial statements | |
|---|--|--------------------|--------------------------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Profit (loss) attributable to: | | | | |
| Equity holders of the Company | 2,702,702 | (1,322,277) | 1,188,271 | (1,061,683) |
| Non-controlling interests of the subsidiaries | 1 | (1) | - | - |
| Profit (loss) for the period | 2,702,703 | (1,322,278) | 1,188,271 | (1,061,683) |
| Basic earnings per share | | | | |
| 13 | | | | |
| Profit (loss) attributable to equity holders of the Company | 1.73 | (0.85) | 0.76 | (0.68) |

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------------|--------------------------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Profit (loss) for the period | 2,702,703 | (1,322,278) | 1,188,271 | (1,061,683) |
| Other comprehensive income: | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | |
| Exchange differences on translation of financial statements in foreign currency | (12,397) | (7,011) | - | - |
| Gains (losses) on cash flow hedges | 81,901 | (153,669) | 10,167 | (133,163) |
| Changes in cost of hedging | 966 | 12,001 | (2,730) | 30,081 |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods | 70,470 | (148,679) | 7,437 | (103,082) |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | | |
| Exchange differences on translation of functional currency to presentation currency financial statements | 1,450,408 | 583,609 | 1,236,307 | 533,002 |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods | 1,450,408 | 583,609 | 1,236,307 | 533,002 |
| Other comprehensive income for the period | 1,520,878 | 434,930 | 1,243,744 | 429,920 |
| Total comprehensive income for the period | 4,223,581 | (887,348) | 2,432,015 | (631,763) |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 4,223,576 | (887,349) | 2,432,015 | (631,763) |
| Non-controlling interests of the subsidiaries | 5 | 1 | - | - |
| | 4,223,581 | (887,348) | 2,432,015 | (631,763) |

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

| | Separate financial statements | | | | | | | | | | | |
|---|----------------------------------|-----------|----------------------------|---|--------------|-------------|---|--|-------------------------|-------------------------|--|----------------------------|
| | | | | | | | Other components of shareholders' equity | | | | | |
| | | | | | | | Other comprehensive income | | | | | |
| | Retained earnings | | | | | | Exchange differences on translation of financial statements | Losses on measurement of fair value of investment in equity instrument of non-listed company | Cash flow hedge reserve | Cost of hedging reserve | Total other components of shareholders' equity | Total shareholders' equity |
| | Issued and paid-up share capital | | Premium on ordinary shares | Premium on treasury stock | Appropriated | | | | | | | |
| | | | Statutory reserve | Corporate social responsibility reserve | | | | | | | | |
| Balance as at 1 January 2020 | 1,559,292 | 1,967,897 | 172,446 | 103,952 | 17,696 | 7,013,389 | (285,613) | - | 160,648 | (61,552) | (186,517) | 10,648,155 |
| Loss for the period | - | - | - | - | - | (1,061,683) | - | - | - | - | - | (1,061,683) |
| Other comprehensive income for the period | - | - | - | - | - | - | 533,002 | - | (133,163) | 30,081 | 429,920 | 429,920 |
| Total comprehensive income for the period | - | - | - | - | - | (1,061,683) | 533,002 | - | (133,163) | 30,081 | 429,920 | (631,763) |
| Appropriated to corporate social responsibility reserve | - | - | - | - | 257 | (257) | - | - | - | - | - | - |
| Balance as at 30 September 2020 | 1,559,292 | 1,967,897 | 172,446 | 103,952 | 17,953 | 5,951,449 | 247,389 | - | 27,485 | (31,471) | 243,403 | 10,016,392 |
| Balance as at 1 January 2021 | 1,559,292 | 1,967,897 | 172,446 | 103,952 | 17,769 | 5,904,977 | (264,573) | (752) | (17,522) | 4,740 | (278,107) | 9,448,226 |
| Profit for the period | - | - | - | - | - | 1,188,271 | - | - | - | - | - | 1,188,271 |
| Other comprehensive income for the period | - | - | - | - | - | - | 1,236,307 | - | 10,167 | (2,730) | 1,243,744 | 1,243,744 |
| Total comprehensive income for the period | - | - | - | - | - | 1,188,271 | 1,236,307 | - | 10,167 | (2,730) | 1,243,744 | 2,432,015 |
| Dividend paid (Note 15) | - | - | - | - | - | (779,574) | - | - | - | - | - | (779,574) |
| Appropriated to statutory reserve (Note 12) | - | - | - | 51,977 | - | (51,977) | - | - | - | - | - | - |
| Appropriated to corporate social responsibility reserve | - | - | - | - | 11,165 | (11,165) | - | - | - | - | - | - |
| Balance as at 30 September 2021 | 1,559,292 | 1,967,897 | 172,446 | 155,929 | 28,934 | 6,250,532 | 971,734 | (752) | (7,355) | 2,010 | 965,637 | 11,100,667 |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Cash flow statement****For the nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------|--------------------------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Cash flows from operating activities | | | | |
| Profit (loss) before tax | 2,702,703 | (1,322,278) | 1,188,271 | (1,061,683) |
| Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 903,223 | 915,807 | 6,900 | 6,614 |
| Expected credit losses (reversal) | (8,777) | 8,912 | - | - |
| Losses on settlement agreement | - | 868,717 | - | 860,602 |
| Amortisation of deferred contract costs | 13,117 | 13,135 | - | - |
| Write-off of equipments | 11 | 15 | 8 | 15 |
| Gains on sales of equipments | (734) | - | (712) | - |
| Share of profit from investment in associate held by a subsidiary | (14,583) | (7,119) | - | - |
| Reversal of provision for maritime claims | (6,456) | (1,940) | - | - |
| Provision for long-term employee benefits | 9,239 | 10,509 | 5,640 | 6,981 |
| Unrealised exchange gains | (20,614) | (9,119) | (11,991) | (6,615) |
| Amortised financial fees to interest expense | 10,680 | 13,668 | - | - |
| Finance cost | 315,842 | 466,934 | 132,681 | 221,819 |
| Amortisation of deferred debentures issuing cost | 218 | 3,777 | 218 | 3,777 |
| Dividend income | (509) | - | (1,246,583) | - |
| Loss on derivative | 69,661 | - | 11,787 | - |
| Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments | (1,041) | - | - | - |
| Interest income | - | - | (133,282) | (142,557) |
| Write-off withholding tax deducted at source | 1,680 | 1,666 | 1,680 | 1,666 |
| Profit (loss) from operating activities before changes in operating assets and liabilities | 3,973,660 | 962,684 | (45,383) | (109,381) |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 59,681 | 11,864 | 1,372,843 | (747,224) |
| Bunker oil | 28,594 | 148,277 | - | - |
| Other current assets | (18,827) | 4,200 | (1,333) | (5,092) |
| Other non-current assets | - | 1,627 | - | 1,627 |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | 52,066 | (230,664) | 78,991 | 164,991 |
| Advances received from charterers | (535,899) | (41,032) | - | - |
| Other current liabilities | 40,075 | (6,283) | 38,317 | (1,479) |
| Other non-current liabilities | 130,504 | (4,920) | 90,955 | (4,920) |
| Cash flows from (used in) operating activities | 3,729,854 | 845,753 | 1,534,390 | (701,478) |
| Cash paid for corporate income tax and withholding tax deducted at source | (3,677) | (1,739) | (1,157) | (823) |
| Net cash flows from (used in) operating activities | 3,726,177 | 844,014 | 1,533,233 | (702,301) |

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Cash flow statement (continued)**

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------------|-------------------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Cash flows from investing activities | | | | |
| Acquisitions of equipment and payment of dry-dock and special survey expenses | (155,816) | (198,491) | (2,764) | (2,726) |
| Acquisitions of computer software | - | (1,261) | - | (904) |
| Cash received from settlement agreement | - | 1,269,067 | - | 1,269,067 |
| Cash received from sales of equipment | 734 | - | 712 | - |
| Decrease in long-term loans to subsidiaries | - | - | 1,361,157 | 268,682 |
| Dividend received | 11,978 | 2,058 | 1,246,583 | - |
| Net cash flows from (used in) investing activities | (143,104) | 1,071,373 | 2,605,688 | 1,534,119 |
| Cash flows from financing activities | | | | |
| Cash paid for interest expense | (342,052) | (461,297) | (155,944) | (220,297) |
| Cash paid for deferred financial fees | (73,095) | (8,957) | - | - |
| Cash paid for lease liabilities | (4,760) | (4,300) | (3,736) | (3,621) |
| Cash paid for derivative | (61,398) | (18,305) | - | (18,305) |
| Cash received from long-term loans | 4,397,360 | 1,226,695 | - | - |
| Repayment of long-term loans | (847,834) | (737,090) | - | - |
| Prepayment of long-term loans | (1,549,378) | (1,222,660) | - | - |
| Repayment of debentures - net | (3,569,218) | (186,621) | (3,569,218) | (186,621) |
| Dividend paid | (779,574) | - | (779,574) | - |
| Net cash flows used in financing activities | (2,829,949) | (1,412,535) | (4,508,472) | (428,844) |
| Increase in translation adjustments | 167,406 | 67,532 | 46,974 | 27,872 |
| Net increase (decrease) in cash and cash equivalents | 920,530 | 570,384 | (322,577) | 430,846 |
| Cash and cash equivalents at beginning of period | 1,100,490 | 1,181,181 | 612,724 | 443,251 |
| Cash and cash equivalents at end of period | 2,021,020 | 1,751,565 | 290,147 | 874,097 |
| | - | - | - | - |

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

Precious Shipping Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2021

1. General information

1.1 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group's management has continuously monitored ongoing developments and acted to mitigate adverse impacts on the Group.

1.2 Basis for the preparation of the interim financial statements

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

These interim financial statements are presented in Thai Baht which is different from the functional currency of the Company, which is US Dollar. The presentation in Thai Baht is in accordance with regulatory requirements in Thailand.

The USD functional currency interim financial statements are translated into the Thai Baht presentation currency financial statements at the rate of exchange prevailing at the end of reporting period in respect of assets and liabilities, and at a rate that approximates the actual rate at the date of the transaction in respect of revenues and expenses, differences being recorded as "Exchange differences on translation of financial statements" in other comprehensive income, other component of shareholders' equity.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Precious Shipping Public Company Limited, subsidiaries and associate (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020. There have been no changes in the composition of the Group during the current period.

1.4 New financial reporting standards

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

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

However, the Group has adopted the temporary exemptions from applying specific hedge accounting requirements in accordance with TFRS 9 Financial Instruments and TFRS 7 Disclosure of Financial Instruments, which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

The adoption of these temporary exemptions does not have any significant impact on the Group’s financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

2. Trade and other receivables

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 30 September | 31 December | 30 September | 31 December |
| | 2021 | 2020 | 2021 | 2020 |
| <u>Trade receivables - unrelated parties</u> | | | | |
| Aged on the basis of invoice date | | | | |
| Past due | | | | |
| Up to 3 months | 130,735 | 166,927 | - | - |
| 3 - 6 months | 2,335 | 1,643 | - | - |
| 6 - 12 months | 70 | 131 | - | - |
| Over 12 months | 444 | 8,809 | - | - |
| Total | 133,584 | 177,510 | - | - |
| Less: Allowance for expected credit losses | (444) | (8,809) | - | - |
| Total trade receivables - unrelated parties, net | 133,140 | 168,701 | - | - |
| <u>Other receivables - related parties</u> | | | | |
| Advances to related parties (Note 3) | - | - | 2,678,271 | 3,648,305 |
| Total other receivables | - | - | 2,678,271 | 3,648,305 |
| Total trade and other receivables - net | 133,140 | 168,701 | 2,678,271 | 3,648,305 |

3. Related party transactions

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | For the three-month periods ended 30 September | | | | Transfer pricing policy |
|---|--|-------|----------------------|--------|--|
| | Consolidated | | Separate | | |
| | financial statements | | financial statements | | |
| | 2021 | 2020 | 2021 | 2020 | |
| Transactions with subsidiaries | | | | | |
| (Eliminated from consolidated financial statements) | | | | | |
| Service income - management fees | - | - | 23,084 | 22,615 | Fixed rate per vessel per day set with reference to the administrative cost of the Company |
| Dividend received | - | - | 1,246,074 | - | As declared |
| Interest income | - | - | 46,876 | 47,589 | At interest rate of 5.00% per annum |
| Condominium rental expenses | - | - | 1,832 | 2,126 | Market price |
| Transactions with related companies | | | | | |
| Rental and service expenses | 11,610 | 2,180 | 4,430 | 1,225 | Market price |

(Unit: Thousand Baht)

| | For the nine-month periods ended 30 September | | | | Transfer pricing policy |
|---|---|--------|----------------------|---------|--|
| | Consolidated | | Separate | | |
| | financial statements | | financial statements | | |
| | 2021 | 2020 | 2021 | 2020 | |
| Transactions with subsidiaries | | | | | |
| (Eliminated from consolidated financial statements) | | | | | |
| Service income - management fees | - | - | 67,552 | 67,573 | Fixed rate per vessel per day set with reference to the administrative cost of the Company |
| Dividend received | - | - | 1,246,074 | - | As declared |
| Interest income | - | - | 133,282 | 142,543 | At interest rate of 5.00% per annum |
| Condominium rental expenses | - | - | 5,465 | 6,108 | Market price |
| Transactions with associate | | | | | |
| Dividend received | 11,469 | 2,058 | - | - | As declared |
| Transactions with related companies | | | | | |
| Air ticket expenses | - | 245 | - | 184 | Market price |
| Rental and service expenses | 25,043 | 12,968 | 7,900 | 5,763 | Market price |

(Unaudited but reviewed)

The balances of the accounts between the Company and those related parties are as follows.

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
| Other receivables - related parties (Note 2) | | | | |
| Subsidiaries | - | - | 2,678,271 | 3,648,305 |
| Total other receivables - related parties | - | - | 2,678,271 | 3,648,305 |
| Trade and other payables - related parties | | | | |
| Subsidiaries | - | - | 2,087,947 | 1,825,509 |
| Related companies | 13 | 937 | 4 | 8 |
| Total trade and other payables - related parties | 13 | 937 | 2,087,951 | 1,825,517 |
| Lease liabilities - related parties | | | | |
| Related company | 5,935 | 6,346 | 5,935 | 6,346 |
| Total lease liabilities - related parties | 5,935 | 6,346 | 5,935 | 6,346 |

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

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

| | For the three-month periods ended 30 September | | | |
|------------------------------|--|--------|----------------------|--------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Short-term employee benefits | 30,545 | 16,015 | 29,951 | 16,878 |
| Post-employment benefits | 473 | 775 | 406 | 775 |
| Other long-term benefits | 21,067 | - | 20,044 | - |
| Total | 52,085 | 16,790 | 50,401 | 17,653 |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | For the nine-month periods ended 30 September | | | |
|------------------------------|---|--------|----------------------|--------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Short-term employee benefits | 78,740 | 38,243 | 77,506 | 40,648 |
| Post-employment benefits | 1,431 | 2,323 | 1,230 | 2,323 |
| Other long-term benefits | 42,658 | - | 40,540 | - |
| Total | 122,829 | 40,566 | 119,276 | 42,971 |

Guarantee obligations with related parties

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

4. Long-term loans to subsidiary

On 30 December 2019, the Company executed a loan agreement with Precious Shipping (Singapore) Pte. Limited (“PSSP”) in order to refinance the existing loans amounting to USD 150 million between the Company as lender and PSSP as borrower. As at 30 September 2021, the Company had long-term loan to PSSP amounting to USD 76 million (31 December 2020: USD 112 million).

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

| | (Unit: Thousand Baht) |
|---------------------------------|----------------------------------|
| | Separate financial statements |
| Balance as at 1 January 2021 | 3,378,394 |
| Interest income for the period | 133,282 |
| Decrease | (1,361,157) |
| Translation adjustment | 411,302 |
| Balance as at 30 September 2021 | 2,561,821 |

5. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

| Subsidiaries' name | Separate financial statements | | | | | |
|---|-------------------------------|----------|-------------------------|----------|-------------|-------------|
| | Paid-up capital | | Shareholding percentage | | Cost | |
| | 30 | 31 | 30 | 31 | 30 | 31 |
| | September | December | September | December | September | December |
| | | | | | | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | | | % | % | | |
| Precious Metals Limited | 275,000 | 275,000 | 99.99 | 99.99 | 359,429 | 318,263 |
| Precious Wishes Limited | 230,000 | 230,000 | 99.99 | 99.99 | 305,966 | 270,923 |
| Precious Stones Shipping Limited | 260,000 | 260,000 | 99.99 | 99.99 | 285,810 | 253,075 |
| Precious Minerals Limited | 230,000 | 230,000 | 99.99 | 99.99 | 259,895 | 230,129 |
| Precious Lands Limited | 306,000 | 306,000 | 99.99 | 99.99 | 328,917 | 291,245 |
| Precious Lakes Limited | 184,000 | 184,000 | 99.99 | 99.99 | 189,706 | 167,979 |
| Precious Oceans Limited | 175,000 | 175,000 | 99.99 | 99.99 | 232,800 | 206,137 |
| Precious Planets Limited | 270,000 | 270,000 | 99.99 | 99.99 | 315,663 | 279,510 |
| Precious Diamonds Limited | 205,000 | 205,000 | 99.99 | 99.99 | 197,628 | 174,993 |
| Precious Sapphires Limited | 144,000 | 144,000 | 99.99 | 99.99 | 134,081 | 118,724 |
| Precious Emeralds Limited | 366,000 | 366,000 | 99.99 | 99.99 | 321,506 | 284,684 |
| Precious Rubies Limited | 259,360 | 259,360 | 99.99 | 99.99 | 268,438 | 237,693 |
| Precious Opals Limited | 249,360 | 249,360 | 99.99 | 99.99 | 259,828 | 230,070 |
| Precious Garnets Limited | 379,000 | 379,000 | 99.99 | 99.99 | 331,613 | 293,633 |
| Precious Pearls Limited | 173,000 | 173,000 | 99.99 | 99.99 | 189,403 | 167,710 |
| Precious Flowers Limited | 336,000 | 336,000 | 99.99 | 99.99 | 365,184 | 323,359 |
| Precious Forests Limited | 286,000 | 286,000 | 99.99 | 99.99 | 283,909 | 251,393 |
| Precious Trees Limited | 202,000 | 202,000 | 99.99 | 99.99 | 221,633 | 196,249 |
| Precious Ponds Limited | 124,000 | 124,000 | 99.99 | 99.99 | 133,310 | 118,042 |
| Precious Ventures Limited | 202,000 | 202,000 | 99.99 | 99.99 | 240,406 | 212,871 |
| Precious Capitals Limited | 200,000 | 200,000 | 99.99 | 99.99 | 266,057 | 235,585 |
| Precious Jasmines Limited | 147,000 | 147,000 | 99.99 | 99.99 | 180,757 | 160,054 |
| Precious Orchids Limited | 217,000 | 217,000 | 99.99 | 99.99 | 204,262 | 180,867 |
| Precious Lagoons Limited | 140,000 | 140,000 | 99.99 | 99.99 | 186,240 | 164,909 |
| Precious Resorts Limited | 140,000 | 140,000 | 99.99 | 99.99 | 186,240 | 164,909 |
| Precious Comets Limited | 141,000 | 141,000 | 99.99 | 99.99 | 141,595 | 125,377 |
| Precious Ornaments Limited | 156,000 | 156,000 | 99.99 | 99.99 | 155,402 | 137,603 |
| Precious Moons Limited | 1,000 | 1,000 | 99.98 | 99.98 | 1,036 | 917 |
| Precious Venus Limited | 298,800 | 298,800 | 99.99 | 99.99 | 287,642 | 254,698 |
| Precious Neptune Limited | 298,800 | 298,800 | 99.99 | 99.99 | 287,642 | 254,698 |
| Precious Shipping (Panama) S.A. | 250 | 250 | 99.99 | 99.99 | 339 | 300 |
| Precious Shipping (Singapore) Pte. Limited | 363,338 | 363,338 | 100.00 | 100.00 | 1,907,194 | 1,688,759 |
| Precious Shipping (UK) Limited | 250 | 250 | 100.00 | 100.00 | 339 | 300 |
| Great Circle Shipping Agency Limited | 210,000 | 210,000 | 99.99 | 99.99 | 367,860 | 325,728 |
| Associated Bulk Carriers Pte. Limited | 0.0664 | 0.0664 | 100.00 | 100.00 | - | - |
| Total investments in subsidiaries | | | | | 9,397,730 | 8,321,386 |
| Less: Allowance for loss on investments in subsidiaries | | | | | (1,469,423) | (1,301,127) |
| Total investments in subsidiaries - net | | | | | 7,928,307 | 7,020,259 |

(Unaudited but reviewed)

During the three-month and nine-month periods ended 30 September 2021, the Company received dividends in the amount of Baht 1,246 million from Associated Bulk Carriers Pte. Limited and recognised as dividend income in the separate income statement (2020: nil).

As at 30 September 2021, the Company has pledged the shares of 18 subsidiaries amounting to Baht 4,410.65 million (net of allowance for loss on investments) (31 December 2020: 18 subsidiaries amounting to Baht 3,905.49 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 9 to the financial statements.

In addition, as at 30 September 2021, the overseas subsidiaries in Singapore, Precious Shipping (Singapore) Pte. Limited has pledged the shares of 12 subsidiaries amounting to Baht 18.98 million (31 December 2020: 5 subsidiaries amounting to Baht 8.58 million) in the financial statements of Precious Shipping (Singapore) Pte. Limited. and Associated Bulk Carriers Pte. Limited has pledged the shares of 4 subsidiaries amounting to Baht 6.78 million (31 December 2020: 4 subsidiaries amounting to Baht 6.01 million) in the financial statements of Associated Bulk Carriers Pte. Limited, with banks to secure the long-term loans referred to in Note 9 to the financial statements.

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

As at 30 September 2021 and 31 December 2020, the amounts under allowance for loss on investments in subsidiaries in the separate financial statements are derived from subsidiaries which have sold vessels and insofar have no plan of buying replacement vessels.

6. Investment in associate held by a subsidiary

6.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

| | | Consolidated financial statements | | | | | | |
|---|--------------------|-----------------------------------|---------------|----------------|---------------|---|---------------|--------|
| | | Shareholding percentage | | Cost | | Carrying amounts based on equity method | | |
| | | 30 | 31 | 30 | 31 | 30 | 31 | |
| Associate's name | Nature of business | September 2021 | December 2020 | September 2021 | December 2020 | September 2021 | December 2020 | |
| | | % | % | | | | | |
| International Seaports (Haldia) Private Limited | Port development | India | 22.40 | 22.40 | 69,122 | 61,205 | 84,440 | 74,311 |

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

| Associate's name | Consolidated financial statements | | | |
|---|--|-------|-------------------|------|
| | For the three-month periods ended 30 September | | | |
| | Share of profit | | Dividend received | |
| | 2021 | 2020 | 2021 | 2020 |
| International Seaports (Haldia) Private Limited | 6,520 | 2,590 | - | - |

(Unit: Thousand Baht)

| Associate's name | Consolidated financial statements | | | |
|---|---|-------|-------------------|-------|
| | For the nine-month periods ended 30 September | | | |
| | Share of profit | | Dividend received | |
| | 2021 | 2020 | 2021 | 2020 |
| International Seaports (Haldia) Private Limited | 14,583 | 7,119 | 11,469 | 2,058 |

Shares of profit from investment in associate held by a subsidiary for the three-month and nine-month periods ended 30 September 2021 and 2020, included in the consolidated income statements, were calculated based on the financial information for the three-month and nine-month periods ended 30 June 2021 and 2020, respectively.

6.2 Summarised financial information of associate held by a subsidiary

(Unit: Thousand Baht)

| Associate's name | Paid-up capital as at | | Total assets as at | | Total liabilities as at | | Total revenues for the | | Profit for the | |
|--|-----------------------|--------------|--------------------|---------|-------------------------|--------|--------------------------|---------|--------------------------|--------|
| | 30 June | | 30 June | | 30 June | | nine-month periods ended | | nine-month periods ended | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | Thousand INR | Thousand INR | | | | | | | | |
| International Seaports (Haldia) Private Limited | 440,580 | 440,580 | 422,185 | 376,053 | 45,222 | 49,124 | 368,716 | 274,710 | 65,102 | 31,780 |

7. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2021 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|--|--------------------------------------|----------------------------------|
| Net book value as at 1 January 2021 | 19,124,559 | 7,611 |
| Acquisitions of equipment and payment of dry-dock and special survey expenses during period - at cost | 155,816 | 2,764 |
| Disposals/write-off | (11) | (8) |
| Depreciation for the period | (898,111) | (2,764) |
| Translation adjustment | 2,420,503 | 994 |
| Net book value as at 30 September 2021 | 20,802,756 | 8,597 |

(Unaudited but reviewed)

As at 30 September 2021, the subsidiaries have mortgaged 33 vessels (31 December 2020: 26 vessels) with net book value of Baht 19,740.12 million (31 December 2020: Baht 13,985.90 million) with banks to secure long-term loans as referred to in Note 9 to the financial statements.

8. Deferred contract costs

Movements of the deferred contract costs account during the nine-month period ended 30 September 2021 are summarised below.

| | (Unit: Thousand Baht) |
|---------------------------------|-----------------------|
| | Consolidated |
| | financial statements |
| Balance as at 1 January 2021 | 145,482 |
| Amortisation for the period | (13,117) |
| Translation adjustment | 17,893 |
| Balance as at 30 September 2021 | <u>150,258</u> |

(Unaudited but reviewed)

9. Long-term loan facilities

As at 30 September 2021 and 31 December 2020, long-term loans accounts are presented below.

(Unit: Thousand Baht)

Consolidated financial statements

| As at 30 September 2021 | | | | | | | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Facility 1 | Facility 2 | Facility 3 | Facility 4 | Facility 5 | Facility 6 | Facility 7 | Facility 8 | Facility 9 | Facility 10 | Facility 11 | Facility 12 | Facility 13 | Facility 14 | Facility 15 | Total |
| Long-term loans | - | - | - | 1,505,509 | 605,097 | 320,407 | 479,600 | 408,291 | 173,533 | 854,842 | - | 182,035 | 308,353 | 1,300,920 | 2,883,396 | 9,021,983 |
| Add (less): Deferred financial fees | - | - | - | 37,794 | (11,495) | (3,233) | (3,013) | (2,855) | 717 | (2,083) | - | (3,400) | (1,837) | (18,408) | (53,551) | (61,364) |
| Total | - | - | - | 1,543,303 | 593,602 | 317,174 | 476,587 | 405,436 | 174,250 | 852,759 | - | 178,635 | 306,516 | 1,282,512 | 2,829,845 | 8,960,619 |
| Less: Current portion | - | - | - | (197,919) | (164,692) | (40,926) | (39,716) | (405,436) | (174,250) | (94,751) | - | (28,129) | (136,229) | (183,115) | (283,500) | (1,748,663) |
| Long-term loans - net of current portion | - | - | - | 1,345,384 | 428,910 | 276,248 | 436,871 | - | - | 758,008 | - | 150,506 | 170,287 | 1,099,397 | 2,546,345 | 7,211,956 |

(Unit: Thousand Baht)

Consolidated financial statements

| As at 31 December 2020 | | | | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| | Facility 1 | Facility 2 | Facility 3 | Facility 4 | Facility 5 | Facility 6 | Facility 7 | Facility 8 | Facility 9 | Facility 10 | Facility 11 | Facility 12 | Total |
| Long-term loans | 607,529 | 319,571 | 191,180 | 1,461,267 | 598,539 | 284,804 | 451,212 | 657,495 | 351,927 | 820,013 | 303,375 | 180,222 | 6,227,134 |
| Add (less): Deferred financial fees | (4,934) | (1,200) | (656) | 42,831 | (14,859) | (3,548) | (3,025) | (6,972) | 3,989 | (2,195) | (2,412) | (3,806) | 3,213 |
| Total | 602,595 | 318,371 | 190,524 | 1,504,098 | 583,680 | 281,256 | 448,187 | 650,523 | 355,916 | 817,818 | 300,963 | 176,416 | 6,230,347 |
| Less: Current portion | (19,129) | (9,648) | (14,656) | (175,983) | (97,990) | (10,119) | (35,152) | (371,727) | (355,916) | (83,879) | (300,963) | (24,845) | (1,500,007) |
| Long-term loans - net of current portion | 583,466 | 308,723 | 175,868 | 1,328,115 | 485,690 | 271,137 | 413,035 | 278,796 | - | 733,939 | - | 151,571 | 4,730,340 |

(Unaudited but reviewed)

Movements of the long-term loans accounts during the nine-month period ended 30 September 2021 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements

| | Facility 1 | Facility 2 | Facility 3 | Facility 4 | Facility 5 | Facility 6 | Facility 7 | Facility 8 | Facility 9 | Facility 10 | Facility 11 | Facility 12 | Facility 13 | Facility 14 | Facility 15 | Total |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Balance as at 1 January 2021 | 602,595 | 318,371 | 190,524 | 1,504,098 | 583,680 | 281,256 | 448,187 | 650,523 | 355,916 | 817,818 | 300,963 | 176,416 | - | - | - | 6,230,347 |
| Add: Drawdown | - | - | - | - | - | - | - | - | - | - | - | - | 318,187 | 1,268,231 | 2,810,942 | 4,397,360 |
| Amortisation of financial fees | 5,376 | 1,308 | 714 | (9,873) | 4,929 | 723 | 376 | 4,668 | (3,509) | 370 | 2,503 | 839 | 539 | 1,246 | 471 | 10,680 |
| Less: Deferred financial fees | - | - | - | - | - | - | - | - | - | - | - | - | (2,227) | (19,192) | (52,676) | (74,095) |
| Repayment | - | - | - | (135,188) | (66,313) | (1,205) | (27,991) | (289,578) | (207,560) | (66,523) | - | (20,075) | (33,401) | - | - | (847,834) |
| Prepayment | (668,871) | (351,837) | (210,483) | - | - | - | - | - | - | - | (318,187) | - | - | - | - | (1,549,378) |
| Unrealised exchange gain | - | - | - | - | - | - | - | (22,434) | - | - | - | - | - | - | - | (22,434) |
| Translation adjustment | 60,900 | 32,158 | 19,245 | 184,266 | 71,306 | 36,400 | 56,015 | 62,257 | 29,403 | 101,094 | 14,721 | 21,455 | 23,418 | 32,227 | 71,108 | 815,973 |
| Balance as at 30 September 2021 | - | - | - | 1,543,303 | 593,602 | 317,174 | 476,587 | 405,436 | 174,250 | 852,759 | - | 178,635 | 306,516 | 1,282,512 | 2,829,845 | 8,960,619 |

(Unaudited but reviewed)

The Group's bank loan facilities are summarised below.

| Facility | Bank | Borrower | Interest rate per loan/amendment agreement |
|-------------|---|---|--|
| Facility 1 | Bangkok Bank PLC. (Singapore Branch) | ABC Two Pte. Limited and ABC Three Pte. Limited | LIBOR + margin |
| Facility 2 | Bangkok Bank PLC. (Singapore Branch) | ABC Four Pte. Limited | LIBOR + margin |
| Facility 3 | TMB Bank PLC. | ABC One Pte. Limited | LIBOR + margin |
| Facility 4 | Export-Import Bank of Thailand | The Company and local subsidiaries | LIBOR + margin |
| Facility 5 | BNP Paribas | The Company and indirect subsidiaries in Singapore | LIBOR + margin |
| Facility 6 | BNP Paribas | The Company and indirect subsidiary in Singapore | LIBOR + margin |
| Facility 7 | Export-Import Bank of Thailand | The Company and local subsidiary | LIBOR + margin |
| Facility 8 | Krung Thai Bank PLC. and 2 other banks, total 3 banks | The Company and local subsidiaries | MLR-1 for Thai Baht loan and LIBOR + margin for USD loan |
| Facility 9 | Export-Import Bank of Thailand | The Company and local subsidiaries | LIBOR + margin |
| Facility 10 | Export-Import Bank of Thailand | The Company and local subsidiaries | LIBOR + margin |
| Facility 11 | Export-Import Bank of Thailand | The Company and local subsidiary and indirect subsidiary in Singapore | LIBOR + margin |
| Facility 12 | SinoPac Capital International (HK) Limited | Indirect subsidiary in Singapore | LIBOR + margin |
| Facility 13 | Export-Import Bank of Thailand | The Company and local subsidiary and indirect subsidiary in Singapore | LIBOR + margin |
| Facility 14 | Crédit Agricole Corporate and Investment Bank | Indirect subsidiaries in Singapore | LIBOR + margin |
| Facility 15 | International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited | Indirect subsidiaries in Singapore | LIBOR + margin |

As at 30 September 2021 and 31 December 2020, the Group did not have an undrawn loan balance.

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

Facility 8

On 9 April 2021, Krung Thai Bank Plc. as the facility agent informed the Company that the lenders approved the waiver of the testing of the financial covenants regarding the Debt to EBITDA ratio from 1 January 2021 to 30 September 2021. A principal condition of the approval is that the Company is not allowed to pay dividends or make any other distributions to its shareholders during the waiver period.

On 11 August 2021, Krung Thai Bank Plc., approved lifting the waiver of the Debt to EBITDA ratio covenant for the period 1 July 2021 to 30 September 2021 and allowed payment of dividends to shareholders as long as all financial covenants under its loan agreement are in compliance.

Facility 13

On 30 April 2021, the Company along with 2 subsidiaries executed a USD 10.10 million Term loan Facility with Export-Import Bank of Thailand ("EXIM") to be used for refinancing the loan provided by EXIM under the loan agreement dated 28 May 2020. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

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

| Facility | Description |
|-----------------------|---|
| Loan facility | Up to USD 10.10 million |
| Drawdown | USD 10.10 million |
| Final maturity | Not exceeding 2.5 years |
| Repayment | The loan shall be repaid in 10 quarterly installments of USD 1,010,000, beginning from the end of the next quarter after drawdown date with balance amount repayable at the end of the 10 th quarter. |
| Security | <ul style="list-style-type: none"> a) 1st priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower c) 1st priority assignment of any charterparties with a period exceeding 12 months. |

(Unaudited but reviewed)

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

- a) maintenance of debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

Facility 14

On 21 June 2021, the Company's 6 indirect subsidiaries incorporated in Singapore have executed a USD 38.35 million Senior Secured Amortizing Term Loan Agreement ("Agreement") with Crédit Agricole Corporate and Investment Bank ("CACIB"). The proceeds were used to reimburse Precious Shipping (Singapore) Pte. Ltd. ("PSSP") for the intra-group loans owed by the Subsidiaries. The Company and PSSP, the Company's Singapore subsidiary, are the Guarantors under the Agreement. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

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

| Facility | Description | | | | | | | | | | | | | | | | | | | | | |
|----------------|--|------------------------------|------------------------------------|------------------------------|---|---------|-----------|---|---------|-----------|---|---------|-----------|---|---------|-----------|---|---------|---------|---|---------|-----|
| Loan facility | Up to USD 38.35 million | | | | | | | | | | | | | | | | | | | | | |
| Drawdown | The lower of USD 38.35 million or 65% of the market value of each vessel | | | | | | | | | | | | | | | | | | | | | |
| Final maturity | 5 years after the drawdown | | | | | | | | | | | | | | | | | | | | | |
| Repayment | The loan under each Tranche shall be repaid over 5 years, in 20 equal quarterly installments beginning three calendar months after the drawdown date together with a balloon (except Tranche F) payable on final maturity of the loan. <table border="1"><thead><tr><th>Tranche</th><th>Quarterly Installment Amount (USD)</th><th>Balloon Payment Amount (USD)</th></tr></thead><tbody><tr><td>A</td><td>230,208</td><td>3,683,340</td></tr><tr><td>B</td><td>223,438</td><td>4,468,740</td></tr><tr><td>C</td><td>257,292</td><td>1,029,160</td></tr><tr><td>D</td><td>257,292</td><td>1,029,160</td></tr><tr><td>E</td><td>189,583</td><td>758,340</td></tr><tr><td>F</td><td>211,250</td><td>Nil</td></tr></tbody></table> | Tranche | Quarterly Installment Amount (USD) | Balloon Payment Amount (USD) | A | 230,208 | 3,683,340 | B | 223,438 | 4,468,740 | C | 257,292 | 1,029,160 | D | 257,292 | 1,029,160 | E | 189,583 | 758,340 | F | 211,250 | Nil |
| Tranche | Quarterly Installment Amount (USD) | Balloon Payment Amount (USD) | | | | | | | | | | | | | | | | | | | | |
| A | 230,208 | 3,683,340 | | | | | | | | | | | | | | | | | | | | |
| B | 223,438 | 4,468,740 | | | | | | | | | | | | | | | | | | | | |
| C | 257,292 | 1,029,160 | | | | | | | | | | | | | | | | | | | | |
| D | 257,292 | 1,029,160 | | | | | | | | | | | | | | | | | | | | |
| E | 189,583 | 758,340 | | | | | | | | | | | | | | | | | | | | |
| F | 211,250 | Nil | | | | | | | | | | | | | | | | | | | | |

| Facility | Description |
|-----------------|--|
| Security | a) Guarantee from the Guarantors b) 1 st priority mortgage on the 6 Vessels c) Pledge of shares in the 6 Subsidiaries d) 1 st priority assignment of insurances and requisition compensation, earnings, any charterparties (for a period of 12 months or more) and any charter guarantee in relation to the Vessels e) 1 st priority charge over the Borrowers' Earnings Accounts and Retention Accounts f) 1 st priority charge over the Borrowers' rights under the hedging agreement |

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

- a) maintenance of the maximum funded debt to total shareholders' equity ratio of 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

On 8 July 2021, the Subsidiaries completed draw down of USD 38.35 million and entered into Interest Rate Swap Transactions, to swap the interest of the loan facility of USD 38.35 million, from a floating interest rate (LIBOR) to a fixed interest rate.

Facility 15

On 29 June 2021, the Company's 5 indirect subsidiaries incorporated in Singapore as the Borrowers signed a USD 85.00 million Senior Secured Sustainability-Linked Amortizing Term Loan Facility ("Loan Facility") with International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited, to refinance 4 Cement Carriers, 1 Supramax Dry Bulk Vessel and to redeem the remaining outstanding principal of the Company's PSL211A Debentures. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

(Unaudited but reviewed)

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

| Facility | Description |
|-----------------------|--|
| Loan facility | Up to USD 85.00 million |
| Drawdown | Totally USD 85.00 million |
| Final maturity | 30 June 2029. |
| Repayment | The Loan, which comprises 5 vessel tranches, shall be repaid over a maximum tenor of 8 years, in 32 quarterly installments as the amounts stipulated in the agreement beginning on 30 December 2021 together with a balloon payment payable on final maturity of the Loan. |
| Guarantors | a) Precious Shipping Public Company Limited (the "Company") b) Precious Shipping (Singapore) Pte. Ltd., Singapore subsidiary of the Company c) Associated Bulk Carriers Pte. Ltd., Singapore subsidiary of the Company |
| Security | a) Guarantee from the Guarantors; b) 1st priority mortgage on the 5 Vessels; c) Pledge of shares in the 5 Subsidiaries; d) 1st priority assignment of the long-term charter contracts in relation to the 5 Vessels; e) 1st priority general assignment of insurances, requisition compensation and earnings in relation to the 5 Vessels; f) 1st priority charge over the earnings and retention accounts of the Borrowers. |

The loan agreement contains covenants that, among other things, require the Borrowers to maintain Debt Service Coverage Ratio on their year end consolidated USD financial statement at least 1.1:1.

On 15 September 2021, the Subsidiaries completed draw down of USD 85.00 million.

As at 30 September 2021, the Subsidiaries deposited USD 3.59 million as the debt service reserve account (DSRA) in accordance with the terms of the loan facility. The required minimum balance of the DSRA is reviewed by the lenders once a year.

(Unaudited but reviewed)

10. Debentures

As at 30 September 2021 and 31 December 2020, details of debentures are as follows.

| Series | Maturity date | No. of units (Thousand units) | Interest rate (% p.a.) | Term of interest payment | (Unit: Thousand Baht) Carrying amount | |
|--|---|--|------------------------------|-----------------------------|--|---------------------|
| | | | | | 30 September 2021 | 31 December 2020 |
| 1 (PSL211A) | Extended the maturity date by 1.5 years to 22 July 2022 (6.5 years) | 3,590 | 6.75 | Quarterly | - | 2,855,865 |
| 2 (PSL206A) | Extended the maturity date by 1.5 years to 9 December 2021 (5 years) | 1,960 | 6.50 | Quarterly | - | 935,515 |
| Total | | | | | - | 3,791,380 |
| Less: Deferred debenture issuing costs | | | | | - | (215) |
| Debentures - net | | | | | - | 3,791,165 |
| Less: Current portion | | | | | - | (935,515) |
| Debentures - net of current portion | | | | | - | 2,855,650 |

PSL211A

Since the functional currency of the Company is US Dollars, with a view to covering the currency risk on the Thai Baht denominated liability of the Company, the entire proceeds of Baht 3,590.00 million were swapped into US Dollars, amounting to USD 99.72 million on 22 January 2016 vide a 5-year Cross Currency Swap entered into by the Company. The Company also swapped THB fixed interest rate of 5.25% per annum to USD fixed interest rate of 5.99% per annum.

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

(Unaudited but reviewed)

On 16 June 2020, the Board of Directors' Meeting No. 5/2020 of the Company approved the following proposal to amend the terms and conditions of the Debentures of Precious Shipping Public Company Limited No. 1/2016 Due 2021:

- a) an extension of the maturity date by 1.5 years from 22 January 2021 to 22 July 2022;
- b) a partial upfront redemption payment of 20 percent on or before the existing maturity date (i.e. 22 January 2021);
- c) an increase in the coupon rate from 5.25 percent per annum to 6.75 percent per annum starting from 22 January 2021; and
- d) The Company will have the right to make early redemptions of the debentures (in whole or in part).

On 30 July 2020, the bondholders' meeting approved the above amended terms and conditions.

During the fourth quarter of 2020, the Company exercised its right to redeem 20% of the original Baht 3,590.00 million issue size, which is equivalent to Baht 718.00 million. After this redemption payment, the remaining balance was Baht 2,872.00 million.

On 30 April 2021, the Company exercised its right to redeem Baht 287.20 million, which is equivalent to 10% of outstanding balance of Baht 2,872.00 million. The remaining balance after this redemption payment was Baht 2,584.80 million.

On 22 July 2021, the Company exercised its right to redeem Baht 1,163.16 million, which is equivalent to 45% of outstanding balance of Baht 2,584.80 million. The remaining balance after this redemption payment is Baht 1,421.64 million.

On 27 September 2021, the Company exercised its right to redeem Baht 1,421.64 million, which is the final redemption of PSL211A's outstanding balance. As a result, there is no remaining balance for PSL211A after this redemption payment.

PSL206A

Since the functional currency of the Company is US Dollars, with a view to covering the currency risk on the Thai Baht denominated liability of the Company, on 4 January 2017, the entire proceeds of Baht 1,960.00 million were swapped into US Dollars, amounting to USD 54.90 million vide a 3.5-year Cross Currency Swap entered into by the Company. The Company also swapped THB fixed interest rate of 5.00% per annum to USD fixed interest rate of 5.75% per annum.

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

(Unaudited but reviewed)

On 27 April 2020, the Board of Directors' Meeting No. 2/2020 of the Company approved the following proposal to amend the terms and conditions of the Debentures of Precious Shipping Public Company Limited No. 2/2016 Due 2020 as follows:

- a) an extension of the maturity date for 1.5 years from 9 June 2020 to 9 December 2021;
- b) a partial upfront repayment of 20 percent on the existing maturity date (i.e. 9 June 2020);
- c) an increase in the coupon rate from 5.00 percent per annum to 6.50 percent per annum starting from 9 June 2020; and
- d) The Company will have the right to make early redemptions of the debentures (in whole or in part).

On 19 May 2020, the bondholders' meeting approved the abovementioned amended terms and conditions. On 9 June 2020, the Company made an upfront redemption payment equivalent to 20 percent of the outstanding principal or Baht 392.00 million. Following this redemption payment, the outstanding balance of this debenture was Baht 1,568.00 million. Subsequently on 16 June 2020, the Company purchased a 1.5 year tenor put option with a strike of Baht 30.15 to protect against the appreciation of the Thai Baht against the US Dollar, for Baht 1,250.00 million of the outstanding amount.

During the fourth quarter of 2020, the Company exercised its right to redeem a further Baht 627.20 million, which is equivalent to 40% of the outstanding balance of Baht 1,568.00 million. After these redemption payments, the remaining balance was Baht 940.80 million.

On 5 January 2021, the Company exercised its right to redeem a further Baht 282.24 million, which is equivalent to 30% of outstanding balance of Baht 940.80 million. The remaining balance after this redemption payment was Baht 658.56 million. On 12 March 2021, the Company exercised its right to redeem a further Baht 329.28 million, which is equivalent to 50% of outstanding balance of Baht 658.56 million. The balance remaining after this redemption payment was Baht 329.28 million.

On 23 April 2021, the Company exercised its right to redeem Baht 329.28 million, which is the final redemption of PSL206A's outstanding balance. As a result, there is no remaining balance for PSL206A after this redemption payment.

(Unaudited but reviewed)

Derivative assets

As at 30 September 2021, the Group had a decrease in derivative assets relating to debentures amounting to Baht 515.86 million, arising from the full redemption payment of debentures during the period, which are summarised as below:

| | (Unit: Thousand Baht) | |
|--------------------------------|---|---------------------|
| | Consolidated and Separate financial statements | |
| | 30 September 2021 | 31 December 2020 |
| Cross currency swaps contracts | - | 485,991 |
| Put option | - | 29,871 |
| Total | - | 515,862 |

11. Provision for maritime claims

| | (Unit: Thousand Baht) |
|--|--------------------------------------|
| | Consolidated financial statements |
| Balance as at 1 January 2021 | 67,069 |
| Increase during the period | 46,287 |
| Decrease (including actual claims) during the period | (75,512) |
| Translation adjustment | 8,592 |
| Balance as at 30 September 2021 | 46,436 |

12. 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% 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. During the period, the Company set the statutory reserve amounting to Baht 52 million (2020: nil) and 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.

13. Basic earnings per share

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

14. Segment information

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

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

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 "Time charter income" and "Voyage charter income" respectively.

The following table presents net vessel operating income from Time charter and Voyage charter of the Group for the three-month and nine-month periods ended 30 September 2021 and 2020.

(Unaudited but reviewed)

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | | | | | |
|--|--------------|---------|----------------|----------|-----------|----------|-------------|----------|-----------|----------|
| For the three-month periods ended 30 September | | | | | | | | | | |
| | Time charter | | Voyage charter | | Total | | Elimination | | Total | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Time charter income | 2,433,010 | 789,960 | - | - | 2,433,010 | 789,960 | - | - | 2,433,010 | 789,960 |
| Voyage charter income | - | - | 227,681 | 174,266 | 227,681 | 174,266 | (23,086) | (20,925) | 204,595 | 153,341 |
| Total vessel operating income | 2,433,010 | 789,960 | 227,681 | 174,266 | 2,660,691 | 964,226 | (23,086) | (20,925) | 2,637,605 | 943,301 |
| Voyage disbursements | - | - | (41,031) | (51,464) | (41,031) | (51,464) | 23,086 | 20,925 | (17,945) | (30,539) |
| Bunker consumption | - | - | (27,814) | (42,760) | (27,814) | (42,760) | - | - | (27,814) | (42,760) |
| Total voyage expenses | - | - | (68,845) | (94,224) | (68,845) | (94,224) | 23,086 | 20,925 | (45,759) | (73,299) |
| Net vessel operating income/time charter equivalent income | 2,433,010 | 789,960 | 158,836 | 80,042 | 2,591,846 | 870,002 | - | - | 2,591,846 | 870,002 |

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | | | | | |
|--|--------------|-----------|----------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|
| For the nine-month periods ended 30 September | | | | | | | | | | |
| | Time charter | | Voyage charter | | Total | | Elimination | | Total | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Time charter income | 4,937,670 | 2,043,682 | - | - | 4,937,670 | 2,043,682 | - | - | 4,937,670 | 2,043,682 |
| Voyage charter income | - | - | 918,816 | 739,359 | 918,816 | 739,359 | (55,937) | (105,938) | 862,879 | 633,421 |
| Total vessel operating income | 4,937,670 | 2,043,682 | 918,816 | 739,359 | 5,856,486 | 2,783,041 | (55,937) | (105,938) | 5,800,549 | 2,677,103 |
| Voyage disbursements | - | - | (161,461) | (237,094) | (161,461) | (237,094) | 55,937 | 105,938 | (105,524) | (131,156) |
| Bunker consumption | - | - | (195,607) | (238,010) | (195,607) | (238,010) | - | - | (195,607) | (238,010) |
| Total voyage expenses | - | - | (357,068) | (475,104) | (357,068) | (475,104) | 55,937 | 105,938 | (301,131) | (369,166) |
| Net vessel operating income/time charter equivalent income | 4,937,670 | 2,043,682 | 561,748 | 264,255 | 5,499,418 | 2,307,937 | - | - | 5,499,418 | 2,307,937 |

15. Dividends

On 16 August 2021, the Company's Board of Directors meeting No. 4/2021 approved the interim dividend payment to the Company's shareholders of Baht 0.50 per share based on the Company's retained earnings as of 30 June 2021, or a total of Baht 779.6 million. The dividend was paid on 10 September 2021.

16. Contingent liabilities

On 5 August 2021, Precious Visions Pte. Ltd. which is a subsidiary of the Company and the owner of M.V. Chayanee Naree (the "Vessel"), signed a voyage charter contract to load 46,000 metric tons (MTS) of bulk sugar from Santos, Brazil for discharge in Lagos, Nigeria. On 5 September 2021, the Vessel loaded cargo at Rumo Terminal Shed 16 in Santos, Brazil for a period of two days following which she was asked to go out and wait at anchorage. She re-berthed at Rumo Terminal Shed 19 for a second loading on 18 September 2021, upon which drugs were found inside one of the cargo holds of the Vessel. The Brazilian authorities conducted a thorough investigation, after which they were satisfied that none of our crew members were involved in or assisted the smuggling of drugs. On 19 September 2021, the Brazilian authorities permitted the Vessel to sail out from Brazil without pressing any charges on any crew members and/or the Subsidiary.

On 9 October 2021, the Vessel arrived and berthed at Lagos in Nigeria. The Nigerian authorities conducted an extensive search of the Vessel, however, no suspicious objects were uncovered. On 13 October 2021, while cargo discharge was on-going, drugs were uncovered in a hold of the Vessel. The vessel and 22 Thai crew members were detained on board of the vessel. At present, the Nigerian authorities have been investigating this drug smuggling incident. No charges have been registered against any of the Subsidiary's crew members and/or the Subsidiary. On 29 October 2021, the National Drug Law Enforcement Agency (NDLEA) obtained an ex-parte order from Lagos high court to remand the Vessel and crew for 14 days. On the same day, the Subsidiary received a claim of approximately USD 3.9 million from the cargo receivers. The Subsidiary is working with its lawyers to defend this claim. In addition, the Company's management believes that it is premature at this stage to reliably estimate the amount of liability (if any) and therefore, no provisions have been made in respect of this claim.

17. Financial instrument

17.1 Fair value of financial instrument

Since the majority of the Group's financial assets and liabilities are short-term in nature or carrying interest at rates close to the market interest rates, except debentures, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

(Unaudited but reviewed)

17.2 Fair value hierarchy

As at 30 September 2021, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|---|-----------------------------------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Financial assets measured at fair value | | | | |
| through other comprehensive income | | | | |
| Investment in equity instrument of non-listed company | - | - | 18,403 | 18,403 |
| Liabilities measured at fair value | | | | |
| Derivatives | | | | |
| Interest rate swaps contracts - Loans | - | 10,361 | - | 10,361 |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---|-------------------------------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Financial assets measured at fair value | | | | |
| through other comprehensive income | | | | |
| Investment in equity instrument of non-listed company | - | - | 18,403 | 18,403 |

During the current period, there were no change in the methods and assumptions used by the Group in estimating the fair value of financial instruments and no transfers within the fair value hierarchy.

18. Functional currency financial statements

The USD functional currency statements of financial position as at 30 September 2021 and 31 December 2020 and the income statements for the three-month and nine-month periods ended 30 September 2021 and 2020 are as follows.

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2021

| | (Unit: Thousand USD) | | | |
|---|-----------------------------|----------------|-----------------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 30 September | 31 December | 30 September | 31 December |
| | 2021 | 2020 | 2021 | 2020 |
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 59,578 | 36,638 | 8,553 | 20,399 |
| Trade and other receivables | 3,925 | 5,616 | 78,953 | 121,460 |
| Bunker oil | 353 | 1,153 | - | - |
| Derivative assets | - | 17,174 | - | 17,174 |
| Other current assets | | | | |
| Advances to vessel masters | 2,968 | 2,427 | - | - |
| Claim recoverables | 264 | 327 | - | - |
| Others | 1,319 | 1,181 | 491 | 487 |
| Total other current assets | 4,551 | 3,935 | 491 | 487 |
| Total current assets | 68,407 | 64,516 | 87,997 | 159,520 |
| Non-current assets | | | | |
| Long-term loans to subsidiary | - | - | 75,520 | 112,474 |
| Derivative assets | - | 594 | - | - |
| Investments in subsidiaries | - | - | 233,720 | 233,720 |
| Investment in associate held by a subsidiary | 2,489 | 2,474 | - | - |
| Investment in equity instrument of non-listed company | 543 | 543 | 543 | 543 |
| Property, plant and equipment | 613,247 | 636,698 | 253 | 253 |
| Right-of-use assets | 672 | 804 | 575 | 678 |
| Intangible assets | 201 | 230 | 192 | 219 |
| Other non-current assets | | | | |
| Claim recoverables - maritime claims | 865 | 1,540 | - | - |
| Deferred contract costs | 4,430 | 4,843 | - | - |
| Others | 93 | 105 | 70 | 80 |
| Total other non-current assets | 5,388 | 6,488 | 70 | 80 |
| Total non-current assets | 622,540 | 647,831 | 310,873 | 347,967 |
| Total assets | 690,947 | 712,347 | 398,870 | 507,487 |

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 30 September 2021

(Unit: Thousand USD)

| | Consolidated | | Separate | |
|--|-----------------------------|---------------------|-----------------------------|---------------------|
| | financial statements | | financial statements | |
| | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
| Liabilities and shareholders' equity | | | | |
| Current liabilities | | | | |
| Trade and other payables | | | | |
| Trade and other payables | 3,229 | 3,785 | 126 | 9 |
| Advances received from related parties | - | - | 61,551 | 60,775 |
| Accrued crew accounts | 2,826 | 2,765 | - | - |
| Accrued expenses | 1,952 | 2,669 | 18 | 767 |
| Current portion of accrued employee benefits | 2,003 | - | 1,407 | - |
| Total trade and other payables | 10,010 | 9,219 | 63,102 | 61,551 |
| Advances received from charterers | 3,424 | 20,177 | - | - |
| Current portion of long-term loans | 51,549 | 49,938 | - | - |
| Current portion of debentures | - | 31,145 | - | 31,145 |
| Current portion of lease liabilities | 158 | 177 | 123 | 138 |
| Derivative liabilities | 145 | - | - | - |
| Income tax payable | - | 53 | - | - |
| Other current liabilities | 1,626 | 463 | 1,406 | 307 |
| Total current liabilities | 66,912 | 111,172 | 64,631 | 93,141 |
| Non-current liabilities | | | | |
| Accrued employee benefits - net of current portion | 4,006 | - | 2,815 | - |
| Long-term loans - net of current portion | 212,602 | 157,483 | - | - |
| Debentures - net of current portion | - | 95,071 | - | 95,071 |
| Lease liabilities - net of current portion | 460 | 650 | 406 | 561 |
| Derivative liabilities | 161 | 2,751 | - | - |
| Deferred tax liabilities | 65 | 65 | - | - |
| Provision for maritime claims | 1,369 | 2,233 | - | - |
| Provision for long-term employee benefits | 5,096 | 5,529 | 3,780 | 4,161 |
| Total non-current liabilities | 223,759 | 263,782 | 7,001 | 99,793 |
| Total liabilities | 290,671 | 374,954 | 71,632 | 192,934 |
| Shareholders' equity | | | | |
| Share capital | | | | |
| Registered share capital | 51,055 | 51,055 | 51,055 | 51,055 |
| Issued and paid-up share capital | 51,055 | 51,055 | 51,055 | 51,055 |
| Paid-in capital | | | | |
| Premium on ordinary shares | 63,290 | 63,290 | 63,290 | 63,290 |
| Premium on treasury stock | 4,819 | 4,819 | 4,819 | 4,819 |
| Retained earnings | | | | |
| Appropriated | | | | |
| Statutory reserve - the Company | 4,372 | 2,802 | 4,372 | 2,802 |
| - subsidiaries | 11,741 | 11,741 | - | - |
| Corporate social responsibility reserve | 896 | 553 | 896 | 553 |
| Unappropriated | 266,763 | 208,275 | 202,831 | 192,294 |
| Other components of shareholders' equity | (2,661) | (5,143) | (25) | (260) |
| Equity attributable to owners of the Company | 400,275 | 337,392 | 327,238 | 314,553 |
| Non-controlling interests of the subsidiaries | 1 | 1 | - | - |
| Total shareholders' equity | 400,276 | 337,393 | 327,238 | 314,553 |
| Total liabilities and shareholders' equity | 690,947 | 712,347 | 398,870 | 507,487 |

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 September 2021**

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

| | Consolidated | | Separate | |
|--|-----------------------------|---------------|-----------------------------|----------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | |
| Vessel operating income | | | | |
| Time charter income | 73,572 | 25,211 | - | - |
| Voyage charter income | 6,186 | 4,893 | - | - |
| Total vessel operating income | 79,758 | 30,104 | - | - |
| Service income | 27 | 28 | 698 | 721 |
| Interest income | 1 | 22 | 1,417 | 1,528 |
| Dividend income | - | - | 37,680 | - |
| Exchange gains | 735 | 396 | 651 | 389 |
| Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments | 5 | - | - | - |
| Other income | 1 | - | - | - |
| Total revenues | 80,527 | 30,550 | 40,446 | 2,638 |
| Expenses | | | | |
| Vessel operating costs | | | | |
| Vessel running expenses | 14,010 | 12,216 | - | - |
| Voyage disbursements | 542 | 975 | - | - |
| Bunker consumption | 842 | 1,364 | - | - |
| Total vessel operating costs | 15,394 | 14,555 | - | - |
| Depreciation | 9,566 | 9,732 | 65 | 63 |
| Cost of services | 39 | 29 | - | - |
| Administrative expenses | 3,521 | 1,873 | 2,009 | 1,193 |
| Management remuneration including perquisites | 1,575 | 536 | 1,524 | 563 |
| Expected credit losses | - | - | - | - |
| Losses on derivative | 1,856 | - | 32 | - |
| Total expenses | 31,951 | 26,725 | 3,630 | 1,819 |
| Operating profit | 48,576 | 3,825 | 36,816 | 819 |
| Share of profit from investment in associate held by a subsidiary | 198 | 83 | - | - |
| Finance cost | (3,377) | (4,614) | (907) | (2,471) |
| Profit (loss) for the period | 45,397 | (706) | 35,909 | (1,652) |
| Profit (loss) attributable to: | | | | |
| Equity holders of the Company | 45,397 | (706) | 35,909 | (1,652) |
| Non-controlling interests of the subsidiaries | - | - | - | - |
| Profit (loss) for the period | 45,397 | (706) | 35,909 | (1,652) |
| Basic earnings per share | | | | |
| Profit (loss) attributable to equity holders of the Company | 0.0291 | (0.0005) | 0.0230 | (0.0011) |

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the nine-month period ended 30 September 2021**

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

| | Consolidated | | Separate | |
|--|-----------------------------|-----------------|-----------------------------|-----------------|
| | financial statements | | financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | |
| Vessel operating income | | | | |
| Time charter income | 154,156 | 64,683 | - | - |
| Voyage charter income | 27,358 | 19,999 | - | - |
| Total vessel operating income | 181,514 | 84,682 | - | - |
| Service income | 87 | 84 | 2,134 | 2,137 |
| Interest income | 14 | 233 | 4,213 | 4,648 |
| Dividend income | 16 | - | 37,696 | - |
| Exchange gains | 5,932 | 491 | 5,754 | 435 |
| Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments | 33 | - | - | - |
| Gains on derivative | - | 553 | - | 553 |
| Other income | 26 | - | 23 | - |
| Total revenues | 187,622 | 86,043 | 49,820 | 7,773 |
| Expenses | | | | |
| Vessel operating costs | | | | |
| Vessel running expenses | 40,566 | 36,094 | - | - |
| Voyage disbursements | 3,355 | 4,141 | - | - |
| Bunker consumption | 6,243 | 7,508 | - | - |
| Total vessel operating costs | 50,164 | 47,743 | - | - |
| Depreciation | 28,478 | 28,944 | 190 | 185 |
| Cost of services | 123 | 94 | - | - |
| Administrative expenses | 9,020 | 7,217 | 5,191 | 5,353 |
| Management remuneration including perquisites | 3,844 | 1,285 | 3,733 | 1,361 |
| Losses on settlement agreement | - | 27,400 | - | 27,144 |
| Expected credit losses (reversal) | (279) | 280 | - | - |
| Losses on derivative | 2,124 | - | 379 | - |
| Total expenses | 93,474 | 112,963 | 9,493 | 34,043 |
| Operating profit (loss) | 94,148 | (26,920) | 40,327 | (26,270) |
| Share of profit from investment in associate held by a subsidiary | 458 | 226 | - | - |
| Finance cost | (10,664) | (15,009) | (4,337) | (7,228) |
| Profit (loss) for the period | 83,942 | (41,703) | 35,990 | (33,498) |
| Profit (loss) attributable to: | | | | |
| Equity holders of the Company | 83,942 | (41,703) | 35,990 | (33,498) |
| Non-controlling interests of the subsidiaries | - | - | - | - |
| Profit (loss) for the period | 83,942 | (41,703) | 35,990 | (33,498) |
| Basic earnings per share | | | | |
| Profit (loss) attributable to equity holders of the Company | 0.0538 | (0.0267) | 0.0231 | (0.0215) |

19. Approval of interim financial information

This interim financial information was authorised for issue by the Company's authorised directors on 10 November 2021.