

Precious Shipping Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 2014

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 2014, the related consolidated statements of income, and comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Precious Shipping Public Company Limited for the same periods. 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*.

Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

EY Office Limited

Bangkok: 24 October 2014

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	30 September	31 December	30 September	31 December	
	Note	2014	2013	2014	2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,347,707	2,941,784	840,669	2,122,521
Current investment	2	-	-	-	-
Trade and other receivables	3, 4	262,449	1,073,957	1,775,667	1,880,364
Short-term loans to a subsidiary	5	-	-	1,825,854	2,342,891
Current portion of advances for vessel constructions	11	-	593,136	-	593,136
Bunker oil		147,025	102,232	-	-
Other current assets					
Advances to vessel masters		151,500	124,109	-	-
Claim recoverables		21,430	27,910	-	-
Others		62,812	72,568	13,978	47,717
Total other current assets		235,742	224,587	13,978	47,717
Total current assets		1,992,923	4,935,696	4,456,168	6,986,629
Non-current assets					
Long-term loans to a subsidiary	6	-	-	314,086	505,395
Investments in subsidiaries	7	-	-	7,613,012	7,716,555
Investment in associate held by a subsidiary	8	91,471	102,372	-	-
Other long-term investment	9	13,486	8,538	13,486	8,538
Receivables from cross currency swap contracts		15,383	1,784	-	-
Property, plant and equipment	10	21,955,877	18,669,560	5,896	7,085
Intangible assets		2,998	4,066	2,976	4,034
Other non-current assets					
Claim recoverables - maritime claims		108,195	139,369	-	-
Advances for vessel constructions - net of current portion	11	3,078,064	1,380,194	2,745,791	468,696
Deferred financial fees	12	32,431	97,337	28,193	75,457
Deferred contract costs	13, 19.4	253,294	167,768	-	-
Others		3,108	3,075	2,396	2,395
Total other non-current assets		3,475,092	1,787,743	2,776,380	546,548
Total non-current assets		25,554,307	20,574,063	10,725,836	8,788,155
Total assets		27,547,230	25,509,759	15,182,004	15,774,784

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	30 September	31 December	30 September	31 December	
	Note	2014	2013	2014	2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables					
Trade accounts payable	4	133,629	21,569	89,511	204
Advances received from related parties	4	-	-	1,485,312	2,023,148
Accrued crew accounts		98,443	86,066	-	-
Accrued expenses		158,713	70,178	14,584	761
Current portion of accrued employee bonus		21,512	43,460	19,547	40,081
Total trade and other payables		412,297	221,273	1,608,954	2,064,194
Advances received from charterers		28,272	65,637	-	-
Current portion of long-term loans	14	863,665	653,904	-	-
Income tax payable		-	7,872	-	-
Other current liabilities		23,884	28,329	6,209	6,238
Total current liabilities		1,328,118	977,015	1,615,163	2,070,432
Non-current liabilities					
Accrued employee bonus - net of current portion		14,894	30,681	13,412	28,217
Long-term loans - net of current portion	14	10,949,756	8,618,853	-	-
Provision for maritime claims	15	142,210	175,621	-	-
Provision for long-term employee benefits		79,327	76,562	72,843	70,297
Total non-current liabilities		11,186,187	8,901,717	86,255	98,514
Total liabilities		12,514,305	9,878,732	1,701,418	2,168,946

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	30 September 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Shareholders' equity				
Share capital				
Registered share capital				
1,039,520,600 ordinary shares of Baht 1 each	1,039,521	1,039,521	1,039,521	1,039,521
Issued and paid-up share capital				
1,039,520,600 ordinary shares of Baht 1 each	1,039,521	1,039,521	1,039,521	1,039,521
Paid-in capital				
Premium on ordinary shares	411,430	411,430	411,430	411,430
Premium on treasury stock	172,446	172,446	172,446	172,446
Retained earnings				
Appropriated				
Statutory reserve - the Company	103,952	103,952	103,952	103,952
- subsidiaries	523,320	523,320	-	-
Corporate social responsibility reserve	16,320	16,107	16,320	16,107
Unappropriated	13,928,081	14,299,769	11,491,759	11,433,273
Other components of shareholders' equity	(1,161,091)	(945,956)	245,158	429,109
Equity attributable to owners of the Company	15,033,979	15,620,589	13,480,586	13,605,838
Non-controlling interests of the subsidiaries	(1,054)	10,438	-	-
Total shareholders' equity	15,032,925	15,631,027	13,480,586	13,605,838
Total liabilities and shareholders' equity	27,547,230	25,509,759	15,182,004	15,774,784
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Vessel operating income					
Hire income		657,885	637,287	-	-
Freight income		435,048	296,458	-	-
Total vessel operating income		1,092,933	933,745	-	-
Service income	4	2,875	2,196	24,220	23,453
Gains on novation/cancellation of shipbuilding contracts	11	39,554	193,706	39,554	178,408
Interest income	4	149	183	7	2,296
Exchange gains		1,069	2,798	1,259	2,601
Other income		-	903	-	903
Dividend received	4	-	-	120,299	127,150
Total revenues		1,136,580	1,133,531	185,339	334,811
Expenses					
Vessel operating costs					
Vessel running expenses		495,596	441,933	-	-
Voyage disbursements		71,594	35,629	-	-
Bunker consumption		221,658	126,512	-	-
Total vessel operating costs		788,848	604,074	-	-
Depreciation		323,806	302,926	618	598
Cost of services		999	1,007	-	-
Administrative expenses	4	44,262	50,539	38,186	44,816
Management remuneration including perquisites	4	19,117	25,816	18,230	24,466
Bad debts and doubtful accounts		237	12,285	-	-
Total expenses		1,177,269	996,647	57,034	69,880
Profit (loss) before share of profit from investment in associate, finance cost and income tax expenses					
		(40,689)	136,884	128,305	264,931
Share of profit from investment in associate held by a subsidiary					
	8.1	1,154	7,863	-	-
Profit (loss) before finance cost and income tax expenses					
		(39,535)	144,747	128,305	264,931
Finance cost		(107,011)	(122,884)	(1,123)	(27,071)
Profit (loss) before income tax expenses		(146,546)	21,863	127,182	237,860
Income tax expenses		-	(1,453)	-	-
Profit (loss) for the period		(146,546)	20,410	127,182	237,860

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 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit (loss) attributable to:					
Equity holders of the Company		(146,523)	20,412	127,182	237,860
Non-controlling interests of the subsidiaries		(23)	(2)	-	-
Profit (loss) for the period		(146,546)	20,410	127,182	237,860

(Unit: Baht)

Basic earnings (loss) per share	16				
Profit (loss) attributable to equity holders of the Company		(0.14)	0.02	0.13	0.23

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 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit (loss) for the period	<u>(146,546)</u>	<u>20,410</u>	<u>127,182</u>	<u>237,860</u>
Other comprehensive income:				
Exchange differences on translation of foreign operation's financial statements	(3,781)	(16,759)	-	-
Exchange differences on translation of functional currency to presentation currency financial statements	<u>(40,826)</u>	<u>125,916</u>	<u>(33,406)</u>	<u>105,085</u>
Other comprehensive income for the period	<u>(44,607)</u>	<u>109,157</u>	<u>(33,406)</u>	<u>105,085</u>
Total comprehensive income for the period	<u><u>(191,153)</u></u>	<u><u>129,567</u></u>	<u><u>93,776</u></u>	<u><u>342,945</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	(191,133)	129,558	93,776	342,945
Non-controlling interests of the subsidiaries	<u>(20)</u>	<u>9</u>	<u>-</u>	<u>-</u>
	<u><u>(191,153)</u></u>	<u><u>129,567</u></u>	<u><u>93,776</u></u>	<u><u>342,945</u></u>

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the nine-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Vessel operating income					
Hire income		2,438,999	1,882,792	-	-
Freight income		886,547	812,133	-	-
Total vessel operating income		3,325,546	2,694,925	-	-
Service income	4	6,241	8,643	68,007	67,355
Gains on sales of vessel	10	26,976	-	-	-
Gains on novation/cancellation of shipbuilding contracts	11	39,554	866,673	39,554	829,234
Interest income	4	4,065	3,999	5,199	7,613
Exchange gains		-	6,576	-	7,405
Other income		35	2,032	35	2,032
Dividend received	4, 7	-	-	567,799	386,650
Total revenues		3,402,417	3,582,848	680,594	1,300,289
Expenses					
Vessel operating costs					
Vessel running expenses		1,433,245	1,208,808	-	-
Voyage disbursements		138,474	118,759	-	-
Bunker consumption		372,800	381,331	-	-
Total vessel operating costs		1,944,519	1,708,898	-	-
Depreciation	10	922,327	833,575	1,843	2,184
Cost of services		3,896	3,918	-	-
Administrative expenses	4	140,999	166,330	123,161	144,470
Management remuneration including perquisites	4	66,853	82,641	63,708	77,859
Bad debts and doubtful accounts		135	1,292	-	-
Exchange losses		702	-	892	-
Total expenses		3,079,431	2,796,654	189,604	224,513
Profit before share of profit from investment in associate,					
finance cost and income tax revenue (expenses)		322,986	786,194	490,990	1,075,776
Share of profit from investment in associate held by a subsidiary	8.1	3,070	25,185	-	-
Profit before finance cost and					
income tax revenue (expenses)		326,056	811,379	490,990	1,075,776
Finance cost		(390,939)	(350,384)	(120,474)	(99,645)
Profit (loss) before income tax revenue (expenses)		(64,883)	460,995	370,516	976,131
Income tax revenue (expenses)		3,162	(2,843)	-	-
Profit (loss) for the period		(61,721)	458,152	370,516	976,131

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 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit (loss) attributable to:					
Equity holders of the Company		(59,658)	458,165	370,516	976,131
Non-controlling interests of the subsidiaries		(2,063)	(13)	-	-
Profit (loss) for the period		(61,721)	458,152	370,516	976,131

(Unit: Baht)

Basic earnings (loss) per share	16				
Profit (loss) attributable to equity holders of the Company		(0.06)	0.44	0.36	0.94

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 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit (loss) for the period	<u>(61,721)</u>	<u>458,152</u>	<u>370,516</u>	<u>976,131</u>
Other comprehensive income:				
Exchange differences on translation of foreign operation's financial statements	(1,481)	(28,133)	-	-
Exchange differences on translation of functional currency to presentation currency financial statements	(213,731)	366,699	(183,951)	317,534
Other comprehensive income for the period	<u>(215,212)</u>	<u>338,566</u>	<u>(183,951)</u>	<u>317,534</u>
Total comprehensive income for the period	<u><u>(276,933)</u></u>	<u><u>796,718</u></u>	<u><u>186,565</u></u>	<u><u>1,293,665</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	(274,793)	796,701	186,565	1,293,665
Non-controlling interests of the subsidiaries	(2,140)	17	-	-
	<u><u>(276,933)</u></u>	<u><u>796,718</u></u>	<u><u>186,565</u></u>	<u><u>1,293,665</u></u>

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Cash flow statement****For the nine-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit (loss) before tax	(64,883)	460,995	370,516	976,131
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	923,344	840,345	2,850	8,945
Bad debts and doubtful accounts	135	1,292	-	-
Write-off equipment	8	51	8	51
Gains on sales of vessel	(26,976)	-	-	-
Gains on novation/cancellation of shipbuilding contracts	(39,554)	(866,673)	(39,554)	(829,234)
Write-off deferred financial fees	74,774	30,960	74,774	20,519
Amortisation of deferred contract costs	5,380	-	-	-
Share of profit from investment in associate held by a subsidiary	(3,070)	(25,185)	-	-
Provision for maritime claims (reversal)	(1,681)	15,130	-	-
Provision for long-term employee benefits	4,149	4,685	3,927	4,499
Unrealised exchange losses (gains)	3,540	915	2,615	(1,338)
Amortised financial fees to interest expenses	35,149	25,515	-	-
Interest expenses	216,301	209,062	-	-
Interest income	(1,174)	(2,880)	(3,508)	(6,923)
Profit from operating activities before changes in operating assets and liabilities	1,125,442	694,212	411,628	172,650
Operating assets (increase) decrease				
Trade and other receivables	(27,591)	(65,933)	161,069	605,216
Bunker oil	(50,049)	9,737	-	-
Other current assets	(19,656)	(46,037)	27,608	1,325
Other non-current assets	(93,482)	(64,535)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	91,052	(40,763)	(532,318)	(716,492)
Advances received from charterers	(36,738)	24,055	-	-
Other current liabilities	(3,458)	(4,543)	271	(7,745)
Non-current liabilities	(17,930)	87	(16,886)	(15)
Cash flows from operating activities	967,590	506,280	51,372	54,939
Cash paid for corporate income tax and withholding tax deducted at source	(7,977)	(3,409)	(1,983)	(2,470)
Net cash flows from operating activities	959,613	502,871	49,389	52,469

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 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses	(3,371,615)	(1,723,742)	(758)	(1,424)
Cash received from sales of vessel	46,147	-	-	-
Cash paid for advances for vessel constructions and other direct costs	(2,720,002)	(691,597)	(2,503,760)	(231,312)
Cash received from novation/cancellation of shipbuilding contracts	1,454,278	3,667,107	853,863	3,078,716
Cash paid for acquisition of a subsidiary	-	(414,474)	-	(414,474)
Cash paid for investments in subsidiaries	-	-	-	(197,800)
Cash paid for other long-term investment	(5,065)	-	(5,065)	-
Decrease in short-term loans to a subsidiary	-	-	481,578	149,450
Decrease in long-term loans to a subsidiary	-	-	186,311	195,243
Dividend received from associate held by a subsidiary	10,396	25,263	-	-
Interest income	1,174	2,880	3,508	6,923
Net cash flows from (used in) investing activities	(4,584,687)	865,437	(984,323)	2,585,322
Cash flows from financing activities				
Cash paid for interest expenses and commitment fees	(226,881)	(236,862)	-	(8,845)
Cash paid for deferred financial fees	(29,426)	(1,712)	(19,967)	-
Cash received from long-term loans	3,284,423	2,025,831	-	-
Repayment of long-term loans	(501,496)	(625,149)	-	(355,544)
Prepayment of long-term loans	(136,688)	(890,470)	-	-
Prepayment of long-term loans due to cancellation of loan facility	-	(833,968)	-	(833,968)
Dividend paid to the Company's shareholders	(311,817)	(311,615)	(311,817)	(311,615)
Dividend paid to non-controlling interests of the subsidiary	(9,352)	-	-	-
Net cash flows from (used in) financing activities	2,068,763	(873,945)	(331,784)	(1,509,972)
Decrease in translation adjustments	(37,766)	(1,114)	(15,134)	(1,775)
Net increase (decrease) in cash and cash equivalents	(1,594,077)	493,249	(1,281,852)	1,126,044
Cash and cash equivalents at beginning of period	2,941,784	1,901,015	2,122,521	646,276
Cash increased from acquisition of a subsidiary	-	1,766	-	-
Cash and cash equivalents at end of period	1,347,707	2,396,030	840,669	1,772,320
	-	-	-	-

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 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Supplemental cash flows information				
Non-cash transactions				
Dividend income from subsidiaries offset against receivables from/payables to subsidiaries	-	-	567,799	386,650
Transfer of interest expenses and commitment fee to advances for vessel constructions	9,600	25,286	-	6,501
Amortisation of financial fees to advances for vessel constructions	-	606	-	175
Transfer of deferred financial fees to present as a deduction from long-term loans	40,345	24,513	-	1,257
Transfer of deferred financial fees to subsidiaries in proportion to the drawdown amount	-	-	13,452	12,223
Transfer of advances for vessel constructions to vessel and equipment of subsidiaries	1,089,918	580,029	296,699	580,029

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

	Consolidated financial statements											
	Equity attributable to the parent's shareholders											
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Retained earnings				Other components of shareholders' equity - other comprehensive income	Exchange differences on translation of financial statements	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated		Corporate social responsibility reserve	Unappropriated					
				Statutory reserve	Subsidiaries							
The Company	Subsidiaries											
Balance as at 1 January 2013	1,039,521	411,430	172,446	103,952	518,120	14,951	14,193,833	(1,971,249)	14,483,004	1,228	14,484,232	
Dividend paid to the Company's shareholders	-	-	-	-	-	-	(311,615)	-	(311,615)	-	(311,615)	
Total comprehensive income for the period	-	-	-	-	-	-	458,165	338,536	796,701	17	796,718	
Appropriated to statutory reserve	-	-	-	-	5,200	-	(5,200)	-	-	-	-	
Appropriated to corporate social responsibility reserve	-	-	-	-	-	966	(966)	-	-	-	-	
Balance as at 30 September 2013	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>15,917</u>	<u>14,334,217</u>	<u>(1,632,713)</u>	<u>14,968,090</u>	<u>1,245</u>	<u>14,969,335</u>	
Balance as at 1 January 2014	1,039,521	411,430	172,446	103,952	523,320	16,107	14,299,769	(945,956)	15,620,589	10,438	15,631,027	
Dividend paid to the Company's shareholders (Note 18)	-	-	-	-	-	-	(311,817)	-	(311,817)	(9,352)	(321,169)	
Total comprehensive income for the period	-	-	-	-	-	-	(59,658)	(215,135)	(274,793)	(2,140)	(276,933)	
Appropriated to corporate social responsibility reserve	-	-	-	-	-	213	(213)	-	-	-	-	
Balance as at 30 September 2014	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>16,320</u>	<u>13,928,081</u>	<u>(1,161,091)</u>	<u>15,033,979</u>	<u>(1,054)</u>	<u>15,032,925</u>	
	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

	Separate financial statements							Other components of shareholders' equity - other comprehensive income	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Retained earnings		Unappropriated	Exchange differences on translation of financial statements		
				Statutory reserve	Appropriated				
					Corporate social responsibility reserve				
Balance as at 1 January 2013	1,039,521	411,430	172,446	103,952	14,951	10,694,210	(476,296)	11,960,214	
Dividend paid to the Company's shareholders	-	-	-	-	-	(311,615)	-	(311,615)	
Total comprehensive income for the period	-	-	-	-	-	976,131	317,534	1,293,665	
Appropriated to corporate social responsibility reserve	-	-	-	-	966	(966)	-	-	
Balance as at 30 September 2013	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>15,917</u>	<u>11,357,760</u>	<u>(158,762)</u>	<u>12,942,264</u>	
Balance as at 1 January 2014	1,039,521	411,430	172,446	103,952	16,107	11,433,273	429,109	13,605,838	
Dividend paid to the Company's shareholders (Note 18)	-	-	-	-	-	(311,817)	-	(311,817)	
Total comprehensive income for the period	-	-	-	-	-	370,516	(183,951)	186,565	
Appropriated to corporate social responsibility reserve	-	-	-	-	213	(213)	-	-	
Balance as at 30 September 2014	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>16,320</u>	<u>11,491,759</u>	<u>245,158</u>	<u>13,480,586</u>	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	

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

Precious Shipping Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2014

1. General information

1.1 Corporate information

Precious Shipping Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged as a holding company for investment in the marine transportation business. The registered office of the Company is at Cathay House, 7th Floor, 8 North Sathorn Road, Silom, Bangrak, Bangkok 10500.

1.2 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2012) "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 is in Thai Baht in accordance with the 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 2013. There have been no changes in the composition of the Group during the current period.

1.4 New accounting standards

(a) Accounting standards that became effective in the current accounting year

The Company disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013, and additionally disclosed TAS 36 (revised 2012) Impairment of Assets which became effective in the current accounting year.

The Company’s management has assessed the effects of the above accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, and believes that they do not have a significant impact on these financial statements.

(b) Accounting standards that will become effective in the future

The Company disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The Company’s management has assessed the effect of this financial reporting standard and believes that it is not relevant to the business of the Company.

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 2013, with the following additional accounting policy for the current period.

Deferred contract costs

The delay penalties which the Group pays to the charterer of Cement Carriers before delivery of the vessels in order to maintain respective long-term time charter contracts, are recorded as deferred contract costs and amortised on a straight-line basis over the committed term of the charter under the contract, which is 15 years. The vessel operating income is presented net of this amortisation in the income statement.

(Unaudited but reviewed)

2. Current investment

(Unit: Thousand Baht)

Consolidated financial statements								
Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method		
30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	
Thousand INR	Thousand INR	%	%					
Investment in associate held by a subsidiary								
Southern LPG Limited	64,592	64,592	50.00	50.00	28,253	28,637	17,777	18,019
Less: Allowance for loss on investment							(17,777)	(18,019)
Current investment - net							-	-

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

The Group is currently processing the voluntary winding-up of Southern LPG Limited with the relevant authority in India, and so the investment in Southern LPG Limited is still presented as a current investment, under current assets, and has made a full provision for loss on this investment.

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	256,992	231,870	-	-
3 - 6 months	4,434	6,366	-	-
6 - 12 months	1,023	30	-	-
Over 12 months	122	4,805	-	-
Total	262,571	243,071	-	-
Less: Allowance for doubtful debts	(122)	(4,805)	-	-
Total trade receivables - unrelated parties, net	262,449	238,266	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
<u>Other receivables - unrelated parties</u>				
Guarantor receivables (Note 11)	-	835,691	-	232,937
<u>Other receivables - related parties</u>				
Advances to related parties (Note 4)	-	-	1,775,667	1,647,427
Total other receivables	-	835,691	1,775,667	1,880,364
Total trade and other receivables - net	262,449	1,073,957	1,775,667	1,880,364

4. Related party transactions

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	2014	2013	2014	2013	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	24,220	21,557	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Vessel construction supervision income	-	-	-	1,896	In accordance with contract based on market practice
Dividend received	-	-	120,299	127,150	As declared
Interest income	-	-	-	2,276	2013: at interest rate of 0.40% per annum
Condominium rental expenses	-	-	2,129	2,256	Market price
Transactions with related companies					
Air ticket expenses	2,362	2,489	666	635	Market price
Rental and service expenses	736	979	512	509	Market price
Computer purchases	264	-	163	-	Market price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2014	2013	2014	2013	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	68,007	61,869	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Vessel construction supervision income	-	-	-	5,486	In accordance with contract based on market practice
Dividend received	-	-	567,799	386,650	As declared
Interest income	-	-	2,334	6,277	At interest rate of 0.40% per annum until 31 March 2014
Condominium rental expenses	-	-	6,379	6,678	Market price
Sales of newbuilding vessels (as part of advances for vessel constructions and other direct cost)	-	-	296,699	580,029	At cost
Transactions with related companies					
Air ticket expenses	9,802	8,804	3,148	2,253	Market price
Rental and service expenses	5,014	5,250	3,857	4,195	Market price
Computer purchases	1,321	254	1,066	254	Market price

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 2014	31 December 2013	30 September 2014	31 December 2013
Other receivables - related parties (Note 3)				
Subsidiaries	-	-	1,775,667	1,647,427
Total other receivables - related parties	-	-	1,775,667	1,647,427
Trade and other payables - related parties				
Subsidiaries	-	-	1,485,312	2,023,148
Related companies	208	27	81	27
Total trade and other payables - related parties	208	27	1,485,393	2,023,175

(Unaudited but reviewed)

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

Directors and management's benefits

The Group had employee benefit expenses of its directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	19,674	21,853	18,779	20,855
Post-employment benefits	306	483	306	483
Other long-term benefits (reversal)	(863)	3,480	(855)	3,128
Total	19,117	25,816	18,230	24,466

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	60,105	71,444	57,621	67,646
Post-employment benefits	918	1,452	917	1,452
Other long-term benefits	5,830	9,745	5,170	8,761
Total	66,853	82,641	63,708	77,859

Guarantee obligations with related parties

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

5. Short-term loans to a subsidiary

As at 30 September 2014, short-term loans to a wholly owned subsidiary, Precious Shipping (Singapore) Pte. Limited, are in the form of promissory notes in US Dollar, amounting to USD 56.40 million (31 December 2013: USD 71.40 million), which carry interest at the rate of 0.40% per annum until 31 March 2014, and bearing no interest after 31 March 2014 (31 December 2013: 0.40% per annum), and are due at call. Movements in the balance of the loans during the period were as follows.

	(Unit: Thousand Baht) Separate financial statements
Balance as at 1 January 2014	2,342,891
Repayment	(481,578)
Translation adjustment	(35,459)
Balance as at 30 September 2014	<u>1,825,854</u>

6. Long-term loans to a subsidiary

As at 30 September 2014, long-term loans to a wholly owned subsidiary, Associated Bulk Carriers Pte. Limited ("ABC Company"), are in the form of promissory notes, bearing no interest and are due at call. The Company does not intend to call for the loans repayment in the foreseeable future; therefore, the loans are classified as long-term loans.

The details of long-term loans were as follows.

- (a) As at 31 December 2013, the loan amounting to USD 5.70 million was made available by the Company to enable ABC One Pte. Limited, the subsidiary of ABC Company to pay the installment due to ABG Shipyard Ltd., India per Shipbuilding Contract signed on 22 April 2010. During the nine-month period ended 30 September 2014; the Company received all repayment of the loan due to the cancellation of shipbuilding contract of the subsidiary.
- (b) The loan amounting to USD 9.70 million (31 December 2013: USD 9.70 million) was made available by the Company to enable 4 subsidiaries of ABC Company per details below to pay the installments due to China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China, per respective Shipbuilding Contracts.

Subsidiaries' name	Shipbuilding Contract date
ABC Two Pte. Limited	5 December 2012
ABC Three Pte. Limited	5 December 2012
ABC Four Pte. Limited	3 April 2013
ABC One Pte. Limited*	30 August 2013

(Unaudited but reviewed)

* On 13 January 2014, ABC Company (“Original buyer”) entered into an agreement with its subsidiary, ABC One Pte. Limited. (“New buyer”) and China Shipbuilding & Offshore International Co. Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd. (“Sellers”) to transfer all the rights, title, interest, benefits, obligation and/or liabilities of the shipbuilding contract dated 30 August 2013 for construction of one 20,000 DWT Cement Carrier having builder hull No. CC200-04.

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

(Unit: Thousand Baht)

	Separate financial statements
Balance as at 1 January 2014	505,395
Repayment	(186,311)
Translation adjustment	(4,998)
Balance as at 30 September 2014	<u>314,086</u>

7. 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		Dividend received	
	30 September	31 December	30 September	31 December	30 September	31 December	For the nine-month periods ended 30 September	
	2014	2013	2014	2013	2014	2013	2014	2013
			%	%				
Precious Metals Limited	275,000	275,000	99.99	99.99	343,017	347,682	-	-
Precious Wishes Limited	230,000	230,000	99.99	99.99	291,994	295,965	-	23,000
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	272,759	276,468	65,000	39,000
Precious Minerals Limited	230,000	230,000	99.99	99.99	248,027	251,401	-	23,000
Precious Lands Limited	306,000	306,000	99.99	99.99	313,898	318,167	-	-
Precious Rivers Limited	234,000	234,000	99.99	99.99	206,313	209,119	46,800	35,100
Precious Lakes Limited	184,000	184,000	99.99	99.99	181,044	183,506	-	-
Precious Seas Limited	100,000	100,000	99.99	99.99	126,954	128,680	30,000	-
Precious Stars Limited	105,000	105,000	99.99	99.99	133,301	135,114	42,000	-
Precious Oceans Limited	175,000	175,000	99.99	99.99	222,169	225,191	-	-
Precious Planets Limited	270,000	270,000	99.99	99.99	301,249	305,346	-	13,500
Precious Diamonds Limited	205,000	205,000	99.99	99.99	188,603	191,168	-	30,750
Precious Sapphires Limited	144,000	144,000	99.99	99.99	127,958	129,699	-	36,000
Precious Emeralds Limited	366,000	366,000	99.99	99.99	306,825	310,998	109,800	36,600
Precious Rubies Limited	84,000	84,000	99.99	99.99	79,769	80,854	-	-
Precious Opals Limited	74,000	74,000	99.99	99.99	71,552	72,525	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements								
Subsidiaries' name	Paid-up capital		Shareholding percentage		Cost		Dividend received	
	30	31	30	31	30	31	For the nine-month periods	
	September	December	September	December	September	December	ended 30 September	
	2014	2013	2014	2013	2014	2013	2014	2013
Precious Garnets Limited	379,000	379,000	99.99	99.99	316,471	320,775	75,800	37,900
Precious Pearls Limited	173,000	173,000	99.99	99.99	180,754	183,213	-	-
Precious Flowers Limited	336,000	336,000	99.99	99.99	348,509	353,249	-	-
Precious Forests Limited	96,000	96,000	99.99	99.99	96,795	98,111	-	-
Precious Trees Limited	202,000	202,000	99.99	99.99	211,513	214,390	-	20,200
Precious Ponds Limited	124,000	124,000	99.99	99.99	127,222	128,953	-	-
Precious Ventures Limited	202,000	202,000	99.99	99.99	229,428	232,548	-	10,100
Precious Capitals Limited	200,000	200,000	99.99	99.99	253,908	257,361	-	-
Precious Jasmines Limited	147,000	147,000	99.99	99.99	172,503	174,849	-	-
Precious Orchids Limited	217,000	217,000	99.99	99.99	194,935	197,586	43,400	-
Precious Lagoons Limited	140,000	140,000	99.99	99.99	177,735	180,153	-	-
Precious Cliffs Limited	140,000	140,000	99.99	99.99	177,735	180,153	21,000	14,000
Precious Hills Limited	140,000	140,000	99.99	99.99	177,735	180,153	21,000	14,000
Precious Mountains Limited	140,000	140,000	99.99	99.99	177,735	180,153	27,999	28,000
Precious Resorts Limited	140,000	140,000	99.99	99.99	177,735	180,153	-	-
Precious Cities Limited	170,000	170,000	99.99	99.99	202,108	204,857	85,000	25,500
Precious Comets Limited	141,000	141,000	99.99	99.99	135,129	136,967	-	-
Precious Ornaments Limited	156,000	156,000	99.99	99.99	148,306	150,323	-	-
Nedtex Limited	2,500	2,500	69.99	69.99	823	834	-	-
Precious Storage Terminals Limited	6,000	6,000	69.99	69.99	5,332	5,404	-	-
Thebes Pte. Limited	0.0365	0.0365	100.00	100.00	-	-	-	-
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	324	328	-	-
Precious Shipping (Mauritius) Limited	250	250	100.00	100.00	324	328	-	-
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	339,613	344,232	-	-
Precious Shipping (UK) Limited	250	250	100.00	100.00	324	328	-	-
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	351,062	355,837	-	-
Precious Projects Pte. Limited	0.0345	0.0345	100.00	100.00	-	-	-	-
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-	-	-
Total investments in subsidiaries					7,619,490	7,723,121	567,799	386,650
Less: Allowance for loss on investments in subsidiaries					(6,478)	(6,566)		
Total investments in subsidiaries - net					7,613,012	7,716,555		

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

(Unaudited but reviewed)

As at 30 September 2014, the Company has pledged the shares of 29 subsidiaries amounting to Baht 6,382.50 million (31 December 2013: 27 subsidiaries amounting to Baht 6,071.25 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 14 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.

8. Investment in associate held by a subsidiary

8.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

		Consolidated financial statements						Carrying amounts	
		Shareholding percentage		Cost		based on equity method			
		30	31	30	31	30	31		
Associate's name	Nature of business	September 2014	December 2013	September 2014	December 2013	September 2014	December 2013		
		%	%						
International Seaports (Haldia) Private Limited	Berth construction and development	22.40	22.40	65,965	66,863	91,471	102,372		

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

(Unit: Thousand Baht)

		Consolidated financial statements			
		For the three-month periods ended 30 September			
Associate's name		Share of profit		Dividend received	
		2014	2013	2014	2013
International Seaports (Haldia) Private Limited		1,154	7,863	5,206	14,448

(Unit: Thousand Baht)

		Consolidated financial statements			
		For the nine-month periods ended 30 September			
Associate's name		Share of profit		Dividend received	
		2014	2013	2014	2013
International Seaports (Haldia) Private Limited		3,070	25,185	10,396	25,263

(Unaudited but reviewed)

Shares of profit from investment in associate held by a subsidiary for the nine-month periods ended 30 September 2014 and 2013, included in the consolidated income statements, were recorded based on the financial information for the nine-month periods ended 30 June 2014 and 2013, respectively.

8.2 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		Profit for the	
	30 June		30 June		30 June		the nine-month		nine-month periods ended	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Thousand INR	Thousand INR								
International Seaports										
(Haldia) Private Limited	440,580	440,580	523,814	579,516	86,908	156,747	306,800	392,626	13,707	112,434

9. Other long-term investment

On 9 May 2014, the Company paid an additional called portion of 2,026,086 ordinary shares of Baht 2.50 each amounting to Baht 5.07 million in TMN Company Limited. As a result, as at 30 September 2014, the Company paid up Baht 7.50 per share, or a total of Baht 15.20 million, representing 3% of total issued and paid-up share capital (31 December 2013: Baht 5 per share, or a total of Baht 10.13 million, representing 3% of total issued and paid-up share capital).

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

10. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2014	18,669,560	7,085
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses during period - at cost	3,371,615	758
Transfer from advances for vessel constructions	1,089,918	-
Disposal/ write-off	(14,651)	(8)
Depreciation for period	(922,327)	(1,843)
Translation adjustment	(238,238)	(96)
Net book value as at 30 September 2014	21,955,877	5,896

(Unaudited but reviewed)

On 9 January 2014, Precious Shipping (Panama) S.A., (“the overseas subsidiary”), which held 41 of 64 shares in the Fujisan Maru Vessel (“Vessel”), and the Joint Owner (held 23 of 64 shares) entered into a Memorandum of Agreement with an overseas company to sell the Vessel for USD 2.31 million. According to the shareholding in the Vessel, the sale price of the Vessel to be paid to the overseas subsidiary is USD 1.48 million (or approximately Baht 48.86 million). On 15 January 2014, the vessel is already delivered to the buyer. The overseas subsidiary already received the selling price (net of direct selling expense) of USD 1.41 million (or approximately Baht 46.15 million). The Group recorded gains from sales of vessel amounting to USD 0.83 million (or approximately Baht 26.98 million) in the consolidated income statement for the nine-month period ended 30 September 2014.

As at 30 September 2014, the subsidiaries have mortgaged 38 vessels (31 December 2013: 34 vessels) with net book value of Baht 20,120.69 million (31 December 2013: Baht 17,651.83 million) with banks to secure long-term loans as referred to in Note 14 to the financial statements.

11. Advances for vessel constructions

The signing of shipbuilding contracts

During the nine-month period ended 30 September 2014, the Company has signed 14 shipbuilding contracts per details below.

Vessel type	2 Dry Bulk Carriers (Ultramax Vessel)	10 Dry Bulk Carriers (Ultramax Vessel)	2 Dry Bulk Carriers (Ultramax Vessel)
Acquirer	The Company	The Company	The Company
Seller	Sainty Marine Corporation Ltd., China	Sainty Marine Corporation Ltd., China	Taizhou Sanfu Ship Engineering Co., Ltd. and Jiangsu Ruihai International Trade Co., Ltd., China
Contract date	24 February 2014	26 February 2014	17 March 2014
Contract price	USD 27.90 million per vessel (USD 55.80 million in aggregate)	USD 27.90 million per vessel for 8 vessels and USD 27.40 million per vessel for 2 vessels (USD 278.00 million in aggregate)	USD 27.90 million per vessel (USD 55.80 million in aggregate)
Payment terms	The contract price will be paid in 5 installments. The first to the fourth installment each of 10% of contract price would be payable on the submission of a bank guarantee in favor of the Company and relevant milestone certificates. The last installment of 60% of contract price would be payable on delivery.	The contract price will be paid in 5 installments. The first to the fourth installment each of 10% of contract price would be payable on the submission of a bank guarantee in favor of the Company and relevant milestone certificates. The last installment of 60% of contract price would be payable on delivery.	The contract price of each vessel will be paid in 3 installments. The first installment of 15% of contract price would be payable on the submission of a bank guarantee in favor of the Company to secure the refunds of the Pre-Delivery Installments. The second installment of 10% of contract price would be payable on the submission of relevant milestone certificates. The last installment of 75% of contract price would be payable on delivery.
Expected delivery date	On or before 31 March 2015	Year 2015 to Year 2016	Year 2015 to Year 2016

(Unaudited but reviewed)

Movements of the advances for vessel constructions account during the nine-month period ended 30 September 2014 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2014	1,973,330	1,061,832
Additions	2,645,025	2,484,021
Capitalisation of finance cost	9,600	-
Other direct costs	162,946	107,708
Cancellation of shipbuilding contract	(582,277)	(582,277)
Transfer to cost of vessels and equipment of subsidiaries	(1,089,918)	(296,699)
Translation adjustment	(40,642)	(28,794)
Balance as at 30 September 2014	<u>3,078,064</u>	<u>2,745,791</u>

Novation of new Shipbuilding Contracts

During the nine-month period ended 30 September 2013, the Company completed 4 Novations of Shipbuilding Contracts for Hull Nos. 316, 336, 340 and 347 and recorded gains on Novation of Shipbuilding Contracts of USD 21.80 million (or approximately Baht 650.83 million) in the consolidated and separate income statements for the nine-month period ended 30 September 2013.

Cancellation of Shipbuilding Contract

During the nine-month period ended 30 September 2013, ABC Three Pte., Limited received the cancellation proceeds of USD 6.70 million or approximately Baht 198.66 million and recorded gain on Cancellation of Shipbuilding Contract of USD 0.75 million or approximately Baht 22.14 million in the consolidated income statement.

Moreover in 2013, the Company, ABC One Pte. Limited and ABC Two Pte. Limited (the "Buyers") issued 7 Cancellation Notices to ABG Shipyard Ltd. ("Shipbuilder") under 7 Shipbuilding Contracts ("SBCs"). The Buyers made claims of advance installments paid and interest thereon under the SBCs. Since the Shipbuilder failed to fulfill the Shipbuilder's obligation in accordance with the SBCs and did not make the payment demanded to the Buyers for the claims, the Buyers then invoked the Guarantees available with the Buyers and submitted the Letters of Demand against the Irrevocable Letters of Guarantee and/or Performance Guarantees to the various Indian Banks in India ("Guarantors") in accordance with the SBCs.

(Unaudited but reviewed)

During the year ended 31 December 2013, the Buyers received an aggregate amount of USD 101.18 million (or approximately Baht 3,205.50 million) being all the guaranteed amounts with applicable interest pursuant to 5 SBCs for Hull Nos. 337, 348, 379, 349, and 338 from the Guarantors as a result of the claims submitted, and for Hull No. 339, the Company received USD 13.08 million (or approximately Baht 418.64 million) and recorded the remaining balance of USD 25.47 million (or approximately Baht 835.69 million) for Hull Nos. 339 and 378 under "Trade and other receivables" account in the statement of financial position as at 31 December 2013 and recorded gains on Cancellation of Shipbuilding Contracts for all the 7 Hulls in year 2013. Subsequently, on 7 January 2014, the Group received the remaining total balance of USD 25.47 million (or approximately Baht 832.45 million) towards the claims for Hull No. 339 and 378 from the Guarantors.

Delivery of vessels under the Shipbuilding Contracts with China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China

During the nine-month period ended 30 September 2014, 3 cement carriers were completed and delivered to the Company's indirect subsidiaries incorporated in Singapore as detailed below.

Delivery date	Subsidiary's name	Hull No.	Cost of vessel construction and other direct costs
25 March 2014	ABC Two Pte. Limited	CC200-01	USD 25.27 million (or approximately Baht 819.72 million)
12 June 2014	ABC Three Pte. Limited	CC200-02	USD 25.50 million (or approximately Baht 827.45 million)
3 September 2014	ABC Four Pte. Limited	CC200-03	USD 24.84 million (or approximately Baht 804.05 million)

Delivery of vessels under the Shipbuilding Contracts with Sainty Marine Corporation Ltd., China

During the nine-month period ended 30 September 2014, 2 dry bulk vessels were completed and delivered to 2 local subsidiaries as detailed below.

Delivery date	Subsidiary's name	Hull No.	Cost of vessel construction and other direct costs
3 July 2014	Precious Opals Limited	SAM13010B	USD 28.28 million (or approximately Baht 915.54 million)
16 July 2014	Precious Rubies Limited	SAM13009B	USD 28.43 million (or approximately Baht 920.29 million)

Submission the Letter of Demand for Hull No. 342

On 30 June 2014, the Company issued the letter to ABG Shipyard Ltd. (“Shipbuilder”) under Shipbuilding Contract for Hull No. 342 (“SBC”) to procure extensions to all the Letters of Guarantee by no later than 30 June 2014. Since the Shipbuilder failed to fulfill the Shipbuilder’s obligation in accordance with the SBC, on 4 July 2014, the Company then invoked the Guarantees available with the Company and submitted the Letters of Demand (Claim) against the Irrevocable Letters of Guarantee and Performance Guarantee to an Indian Bank in India (“Guarantor”) in accordance with the SBC. Subsequently, on 15 July 2014, the Company received USD 19.37 million (or approximately Baht 621.83 million) towards the claim for Hull No. 342 from the Guarantor and recorded gain on Cancellation of Shipbuilding Contract of USD 1.23 million (or approximately Baht 39.55 million) in the consolidated and separate income statements for the three-month and nine-month periods ended 30 September 2014.

12. Deferred financial fees

Movements of the deferred financial fees account during the nine-month period ended 30 September 2014 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u> </u>	<u> </u>
Balance as at 1 January 2014	97,337	75,457
Additions	43,183	33,724
Transfer to present as a deduction against long-term loans	(40,345)	-
Transfer to subsidiaries as borrowers	-	(13,452)
Write-off deferred financial fees	(74,774)	(74,774)
Transfer from other current assets	8,008	8,008
Translation adjustment	(978)	(770)
Balance as at 30 September 2014	<u>32,431</u>	<u>28,193</u>

(Unaudited but reviewed)

13. Deferred contract costs

Movements of the deferred contract costs account during the nine-month period ended 30 September 2014 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
Balance as at 1 January 2014	167,768
Additions	93,344
Amortisation for the period	(5,380)
Translation adjustment	(2,438)
Balance as at 30 September 2014	<u>253,294</u>

(Unaudited but reviewed)

14. Long-term loan facilities

As at 30 September 2014 and 31 December 2013, long-term loans accounts are presented below.

(Unit: Thousand Baht)

		Consolidated financial statements															
		Loan facilities for financing the construction and acquisition of new vessels								Loan facilities for purchasing of vessels							
		Facility 1		Facility 2		Facility 3		Facility 4		Facility 6		Facility 1		Facility 3		Total	
		30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Long-term loans		1,246,684	1,339,379	1,984,095	2,150,472	1,236,769	-	626,230	-	1,419,245	-	3,676,821	3,944,267	1,798,926	2,011,080	11,988,770	9,445,198
Less: Deferred financial fees		(6,662)	(7,926)	(32,408)	(38,304)	(20,821)	-	(4,667)	-	(9,875)	-	(96,848)	(112,789)	(4,068)	(13,422)	(175,349)	(172,441)
Total		1,240,022	1,331,453	1,951,687	2,112,168	1,215,948	-	621,563	-	1,409,370	-	3,579,973	3,831,478	1,794,858	1,997,658	11,813,421	9,272,757
Less: Current portion		(99,100)	(100,390)	(180,367)	(182,545)	(81,742)	-	(31,078)	-	(102,499)	-	(122,542)	(122,381)	(246,337)	(248,588)	(863,665)	(653,904)
Long-term loans - net of current portion		1,140,922	1,231,063	1,771,320	1,929,623	1,134,206	-	590,485	-	1,306,871	-	3,457,431	3,709,097	1,548,521	1,749,070	10,949,756	8,618,853

(Unaudited but reviewed)

Movements in the long-term loans accounts during the nine-month period ended 30 September 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements							
	Loan facilities for financing the construction and acquisition of new vessels					Loan facilities for purchasing of vessels		
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 6	Facility 1	Facility 3	Total
Balance as at 1 January 2014	1,331,453	2,112,168	-	-	-	3,831,478	1,997,658	9,272,757
Add: Drawdown	-	-	1,255,888	621,043	1,407,492	-	-	3,284,423
Amortisation of deferred financial fees	1,160	5,392	1,236	48	3,659	14,461	9,193	35,149
Unrealised loss	-	-	-	-	-	13,822	-	13,822
Less: Deferred financial fees	-	-	(22,216)	(4,677)	(13,452)	-	-	(40,345)
Repayment	(74,867)	(137,788)	(10,263)	-	-	(93,051)	(185,527)	(501,496)
Prepayment	-	-	-	-	-	(136,688)	-	(136,688)
Translation adjustment	(17,724)	(28,085)	(8,697)	5,149	11,671	(50,049)	(26,466)	(114,201)
Balance as at 30 September 2014	<u>1,240,022</u>	<u>1,951,687</u>	<u>1,215,948</u>	<u>621,563</u>	<u>1,409,370</u>	<u>3,579,973</u>	<u>1,794,858</u>	<u>11,813,421</u>

During the current period, the Group entered into loan facility agreements and amended and restated agreements with banks. Details are as follows.

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

Facility 1

On 16 June 2014, DNB Asia Ltd. as agent and security agent of the facility has approved the amendment of financial covenant regarding to the maintenance of funded debt to EBITDA ratio from not exceeding 5:1 to be not exceeding 6:1 during 30 June 2014 to 31 December 2016.

Facility 2

On 11 June 2014, ING Bank N.V., Singapore Branch has approved the amendment of financial covenant regarding to the maintenance of funded debt to EBITDA ratio from not exceeding 5:1 to be not exceeding 6:1 during 30 June 2014 to 31 December 2016 and maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group, if funded debt to EBITDA is more than 5:1 but less than or equal to 6:1 and maintenance of a minimum free cash balance of USD 100,000 per vessel if funded debt to EBITDA is no more than 5:1 throughout the facility period.

Facility 3

On 24 June 2014, ABC Two Pte. Limited entered into Interest Rate Swap Transaction to swap the interest of the loan facility of USD 19.18 million, from floating interest rate (LIBOR) to fixed interest rate at 2.39% per annum for interest payable during the period from 24 June 2014 to 2 April 2024 with Bangkok Bank Plc. (Singapore Branch).

On 16 July 2014, ABC Three Pte. Limited entered into Interest Rate Swap Transaction to swap the interest of the loan facility of USD 19.34 million, from floating interest rate (LIBOR) to fixed interest rate at 2.35% per annum for interest payable during the period from 16 July 2014 to 1 July 2024 with Bangkok Bank Plc. (Singapore Branch).

Facility 4

On 9 April 2014, ABC Four Pte. Limited ("ABC Four Company"), a subsidiary of Associated Bulk Carriers Pte. Limited, ("ABC Company") executed a USD 19.34 million Term Loan Facility with Bangkok Bank Plc. (Singapore Branch) to finance up to 80% of the Contract Price of 1 new Cement Carrier. The loan carries interest at LIBOR plus margin.

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

Facility / Description	Pre-delivery facility	Post-delivery facility
Loan Facility	USD 4,836,000 or 20% of the Contract Price to be made available in 2 separate disbursements.	USD 19,344,000 or 80% of the Contract Price to be made available in a single disbursement, part of which will be used to repay the pre-delivery facility.
Drawdown	Up to 10% of the Contract Price but not more than USD 2,418,000 on Keel Laying milestone and up to 10% of the Contract Price but not more than USD 2,418,000 on Launching milestone	100% of the post-delivery facility amount is to be drawn upon delivery of the vessel.
Final maturity	Delivery of vessel	10 years after full drawdown of the loan facility but not later than 28 April 2025.
Repayment	To be repaid in one lump sum (from post-delivery facility) upon delivery of vessel	To be repaid in 39 quarterly installments of USD 322,400 from the end of the first quarter after the delivery of vessel and a final installment of USD 6,770,400 at the end of the Term

Facility / Description	Pre-delivery facility	Post-delivery facility
Security	a) 1st priority assignment of the shipbuilding contract b) 1st priority assignment of the refund guarantee c) Pledge of the shares of ABC Four Company held by ABC Company d) Corporate guarantee from the Company and ABC Company	a) 1st priority mortgage on the vessel b) 1st priority assignment of all earnings insurance policies and requisition compensation of the vessel c) 1st priority assignment of Time Charter contract d) 1st priority charge over the Earnings Account and Retention Account e) Corporate guarantee from ABC Company f) Corporate guarantee from the Company for up to USD 8 million

The loan agreement contains covenants that, among other things, require ABC Four Pte. Limited to maintain certain financial ratios which include:

- a) maintain Equity Ratio of no less than 20%
- b) maintain EBITDA of no less than 1.1 times of Total Debt Service

On 5 September 2014, ABC Four Pte. Limited entered into Interest Rate Swap Transaction to swap the interest of the loan facility of USD 19.34 million, from floating interest rate (LIBOR) to fixed interest rate at 2.33% per annum for interest payable during the period from 5 September 2014 to 1 October 2024 with Bangkok Bank Plc. (Singapore Branch).

Facility 5

On 22 May 2014, ABC One Pte. Limited ("ABC One Company"), a subsidiary of Associated Bulk Carriers Pte. Limited, ("ABC Company") executed a USD 19.58 million Term Loan Facility with TMB Bank Plc. to finance up to 80% of the Contract Price of 1 new Cement Carrier. The loan carries interest at LIBOR plus margin.

(Unaudited but reviewed)

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

Facility / Description	Pre-delivery facility	Post-delivery facility
Loan Facility	USD 4,896,000 or 20% of the Contract Price	USD 19,584,000 or 80% of the Contract Price to be made available in a single disbursement, part of which will be used to repay the pre-delivery facility.
Drawdown	Up to 10% of the Contract Price but not more than USD 2,448,000 on Keel Laying milestone and up to 10% of the Contract Price but not more than USD 2,448,000 on Launching milestone	100% of the post-delivery facility amount is to be drawn upon delivery of the vessel.
Final maturity	Delivery of vessel	10 years after full drawdown of the loan facility but not later than 30 November 2024.
Repayment	To be repaid in one lump sum (from post-delivery facility) upon delivery of vessel	To be repaid in 40 quarterly installments of USD 489,600 from the end of the first quarter after the delivery of vessel
Security	<ul style="list-style-type: none">a) 1st priority assignment of the shipbuilding contractb) 1st priority assignment of the refund guaranteec) Pledge of the shares of ABC One Company held by ABC Companyd) Corporate guarantee from the Company and ABC Company	<ul style="list-style-type: none">a) 1st priority mortgage on the vesselb) 1st priority assignment of all earnings insurance policies and requisition compensation of the vesselc) 1st priority assignment of Time Charter contractsd) 1st priority charge over the Earnings Account and Retention Accounte) Corporate guarantee from ABC Companyf) Corporate guarantee from the Company for up to USD 8 million

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

- a) maintain Equity Ratio of no less than 20%
- b) maintain EBITDA of no less than 1.1 times of Total Debt Service

On 25 August 2014, ABC One Pte. Limited entered into Interest Rate Swap Transaction to swap the interest of the loan facility of USD 19.58 million, from floating interest rate (LIBOR) to fixed interest rate at 2.35% per annum for interest payable during the period from 31 January 2015 to 31 December 2024.

Facility 6

On 29 May 2014, the Company executed a USD 81.50 million Term Loan Facility with Export-Import Bank of Thailand to finance up to 80% of the Contract Price of new Dry Bulk Carriers ordered for construction by the Company. The loan carries interest at LIBOR plus margin.

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

Loan Facility	Up to USD 81,500,000 in multiple drawdowns
Drawdown	80% of the contract price to be drawn upon delivery of each vessel
Final maturity	10 years after full drawdown of the loan facility but not later than 30 December 2025
Repayment	The loan shall be repaid in 39 equal quarterly installments of 1/55 th of each drawdown amount, beginning from the end of the next quarter after the respective each drawdown with balance amount repayable at the end of the 40 th quarter.
Security	a) 1st priority mortgage on the financed vessels b) Pledge of shares of the Subsidiary Borrowers

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

- a) maintenance of Debt Service Coverage Ratio at least 1.1:1
- b) maintenance of Net Funded Debt to EBITDA ratio not exceeding 5:1
- c) maintenance of Debt to Equity ratio not exceeding 2:1

Facility 7

On 30 September 2014, the Company executed a USD 41.85 million Term Loan Facility with Norddeutsche Landesbank Girozentrale, Singapore Branch to finance up to 75% of the Contract Price of two new 64,000 DWT Ultramax Dry Bulk Carriers (Hull Nos. SAM14019B and SAM14020B), ordered by the Company from Sainty Marine Corporation Ltd., China. The loan carries interest at LIBOR plus margin.

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

Loan Facility	Up to USD 41,850,000 divided into two vessel loans (“Vessel Loan” or “Vessel Loans”)
Drawdown	The lower of USD 20,925,000 or 75% of the market value of each vessel to be drawn upon delivery of each vessel.
Final maturity	8 years after drawdown of each Vessel Loan
Repayment	The loans shall be repaid over 8 years, in 32 equal quarterly installments of USD 348,750 per vessel, beginning from three calendar months after each drawdown (to be made on or around delivery date of the relevant vessel) and a balloon repayment of USD 9,765,000 per vessel on each of the final installments.
Security	<ul style="list-style-type: none"> a) 1st priority mortgage on the vessels b) Pledge of shares of the Subsidiary Borrowers c) 1st priority charge over the Earnings Account and Retention Account of the Subsidiary Borrowers d) 1st priority assignment of all earnings insurance policies and requisition compensation of the vessels e) 1st priority assignment of the shipbuilders’ warranties of the vessels

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

- a) maintenance of funded debt to total shareholders’ equity ratio not exceeding 2:1
- b) maintenance of funded debt to EBITDA ratio not exceeding 6:1 between the date of the loan agreement and ending on 30 June 2017, and thereafter not exceeding 5:1
- c) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Group

Loan facilities for purchasing of vessels

Facility 1

On 27 June 2014, Krung Thai Bank Plc. as the facility agent of the original facility has approved the amendment of financial covenant regarding to the maintenance of funded debt to EBITDA ratio from not exceeding 5:1 to be not exceeding 6:1 during 30 June 2014 to 31 December 2015. Thanachart Bank Plc. as the facility agent of the another USD 50 million facility has approved the amendment of financial covenant regarding to the maintenance of funded debt to EBITDA ratio from not exceeding 5:1 to be not exceeding 6:1 during 30 June 2014 to 31 December 2016.

(Unaudited but reviewed)

The Group's bank loan facilities and the undrawn loan balances are summarised below.

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan/amendment agreement	Maximum facility amount per loan/amendment agreement		Undrawn loan balance	
				30 September 2014	31 December 2013	30 September 2014	31 December 2013
Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)							
Facility 1	DNB Asia Ltd. and 5 other banks, total 6 banks	The Company and subsidiaries	LIBOR + margin	54.50	54.50	-	-
Facility 2	ING Bank N.V. (Singapore Branch) and DNB Asia Ltd.	4 indirect subsidiaries in Singapore	LIBOR + margin	84.96	84.96	-	-
Facility 3	Bangkok Bank Plc. (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited	LIBOR + margin	38.69	38.69	-	38.69
Facility 4	Bangkok Bank Plc. (Singapore Branch)	ABC Four Pte. Limited	LIBOR + margin	19.34	-	-	-
Facility 5	TMB Bank Plc.	ABC One Pte. Limited	LIBOR + margin	19.58	-	19.58	-
Facility 6	Export-Import Bank of Thailand	The Company and subsidiaries	LIBOR + margin	81.50	-	37.66	-
Facility 7	Norddeutsche Landesbank Girozentrale (Singapore Branch)	The Company and subsidiaries in Singapore	LIBOR + margin	41.85	-	41.85	-

(Unaudited but reviewed)

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan/amendment agreement	Maximum facility amount per loan/amendment agreement		Undrawn loan balance	
				30 September 2014	31 December 2013	30 September 2014	31 December 2013
Loan facilities for purchasing of vessels							
Facility 1	Krung Thai Bank Plc. and 2 other banks, total 3 banks	The Company and local subsidiaries	MLR-1 for Thai Baht loan and LIBOR + margin for USD loan	USD 142.00 million and Baht 1,502.35 million	USD 142.00 million and Baht 1,502.35 million	-	-
Facility 2	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch and 2 other banks, total 3 banks	The Company and subsidiaries	LIBOR + margin	-	150.00	-	150.00
Facility 3	Export-Import Bank of Thailand	The Company and subsidiaries	LIBOR + margin	64.82	100.00	-	35.18

15. Provision for maritime claims

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 1 January 2014	175,621
Increase during the period	41,853
Decrease during the period	(73,062)
Translation adjustment	(2,202)
Balance as at 30 September 2014	<u>142,210</u>

16. Basic earnings (loss) per share

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

17. Segment information

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

The Group's operations involve the business of owning and internationally operating (chartering) small handy sized and supramax dry bulk vessels, on a tramp shipping basis without any set routes. This is the only industry segment in which the Group mainly operates and almost entire revenues are generated from this segment. As such, no segmental bifurcation is applicable since the operations are mainly limited to only one aforesaid segment.

(Unaudited but reviewed)

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

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

The following table presents net vessel operating income from Time charter and Voyage charter of the Group for the three-month and nine-month periods ended 30 September 2014 and 2013.

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 30 September										
	Time charter		Voyage charter		Total		Elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Hire income	657,885	650,276	-	-	657,885	650,276	-	(12,989)	657,885	637,287
Freight income	-	-	602,932	296,458	602,932	296,458	(167,884)	-	435,048	296,458
Total vessel operating										
Income	657,885	650,276	602,932	296,458	1,260,817	946,734	(167,884)	(12,989)	1,092,933	933,745
Voyage disbursements	-	-	(239,478)	(48,618)	(239,478)	(48,618)	167,884	12,989	(71,594)	(35,629)
Bunker consumption	-	-	(221,658)	(126,512)	(221,658)	(126,512)	-	-	(221,658)	(126,512)
Total voyage expenses	-	-	(461,136)	(175,130)	(461,136)	(175,130)	167,884	12,989	(293,252)	(162,141)
Net vessel operating										
income/time charter										
equivalent income	657,885	650,276	141,796	121,328	799,681	771,604	-	-	799,681	771,604

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements										
For the nine-month periods ended 30 September										
	Time charter		Voyage charter		Total		Elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Hire income	2,440,024	1,919,806	-	-	2,440,024	1,919,806	(1,025)	(37,014)	2,438,999	1,882,792
Freight income	-	-	1,098,837	879,482	1,098,837	879,482	(212,290)	(67,349)	886,547	812,133
Total vessel operating income	2,440,024	1,919,806	1,098,837	879,482	3,538,861	2,799,288	(213,315)	(104,363)	3,325,546	2,694,925
Voyage disbursements	-	-	(351,789)	(223,122)	(351,789)	(223,122)	213,315	104,363	(138,474)	(118,759)
Bunker consumption	-	-	(372,800)	(381,331)	(372,800)	(381,331)	-	-	(372,800)	(381,331)
Total voyage expenses	-	-	(724,589)	(604,453)	(724,589)	(604,453)	213,315	104,363	(511,274)	(500,090)
Net vessel operating income/time charter equivalent income	2,440,024	1,919,806	374,248	275,029	2,814,272	2,194,835	-	-	2,814,272	2,194,835

18. Dividend

The dividends were approved for paying to the Company's ordinary shareholders as at the closing date of the share register, after deduction of the shares held by the registrar (Thailand Securities Depository Co., Ltd. for Depositors who are both Thai and Foreign shareholders), which are disqualified from receiving dividend, from the total number of shares outstanding (1,039,520,600 shares).

Dividends declared during the nine-month period ended 30 September 2014 consist of the following.

	Approved by	Qualified ordinary share (shares)	Shares held by the registrar (shares)	Dividend per share (Baht)	Dividend paid (Million Baht)	Paid date
a) Interim dividend based on the retained earnings as of 30 June 2014	Board of Directors' meeting on 31 July 2014	1,039,388,799	131,801	0.10	103.94	29 August 2014
b) Interim dividend based on the retained earnings as of 31 March 2014	Board of Directors' meeting on 30 April 2014	1,039,393,299	127,301	0.10	103.94	29 May 2014
c) Final dividend based on the retained earnings as of 31 December 2013	Annual General Meeting of the shareholders on 31 March 2014	1,039,385,799	134,801	0.10	103.94	11 April 2014
				0.30	311.82	

19. Commitments and contingent liabilities

19.1 Shipbuilding contracts commitments

The Group had future minimum payment commitments under shipbuilding contracts as detailed below.

	30 September 2014		31 December 2013	
	(Million USD)	(Equivalent to Million Baht)	(Million USD)	(Equivalent to Million Baht)
The Company	549.41	17,786.43	294.91	9,676.89
Subsidiaries	14.69	475.50	70.36	2,308.83
Total	564.10	18,261.93	365.27	11,985.72

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

The Group had obligations in respect of the charges for management of the undrawn portion of loan facilities, which are summarised as follows.

Facility	Commitment fees payable by the Group	Undrawn loan balance as at		Terms of payment of commitment fees	Payable upto
		30 September 2014	31 December 2013		
		(Million USD)	(Million USD)		

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

Facility 3	1.20% per annum of undrawn loan balance	-	38.69	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 5	0.60% per annum of undrawn loan balance	19.58	-	Every three months until the end of the drawdown period	Upon delivery of vessel
Facility 6	0.70% per annum of undrawn loan balance	37.66	-	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 7	1.02% per annum of undrawn loan balance	41.85	-	Every three months until the end of the drawdown period	Upon delivery of each vessel

(Unaudited but reviewed)

Facility	Commitment fees payable by the Group	Undrawn loan balance as at		Terms of payment of commitment fees	Payable upto
		30 September 2014	31 December 2013		
		(Million USD)	(Million USD)		
Loan facilities for purchasing of vessels					
Facility 2	0.70% per annum of undrawn loan balance	-	150.00	Every three months until the end of the drawdown period	30 June 2014
Facility 3	0.70% per annum of undrawn loan balance	-	35.18	Every three months until the end of the drawdown period	30 December 2014

19.3 Uncalled portion of other long-term investment

As at 30 September 2014, the Company has a commitment of Baht 5.06 million in respect of the uncalled portion of other long-term investment (TMN Company Limited) (31 December 2013: Baht 10.13 million).

19.4 Long-term time charter commitments

Pursuant to a Memorandum of Understanding signed in October 2009, on 2 December 2009 and on 7 September 2012, the Company signed Long-Term Time Charter Contracts with a company incorporated in India (the charterer) for 4 new cement carriers. The charter periods under the contracts are 15 years, with a fixed charter rate per day as stipulated in the contracts. There is an option to extend the charter period twice by blocks of 5 years, with reduced charter rates as stipulated in the contracts. The vessels are new custom-built cement carriers, which have to be delivered to the charterer as per the committed schedule during 2011 to 2014. If the vessels are not delivered to the charterer within the agreed schedule, there is a fine payable of USD 4,250 per vessel per day.

The Company has nominated the 4 Long-Term Charter Contracts to ABC One Pte. Limited, ABC Two Pte. Limited, ABC Three Pte. Limited, and ABC Four Pte. Limited.

As discussed in Note 11 to the financial statements, during the nine-month period ended 30 September 2014, 3 cement carriers were delivered to 3 ABC Company's subsidiaries. As a result, as at 30 September 2014, ABC One Pte. Limited has commitment of fine payable under its Long-Term Time Charter Contract.

19.5 Commitment from option deed agreement

As part of the Share Sale and Purchase Agreement between the Company (“the Buyer”) and Varada Marine Pte. Ltd. (“the Seller”) dated 18 January 2013 to purchase one ordinary share of jointly controlled entity, Associated Bulk Carriers Pte. Limited (“ABC Company”), which currently is the Company’s subsidiary. ABC Company (as Grantor) has also entered into an Option Deed with the Seller on 18 January 2013 under which, the Seller shall have the option to purchase 50% of the issued share capital of each of the existing Subsidiaries (“Option Securities”) at the Price of ABC Company’s cost of investment (including Shareholder Loans) together with interest at 7.50% per annum. Each of the Option Securities for each of the subsidiary, may be exercised at any time during the period of 60 days commencing 30 days after the date of actual delivery of each Vessel of each of the Subsidiaries under the respective Shipbuilding Contracts.

20. Event after the reporting period

On 3 October 2014, the Company has subscribed and paid for newly issued ordinary shares of subsidiaries as detailed below.

Subsidiaries’ name	New ordinary shares		
	Par value	No. of shares	Total value
	(Baht)	(Million Shares)	(Million Baht)
Precious Rubies Limited	100.00	1.75	175.36
Precious Opals Limited	100.00	1.75	175.36

21. Functional currency financial statements

The USD functional currency statements of financial position as at 30 September 2014 and 31 December 2013 and the income statements for the three-month and nine-month periods ended 30 September 2014 and 2013 are as follows.

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	(Unaudited) but reviewed)	(Audited)	(Unaudited) but reviewed)	(Audited)
(Unit: Thousand USD)				
Assets				
Current assets				
Cash and cash equivalents	41,630	89,651	25,968	64,684
Current investment	-	-	-	-
Trade and other receivables	8,107	32,729	54,850	57,304
Short-term loans to a subsidiary	-	-	56,400	71,400
Current portion of advances for vessel constructions	-	18,076	-	18,076
Bunker oil	4,542	3,116	-	-
Other current assets				
Advances to vessel masters	4,680	3,782	-	-
Claim recoverables	662	851	-	-
Others	1,940	2,211	431	1,454
Total other current assets	7,282	6,844	431	1,454
Total current assets	61,561	150,416	137,649	212,918
Non-current assets				
Long-term loans to a subsidiary	-	-	9,702	15,402
Investments in subsidiaries	-	-	235,163	235,163
Investment in associate held by a subsidiary	2,826	3,120	-	-
Other long-term investment	417	260	417	260
Receivables from cross currency swap contracts	475	54	-	-
Property, plant and equipment	678,209	568,958	182	216
Intangible assets	93	124	92	123
Other non-current assets				
Claim recoverables - maritime claims	3,342	4,247	-	-
Advances for vessel constructions - net of current portion	95,080	42,062	84,817	14,284
Deferred financial fees	1,002	2,966	871	2,300
Deferred contract costs	7,824	5,113	-	-
Others	96	94	74	73
Total other non-current assets	107,344	54,482	85,762	16,657
Total non-current assets	789,364	626,998	331,318	267,821
Total assets	850,925	777,414	468,967	480,739

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries
Statement of financial position (continued)

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	but reviewed)		but reviewed)	
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade accounts payable	4,128	657	2,765	6
Advances received from related parties	-	-	45,881	61,656
Accrued crew accounts	3,041	2,623	-	-
Accrued expenses	4,903	2,139	451	23
Current portion of accrued employee bonus	664	1,324	604	1,222
Total trade and other payables	12,736	6,743	49,701	62,907
Advances received from charterers	873	2,000	-	-
Current portion of long-term loans	26,678	19,928	-	-
Income tax payable	-	240	-	-
Other current liabilities	739	864	192	190
Total current liabilities	41,026	29,775	49,893	63,097
Non-current liabilities				
Accrued employee bonus - net of current portion	460	935	414	860
Long-term loans - net of current portion	338,234	262,661	-	-
Provision for maritime claims	4,393	5,352	-	-
Provision for long-term employee benefits	2,450	2,333	2,250	2,142
Total non-current liabilities	345,537	271,281	2,664	3,002
Total liabilities	386,563	301,056	52,557	66,099
Shareholders' equity				
Share capital				
Registered share capital	35,308	35,308	35,308	35,308
Issued and paid-up share capital	35,308	35,308	35,308	35,308
Paid-in capital				
Premium on ordinary shares	16,135	16,135	16,135	16,135
Premium on treasury stock	4,819	4,819	4,819	4,819
Retained earnings				
Appropriated				
Statutory reserve - the Company	2,802	2,802	2,802	2,802
- subsidiaries	14,460	14,460	-	-
Corporate social responsibility reserve	518	511	518	511
Unappropriated	392,074	403,659	356,828	355,065
Other components of shareholders' equity	(1,722)	(1,654)	-	-
Equity attributable to owner of the Company	464,394	476,040	416,410	414,640
Non-controlling interests of the subsidiaries	(32)	318	-	-
Total shareholders' equity	464,362	476,358	416,410	414,640
Total liabilities and shareholders' equity	850,925	777,414	468,967	480,739

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 September 2014**

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Revenues				
Vessel operating income				
Hire income	20,491	20,164	-	-
Freight income	13,551	9,380	-	-
Total vessel operating income	34,042	29,544	-	-
Service income	89	69	755	742
Gains on novation/cancellation of shipbuilding contracts	1,232	6,129	1,232	5,645
Interest income	5	5	-	72
Exchange gains	33	88	39	82
Other income	-	29	-	29
Dividend received	-	-	3,759	4,023
Total revenues	35,401	35,864	5,785	10,593
Expenses				
Vessel operating costs				
Vessel running expenses	15,437	13,982	-	-
Voyage disbursements	2,230	1,128	-	-
Bunker consumption	6,904	4,003	-	-
Total vessel operating costs	24,571	19,113	-	-
Depreciation	10,086	9,584	20	19
Cost of services	31	32	-	-
Administrative expenses	1,379	1,599	1,189	1,418
Management remuneration including perquisites	595	817	568	774
Bad debts and doubtful accounts	7	388	-	-
Total expenses	36,669	31,533	1,777	2,211
Profit (loss) before share of profit from investment in associate, finance cost and income tax expenses	(1,268)	4,331	4,008	8,382
Share of profit from investment in associate held by a subsidiary	36	249	-	-
Profit (loss) before finance cost and income tax expenses	(1,232)	4,580	4,008	8,382
Finance cost	(3,333)	(3,888)	(35)	(856)
Profit (loss) before income tax expenses	(4,565)	692	3,973	7,526
Income tax expenses	-	(46)	-	-
Profit (loss) for the period	(4,565)	646	3,973	7,526
Profit (loss) attributable to:				
Equity holders of the Company	(4,564)	646	3,973	7,526
Non-controlling interests of the subsidiaries	(1)	-	-	-
Profit (loss) for the period	(4,565)	646	3,973	7,526
				(Unit: USD)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company	(0.0044)	0.0006	0.0038	0.0072

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the nine-month period ended 30 September 2014**

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
Revenues				
Vessel operating income				
Hire income	75,124	61,771	-	-
Freight income	27,400	26,651	-	-
Total vessel operating income	102,524	88,422	-	-
Service income	192	286	2,098	2,209
Gain on sales of vessel	825	-	-	-
Gains on novation/cancellation of shipbuilding contracts	1,232	28,676	1,232	27,445
Interest income	125	133	159	250
Exchange gains	-	211	-	239
Other income	1	66	1	66
Dividend received	-	-	17,488	12,731
Total revenues	104,899	117,794	20,978	42,940
Expenses				
Vessel operating costs				
Vessel running expenses	44,201	39,608	-	-
Voyage disbursements	4,282	3,911	-	-
Bunker consumption	11,542	12,547	-	-
Total vessel operating costs	60,025	56,066	-	-
Depreciation	28,445	27,317	57	72
Cost of services	120	129	-	-
Administrative expenses	4,346	5,468	3,796	4,747
Management remuneration including perquisites	2,060	2,715	1,963	2,558
Bad debts and doubtful accounts	4	15	-	-
Exchange losses	21	-	27	-
Total expenses	95,021	91,710	5,843	7,377
Profit before share of profit from investment in associate, finance cost and income tax revenue (expenses)	9,878	26,084	15,135	35,563
Share of profit from investment in associate held by a subsidiary	95	826	-	-
Profit before finance cost and income tax revenue (expenses)	9,973	26,910	15,135	35,563
Finance cost	(12,048)	(11,501)	(3,702)	(3,291)
Profit (loss) before income tax revenue (expenses)	(2,075)	15,409	11,433	32,272
Income tax revenue (expenses)	97	(92)	-	-
Profit (loss) for the period	(1,978)	15,317	11,433	32,272
Profit (loss) attributable to:				
Equity holders of the Company	(1,915)	15,318	11,433	32,272
Non-controlling interests of the subsidiaries	(63)	(1)	-	-
Profit (loss) for the period	(1,978)	15,317	11,433	32,272
				(Unit: USD)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company	(0.0018)	0.0147	0.0110	0.0310

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 24 October 2014.