

Ref: 2014-024

25 July 2014

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

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

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

For the three months period ended 30 June 2014, the Company and subsidiaries (“the Company”) have incurred a consolidated net loss of Baht 52.76 million as compared to net income of Baht 161.20 million earned during the same period in 2013. The main reasons for changes are as follows:

1. The Company recorded gains on novation/cancellation of shipbuilding contracts of Baht 260.45 million in the second quarter of 2013. No such gains have been recorded in this quarter.
2. The absolute Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the second quarter of 2014 has increased by about 30 percent over the Net Vessel Operating Income for the same period of 2013 mainly due to the increase in the average earnings per day per Vessel from USD 7,507 in the second quarter of 2013 to USD 8,687 in this quarter.. The increase is also on account of the fact that the income has been earned from an average of 40 vessels during the second quarter of 2014 as against an average of 39 vessels in the same period of 2013. The fleet size as on 30 June 2014 is 41 vessels.
3. For the second quarter of 2014, the absolute Vessel running expenses are higher by 21 percent as compared to the same period of 2013 mainly due to the increase in the average Vessel operating expenses per day per Vessel or Opex (including depreciation/amortization of Drydocking/Special Survey expenses) from USD 4,555 in the second quarter of 2013 to USD 4,769 in this quarter as a result of an increase in crew costs.

4. Finance cost for the second quarter of 2014 is higher by Baht 76.84 million as compared to the same period of the previous year mainly due to the one-time write-off of Baht 74.77 million of deferred upfront fees and other expenses related to the cancellation of certain loan facilities.

For the six months period ended 30 June 2014, the Company has earned a consolidated net income of Baht 86.87 million as compared to net income of Baht 437.75 million earned during the same period in 2013. The main reasons for changes are as follows:

1. The absolute Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the first half of 2014 has increased by about 42 percent over the Net Vessel Operating Income for the same period of 2013 mainly due to the increase in the average earnings per day per Vessel from USD 7,275 for the first half of 2013 to USD 8,972 for the same period of. The increase is also on account of the fact that the income has been earned from an average of 40 vessels during the first half of 2014 as against an average of 38 vessels in the same period of 2013.
2. For the first half of 2014, the absolute Vessel running expenses are higher by 22 percent as compared to the same period of 2013, mainly due to the increase in the average Vessel operating expenses per day per Vessel or Opex (including depreciation/amortisation of Drydocking/Special Survey expenses) from USD 4,439 in the first half of 2013 to USD 4,703 in the same period of 2014 as a result of an increase in crew costs.
3. The Company recorded gains on novation/cancellation of shipbuilding contracts of Baht 672.97 million in the first half of 2013. No such gains have been recorded in this period.
4. The depreciation for the first half of 2014 is higher by Baht 67.87 million as compared to the same period of the previous year due to the increase in the number of vessels.
5. Finance cost for the first half of 2014 is higher by Baht 56.43 million as compared to the same period of the previous year mainly due to the one-time write-off of Baht 74.77 million of deferred upfront fees and other expenses related to the cancellation of certain loan facilities.

Please be informed accordingly.

Yours sincerely,  
Precious Shipping Public Company Limited

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Khalid Moinuddin Hashim  
Managing Director

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Khushroo Kali Wadia  
Director