

Ref: 2013-025

28 October 2013

To : The President of the Stock Exchange of Thailand

Subject : Submitting the Interim Consolidated Financial Statements for the three months and nine months period ended 30 September 2013 and 2012.

We hereby report the Interim Consolidated Financial Statements of Precious Shipping Public Company Limited and Subsidiaries (“the Company”) reviewed by Auditors, for the three months and nine months period ended 30 September 2013 and 2012 together with the summarized operating results (Form 45-3). The reasons for changes in the operating results are explained below.

For the three months period ended 30 September 2013, the Company and subsidiaries (“the Company”) have earned a consolidated net income of Baht 20.41 million as compared to the net income of Baht 219.23 million earned during the same period in 2012. The main reasons for changes are as follows:

1. The absolute Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the third quarter of 2013 has increased by about 16 percent over the Net Vessel Operating Income for the same period of 2012 mainly due to the increase in number of ships operated during the quarter. The income has been earned from an average of 40 vessels during the third quarter of 2013 as against an average of 31 vessels in the same period of 2012. The fleet size as on 30 September 2013 was 40 vessels.

However, the average earnings per day per Vessel have dropped from USD 7,957 in the third quarter of 2012 to USD 7,041 in this quarter due to the continued weakness in the Dry Bulk Freight Markets.

2. For the third quarter of 2013, the absolute Vessel running expenses are higher by 45 percent as compared to the same period of 2012 mainly due to the increase in number of ships operated during the quarter as explained above.

Moreover, the average Vessel operating expenses per day per Vessel (including depreciation/amortization of Drydocking/Special Survey expenses) have increased from USD 4,349 in the third quarter of 2012 to USD 4,622 in this quarter.

3. The Company recorded gains on cancellation of shipbuilding contracts Baht 193.71 million in the third quarter of 2013 which represents gain on cancellation of 5 shipbuilding contracts.

4. The depreciation for the third quarter of 2013 is higher by Baht 66.73 million as compared to the same period of the previous year due to the increase in number of vessels.

For the nine months period ended 30 September 2013, the Company has earned a consolidated net income of Baht 458.17 million as compared to the net income of Baht 191.41 million earned during the same period in 2012. 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 nine months of 2013 has increased by about 10 percent over the Net Vessel Operating Income for the same period of 2012 mainly due the increase in number of ships operated during the period. The income has been earned from an average of 39 vessels during the nine months of 2013 as against an average of 29 vessels in the same period of 2012.

However, the average earnings per day per Vessel have dropped from USD 8,467 for the nine months of 2012 to USD 7,194 for the same period of 2013 due to the continued weakness in the Dry Bulk Freight Markets.

2. For the nine months of 2013, the absolute Vessel running expenses are higher by 36 percent as compared to the same period of 2012, mainly due to the increase in number of ships operated during the period as explained above.

Moreover, the average Vessel operating expenses per day per Vessel (including depreciation/amortisation of Drydocking/Special Survey expenses) have increased from USD 4,439 for the nine months of 2012 to USD 4,503 in the same period of 2013.

3. The Company recorded gains on novation/cancellation of shipbuilding contracts Baht 866.67 million for the nine months of 2013 which represents gain on novation/cancellation of 10 shipbuilding contracts.
4. The depreciation for the nine months of 2013 is higher by Baht 174.95 million as compared to the same period of the previous year due to the increase in the number of vessels.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khalid Moinuddin Hashim
Managing Director

Khushroo Kali Wadia
Director