

Ref: 2016-041

3 November 2016

**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 2016 and 2015.**

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 2016 and 2015 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 2016, the Company and its subsidiaries (jointly, “the Company”) have incurred a consolidated net loss of Baht 859.65 million as compared to the net loss of Baht 175.52 million incurred during the same period in 2015. 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 2016 has decreased by about 19 percent over the Net Vessel Operating Income for the same period of 2015 mainly due to the decrease in the average number of vessels from 45 vessels operated in the third quarter of 2015 to 39 vessels in the same period of 2016. The average earnings per day per Vessel also decreased from USD 7,282 in the third quarter of 2015 to USD 6,955 in this quarter as a consequence of the prolonged weakness in the dry bulk shipping sector. The fleet size as on 30 September 2016 is 36 vessels.
2. For the third quarter of 2016, the absolute Vessel running expenses are lower by 17 percent as compared to the same period of 2015 mainly due to the decrease in number of vessels operated during the quarter as explained above and also the decrease in the average Vessel operating expenses per day per Vessel or Opex (including depreciation/amortisation of Drydocking/Special Survey expenses) from USD 4,628 in the third quarter of 2015 to USD 4,455 in this quarter as a consequence of the sale of old vessels.
3. The Company recorded loss on sales of six old vessels of Baht 324.15 million during this quarter.
4. Due to the poor market conditions, the Company recognized an impairment loss of Baht 291.22 million in this quarter in respect of 2 more vessels expected to be sold in 2016-2017.

For the nine months period ended 30 September 2016, the Company has incurred a consolidated net loss of Baht 2,546.43 million as compared to the net loss of Baht 913.78 million incurred during the same period in 2015. 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 2016 has decreased by about 11 percent over the Net Vessel Operating Income for the same period of 2015 due to the decrease in the average earnings per day per Vessel from USD 6,373 for the nine months of 2015 to USD 5,975 for the same period of 2016. The decrease is also on account of the fact that the income has been earned from an average of 42 vessels during the nine months of 2016 as against an average of 45 vessels in the same period of 2015.
2. For the nine months of 2016, the absolute Vessel running expenses are lower by 7 percent as compared to the same period of 2015, mainly due to the decrease in number of vessels operated during the period as explained above and also the decrease in the average Vessel operating expenses per day per Vessel or Opex (including depreciation/amortisation of Drydocking/Special Survey expenses) from USD 4,629 for the nine months of 2015 to USD 4,501 in the same period of 2016 as a consequence of the sale of old vessels.
3. The Company recorded loss on sales of twelve old vessels of Baht 678.24 million for the nine months of 2016.
4. Due to the poor market conditions, the Company recognized an impairment loss of Baht 566.56 million for the nine months of 2016 in respect of 5 vessels.
5. Finance cost for the nine months of 2016 is higher by Baht 359.91 million as compared to the same period of 2015 mainly due to the one-time write-off of Baht 182.25 million of deferred upfront fees and other expenses related to the cancellation of certain loan facilities as a consequence of cancellation of shipbuilding contracts and also due to the increase in interest expenses from issuance of debentures.

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  
Executive Director