

Precious Shipping Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month period ended
31 March 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 31 March 2014, the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-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 period. 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

(Formerly known as "Ernst & Young Office Limited")

Bangkok: 25 April 2014

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2014	31 December 2013	31 March 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		2,641,007	2,941,784	1,240,090	2,122,521
Current investment	2	-	-	-	-
Trade and other receivables	3, 4	144,894	1,073,957	1,697,269	1,880,364
Short-term loans to a subsidiary	5	-	-	2,316,444	2,342,891
Current portion of advances for vessel constructions	10	587,663	593,136	587,663	593,136
Bunker oil		116,021	102,232	-	-
Other current assets					
Advances to vessel masters		124,660	124,109	-	-
Claim recoverables		12,219	27,910	-	-
Others		76,978	72,568	34,588	47,717
Total other current assets		213,857	224,587	34,588	47,717
Total current assets		3,703,442	4,935,696	5,876,054	6,986,629
Non-current assets					
Long-term loans to a subsidiary	6	-	-	314,764	505,395
Investments in subsidiaries	7	-	-	7,629,450	7,716,555
Investment in associate held by a subsidiary	8	99,223	102,372	-	-
Other long-term investment		8,442	8,538	8,442	8,538
Receivables from cross currency swap contracts		13,906	1,784	-	-
Property, plant and equipment	9	18,999,995	18,669,560	6,917	7,085
Intangible assets		3,644	4,066	3,615	4,034
Other non-current assets					
Claim recoverables - maritime claims		123,514	139,369	-	-
Advances for vessel constructions - net of current portion	10	2,390,508	1,380,194	1,654,637	468,696
Deferred financial fees	11	85,628	97,337	74,605	75,457
Deferred contract costs	17.4	198,828	167,768	-	-
Others		3,075	3,075	2,396	2,395
Total other non-current assets		2,801,553	1,787,743	1,731,638	546,548
Total non-current assets		21,926,763	20,574,063	9,694,826	8,788,155
Total assets		25,630,205	25,509,759	15,570,880	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		
	Note	31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables					
Trade accounts payable	4	32,287	21,569	1,485	204
Advances received from related parties	4	-	-	1,834,532	2,023,148
Accrued crew accounts		90,619	86,066	-	-
Accrued expenses		75,559	70,178	512	761
Current portion of accrued employee bonus		18,772	43,460	17,226	40,081
Total trade and other payables		217,237	221,273	1,853,755	2,064,194
Advances received from charterers		44,808	65,637	-	-
Dividend payables	16	103,498	-	103,498	-
Current portion of long-term loans	12	678,981	653,904	-	-
Income tax payable		2	7,872	-	-
Other current liabilities		24,833	28,329	5,972	6,238
Total current liabilities		1,069,359	977,015	1,963,225	2,070,432
Non-current liabilities					
Accrued employee bonus - net of current portion		7,644	30,681	6,998	28,217
Long-term loans - net of current portion	12	8,823,538	8,618,853	-	-
Provision for maritime claims	13	162,988	175,621	-	-
Provision for long-term employee benefits		76,587	76,562	70,250	70,297
Total non-current liabilities		9,070,757	8,901,717	77,248	98,514
Total liabilities		10,140,116	9,878,732	2,040,473	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	
	31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	31 March 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	16,805	16,107	16,805	16,107
Unappropriated	14,334,753	14,299,769	11,511,990	11,433,273
Other components of shareholders' equity	(1,120,481)	(945,956)	274,263	429,109
Equity attributable to owners of the Company	15,481,746	15,620,589	13,530,407	13,605,838
Non-controlling interests of the subsidiaries	8,343	10,438	-	-
Total shareholders' equity	15,490,089	15,631,027	13,530,407	13,605,838
Total liabilities and shareholders' equity	25,630,205	25,509,759	15,570,880	15,774,784
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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 31 March 2014**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Vessel operating income					
Hire income		894,484	571,903	-	-
Freight income		224,795	306,805	-	-
Total vessel operating income		1,119,279	878,708	-	-
Service income	4	2,588	5,000	21,417	21,224
Gains on sales of vessel	9	27,278	-	-	-
Gains on novation/cancellation of shipbuilding contracts	10	-	412,515	-	390,374
Interest income	4	1,134	1,631	3,178	2,454
Other income		27	21	27	21
Dividend received	4, 7	-	-	245,600	128,900
Total revenues		1,150,306	1,297,875	270,222	542,973
Expenses					
Vessel operating costs					
Vessel running expenses		450,641	364,043	-	-
Voyage disbursements		29,924	48,501	-	-
Bunker consumption		63,982	166,382	-	-
Total vessel operating costs		544,547	578,926	-	-
Depreciation	9	297,008	252,584	608	974
Cost of services		931	1,120	-	-
Administrative expenses	4	46,053	54,429	40,584	45,841
Management remuneration including perquisites	4	21,185	26,065	20,317	24,512
Bad debts and doubtful accounts (reversal)		156	(14,427)	-	-
Exchange losses		2,131	2,886	2,358	3,561
Total expenses		912,011	901,583	63,867	74,888
Profit before share of profit from investment in associate, finance cost and income tax revenue (expenses)		238,295	396,292	206,355	468,085
Share of profit from investment in associate held by a subsidiary	8.1	163	5,081	-	-
Profit before finance cost and income tax revenue (expenses)		238,458	401,373	206,355	468,085
Finance cost		(103,990)	(124,399)	(23,001)	(49,414)
Profit before income tax revenue (expenses)		134,468	276,974	183,354	418,671
Income tax revenue (expenses)		3,161	(427)	-	-
Profit for the period		137,629	276,547	183,354	418,671

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 31 March 2014

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit (loss) attributable to:				
Equity holders of the Company	139,621	276,555	183,354	418,671
Non-controlling interests of the subsidiaries	(1,992)	(8)	-	-
Profit for the period	137,629	276,547	183,354	418,671

(Unit: Baht)

Basic earnings per share	14				
Profit attributable to equity holders of the Company		0.13	0.27	0.18	0.40

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 31 March 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the period	137,629	276,547	183,354	418,671
Other comprehensive income:				
Exchange differences on translation of foreign operation's financial statements	3,608	2,045	-	-
Exchange differences on translation of functional currency to presentation currency financial statements	(178,236)	(630,135)	(154,846)	(521,966)
Other comprehensive income for the period	(174,628)	(628,090)	(154,846)	(521,966)
Total comprehensive income for the period	(36,999)	(351,543)	28,508	(103,295)
Total comprehensive income attributable to:				
Equity holders of the Company	(34,904)	(351,481)	28,508	(103,295)
Non-controlling interests of the subsidiaries	(2,095)	(62)	-	-
	(36,999)	(351,543)	28,508	(103,295)

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 three-month period ended 31 March 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	134,468	276,974	183,354	418,671
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	297,387	254,765	984	3,153
Bad debts and doubtful accounts (reversal)	156	(14,427)	-	-
Write-off equipment	-	20	-	20
Gains on sales of vessel	(27,278)	-	-	-
Gains on novation/cancellation of shipbuilding contracts	-	(412,515)	-	(390,374)
Write-off deferred financial fees	-	5,438	-	5,438
Share of profit from investment in associate held by a subsidiary	(163)	(5,081)	-	-
Provisions for maritime claims (reversal)	3,658	(3,466)	-	-
Provision for long-term employee benefits	1,383	1,547	1,309	1,486
Unrealised exchange losses	3,358	2,223	2,758	3,311
Amortised financial fees to interest expense	10,719	5,403	-	-
Interest expense	70,551	65,476	-	-
Interest income	(833)	(1,520)	(3,167)	(2,451)
Profit from operating activities before changes in operating assets and liabilities	493,406	174,837	185,238	39,254
Operating assets (increase) decrease				
Trade and other receivables	91,214	(38,643)	(68,951)	518,109
Bunker oil	(19,315)	35,789	-	-
Other current assets	9,225	(1,395)	13,774	32,723
Other non-current assets	(33,201)	(16,439)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(3,317)	35,277	(190,285)	(366,695)
Advances received from charterers	(20,239)	9,308	-	-
Other current liabilities	(3,214)	(4,750)	(87)	(6,541)
Non-current liabilities	(25,487)	(22,285)	(23,579)	(20,580)
Cash flows from (used in) operating activities	489,072	171,699	(83,890)	196,270
Cash paid for corporate income tax and withholding tax deducted at source	(5,787)	(7,159)	(877)	(799)
Net cash flows from (used in) operating activities	483,285	164,540	(84,767)	195,471

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 three-month period ended 31 March 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	(510,585)	(602,361)	(519)	(1,339)
Cash received from sales of vessel	46,450	-	-	-
Cash paid for advances for vessel constructions and other direct costs	(1,376,494)	(303,539)	(1,201,385)	(227,648)
Cash paid for advances for vessel purchases	-	(88,658)	-	-
Cash received from novation/cancellation of shipbuilding contracts	832,447	789,747	232,032	591,089
Cash paid for acquisition of a subsidiary	-	(414,474)	-	(414,474)
Decrease in short-term loans to a subsidiary	-	-	-	444,430
Decrease in long-term loans to a subsidiary	-	-	186,311	168,884
Dividend received from associate held by a subsidiary	5,190	-	-	-
Interest income	833	1,520	3,167	2,451
Net cash flows from (used in) investing activities	(1,002,159)	(617,765)	(780,394)	563,393
Cash flows from financing activities				
Cash paid for interest expense and commitment fee	(75,478)	(76,757)	-	(4,100)
Cash paid for deferred financial fees	(416)	(1,596)	-	-
Cash received from long-term loans	626,889	1,276,997	-	-
Repayment of long-term loans	(165,008)	(430,978)	-	(355,544)
Prepayment of long-term loans	(136,688)	(168,338)	-	-
Prepayment of long-term loans due to cancellation of loan facility	-	(225,178)	-	(225,178)
Net cash flows from (used in) financing activities	249,299	374,150	-	(584,822)
Decrease in translation adjustments	(31,202)	(82,236)	(17,270)	(30,627)
Net increase (decrease) in cash and cash equivalents	(300,777)	(161,311)	(882,431)	143,415
Cash and cash equivalents at beginning of period	2,941,784	1,901,015	2,122,521	646,276
Increase cash from acquisition of a subsidiary	-	1,766	-	-
Cash and cash equivalents at end of period	2,641,007	1,741,470	1,240,090	789,691
Supplemental cash flows information				
Non-cash transactions				
Dividend income from subsidiaries offset against receivable from/payable to subsidiaries	-	-	245,600	128,900
Amortisation of financial fees to advances for vessel constructions	-	247	-	90
Transfer of deferred financial fees to present as a deduction from long-term loans	11,105	15,901	-	1,257
Transfer of deferred financial fees to subsidiary in proportion to the drawdown amount	-	-	-	3,612
Transfer of advances for vessel constructions to vessel and equipment of a subsidiary	346,297	580,029	-	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 three-month period ended 31 March 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			Unappropriated	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						
				Statutory reserve								
				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	
Total comprehensive income for the period	-	-	-	-	-	-	276,555	(628,036)	(351,481)	(62)	(351,543)	
Appropriated to corporate social responsibility reserve	-	-	-	-	-	1,383	(1,383)	-	-	-	-	
Balance as at 31 March 2013	1,039,521	411,430	172,446	103,952	518,120	16,334	14,469,005	(2,599,285)	14,131,523	1,166	14,132,689	
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 payable to the Company's shareholders (Note 16)	-	-	-	-	-	-	(103,939)	-	(103,939)	-	(103,939)	
Total comprehensive income for the period	-	-	-	-	-	-	139,621	(174,525)	(34,904)	(2,095)	(36,999)	
Appropriated to corporate social responsibility reserve	-	-	-	-	-	698	(698)	-	-	-	-	
Balance as at 31 March 2014	1,039,521	411,430	172,446	103,952	523,320	16,805	14,334,753	(1,120,481)	15,481,746	8,343	15,490,089	
	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	

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 three-month period ended 31 March 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			Exchange differences on translation of financial statements		
				Appropriated		Unappropriated			
				Statutory reserve	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	
Total comprehensive income for the period	-	-	-	-	-	418,671	(521,966)	(103,295)	
Appropriated to corporate social responsibility reserve	-	-	-	-	1,383	(1,383)	-	-	
Balance as at 31 March 2013	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>16,334</u>	<u>11,111,498</u>	<u>(998,262)</u>	<u>11,856,919</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 payable to the Company's shareholders (Note 16)	-	-	-	-	-	(103,939)	-	(103,939)	
Total comprehensive income for the period	-	-	-	-	-	183,354	(154,846)	28,508	
Appropriated to corporate social responsibility reserve	-	-	-	-	698	(698)	-	-	
Balance as at 31 March 2014	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>16,805</u>	<u>11,511,990</u>	<u>274,263</u>	<u>13,530,407</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 period ended 31 March 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.

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.

(Unaudited but reviewed)

2. Current investment

(Unit: Thousand Baht)

Consolidated financial statements								
Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method		
31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 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	28,314	28,637	17,816	18,019
Less: Allowance for loss on investment							(17,816)	(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	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	138,291	231,870	-	-
3 - 6 months	1,184	6,366	-	-
6 - 12 months	5,419	30	-	-
Over 12 months	1,087	4,805	-	-
Total	145,981	243,071	-	-
Less: Allowance for doubtful debts	(1,087)	(4,805)	-	-
Total trade receivables - unrelated parties, net	144,894	238,266	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
<u>Other receivables - unrelated parties</u>				
Guarantor receivables (Note 10)	-	835,691	-	232,937
<u>Other receivables - related parties</u>				
Advances to related parties (Note 4)	-	-	1,697,269	1,647,427
Total other receivables	-	835,691	1,697,269	1,880,364
Total trade and other receivables - net	144,894	1,073,957	1,697,269	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 31 March				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	-	-	21,417	19,446	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Vessel construction supervision income	-	-	-	1,778	In accordance with contract based on market practice
Interest income	-	-	2,334	2,104	At interest rate of 0.40% per annum
Dividend received	-	-	245,600	128,900	As declared
Condominium rental expenses	-	-	2,138	2,141	Market price
Sales of newbuilding vessels (as part of advances for vessel constructions and other direct cost)	-	-	-	580,029	At cost
Transactions with related companies					
Air ticket expenses	4,378	4,243	1,335	699	Market price
Rental and service expenses	2,874	3,008	2,339	2,521	Market price
Computer and mobile phone purchases	627	-	627	-	Market price

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Other receivables - related parties (Note 3)				
Subsidiaries	-	-	1,697,269	1,647,427
Total other receivables - related parties	-	-	1,697,269	1,647,427
Trade and other payables - related parties				
Subsidiaries	-	-	1,834,532	2,023,148
Related companies	1,210	27	221	27
Total trade and other payables - related parties	1,210	27	1,834,753	2,023,175

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

During the three-month periods ended 31 March 2014 and 2013, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	17,557	25,586	17,024	24,033
Post-employment benefits	306	479	306	479
Other long-term benefits	3,322	-	2,987	-
Total	21,185	26,065	20,317	24,512

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 31 March 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 71.40 million (31 December 2013: USD 71.40 million), which carry interest at the rate of 0.40% per annum (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
Translation adjustment	(26,447)
Balance as at 31 March 2014	<u>2,316,444</u>

6. Long-term loans to a subsidiary

As at 31 March 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 three-month period ended 31 March 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 a novation 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)

	<u>Separate financial statements</u>
Balance as at 1 January 2014	505,395
Repayment	(186,311)
Translation adjustment	(4,320)
Balance as at 31 March 2014	<u>314,764</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	
	31 March	31 December	31 March	31 December	31 March	31 December	For the three-month periods ended 31 March	
	2014	2013	2014	2013	2014	2013	2014	2013
			%	%				
Precious Metals Limited	275,000	275,000	99.99	99.99	343,757	347,682	-	-
Precious Wishes Limited	230,000	230,000	99.99	99.99	292,625	295,965	-	-
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	273,348	276,468	26,000	-
Precious Minerals Limited	230,000	230,000	99.99	99.99	248,563	251,401	-	23,000
Precious Lands Limited	306,000	306,000	99.99	99.99	314,576	318,167	-	-
Precious Rivers Limited	234,000	234,000	99.99	99.99	206,758	209,119	23,400	11,700
Precious Lakes Limited	184,000	184,000	99.99	99.99	181,435	183,506	-	-
Precious Seas Limited	100,000	100,000	99.99	99.99	127,228	128,680	20,000	-
Precious Stars Limited	105,000	105,000	99.99	99.99	133,589	135,114	21,000	-
Precious Oceans Limited	175,000	175,000	99.99	99.99	222,649	225,191	-	-
Precious Planets Limited	270,000	270,000	99.99	99.99	301,899	305,346	-	-
Precious Diamonds Limited	205,000	205,000	99.99	99.99	189,011	191,168	-	10,250
Precious Sapphires Limited	144,000	144,000	99.99	99.99	128,235	129,699	-	7,200
Precious Emeralds Limited	366,000	366,000	99.99	99.99	307,488	310,998	36,600	18,300
Precious Rubies Limited	84,000	84,000	99.99	99.99	79,941	80,854	-	-
Precious Opals Limited	74,000	74,000	99.99	99.99	71,707	72,525	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements								
Subsidiaries' name	Paid-up capital		Shareholding percentage		Cost		Dividend received	
	31	31	31	31	31	31	For the three-month	
	March	December	March	December	March	December	periods ended 31 March	
	2014	2013	2014	2013	2014	2013	2014	2013
Precious Garnets Limited	379,000	379,000	99.99	99.99	317,154	320,775	37,900	18,950
Precious Pearls Limited	173,000	173,000	99.99	99.99	181,145	183,213	-	-
Precious Flowers Limited	336,000	336,000	99.99	99.99	349,261	353,249	-	-
Precious Forests Limited	96,000	96,000	99.99	99.99	97,004	98,111	-	-
Precious Trees Limited	202,000	202,000	99.99	99.99	211,970	214,390	-	-
Precious Ponds Limited	124,000	124,000	99.99	99.99	127,497	128,953	-	-
Precious Ventures Limited	202,000	202,000	99.99	99.99	229,923	232,548	-	-
Precious Capitals Limited	200,000	200,000	99.99	99.99	254,456	257,361	-	-
Precious Jasmines Limited	147,000	147,000	99.99	99.99	172,875	174,849	-	-
Precious Orchids Limited	217,000	217,000	99.99	99.99	195,356	197,586	21,700	-
Precious Lagoons Limited	140,000	140,000	99.99	99.99	178,119	180,153	-	-
Precious Cliffs Limited	140,000	140,000	99.99	99.99	178,119	180,153	21,000	-
Precious Hills Limited	140,000	140,000	99.99	99.99	178,119	180,153	21,000	-
Precious Mountains Limited	140,000	140,000	99.99	99.99	178,119	180,153	-	14,000
Precious Resorts Limited	140,000	140,000	99.99	99.99	178,119	180,153	-	-
Precious Cities Limited	170,000	170,000	99.99	99.99	202,544	204,857	17,000	25,500
Precious Comets Limited	141,000	141,000	99.99	99.99	135,421	136,967	-	-
Precious Ornaments Limited	156,000	156,000	99.99	99.99	148,626	150,323	-	-
Nedtex Limited	2,500	2,500	69.99	69.99	825	834	-	-
Precious Storage Terminals Limited	6,000	6,000	69.99	69.99	5,343	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	340,346	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	351,820	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					7,635,942	7,723,121	245,600	128,900
Less: Allowance for loss on investments in subsidiaries					(6,492)	(6,566)		
Total investments in subsidiaries - net					7,629,450	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 31 March 2014, the Company has pledged the shares of 27 subsidiaries amounting to Baht 6,244.63 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 12 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						
		Shareholding percentage		Cost		Carrying amounts based on equity method		
		31 March	31 December	31 March	31 December	31 March	31 December	
Associate's name	Nature of business	Country of incorporation	2014	2013	2014	2013	2014	2013
			%	%				
International Seaports (Haldia) Private Limited	Berth construction and development	India	22.40	22.40	66,108	66,863	99,223	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 31 March			
Associate's name		Share of profit		Dividend received	
		2014	2013	2014	2013
International Seaports (Haldia) Private Limited		163	5,081	5,190	-

Shares of profit from investment in associate held by a subsidiary for the three-month periods ended 31 March 2014 and 2013, included in the consolidated income statements, were recorded based on the financial information for the three-month periods ended 31 December 2013 and 2012, respectively.

(Unaudited but reviewed)

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 the		Profit for the	
	31 December		31 December		31 December		three-month periods ended		three-month periods ended	
	2013	2012	2013	2012	2013	2012	31 December		31 December	
	Thousand INR	Thousand INR					2013	2012	2013	2012
International Seaports										
(Haldia) Private Limited	440,580	440,580	556,421	606,118	90,464	134,115	96,284	111,874	728	22,682

9. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 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	510,585	519
Transfer from advances for vessel constructions	346,297	-
Disposal	(14,643)	-
Depreciation for period	(297,008)	(608)
Translation adjustment	(214,796)	(79)
Net book value as at 31 March 2014	18,999,995	6,917

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 and the overseas subsidiary already received the selling price (net of direct selling expense) of USD 1.42 million (or approximately Baht 46.45 million). The Group recorded gains from sales of vessel amounting to USD 0.83 million (or approximately Baht 27.28 million) in the consolidated income statement for the three-month period ended 31 March 2014.

As at 31 March 2014, the subsidiaries have mortgaged 35 vessels (31 December 2013: 34 vessels) with net book value of Baht 18,039.43 million (31 December 2013: Baht 17,651.83 million) with banks to secure long-term loans as referred to in Note 12 to the financial statements.

10. Advances for vessel constructions

The signing of shipbuilding contracts

During the three-month period ended 31 March 2014, the Company has signed 14 shipbuilding contracts per details below.

Vessel type	2 Bulk Carriers (Ultramax Vessel)	10 Bulk Carriers* (Ultramax Vessel)	2 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

* These shipbuilding contracts will be effective upon the meeting of shareholders' approval. The Extraordinary General Meeting of the Company's shareholders will be held on 30 April 2014.

(Unaudited but reviewed)

Movements of the advances for vessel constructions account during the three-month period ended 31 March 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	1,330,677	1,172,606
Commitment fee	4,611	-
Other direct costs	45,817	28,779
Transfer to cost of vessel and equipment of a subsidiary	(346,297)	-
Translation adjustment	(29,967)	(20,917)
Balance as at 31 March 2014	2,978,171	2,242,300
Less: Current portion	(587,663)	(587,663)
Advance for vessel constructions - net of current portion	<u>2,390,508</u>	<u>1,654,637</u>

Novation of new Shipbuilding Contracts

During the three-month period ended 31 March 2013, the Company completed 3 Novations of Shipbuilding Contracts for Hull Nos. 336, 340 and 347 and recorded gains on Novation of Shipbuilding Contracts of USD 13.18 million or approximately Baht 390.37 million in the consolidated and separate income statements.

Cancellation of the Shipbuilding Contract

During the three-month period ended 31 March 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 have 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 vessel under the Shipbuilding Contract with China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China

During the three-month period ended 31 March 2014, 1 cement carrier was completed and delivered to the Company's indirect subsidiary 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 24.94 million (or approximately Baht 809.06 million)

11. Deferred financial fees

Movements of the deferred financial fees account during the three-month period ended 31 March 2014 are summarised below.

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Balance as at 1 January 2014	97,337	75,457
Additions	416	-
Transfer to present as a deduction against long-term loans	(11,105)	-
Translation adjustment	(1,020)	(852)
Balance as at 31 March 2014	<u>85,628</u>	<u>74,605</u>

(Unaudited but reviewed)

12. Long-term loan facilities

As at 31 March 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 1		Facility 3		Total	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Long-term loans	1,299,299	1,339,379	2,080,258	2,150,472	622,228	-	3,745,089	3,944,267	1,926,523	2,011,080	9,673,397	9,445,198
Less: Deferred financial fees	(7,447)	(7,926)	(36,062)	(38,304)	(10,994)	-	(106,218)	(112,789)	(10,157)	(13,422)	(170,878)	(172,441)
Total	1,291,852	1,331,453	2,044,196	2,112,168	611,234	-	3,638,871	3,831,478	1,916,366	1,997,658	9,502,519	9,272,757
Less: Current portion	(99,276)	(100,390)	(180,572)	(182,545)	(30,562)	-	(122,444)	(122,381)	(246,127)	(248,588)	(678,981)	(653,904)
Long-term loans - net of current portion	1,192,576	1,231,063	1,863,624	1,929,623	580,672	-	3,516,427	3,709,097	1,670,239	1,749,070	8,823,538	8,618,853

(Unaudited but reviewed)

Movements in the long-term loans accounts during the three-month period ended 31 March 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		Total
	Facility 1	Facility 2	Facility 3	Facility 1	Facility 3	
Balance as at 1 January 2014	1,331,453	2,112,168	-	3,831,478	1,997,658	9,272,757
Add: Drawdown	-	-	626,889	-	-	626,889
Amortisation of financial fees	392	1,823	29	5,338	3,137	10,719
Unrealised exchange loss	-	-	-	12,131	-	12,131
Less: Deferred financial fees	-	-	(11,105)	-	-	(11,105)
Repayment	(25,148)	(46,284)	-	(31,256)	(62,320)	(165,008)
Prepayment	-	-	-	(136,688)	-	(136,688)
Translation adjustment	(14,845)	(23,511)	(4,579)	(42,132)	(22,109)	(107,176)
Balance as at 31 March 2014	<u>1,291,852</u>	<u>2,044,196</u>	<u>611,234</u>	<u>3,638,871</u>	<u>1,916,366</u>	<u>9,502,519</u>

(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	
				31 March 2014	31 December 2013	31 March 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 PCL (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited	LIBOR + margin	38.69	38.69	19.35	38.69
Loan facilities for purchasing of vessels							
Facility 1	Krung Thai Bank PCL 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	150.00	150.00
Facility 3	Export-Import Bank of Thailand	The Company and subsidiaries	LIBOR + margin	100.00	100.00	35.18	35.18

13. Provision for maritime claims

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 1 January 2014	175,621
Increase during the period	15,668
Decrease during the period	(26,398)
Translation adjustment	(1,903)
Balance as at 31 March 2014	<u>162,988</u>

14. Basic earnings per share

Basic earnings per share is calculated by dividing profit 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.

15. 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 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.

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 periods ended 31 March 2014 and 2013.

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 31 March										
	Time charter		Voyage charter		Total		Elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Hire income	895,509	583,604	-	-	895,509	583,604	(1,025)	(11,701)	894,484	571,903
Freight income	-	-	227,649	355,771	227,649	355,771	(2,854)	(48,966)	224,795	306,805
Total vessel operating income	895,509	583,604	227,649	355,771	1,123,158	939,375	(3,879)	(60,667)	1,119,279	878,708
Voyage disbursements	-	-	(33,803)	(109,168)	(33,803)	(109,168)	3,879	60,667	(29,924)	(48,501)
Bunker consumption	-	-	(63,982)	(166,382)	(63,982)	(166,382)	-	-	(63,982)	(166,382)
Total voyage expenses	-	-	(97,785)	(275,550)	(97,785)	(275,550)	3,879	60,667	(93,906)	(214,883)
Net vessel operating income/time charter equivalent income	895,509	583,604	129,864	80,221	1,025,373	663,825	-	-	1,025,373	663,825

16. Dividend payables

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 three-month period ended 31 March 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	
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

17. Commitments and contingent liabilities

17.1 Shipbuilding contracts commitments

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

	31 March 2014		31 December 2013	
	(Million USD)	(Equivalent to Million Baht)	(Million USD)	(Equivalent to Million Baht)
The Company	314.83	10,214.10	294.91	9,676.89
Subsidiaries	51.02	1,655.18	70.36	2,308.83
Total	365.85	11,869.28	365.27	11,985.72

17.2 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
		31 March 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	19.35	38.69	Every three months until the end of the drawdown period	Upon delivery of each vessel
Loan facilities for purchasing of vessels					
Facility 2	0.70% per annum of undrawn loan balance	150.00	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*	35.18	Every three months until the end of the drawdown period	30 December 2014

* The Company is in discussions with the lender to amend certain terms of loan facility for purchasing of vessel facility 3.

17.3 Uncalled portion of other long-term investment

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

17.4 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 at 31 March 2014, ABC Two Pte. Limited, ABC Three Pte. Limited, and ABC Four Pte. Limited, have paid the fine payable to the charterer due to the delay of vessel delivery amounting to USD 6.13 million or approximately Baht 198.83 million (31 December 2013: ABC One Pte. Limited and ABC Two Pte. Limited have paid the fine payable amounting to USD 5.11 million or approximately Baht 167.77 million) which is recorded in deferred contract costs account in the consolidated statement of financial position.

17.5 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.

On 25 March 2014, the first cement carrier was delivered to ABC Two Pte. Limited, one of ABC Company's subsidiaries.

18. Event after the reporting period

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 Public Company Limited (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 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
Security	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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.

19. Functional currency financial statements

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

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

	Consolidated		(Unit: Thousand USD) Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
	(Unaudited) but reviewed)	(Audited)	(Unaudited) but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	81,404	89,651	38,223	64,684
Current investment	-	-	-	-
Trade and other receivables	4,466	32,729	52,315	57,304
Short-term loans to a subsidiary	-	-	71,400	71,400
Current portion of advances for vessel constructions	18,114	18,076	18,114	18,076
Bunker oil	3,576	3,116	-	-
Other current assets				
Advances to vessel masters	3,842	3,782	-	-
Claim recoverables	376	851	-	-
Others	2,373	2,211	1,066	1,454
Total other current assets	6,591	6,844	1,066	1,454
Total current assets	114,151	150,416	181,118	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	3,058	3,120	-	-
Other long-term investment	260	260	260	260
Receivables from cross currency swap contracts	429	54	-	-
Property, plant and equipment	585,639	568,958	213	216
Intangible assets	112	124	112	123
Other non-current assets				
Claim recoverables - maritime claims	3,807	4,247	-	-
Advances for vessel constructions - net of current portion	73,683	42,062	51,001	14,284
Deferred financial fees	2,639	2,966	2,300	2,300
Deferred contract costs	6,129	5,113	-	-
Others	95	94	74	73
Total other non-current assets	86,353	54,482	53,375	16,657
Total non-current assets	675,851	626,998	298,825	267,821
Total assets	790,002	777,414	479,943	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	
	31 March	31 December	31 March	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	995	657	46	6
Advances received from related parties	-	-	56,546	61,656
Accrued crew accounts	2,793	2,623	-	-
Accrued expenses	2,329	2,139	16	23
Current portion of accrued employee bonus	579	1,324	531	1,222
Total trade and other payables	6,696	6,743	57,139	62,907
Advances received from charterers	1,381	2,000	-	-
Dividend payables	3,190	-	3,190	-
Current portion of long-term loans	20,928	19,928	-	-
Income tax payable	-	240	-	-
Other current liabilities	766	864	184	190
Total current liabilities	32,961	29,775	60,513	63,097
Non-current liabilities				
Accrued employee bonus - net of current portion	235	935	216	860
Long-term loans - net of current portion	271,969	262,661	-	-
Provision for maritime claims	5,024	5,352	-	-
Provision for long-term employee benefits	2,361	2,333	2,165	2,142
Total non-current liabilities	279,589	271,281	2,381	3,002
Total liabilities	312,550	301,056	62,894	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	532	511	532	511
Unappropriated	404,701	403,659	357,453	355,065
Other components of shareholders' equity	(1,562)	(1,654)	-	-
Equity attributable to owner of the Company	477,195	476,040	417,049	414,640
Non-controlling interests of the subsidiaries	257	318	-	-
Total shareholders' equity	477,452	476,358	417,049	414,640
Total liabilities and shareholders' equity	790,002	777,414	479,943	480,739

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 31 March 2014**

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Revenues				
Vessel operating income				
Hire income	27,366	19,302	-	-
Freight income	6,877	10,355	-	-
Total vessel operating income	34,243	29,657	-	-
Service income	79	169	655	716
Gain on sales of vessel	834	-	-	-
Gains on novation/cancellation of shipbuilding contracts	-	13,923	-	13,176
Interest income	35	55	97	83
Other income	1	1	1	1
Dividend received	-	-	7,522	4,322
Total revenues	35,192	43,805	8,275	18,298
Expenses				
Vessel operating costs				
Vessel running expenses	13,787	12,287	-	-
Voyage disbursements	916	1,637	-	-
Bunker consumption	1,957	5,615	-	-
Total vessel operating costs	16,660	19,539	-	-
Depreciation	9,087	8,525	19	33
Cost of services	28	38	-	-
Administrative expenses	1,409	1,837	1,242	1,548
Management remuneration including perquisites	648	880	622	827
Bad debts and doubtful accounts (reversal)	5	(487)	-	-
Exchange losses	65	97	71	120
Total expenses	27,902	30,429	1,954	2,528
Profit before share of profit from investment in associate, finance cost and income tax revenue (expenses)	7,290	13,376	6,321	15,770
Share of profit from investment in associate held by a subsidiary	5	171	-	-
Profit before finance cost and income tax revenue (expenses)	7,295	13,547	6,321	15,770
Finance cost	(3,181)	(4,199)	(704)	(1,668)
Profit before income tax revenue (expenses)	4,114	9,348	5,617	14,102
Income tax revenue (expenses)	97	(14)	-	-
Profit for the period	4,211	9,334	5,617	14,102
Profit (loss) attributable to:				
Equity holders of the Company	4,272	9,334	5,617	14,102
Non-controlling interests of the subsidiaries	(61)	-	-	-
Profit for the period	4,211	9,334	5,617	14,102
				(Unit: USD)
Basic earnings per share				
Profit attributable to equity holders of the Company	0.0041	0.0090	0.0054	0.0136

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 25 April 2014.