

Precious Shipping Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended
31 March 2020

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 2020, 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 interim consolidated financial statements. I have also reviewed the separate financial information of Precious Shipping Public Company Limited for the same period (collectively "interim financial information"). 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*.

Emphasis of matters

My opinion is not modified in respect of these matters. I draw attention to the following notes to the interim consolidated financial statements.

1. Material Uncertainty Related to Going Concern

As discussed in Notes 1.2 and 1.3 to the interim consolidated financial statements regarding the ability of the Group to continue as a going concern, the Group has had operating losses in this quarter, and as at 31 March 2020 its current liabilities exceeded current assets by USD 177 million (The Company only: USD 84 million). The Group is addressing this issue by amending terms of its debt agreements as well as raising new credit facilities. Management therefore believes that the Group will be able to continue as a going concern.

Additionally, the Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more. The duration and extent of the economic impact of Covid-19 has increased uncertainty around the Group's business activities. This has significantly impacted the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Group has continuously monitored developments and assessed the financial impact in respect of the valuation of assets and provisions and contingent liabilities and will record the impact when it is possible to do so.

The financial statements have been prepared under the going concern basis. However, the above circumstances indicate that there are significant uncertainties which may raise substantial doubt about the Group's ability to continue as a going concern. This will depend on the success of future financial plans and the impact of the Covid-19 situation.

2. Uncertainty regarding the outcome of arbitration proceedings

As discussed in Note 9 and 16 to the interim consolidated financial statements regarding the cancellation of the Shipbuilding Contracts, there is an uncertainty regarding the outcome of arbitration proceedings.

3. The Accounting Guidance issued by the Federation of Accounting Professions

As discussed in Note 1.6 to the interim consolidated financial statements, due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month period ended 31 March 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of Covid-19 Pandemic issued by the Federation of Accounting Professions.

Other Matter

Due to the impact of COVID-19 outbreak situation, the Company has postponed the annual general meeting of the Company's shareholders which results in no resolution for the appointment of the auditor of the Group for the accounting period of 2020 yet. However, the Board of Directors of the Company has a resolution to propose to the annual general meeting of the Company's shareholders to appoint me as the auditor of the Group for the accounting period of 2020.

I therefore have conducted my review on the interim financial information for first quarter of 2020 which is in compliance with the notification of the Capital Market Supervisory Board (CMSB) No. TorChor. 28/2563 dated 27 March 2020.

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

EY Office Limited

Bangkok: 12 May 2020

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,268,264	1,181,181	660,337	443,251
Trade and other receivables	3, 4	229,040	182,610	3,760,866	3,479,693
Short-term loans to subsidiary	5	-	-	52,274	129,662
Bunker oil		78,568	176,486	-	-
Derivative assets	2	471,539	-	471,539	-
Other current assets					
Advances to vessel masters		78,966	73,486	-	-
Claim recoverables		1,043	10,639	-	-
Others		48,289	56,120	14,707	16,413
Total other current assets		128,298	140,245	14,707	16,413
Total current assets		2,175,709	1,680,522	4,959,723	4,069,019
Non-current assets					
Long-term loans to subsidiary	5	-	-	3,938,529	4,523,100
Derivative assets	2	1,178	-	-	-
Receivables from cross currency swap contracts	2	-	950,891	-	921,749
Investments in subsidiaries	6	-	-	8,036,664	6,038,468
Investment in associate held by a subsidiary	7	70,562	68,092	-	-
Investment in equity instrument of non-listed company		18,542	17,114	18,542	17,114
Property, plant and equipment	8	21,514,271	20,097,548	8,302	6,668
Right-of-use assets	2	30,589	-	25,516	-
Intangible assets		7,387	6,750	7,387	6,749
Other non-current assets					
Claim recoverables - maritime claims		49,650	24,656	-	-
Advances for vessel constructions	9	2,218,389	2,047,470	2,210,026	2,039,751
Deferred contract costs	10	171,864	162,783	-	-
Others		4,863	4,726	4,091	3,963
Total other non-current assets		2,444,766	2,239,635	2,214,117	2,043,714
Total non-current assets		24,087,295	23,380,030	14,249,057	13,557,562
Total assets		26,263,004	25,060,552	19,208,780	17,626,581

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements			
	31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)		
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables						
	Trade and other payables	4	105,255	70,721	14,185	13,458
	Advances received from related parties	4	-	-	2,117,808	1,749,784
	Accrued crew accounts		88,933	84,750	-	-
	Accrued expenses		104,991	338,001	42,253	59,705
	Accrued employee bonus		-	34,421	-	24,609
	Total trade and other payables		299,179	527,893	2,174,246	1,847,556
	Advances received from charterers		38,225	75,091	-	-
	Current portion of long-term loans	11	2,079,931	2,137,258	-	-
	Current portion of debentures	12	5,519,604	1,947,630	5,519,604	1,947,630
	Current portion of lease liabilities	2	5,158	-	4,003	-
	Income tax payable		1,625	1,507	-	-
	Other current liabilities		18,352	22,872	13,421	13,318
	Total current liabilities		7,962,074	4,712,251	7,711,274	3,808,504
Non-current liabilities						
	Long-term loans - net of current portion	11	5,712,762	5,011,892	-	-
	Debentures - net of current portion	12	-	3,565,212	-	3,565,212
	Lease liabilities - net of current portion	2	22,751	-	19,283	-
	Derivative liabilities	2	106,337	-	-	-
	Provision for maritime claims	13	66,317	46,240	-	-
	Provision for long-term employee benefits		169,062	165,911	131,464	129,517
	Total non-current liabilities		6,077,229	8,789,255	150,747	3,694,729
	Total liabilities		14,039,303	13,501,506	7,862,021	7,503,233

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Shareholders' equity				
Share capital				
Registered share capital				
1,559,291,862 ordinary shares of Baht 1 each	1,559,292	1,559,292	1,559,292	1,559,292
Issued and fully paid up				
1,559,291,862 ordinary shares of Baht 1 each	1,559,292	1,559,292	1,559,292	1,559,292
Paid-in capital				
Premium on ordinary shares	1,967,897	1,967,897	1,967,897	1,967,897
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	17,516	17,696	17,516	17,696
Unappropriated	8,701,204	8,891,671	6,930,820	6,587,678
Other components of shareholders' equity	(821,961)	(1,677,260)	594,836	(285,613)
Equity attributable to owners of the Company	12,223,666	11,559,014	11,346,759	10,123,348
Non-controlling interests of the subsidiaries	35	32	-	-
Total shareholders' equity	12,223,701	11,559,046	11,346,759	10,123,348
Total liabilities and shareholders' equity	26,263,004	25,060,552	19,208,780	17,626,581
	-	-	-	-

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

Directors

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 31 March 2020

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Vessel operating income					
Hire income		696,017	846,776	-	-
Freight income		358,269	102,054	-	-
Total vessel operating income		1,054,286	948,830	-	-
Service income	4	1,008	1,023	22,658	22,214
Interest income		4,084	9,228	54,149	3,222
Exchange gains		24,625	-	18,896	876
Other income		-	119	-	-
Total revenues		1,084,003	959,200	95,703	26,312
Expenses					
Vessel operating costs					
Vessel running expenses		382,538	398,144	-	-
Voyage disbursements		75,337	24,377	-	-
Bunker consumption		144,060	26,500	-	-
Total vessel operating costs		601,935	449,021	-	-
Depreciation	8	306,486	297,308	1,903	754
Cost of services		1,057	2,204	-	-
Administrative expenses	4	104,526	82,462	89,228	51,628
Management remuneration including perquisites	4	7,088	19,899	7,826	19,768
Expected credit losses/Bad debts and doubtful accounts		8,912	33	-	-
Exchange losses		-	1,135	-	-
Total expenses		1,030,004	852,062	98,957	72,150
Profit (loss) from operating activities		53,999	107,138	(3,254)	(45,838)
Share of profit (loss) from investment in					
associate held by a subsidiary	7.1	852	(2,935)	-	-
Finance cost		(171,949)	(188,346)	(79,495)	(74,540)
Loss for the period		(117,098)	(84,143)	(82,749)	(120,378)

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 2020

(Unit: Thousand Baht, except earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Loss attributable to:				
Equity holders of the Company	(117,098)	(84,143)	(82,749)	(120,378)
Non-controlling interests of the subsidiaries	-	-	-	-
Loss for the period	<u>(117,098)</u>	<u>(84,143)</u>	<u>(82,749)</u>	<u>(120,378)</u>
 Basic earnings per share				
14				
Loss attributable to equity holders of the Company	<u>(0.08)</u>	<u>(0.05)</u>	<u>(0.05)</u>	<u>(0.08)</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 comprehensive income

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Loss for the period	(117,098)	(84,143)	(82,749)	(120,378)
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	(10,237)	8,283	-	-
Losses on cash flow hedges	(194,458)	-	(124,494)	-
Changes in cost of hedges	23,243	-	21,985	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(181,452)	8,283	(102,509)	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of functional currency to presentation currency financial statements	963,249	(251,905)	883,862	(228,445)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	963,249	(251,905)	883,862	(228,445)
Other comprehensive income for the period	781,797	(243,622)	781,353	(228,445)
Total comprehensive income for the period	664,699	(327,765)	698,604	(348,823)
Total comprehensive income attributable to:				
Equity holders of the Company	664,696	(327,764)	698,604	(348,823)
Non-controlling interests of the subsidiaries	3	(1)	-	-
	664,699	(327,765)	698,604	(348,823)

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 2020

(Unit: Thousand Baht)

Consolidated financial statements

Equity attributable to owners of the Company

	Issued and paid-up			Retained earnings				Other components of shareholders' equity				Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated		Corporate social responsibility		Exchange differences		Other comprehensive income				
	share capital	ordinary shares	treasury stock	Statutory reserve	Subsidiaries	reserve	Unappropriated	on translation of financial statements	Gains (losses) on cash flow hedges	Changes in cost of hedges	income			
				The Company	Subsidiaries									
Balance as at 1 January 2019	1,559,292	1,967,897	172,446	103,952	523,320	17,393	9,135,683	(784,562)	-	-	(784,562)	12,695,421	35	12,695,456
Loss for the period	-	-	-	-	-	-	(84,143)	-	-	-	-	(84,143)	-	(84,143)
Other comprehensive income for the period	-	-	-	-	-	-	-	(243,621)	-	-	(243,621)	(243,621)	(1)	(243,622)
Total comprehensive income for the period	-	-	-	-	-	-	(84,143)	(243,621)	-	-	(243,621)	(327,764)	(1)	(327,765)
Appropriated to corporate social responsibility reserve	-	-	-	-	-	(138)	138	-	-	-	-	-	-	-
Balance as at 31 March 2019	1,559,292	1,967,897	172,446	103,952	523,320	17,255	9,051,678	(1,028,183)	-	-	(1,028,183)	12,367,657	34	12,367,691
Balance as at 1 January 2020	1,559,292	1,967,897	172,446	103,952	523,320	17,696	8,891,671	(1,677,260)	-	-	(1,677,260)	11,559,014	32	11,559,046
Cumulative effect of change in accounting policy (Note 2)	-	-	-	-	-	-	(73,549)	-	139,020	(65,515)	73,505	(44)	-	(44)
Balance as at 1 January 2020 - as restated	1,559,292	1,967,897	172,446	103,952	523,320	17,696	8,818,122	(1,677,260)	139,020	(65,515)	(1,603,755)	11,558,970	32	11,559,002
Loss for the period	-	-	-	-	-	-	(117,098)	-	-	-	-	(117,098)	-	(117,098)
Other comprehensive income for the period	-	-	-	-	-	-	-	953,009	(194,458)	23,243	781,794	781,794	3	781,797
Total comprehensive income for the period	-	-	-	-	-	-	(117,098)	953,009	(194,458)	23,243	781,794	664,696	3	664,699
Appropriated to corporate social responsibility reserve	-	-	-	-	-	(180)	180	-	-	-	-	-	-	-
Balance as at 31 March 2020	1,559,292	1,967,897	172,446	103,952	523,320	17,516	8,701,204	(724,251)	(55,438)	(42,272)	(821,961)	12,223,666	35	12,223,701
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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 2020

(Unit: Thousand Baht)

	Separate financial statements										
	Retained earnings						Other components of shareholders' equity				
				Appropriated			Other comprehensive income				
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Statutory reserve	Corporate social responsibility reserve	Unappropriated	Exchange differences of financial statements	Gains (losses) on cash flow hedges	Changes in cost of hedges	Total other comprehensive income	Total shareholders' equity
Balance as at 1 January 2019	1,559,292	1,967,897	172,446	103,952	17,393	7,220,773	517,204	-	-	517,204	11,558,957
Loss for the period	-	-	-	-	-	(120,378)	-	-	-	-	(120,378)
Other comprehensive income for the period	-	-	-	-	-	-	(228,445)	-	-	(228,445)	(228,445)
Total comprehensive income for the period	-	-	-	-	-	(120,378)	(228,445)	-	-	(228,445)	(348,823)
Appropriated to corporate social responsibility reserve	-	-	-	-	(138)	138	-	-	-	-	-
Balance as at 31 March 2019	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>17,255</u>	<u>7,100,533</u>	<u>288,759</u>	<u>-</u>	<u>-</u>	<u>288,759</u>	<u>11,210,134</u>
Balance as at 1 January 2020	1,559,292	1,967,897	172,446	103,952	17,696	6,587,678	(285,613)	-	-	(285,613)	10,123,348
Cumulative effect of change in accounting policy (Note 2)	-	-	-	-	-	425,711	-	160,648	(61,552)	99,096	524,807
Balance as at 1 January 2020 - as restated	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>17,696</u>	<u>7,013,389</u>	<u>(285,613)</u>	<u>160,648</u>	<u>(61,552)</u>	<u>(186,517)</u>	<u>10,648,155</u>
Loss for the period	-	-	-	-	-	(82,749)	-	-	-	-	(82,749)
Other comprehensive income for the period	-	-	-	-	-	-	883,862	(124,494)	21,985	781,353	781,353
Total comprehensive income for the period	-	-	-	-	-	(82,749)	883,862	(124,494)	21,985	781,353	698,604
Appropriated to corporate social responsibility reserve	-	-	-	-	(180)	180	-	-	-	-	-
Balance as at 31 March 2020	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>17,516</u>	<u>6,930,820</u>	<u>598,249</u>	<u>36,154</u>	<u>(39,567)</u>	<u>594,836</u>	<u>11,346,759</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 three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Loss before tax	(117,098)	(84,143)	(82,749)	(120,378)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	306,705	297,309	2,123	755
Expected credit losses/Bad debts and doubtful accounts	8,912	33	-	-
Write-off equipment	12	-	12	-
Amortisation of deferred contract costs	4,389	4,300	-	-
Share of loss (profit) from investment in associate held by a subsidiary	(852)	2,935	-	-
Provision for maritime claims (reversal)	(6,540)	1,067	-	-
Provision for long-term employee benefits	3,546	2,745	2,355	1,835
Unrealised exchange gains	(20,505)	(2,669)	(16,229)	(2,483)
Amortised financial fees to interest expense	3,530	3,179	-	-
Finance cost	169,070	185,515	76,395	72,652
Amortisation of deferred debentures issuing cost	1,485	1,455	1,485	1,455
Interest income	-	-	(51,547)	-
Profit (loss) from operating activities before changes in operating assets and liabilities	352,654	411,726	(68,155)	(46,164)
Operating assets (increase) decrease				
Trade and other receivables	(39,274)	31,189	60,607	74,725
Bunker oil	109,674	59,511	-	-
Other current assets	22,496	(20,674)	2,550	800
Other non-current assets	-	2	-	2
Operating liabilities increase (decrease)				
Trade and other payables	(259,840)	(75,940)	172,758	23,107
Advances received from charterers	(41,995)	4,943	-	-
Other current liabilities	(5,319)	3,857	(155)	756
Non-current liabilities	(504)	(6,888)	(504)	(6,888)
Cash flows from operating activities	137,892	407,726	167,101	46,338
Cash paid for corporate income tax and withholding tax deducted at source	(717)	(712)	(409)	(411)
Net cash flows from operating activities	137,175	407,014	166,692	45,927

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 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Acquisitions of equipment and payment of dry-dock and special survey expenses	(51,011)	(64,297)	(1,874)	(472)
Acquisitions of computer software	(291)	-	(291)	-
Decrease in loans to subsidiary	-	-	85,882	236,335
Dividend received from associate held by a subsidiary	-	6,759	-	-
Net cash flows from (used in) investing activities	(51,302)	(57,538)	83,717	235,863
Cash flows from financing activities				
Cash paid for interest expense	(165,312)	(185,835)	(73,938)	(72,972)
Cash paid for deferred financial fees	(2,796)	-	-	-
Cash paid for lease liabilities	(1,143)	-	(1,143)	-
Cash received from long-term loans	890,627	-	-	-
Repayment of long-term loans	(267,469)	(280,463)	-	-
Prepayment of long-term loans	(550,994)	-	-	-
Net cash flows used in financing activities	(97,087)	(466,298)	(75,081)	(72,972)
Increase (decrease) in translation adjustments	98,297	(37,351)	41,758	(7,776)
Net increase (decrease) in cash and cash equivalents	87,083	(154,173)	217,086	201,042
Cash and cash equivalents at beginning of period	1,181,181	1,842,832	443,251	496,614
Cash and cash equivalents at end of period	1,268,264	1,688,659	660,337	697,656
	-	-	-	-

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

Precious Shipping Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2020

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 No. 8, North Sathorn Road, G, 7th, 8th and 9th floors, Silom, Bangrak, Bangkok 10500.

1.2 Fundamental accounting assumptions

The Group suffered an operating loss this quarter. As at 31 March 2020, the Group's current liabilities exceeded current assets by USD 177 million (The Company only: USD 84 million). Current liabilities are mainly due to two debentures which are maturing in June 2020 and January 2021. The Group was unable to issue a new debenture this quarter to rollover existing debentures as debt capital market conditions deteriorated following the Covid-19 crisis. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The Management is addressing this issue by amending terms of its debt agreements as well as raising new credit facilities which are expected to soften the deleterious impact of Covid-19 and believes that these actions will enable it to continue as a going concern. The financial statements have therefore been prepared under the going concern basis.

1.3 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

(Unaudited but reviewed)

The uncertainty over when shutdowns will end and when businesses will go back to normal has made debt capital market investors more risk averse. This dysfunction in the debt capital market has hindered the Group's plan of issuing a new debenture which would have facilitate the rollover of its existing bonds and reduce the gap between its current liabilities and current assets position. In addition, the slowdown in global industrial activity has impacted the Group's operating results due to lower demand for the transportation of dry-bulk commodities. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

1.4 Basis for the preparation of the interim financial statements

These interim consolidated financial statements and separate financial statements of the Company are prepared in accordance with Thai Accounting Standard No. 34 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 in Thai Baht is in accordance with 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.

1.5 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 2019. There have been no changes in the composition of the Group during the current period.

1.6 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investment in equity instrument of non-listed company - The Company measures investment in equity instrument of non-listed company at fair value and classifies the investment as financial assets at fair value through other comprehensive income.
- Initial recognition of financial assets at fair value - The Company measures long-term loans to subsidiaries that carry no interest at fair value. The fair value is measured at the present value of all future cash receipts discounted using the market rate for a similar financial instrument. The difference between fair value and book value of long-term loans to subsidiaries is recognised as investment in subsidiaries.
- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss. However, the Group applies hedge accounting for certain derivatives.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted this financial reporting standard using the modified retrospective method of initial adoption of which the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.
- To measure the fair value of investment in unquoted equity instrument using the fair value as at 1 January 2020.
- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.

1.7 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 2019 except the changes in accounting policies related to financial instruments and leases.

1.7.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instrument are measured at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied to the derivative contracts.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

Hedge Accounting

If hedge accounting criteria are met for cash flow hedges, a change in fair value of the effective portion of the hedging instrument is recognised in other comprehensive income, while a change in fair value of the ineffective portion of the hedging instruments is recognised in income statement.

1.7.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

(Unaudited but reviewed)

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.6 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings and other components of shareholders' equity of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Derivative assets	-	321,968	-	321,968
Non-current assets				
Derivative assets	-	664,489	-	664,489
Receivables from cross currency swap contracts	950,891	(950,891)	-	-
Right-of-use assets	-	-	29,171	29,171
Liabilities and shareholders' equity				
Current liabilities				
Accrued expenses	338,001	(741)	-	337,260
Current portion of lease liabilities	-	-	4,225	4,225
Non-current liabilities				
Lease liabilities - net of current portion	-	-	24,946	24,946
Derivative liabilities	-	36,351	-	36,351
Shareholders' equity				
Retained earnings - unappropriated	8,891,671	(73,549) ^(A)	-	8,818,122
Other components of shareholders' equity	(1,677,260)	73,505	-	(1,603,755)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2019	The impacts of		1 January 2020
Financial reporting standards related to financial instruments		TFRS 16		
Statement of financial position				
Assets				
Current assets				
Derivative assets	-	321,968	-	321,968
Non-current assets				
Long-term loans to subsidiary	4,523,100	(888,021)	-	3,635,079
Derivative assets	-	633,609	-	633,609
Receivables from cross currency swap contracts	921,749	(921,749)	-	-
Investments in subsidiaries	6,038,468	1,379,000	-	7,417,468
Right-of-use assets	-	-	24,491	24,491
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	3,421	3,421
Non-current liabilities				
Lease liabilities - net of current portion	-	-	21,070	21,070
Shareholders' equity				
Retained earnings - unappropriated	6,587,678	425,711 ^(A)	-	7,013,389
Other components of shareholders' equity	(285,613)	99,096	-	(186,517)

^(A)Please see Note 2.1 to the financial statements.

(Unaudited but reviewed)

2.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Initial recognition of financial assets at fair value	-	490,979
Recognition of hedging derivatives at fair value through other comprehensive income	(73,549)	(65,268)
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	(73,549)	425,711

Details of the impact on other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Recognition of hedging derivatives at fair value through other comprehensive income	73,505	99,096
Impacts on other components of shareholders' equity due to the adoption of financial reporting standards related to financial instruments	73,505	99,096

(Unaudited but reviewed)

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive		Total
		income	Amortised cost	
Financial assets as at 1 January 2020				
Cash and cash equivalents	1,181,181	-	1,181,181	1,181,181
Trade and other receivables	182,610	-	182,610	182,610
Derivative assets	-	986,457	-	986,457
Claim recoverables	10,639	-	10,639	10,639
Investment in equity instrument of non-listed company	17,114	17,114	-	17,114
Advances for vessel constructions	2,047,470	-	2,047,470	2,047,470
Total financial assets	3,439,014	1,003,571	3,421,900	4,425,471

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	443,251	-	443,251	443,251
Trade and other receivables	3,479,693	-	3,479,693	3,479,693
Short-term loans to subsidiary	129,662	-	129,662	129,662
Derivative assets	-	955,577	-	955,577
Long-term loans to subsidiary	3,635,079	-	3,635,079	3,635,079
Investment in equity instrument of non-listed company	17,114	17,114	-	17,114
Advances for vessel constructions	2,039,751	-	2,039,751	2,039,751
Total financial assets	9,744,550	972,691	9,727,436	10,700,127

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through other comprehensive income except derivative liabilities of which fair value is Baht 36.35 million (The Company only: None).

(Unaudited but reviewed)

2.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	34,266	29,065
Less: Deferred interest expenses	(5,095)	(4,574)
Lease liabilities as at 1 January 2020 due to TFRS 16 adoption	<u>29,171</u>	<u>24,491</u>
Comprise of:		
Current lease liabilities	4,225	3,421
Non-current lease liabilities	<u>24,946</u>	<u>21,070</u>
	<u>29,171</u>	<u>24,491</u>

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	220,680	174,033	-	-
3 - 6 months	8,257	128	-	-
6 - 12 months	9,256	8,843	-	-
Over 12 months	591	151	-	-
Total	<u>238,784</u>	<u>183,155</u>	-	-
Less: Allowance for expected credit losses/Allowance for doubtful debts	<u>(9,744)</u>	<u>(545)</u>	-	-
Total trade receivables - unrelated parties, net	<u>229,040</u>	<u>182,610</u>	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Other receivables - related parties (Note 4)				
Advances to related parties	-	-	3,707,921	3,479,693
Interest receivables	-	-	52,945	-
Total other receivables	-	-	3,760,866	3,479,693
Total trade and other receivables - net	229,040	182,610	3,760,866	3,479,693

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	financial statements	financial statements	
	2020	2019	2020	2019	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	22,658	22,214	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Interest income	-	-	51,547	-	At interest rate of 5.00% per annum
Condominium rental expenses	-	-	2,045	1,734	Market price
Transaction with associate					
Dividend received	-	6,759	-	-	As declared
Transactions with related companies					
Air ticket expenses	245	2,291	184	621	Market price
Rental and service expenses	5,170	5,490	3,581	4,123	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	31 December	31 March	31 December
	2020	2019	2020	2019
Other receivables - related parties (Note 3)				
Subsidiaries	-	-	3,760,866	3,479,693
Total other receivables - related parties	-	-	3,760,866	3,479,693
Trade and other payables - related parties				
Subsidiaries	-	-	2,117,808	1,749,784
Related companies	387	78	15	40
Total trade and other payables - related parties	387	78	2,117,823	1,749,824

The outstanding balances of the amounts due from/to subsidiaries represent current accounts between the Group. 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 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	6,304	19,276	7,042	19,145
Post-employment benefits	784	623	784	623
Total	7,088	19,899	7,826	19,768

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.

(Unaudited but reviewed)

5. Loans to subsidiaries

Loans to subsidiaries consisted of the following.

- 1) As at 31 March 2020, long-term loans to a wholly owned subsidiary, Associated Bulk Carriers Pte. Limited, are in the form of promissory notes amounting to USD 1.60 million (31 December 2019: USD 4.30 million), bearing no interest and are due at call. The Company intends to call for the loans repayment within one year; therefore, as at 31 March 2020 the loans are classified as short-term loans.
- 2) On 30 December 2019, the Company executed a loan agreement with Precious Shipping (Singapore) Pte. Limited ("PSSP") in order to refinance the existing loans amounting to USD 150 million between the Company as lender and PSSP as borrower. As at 31 March 2020, the Company had long-term loan to PSSP amounting to USD 121 million (31 December 2019: USD 150 million).

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

	(Unit: Thousand Baht) Separate financial statements
Balance as at 1 January 2020	4,652,762
Adjustments of long-term loans to subsidiary due to adoption financial reporting standards related to financial instruments	(888,021)
Decrease	(85,882)
Translation adjustment	311,944
Total	3,990,803
Less: reclassified to short-term loans to subsidiary	(52,274)
Balance as at 31 March 2020	3,938,529

6. 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	
	31	31	31	31	31	31
	March	December	March	December	March	December
	2020	2019	2020	2019	2020	2019
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	346,173	319,502
Precious Wishes Limited	230,000	230,000	99.99	99.99	294,681	271,977
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	275,269	254,060
Precious Minerals Limited	230,000	230,000	99.99	99.99	250,310	231,024
Precious Lands Limited	306,000	306,000	99.99	99.99	316,786	292,379
Precious Rivers Limited*	234,000	234,000	99.99	99.99	208,211	192,169
Precious Lakes Limited	184,000	184,000	99.99	99.99	182,710	168,633
Precious Seas Limited*	100,000	100,000	99.99	99.99	128,122	118,251
Precious Stars Limited*	105,000	105,000	99.99	99.99	134,528	124,163
Precious Oceans Limited	175,000	175,000	99.99	99.99	224,214	206,939
Precious Planets Limited	270,000	270,000	99.99	99.99	304,021	280,597
Precious Diamonds Limited	205,000	205,000	99.99	99.99	190,339	175,674
Precious Sapphires Limited	144,000	144,000	99.99	99.99	129,136	119,186
Precious Emeralds Limited	366,000	366,000	99.99	99.99	309,649	285,791
Precious Rubies Limited	259,360	259,360	99.99	99.99	258,538	238,618
Precious Opals Limited	249,360	249,360	99.99	99.99	250,245	230,965
Precious Garnets Limited	379,000	379,000	99.99	99.99	319,383	294,776
Precious Pearls Limited	173,000	173,000	99.99	99.99	182,418	168,363
Precious Flowers Limited	336,000	336,000	99.99	99.99	351,716	324,617
Precious Forests Limited	286,000	286,000	99.99	99.99	273,438	252,371
Precious Trees Limited	202,000	202,000	99.99	99.99	213,459	197,013
Precious Ponds Limited	124,000	124,000	99.99	99.99	128,393	118,501
Precious Ventures Limited	202,000	202,000	99.99	99.99	231,539	213,700
Precious Capitals Limited	200,000	200,000	99.99	99.99	256,244	236,502
Precious Jasmines Limited	147,000	147,000	99.99	99.99	174,090	160,677
Precious Orchids Limited	217,000	217,000	99.99	99.99	196,728	181,571
Precious Lagoons Limited	140,000	140,000	99.99	99.99	179,371	165,551
Precious Cliffs Limited*	140,000	140,000	99.99	99.99	179,371	165,551
Precious Hills Limited*	140,000	140,000	99.99	99.99	179,371	165,551
Precious Mountains Limited*	140,000	140,000	99.99	99.99	179,371	165,551
Precious Resorts Limited	140,000	140,000	99.99	99.99	179,371	165,551

(Unaudited but reviewed)

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	31	31	31	31	31	31
	March	December	March	December	March	December
	2020	2019	2020	2019	2020	2019
Precious Cities Limited*	170,000	170,000	99.99	99.99	203,968	188,253
Precious Comets Limited	141,000	141,000	99.99	99.99	136,372	125,866
Precious Ornaments Limited	156,000	156,000	99.99	99.99	149,671	138,139
Precious Moons Limited	1,000	1,000	99.98	99.98	998	921
Precious Venus Limited	298,800	298,800	99.99	99.99	277,033	255,689
Precious Neptune Limited	298,800	298,800	99.99	99.99	277,033	255,689
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	327	302
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	1,836,854	316,331
Precious Shipping (UK) Limited	250	250	100.00	100.00	327	302
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	354,292	326,995
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
Total investments in subsidiaries					10,264,070	8,094,261
Less: Allowance for loss on investments in subsidiaries					(2,227,406)	(2,055,793)
Total investments in subsidiaries - net					8,036,664	6,038,468

* The subsidiaries are in the process of liquidation.

As at 31 March 2020, the Company has pledged the shares of 26 subsidiaries amounting to Baht 5,168.68 million (net of allowance for loss on investments) (31 December 2019: 26 subsidiaries amounting to Baht 4,770.45 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 11 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 and impact of adoption financial reporting standards related to financial instruments.

As at 31 March 2020 and 31 December 2019, the amounts under allowance for loss on investments in subsidiaries in the separate financial statements are derived from subsidiaries which have sold vessels and insofar have no plan of buying replacement vessels.

(Unaudited but reviewed)

7. Investment in associate held by a subsidiary

7.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

			Consolidated financial statements							
			Shareholding percentage				Carrying amounts based on equity method			
			31		31		31		31	
Associate's name	Nature of business	Country of incorporation	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019
			%	%						
International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40	66,572	61,443	70,562	68,092		

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 (loss)		Dividend received	
		2020	2019	2020	2019
International Seaports (Haldia) Private Limited		852	(2,935)	-	6,759

Shares of profit (loss) from investment in associate held by a subsidiary for the three-month periods ended 31 March 2020 and 2019, included in the consolidated income statements, were calculated based on the financial information for the three-month periods ended 31 December 2019 and 2018, respectively.

7.2 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 three-month periods ended		Profit (loss) for the three-month periods ended	
	31 December		31 December		31 December		31 December		31 December	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Thousand INR										
International Seaports (Haldia) Private Limited	440,580	440,580	343,928	347,159	28,918	39,328	85,425	111,100	3,803	(13,101)

(Unaudited but reviewed)

8. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	20,097,548	6,668
Acquisitions of equipment and payment of dry-dock and special survey expenses during period - at cost	51,011	1,874
Write-off	(12)	(12)
Depreciation for the period	(305,086)	(813)
Translation adjustment	1,670,810	585
Net book value as at 31 March 2020	<u>21,514,271</u>	<u>8,302</u>

As at 31 March 2020, the subsidiaries have mortgaged 27 vessels (31 December 2019: 31 vessels) with net book value of Baht 16,677.89 million (31 December 2019: Baht 17,744.05 million) with banks to secure long-term loans as referred to in Note 11 to the financial statements.

9. Advances for vessel constructions

As at 31 March 2020, the Group has balance of advances for vessel constructions amounting to USD 67.90 million or approximately Baht 2,218.39 million (including the advances plus other related costs), which related to the Nine Shipbuilding Contracts with Sainty Marine Corporation ("Sainty") for hull nos. SAM14017B to SAM14023B and SAM14027B to SAM14028B, which are under arbitration process.

Movements of the advances for vessel constructions account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 1 January 2020	2,047,470	2,039,751
Translation adjustment	170,919	170,275
Balance as at 31 March 2020	<u>2,218,389</u>	<u>2,210,026</u>

(Unaudited but reviewed)

During the year 2016 and 2015, the Company cancelled 12 Shipbuilding Contracts signed with Sainty Marine Corporation, China (“Sainty”) on 24 and 26 February 2014 for twelve 64,000 DWT bulk carrier vessels bearing hull nos. SAM14017B to SAM14028B (“Vessels”).

Since the Vessels were delayed and not delivered within the maximum period allowed under the Shipbuilding Contracts (“SBCs”), the Company exercised its contractual right and cancelled the SBCs because of the excessive delay in delivery, and claimed refunds along with interest thereon, in accordance with the SBCs.

The Company submitted Letters of Demand to the Guarantor Bank, Export-Import Bank of China, Jiangsu Branch (“CEXIM”), against the Irrevocable Letters of Guarantee provided to the Company by CEXIM in accordance with the SBCs to seek full refund of the abovementioned advances, along with interest thereon. The Company received the refunds of the advances along with the interest for three vessels between 2016 and 2017. The Company received notices of arbitration from Sainty for the remaining nine vessels. As per the terms of the Irrevocable Letters of Guarantee and the SBCs, the Irrevocable Letters of Guarantee related to these vessels are automatically extended until 90 days after the final arbitration award is published. At present, the arbitrations for these nine Vessels are still on-going. Further details are mentioned in Note 16 to the financial statements.

As of 31 March 2020 and 31 December 2019, details of the cancellations of the SBCs by the Company and by Sainty (under dispute by the Company) are as follows:

Hull No.	Shipbuilding Contract date	Cancelled by	Date of Cancellation Notice	Date of Notice of Arbitration	Contract Price (Million USD)	Advances Claim (Million USD)
SAM14017B	24 February 2014	The Company	11 September 2015	25 September 2015	27.90	11.16
SAM14018B	24 February 2014	The Company	11 September 2015	25 September 2015	27.90	11.16
SAM14019B	26 February 2014	The Company	16 November 2015	24 November 2015	27.97	11.16
SAM14020B	26 February 2014	The Company	16 November 2015	24 November 2015	27.97	11.16
SAM14021B	26 February 2014	The Company	29 January 2016	3 February 2016	27.97	5.58
SAM14022B	26 February 2014	The Company	29 January 2016	3 February 2016	27.97	5.58
SAM14023B	26 February 2014	Sainty The Company	15 September 2015 30 March 2016	7 December 2015	27.47	2.74
SAM14027B	26 February 2014	Sainty The Company	20 November 2015 29 August 2016	6 September 2016	27.97	2.79
SAM14028B	26 February 2014	Sainty The Company	20 November 2015 29 August 2016	6 September 2016	27.97	2.79
Total					251.09	64.12

(Unaudited but reviewed)

10. Deferred contract costs

Movements of the deferred contract costs account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
	<hr/>
Balance as at 1 January 2020	162,783
Amortisation for the period	(4,389)
Translation adjustment	13,470
Balance as at 31 March 2020	<hr/> <hr/>

(Unaudited but reviewed)

11. Long-term loan facilities

As at 31 March 2020 and 31 December 2019, long-term loans accounts are presented below.

(Unit: Thousand Baht)

Consolidated financial statements													
As at 31 March 2020													
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Facility 12	Total
Long-term loans	-	984,579	786,665	410,794	303,920	1,635,889	613,402	368,317	500,404	826,943	445,080	914,794	7,790,787
Add (less): Deferred financial fees	-	(2,548)	(6,945)	(1,653)	(1,045)	48,073	(16,175)	(4,658)	(4,604)	(12,927)	7,169	(2,781)	1,906
Total	-	982,031	779,720	409,141	302,875	1,683,962	597,227	363,659	495,800	814,016	452,249	912,013	7,792,693
Less: Current portion	-	(982,031)	(83,166)	(41,963)	(63,763)	(191,449)	(68,793)	(39,315)	(38,138)	(227,150)	(252,962)	(91,201)	(2,079,931)
Long-term loans - net of current portion	-	-	696,554	367,178	239,112	1,492,513	528,434	324,344	457,662	586,866	199,287	820,812	5,712,762

(Unit: Thousand Baht)

Consolidated financial statements													
As at 31 December 2019													
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Facility 12	Total
Long-term loans	529,629	951,419	745,416	388,866	295,268	1,552,745	578,580	349,127	470,731	818,027	468,279	-	7,148,087
Add (less): Deferred financial fees	(197)	(3,452)	(6,894)	(1,632)	(1,063)	45,069	(16,035)	(4,564)	(4,661)	(13,624)	8,116	-	1,063
Total	529,432	947,967	738,522	387,234	294,205	1,597,814	562,545	344,563	466,070	804,403	476,395	-	7,149,150
Less: Current portion	(529,432)	(737,052)	(76,726)	(38,723)	(58,841)	(176,639)	(57,358)	(36,270)	(35,175)	(157,254)	(233,788)	-	(2,137,258)
Long-term loans - net of current portion	-	210,915	661,796	348,511	235,364	1,421,175	505,187	308,293	430,895	647,149	242,607	-	5,011,892

(Unaudited but reviewed)

Movements of the long-term loans accounts during the three-month period ended 31 March 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements												
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Facility 12	Total
Balance as at 1 January 2020	529,432	947,967	738,522	387,234	294,205	1,597,814	562,545	344,563	466,070	804,403	476,395	-	7,149,150
Add: Drawdown	-	-	-	-	-	-	-	-	-	-	-	890,627	890,627
Amortisation of financial fees	207	1,161	510	112	104	(738)	1,167	279	435	1,785	(1,581)	89	3,530
Less: Deferred financial fees	-	-	-	-	-	-	-	-	-	-	-	(2,796)	(2,796)
Repayment	(7,687)	(45,040)	(20,422)	(10,255)	(15,573)	(45,249)	(13,121)	(9,692)	(9,369)	(30,416)	(60,645)	-	(267,469)
Prepayment	(550,994)	-	-	-	-	-	-	-	-	-	-	-	(550,994)
Unrealised exchange gain	-	-	-	-	-	-	-	-	-	(27,386)	-	-	(27,386)
Translation adjustment	29,042	77,943	61,110	32,050	24,139	132,135	46,636	28,509	38,664	65,630	38,080	24,093	598,031
Balance as at 31 March 2020	<u>-</u>	<u>982,031</u>	<u>779,720</u>	<u>409,141</u>	<u>302,875</u>	<u>1,683,962</u>	<u>597,227</u>	<u>363,659</u>	<u>495,800</u>	<u>814,016</u>	<u>452,249</u>	<u>912,013</u>	<u>7,792,693</u>

(Unaudited but reviewed)

The Group's bank loan facilities are summarised below.

Facility	Bank	Borrower	Interest rate per loan/amendment agreement
Facility 1	DNB Asia ASA and 5 other banks, total 6 banks	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 2	ING Bank N.V. (Singapore Branch) and DNB Asia ASA	4 indirect subsidiaries in Singapore	LIBOR + margin
Facility 3	Bangkok Bank PLC. (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited	LIBOR + margin
Facility 4	Bangkok Bank PLC. (Singapore Branch)	ABC Four Pte. Limited	LIBOR + margin
Facility 5	TMB Bank PLC.	ABC One Pte. Limited	LIBOR + margin
Facility 6	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 7	BNP Paribas	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 8	BNP Paribas	The Company and indirect subsidiary in Singapore	LIBOR + margin
Facility 9	Export-Import Bank of Thailand	The Company and local subsidiary	LIBOR + margin
Facility 10	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
Facility 11	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 12	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin

As at 31 March 2020, the Group had an undrawn loan balance in the amount of USD 10.6 million (31 December 2019: USD 28 million).

During the period, the updated transactions of the Group's loan facilities are as follows.

Facility 1

On 14 February 2020, the Company prepaid all outstanding loan.

Facility 2

As at 31 March 2020, the Company is unable to maintain compliance with a certain financial covenant. The Company has been in discussions with the bank to request a waiver to test this financial covenant for a certain period. However, the Company's management, on the basis of a legal opinion from its in-house counsel as well as external counsel, believes that the breach of this covenant does not constitute an Event of Default and therefore does not make the outstanding loan due and payable on demand under the loan agreement. However, the Company has presented all outstanding balance of this loan that is due for repayment within the next twelve months as current liabilities.

Facility 7

On 15 April 2020, the Company along with its indirect subsidiaries in Singapore, Precious Skies Pte. Ltd. and Precious Tides Pte. Ltd., have executed a first amendment and restatement deed ("Deed") in relation to Term Loan Facility Dated 29 December 2014, mainly to upsize the original Loan by an additional loan amount of up to USD 10.6 million ("Upsize Loan"). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the Upsize Loan are summarised as follows.

Facility	Description
Upsize Loan Facility	The maximum amount of USD 10.60 million divided into two tranches; a Green Tranche and a General Tranche.
Purposes	The Green Tranche is to finance and/or refinance part of the aggregate cost related to Ballast Water Treatment Systems. The Company has obtained the second party opinion on the Green financing from Vigeo Eiris. The General Tranche is for general corporate use.
Drawdown Amount	USD 10,600,000 in one lump sum
Final maturity	4 years after the drawdown
Repayment	The loans shall be repaid over 4 years, in 16 equal quarterly installments of USD 662,500, beginning from three calendar months after the drawdown.

(Unaudited but reviewed)

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

- a) maintenance of funded debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

As at 31 March 2020, the Company has not drawdown the loans as yet.

On 20 April 2020, the Company had drawn down the loan amounting to USD 10.60 million.

Following the security value shortfall, on 30 April 2020, the borrowers have provided a cash collateral of USD 1,100,000 as an additional security (apart from the vessels already mortgaged as security) to maintain a minimum security coverage ratio of not less than 135% of the aggregate amount outstanding as per loan agreement. Such cash collateral can be released in whole or in part if BNP re-test such ratio and there is no longer security value shortfall.

Facility 10

On 23 March 2020, Krung Thai Bank Plc. as the facility agent informed the Company that the lenders approved the waiver of the testing of the financial covenants regarding the Debt Service Coverage Ratio and Debt to EBITDA ratio up to 31 December 2020. A principal condition of the approval is that the Company is not allowed to pay dividends or make any other distributions to its shareholders during the waiver period.

Facility 12

On 31 January 2020, the Company had drawn down the loan amounting to USD 28.00 million.

12. Debentures

As at 31 March 2020 and 31 December 2019, details of debentures are as follows.

						(Unit: Thousand Baht)	
						Carrying amount	
Series	Maturity date	No. of units	Par value	Interest rate	Term of interest payment	31 March 2020	31 December 2019
		(Thousand units)	(Baht)	(% p.a.)			
1	Entirely redeemed on 22 January 2021 (5 years)	3,590	1,000	5.25	Quarterly	3,572,657	3,569,015
2	Entirely redeemed on 9 June 2020 (3.5 years)	1,960	1,000	5.00	Quarterly	1,950,531	1,948,543
Total						5,523,188	5,517,558
Less: Deferred debenture issuing costs						(3,584)	(4,716)
Debentures - net						5,519,604	5,512,842
Less: Current portion						(5,519,604)	(1,947,630)
Debentures - net of current portion						-	3,565,212

Since the functional currency of the Company is US Dollars, with a view to covering the currency risk on the Thai Baht denominated liability of the Company, the entire proceeds of Baht 3,590 million were swapped into US Dollars, amounting to USD 99.72 million on 22 January 2016 vide a Cross Currency Swap entered into by the Company. The Company also swapped THB fixed interest rate of 5.25% per annum to USD fixed interest rate of 5.99% per annum.

Subsequently on 4 January 2017, the entire proceeds of Baht 1,960 million were swapped into US Dollars, amounting to USD 54.90 million vide a Cross Currency Swap entered into by the Company. The Company also swapped THB fixed interest rate of 5.00% per annum to USD fixed interest rate of 5.75% per annum.

The Company is required to maintain Debt to Equity ratio not exceeding 2:1.

On 27 April 2020, the Board of Directors' Meeting No. 2/2020 of the Company approved the following proposal to amend the terms and conditions of the Debentures of Precious Shipping Public Company Limited No. 2/2016 Due 2020 (PSL206A) which will be proposed for the bondholders' approval at the bondholders' meeting on 19 May 2020:

(Unaudited but reviewed)

- a) an extension of the maturity date for 1.5 years from 9 June 2020 to 9 December 2021;
- b) a partial upfront repayment of 20 percent on the existing maturity date (i.e. 9 June 2020);
- c) an increase in the coupon rate from 5.00 percent per annum to 6.50 percent per annum starting from 9 June 2020; and
- d) The Company will have right to make an early redemption of the debentures (in whole or in part).

13. Provision for maritime claims

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2020	46,240
Increase during the period	21,615
Decrease (including actual claims) during the period	(5,826)
Translation adjustment	4,288
Balance as at 31 March 2020	<u>66,317</u>

14. Basic earnings per share

Basic earnings per share is calculated by dividing 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.

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 Handysize, Supramax and Ultramax dry bulk vessels on a tramp shipping basis (i.e. without any set routes). This is the main industry segment that the Company operates in and almost all revenues are derived from it. As such, no segmental bifurcation is applicable since the operations are almost entirely limited to this one main 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 periods ended 31 March 2020 and 2019.

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 31 March										
	Time charter		Voyage charter		Total		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Hire income	696,017	846,776	-	-	696,017	846,776	-	-	696,017	846,776
Freight income	-	-	440,958	135,296	440,958	135,296	(82,689)	(33,242)	358,269	102,054
Total vessel operating income	696,017	846,776	440,958	135,296	1,136,975	982,072	(82,689)	(33,242)	1,054,286	948,830
Voyage disbursements	-	-	(158,026)	(57,619)	(158,026)	(57,619)	82,689	33,242	(75,337)	(24,377)
Bunker consumption	-	-	(144,060)	(26,500)	(144,060)	(26,500)	-	-	(144,060)	(26,500)
Total voyage expenses	-	-	(302,086)	(84,119)	(302,086)	(84,119)	82,689	33,242	(219,397)	(50,877)
Net vessel operating income/time charter equivalent income	696,017	846,776	138,872	51,177	834,889	897,953	-	-	834,889	897,953

16. Contingent Liability in respect of the Arbitrations regarding the cancellation of the Shipbuilding Contracts with Sainty

As mentioned in Note 9 to the financial statements, there are 9 on-going arbitrations with Sainty in relation to the cancellation of the 9 Shipbuilding Contracts for construction of 9 vessels, i.e., hull nos. SAM14017B to SAM14023B and SAM14027B to SAM14028B.

The final arbitration awards (if none of the parties appeal against these arbitration awards) will determine whether: i) the Company will receive the refund of the advances which the Company paid to Sainty along with interest thereon and/or any damages, or ii) whether the Company will have to pay any claim amounts including damages to Sainty.

In the event that the final arbitration awards or the Court's ruling (in case of appeal) for all 9 arbitrations go against the Company, the Company may lose the advances for vessel constructions totaling USD 64.12 million plus other related costs, and may have a liability to pay Sainty an additional USD 18.56 million plus unquantified damages, losses, interest and/or costs in accordance with their claims.

The Company's management, based on the opinion of the Company's in-house legal counsel, believes that the outcome of the arbitrations is quite uncertain and is therefore unable to reliably estimate the amount of potential liability and therefore no provisions have been made in respect of the arbitration cases. However, a contingent liability in respect of the same has been acknowledged and disclosed as above.

17. Functional currency financial statements

The USD functional currency statements of financial position as at 31 March 2020 and 31 December 2019 and the income statements for the three-month periods ended 31 March 2020 and 2019 are as follows.

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2020

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
Assets				
Current assets				
Cash and cash equivalents	38,819	39,172	20,212	14,700
Trade and other receivables	7,010	6,056	115,113	115,397
Short-term loans to subsidiary	-	-	1,600	4,300
Bunker oil	2,405	5,853	-	-
Derivative assets	14,433	-	14,433	-
Other current assets				
Advances to vessel masters	2,417	2,437	-	-
Claim recoverables	32	353	-	-
Others	1,478	1,861	450	544
Total other current assets	3,927	4,651	450	544
Total current assets	66,594	55,732	151,808	134,941
Non-current assets				
Long-term loans to subsidiary	-	-	120,550	150,000
Derivative assets	36	-	-	-
Receivables from cross currency swap contracts	-	31,534	-	30,568
Investments in subsidiaries	-	-	245,986	200,254
Investment in associate held by a subsidiary	2,160	2,258	-	-
Investment in equity instrument of non-listed company	568	568	568	568
Property, plant and equipment	658,509	666,497	254	221
Right-of-use assets	936	-	781	-
Intangible assets	226	224	226	224
Other non-current assets				
Claim recoverables - maritime claims	1,520	818	-	-
Advances for vessel constructions	67,900	67,900	67,644	67,644
Deferred contract costs	5,260	5,398	-	-
Others	149	157	125	132
Total other non-current assets	74,829	74,273	67,769	67,776
Total non-current assets	737,264	775,354	436,134	449,611
Total assets	803,858	831,086	587,942	584,552

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade and other payables	3,222	2,345	434	446
Advances received from related parties	-	-	64,822	58,028
Accrued crew accounts	2,722	2,811	-	-
Accrued expenses	3,213	11,209	1,293	1,980
Accrued employee bonus	-	1,141	-	816
Total trade and other payables	9,157	17,506	66,549	61,270
Advances received from charterers	1,170	2,490	-	-
Current portion of long-term loans	63,662	70,878	-	-
Current portion of debentures	168,944	64,590	168,944	64,590
Current portion of lease liabilities	158	-	123	-
Income tax payable	50	50	-	-
Other current liabilities	562	759	411	442
Total current liabilities	243,703	156,273	236,027	126,302
Non-current liabilities				
Long-term loans - net of current portion	174,856	166,210	-	-
Debentures - net of current portion	-	118,234	-	118,234
Lease liabilities - net of current portion	696	-	590	-
Derivative liabilities	3,255	-	-	-
Provision for maritime claims	2,030	1,533	-	-
Provision for long-term employee benefits	5,175	5,502	4,024	4,295
Total non-current liabilities	186,012	291,479	4,614	122,529
Total liabilities	429,715	447,752	240,641	248,831
Shareholders' equity				
Share capital				
Registered share capital	51,055	51,055	51,055	51,055
Issued and fully paid up	51,055	51,055	51,055	51,055
Paid-in capital				
Premium on ordinary shares	63,290	63,290	63,290	63,290
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	545	552	545	552
Unappropriated	242,683	248,797	224,726	213,203
Other components of shareholders' equity	(5,512)	(2,442)	64	-
Equity attributable to owners of the Company	374,142	383,333	347,301	335,721
Non-controlling interests of the subsidiaries	1	1	-	-
Total shareholders' equity	374,143	383,334	347,301	335,721
Total liabilities and shareholders' equity	803,858	831,086	587,942	584,552

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 31 March 2020**

(Unit: Thousand USD, except earnings per share expressed in USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Revenues				
Vessel operating income				
Hire income	21,882	26,872	-	-
Freight income	11,263	3,239	-	-
Total vessel operating income	33,145	30,111	-	-
Service income	32	32	712	705
Interest income	128	293	1,703	102
Exchange gains	774	-	594	28
Other income	-	4	-	-
Total revenues	34,079	30,440	3,009	835
Expenses				
Vessel operating costs				
Vessel running expenses	12,026	12,635	-	-
Voyage disbursements	2,369	774	-	-
Bunker consumption	4,529	841	-	-
Total vessel operating costs	18,924	14,250	-	-
Depreciation	9,636	9,435	60	24
Cost of services	33	70	-	-
Administrative expenses	3,286	2,617	2,805	1,638
Management remuneration including perquisites	223	631	246	627
Expected credit losses/Bad debts and doubtful accounts	280	1	-	-
Exchange losses	-	36	-	-
Total expenses	32,382	27,040	3,111	2,289
Profit (loss) from operating activities	1,697	3,400	(102)	(1,454)
Share of profit (loss) from investment in				
associate held by a subsidiary	27	(93)	-	-
Finance cost	(5,406)	(5,977)	(2,499)	(2,366)
Loss for the period	(3,682)	(2,670)	(2,601)	(3,820)
Loss attributable to:				
Equity holders of the Company	(3,682)	(2,670)	(2,601)	(3,820)
Non-controlling interests of the subsidiaries	-	-	-	-
Loss for the period	(3,682)	(2,670)	(2,601)	(3,820)
Basic earnings per share				
Loss attributable to equity holders of the Company	(0.0024)	(0.0017)	(0.0017)	(0.0024)

18. Approval of interim financial information

This interim financial information was authorised for issue by the Company's authorised directors on 12 May 2020.