

Precious Shipping Public Company Limited
and subsidiaries
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 2012 and 2011

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 30 June 2012, the related consolidated statements of income, comprehensive income for the three-month and six-month periods ended 30 June 2012 and 2011, and the related consolidated statement of changes in shareholders' equity, and cash flows for the six-month periods ended 30 June 2012 and 2011, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Precious Shipping Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my reviews in accordance with 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 auditing standards 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 reviews, 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 Accounting Standard 34 *Interim Financial Reporting*.

Statements of financial position as at 31 December 2011 for comparative purposes

I have previously audited the consolidated financial statements of Precious Shipping Public Company Limited and its subsidiaries and the separate financial statements of Precious Shipping Public Company Limited for the year ended 31 December 2011 in accordance with auditing standards, and expressed an unqualified opinion on those statements under my report dated 3 February 2012. The consolidated and separate statements of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of those financial statements. I have not performed any other audit procedures subsequent to the date of the above report.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited
Bangkok: 26 July 2012

Precious Shipping Public Company Limited and subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2012	31 December 2011	30 June 2012	31 December 2011
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		2,196,500	4,374,711	1,475,176	2,719,519
Current investment	3	-	-	-	-
Trade and other receivables	4, 5	223,017	125,094	850,766	771,933
Short-term loans to a subsidiary	6	-	-	2,444,244	2,275,428
Current portion of advances for vessel constructions	13	1,333,304	1,327,296	1,333,304	1,327,296
Bunker oil		56,189	68,962	-	-
Other current assets					
Advances to vessel masters		89,199	63,298	-	-
Claim recoverables		12,948	18,718	-	-
Others		46,792	43,466	12,920	13,874
Total other current assets		148,939	125,482	12,920	13,874
Total current assets		3,957,949	6,021,545	6,116,410	7,108,050
Non-current assets					
Investments in subsidiaries	8	-	-	6,956,787	6,003,738
Investment in joint venture	9	-	-	-	-
Investment in associate held by a subsidiary	10	99,400	111,681	-	-
Other long-term investment		8,282	8,246	8,282	8,246
Long-term loan to jointly controlled entity	7	-	-	272,113	270,960
Receivables from cross currency swap contracts		41,102	48,752	-	-
Property, plant and equipment	11	12,488,019	9,445,533	6,793	6,735
Intangible assets	12	18,135	22,782	18,084	22,725
Other non-current assets					
Claim recoverables - maritime claims		60,781	41,565	-	-
Advances for vessel purchase		-	396,140	-	-
Advances for vessel constructions - net of current portion	13	6,606,534	6,571,893	3,738,781	4,487,725
Deferred financial fees	14	190,883	211,832	133,860	168,155
Others	19.4	24,644	13,279	2,403	2,406
Total other non-current assets		6,882,842	7,234,709	3,875,044	4,658,286
Total non-current assets		19,537,780	16,871,703	11,137,103	10,970,690
Total assets		23,495,729	22,893,248	17,253,513	18,078,740

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

Precious Shipping Public Company Limited and subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 June 2012	31 December 2011	30 June 2012	31 December 2011
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables					
Trade accounts payable		77,827	33,150	548	523
Advances received from related parties	5	-	-	3,569,662	3,430,581
Accrued crew accounts		62,076	47,659	-	-
Accrued expenses		117,666	59,641	4,254	5,421
Current portion of accrued employee bonus		39,865	66,761	36,802	61,556
Total trade and other payables		297,434	207,211	3,611,266	3,498,081
Advances received from charterers		50,912	86,238	-	-
Current portion of long-term loans	15	411,684	718,549	6,331	286,951
Income tax payable		2,515	506	-	-
Other current liabilities					
Withholding tax payable		11,051	14,206	9,800	12,778
Others		16,897	20,525	7,838	9,707
Total other current liabilities		27,948	34,731	17,638	22,485
Total current liabilities		790,493	1,047,235	3,635,235	3,807,517
Non-current liabilities					
Accrued employee bonus - net of current portion		13,449	54,028	12,414	49,836
Long-term loans - net of current portion	15	7,449,081	6,307,826	1,336,646	1,856,651
Provision for maritime claims		85,934	64,637	-	-
Provision for long-term employee benefits		65,921	63,023	59,796	57,001
Total non-current liabilities		7,614,385	6,489,514	1,408,856	1,963,488
Total liabilities		8,404,878	7,536,749	5,044,091	5,771,005

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

Precious Shipping Public Company Limited and subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(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	518,120	518,120	-	-
Corporate social responsibility reserve	16,208	15,333	16,208	15,333
Unappropriated	14,233,120	14,521,659	10,479,846	10,624,884
Other components of shareholders' equity	(1,404,030)	(1,459,091)	(13,981)	(59,831)
Equity attributable to owners of the Company	15,090,767	15,323,370	12,209,422	12,307,735
Non-controlling interests of the subsidiaries	84	33,129	-	-
Total shareholders' equity	15,090,851	15,356,499	12,209,422	12,307,735
Total liabilities and shareholders' equity	23,495,729	22,893,248	17,253,513	18,078,740
	0	0	0	0

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 subsidiaries**Income statements****For the three-month periods ended 30 June 2012 and 2011**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues					
Vessel operating income					
Hire income		594,281	533,611	-	-
Freight income		396,588	277,996	-	-
Total vessel operating income		990,869	811,607	-	-
Service income	5	1,497	1,326	17,957	12,875
Gains on sales of new shipbuilding under					
Novation Agreement		-	188,490	-	188,490
Interest income	5	5,455	4,769	6,710	4,626
Exchange gains		1,711	3,159	2,194	3,372
Other income		-	1	-	1
Dividend received	5	-	507	264,750	306,356
Total revenues		999,532	1,009,859	291,611	515,720
Expenses					
Vessel operating costs					
Vessel running expenses		317,264	201,972	-	-
Voyage disbursements		60,540	33,956	-	-
Bunker consumption		185,323	67,792	-	-
Total vessel operating costs		563,127	303,720	-	-
Depreciation		230,191	156,427	949	1,227
Cost of services		1,872	2,655	-	-
Administrative expenses	5	43,453	46,279	35,867	38,804
Management remuneration including perquisites	5	20,901	24,981	20,016	23,565
Bad debts and doubtful accounts		185	124	-	-
Total expenses		859,729	534,186	56,832	63,596
Profit before share of loss from investment					
in associate, finance cost and corporate income tax		139,803	475,673	234,779	452,124
Share of loss from investment in associate					
held by a subsidiary	10.1	(6,785)	(880)	-	-
Profit before finance cost and corporate					
income tax		133,018	474,793	234,779	452,124
Finance cost		(117,414)	(73,159)	(45,579)	(47,597)
Profit before corporate income tax		15,604	401,634	189,200	404,527
Corporate income tax		(1,506)	(353)	-	-
Profit for the period		14,098	401,281	189,200	404,527

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries

Income statements (continued)

For the three-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit attributable to:				
Equity holders of the Company	13,139	401,286	189,200	404,527
Non-controlling interests of the subsidiaries	959	(5)	-	-
Profit for the period	14,098	401,281	189,200	404,527

(Unit: Baht)

Basic earnings per share	16				
Profit attributable to equity holders of the Company		0.01	0.39	0.18	0.39

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries

Statements of comprehensive income

For the three-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit for the period	14,098	401,281	189,200	404,527
Other comprehensive income:				
Exchange differences on translation of foreign operation's financial statements	(8,357)	(482)	-	-
Exchange differences on translation of functional currency to presentation currency financial statements	469,142	219,660	376,109	175,510
Other comprehensive income for the period	460,785	219,178	376,109	175,510
Total comprehensive income for the period	474,883	620,459	565,309	580,037
Total comprehensive income attributable to:				
Equity holders of the Company	473,401	620,006	565,309	580,037
Non-controlling interests of the subsidiaries	1,482	453	-	-
	474,883	620,459	565,309	580,037

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries**Income statements****For the six-month periods ended 30 June 2012 and 2011**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues					
Vessel operating income					
Hire income		1,040,027	1,111,205	-	-
Freight income		738,393	432,837	-	-
Total vessel operating income		1,778,420	1,544,042	-	-
Service income	5	2,855	2,664	33,664	25,505
Gains on sales of equipment		-	1,379	-	1,382
Gains on sales of new shipbuilding under					
Novation Agreement		-	188,490	-	188,490
Interest income	5	12,427	11,535	13,539	11,353
Other income		2	2	2	2
Dividend received	5, 8	-	507	264,750	558,856
Total revenues		1,793,704	1,748,619	311,955	785,588
Expenses					
Vessel operating costs					
Vessel running expenses		582,476	418,637	-	-
Voyage disbursements		107,583	52,872	-	-
Bunker consumption		340,084	114,241	-	-
Total vessel operating costs		1,030,143	585,750	-	-
Depreciation	11	422,423	314,990	2,057	2,440
Cost of services		2,893	3,760	-	-
Administrative expenses	5	86,043	94,993	73,716	80,155
Management remuneration including perquisites	5	41,127	50,808	39,404	48,116
Bad debts and doubtful accounts		19,464	124	-	-
Exchange losses		641	5,911	2,501	4,002
Total expenses		1,602,734	1,056,336	117,678	134,713
Profit before share of loss from investment					
in associate, finance cost and corporate income tax		190,970	692,283	194,277	650,875
Share of loss from investment in associate					
held by a subsidiary	10.1	(10,891)	(1,343)	-	-
Profit before finance cost and corporate					
income tax		180,079	690,940	194,277	650,875
Finance cost		(204,159)	(176,381)	(78,594)	(126,570)
Profit (loss) before corporate income tax		(24,080)	514,559	115,683	524,305
Corporate income tax		(2,238)	(3,224)	-	-
Profit (loss) for the period		(26,318)	511,335	115,683	524,305

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries

Income statements (continued)

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit (loss) attributable to:				
Equity holders of the Company	(27,818)	509,916	115,683	524,305
Non-controlling interests of the subsidiaries	1,500	1,419	-	-
Profit (loss) for the period	(26,318)	511,335	115,683	524,305

(Unit: Baht)

Basic earnings (loss) per share	16				
Profit (loss) attributable to equity holders of the Company		(0.03)	0.49	0.11	0.51

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries

Statements of comprehensive income

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit (loss) for the period	<u>(26,318)</u>	<u>511,335</u>	<u>115,683</u>	<u>524,305</u>
Other comprehensive income:				
Exchange differences on translation of foreign operation's financial statements	(1,792)	(614)	-	-
Exchange differences on translation of functional currency to presentation currency financial statements	56,491	291,709	45,850	232,570
Other comprehensive income for the period	<u>54,699</u>	<u>291,095</u>	<u>45,850</u>	<u>232,570</u>
Total comprehensive income for the period	<u>28,381</u>	<u>802,430</u>	<u>161,533</u>	<u>756,875</u>
Total comprehensive income attributable to:				
Equity holders of the Company	27,243	800,430	161,533	756,875
Non-controlling interests of the subsidiaries	1,138	2,000	-	-
	<u>28,381</u>	<u>802,430</u>	<u>161,533</u>	<u>756,875</u>

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries**Cash flow statements****For the six-month periods ended 30 June 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit (loss) before tax	(24,080)	514,559	115,683	524,305
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	427,058	319,502	6,686	6,951
Bad debts and doubtful accounts	19,464	124	-	-
Gains on sales of equipment	-	(1,379)	-	(1,382)
Gains on sales of new shipbuilding under Novation Agreement	-	(188,490)	-	(188,490)
Write-off deferred financial fee due to cancellation of loan facility	25,443	8,419	25,443	8,419
Share of loss from investment in associate held by a subsidiary	10,891	1,343	-	-
Provisions for maritime claims	1,997	627	-	-
Provision for long-term employee benefits	2,912	2,950	2,808	2,854
Unrealised exchange losses	3,508	1,506	2,333	89
Amortised financial fees to interest expenses	13,226	2,824	-	-
Interest expenses	111,841	43,538	-	-
Interest income	(11,777)	(10,344)	(13,122)	(11,086)
Income from operating activities before changes in operating assets and liabilities	580,483	695,179	139,831	341,660
Operating assets (increase) decrease				
Trade and other receivables	(115,632)	(52,683)	891,364	638,707
Bunker oil	14,315	(49,179)	-	-
Other current assets	(19,877)	(21,380)	2,476	5,535
Other non-current assets	(11,076)	-	1	-
Operating liabilities increase (decrease)				
Trade and other payables	88,236	(19,055)	104,632	201,857
Advances received from charterers	(34,467)	18,311	-	-
Other current liabilities	(18,516)	12,035	(5,347)	9,923
Non-current liabilities	(40,610)	(37,676)	(37,449)	(34,562)
Cash flows from operating activities	442,856	545,552	1,095,508	1,163,120
Cash paid for withholding tax deducted at source	(2,628)	(7,944)	(1,619)	(1,725)
Net cash flows from operating activities	440,228	537,608	1,093,889	1,161,395

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries**Cash flow statements (continued)**

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Acquisitions of equipment and payment of dry-dock and special survey expenses	(2,028,770)	(27,233)	(2,117)	(106)
Acquisitions of computer software	-	(351)	-	(290)
Cash paid for advances for vessel constructions and other direct costs	(889,187)	(835,050)	(161,256)	(529,063)
Cash received from sales of new shipbuildings under Novation Agreement	-	1,317,997	-	1,317,997
Proceeds from sales of equipment	-	1,449	-	1,449
Increase in investment in subsidiaries	-	-	(909,000)	-
Increase in short-term loans to a subsidiary	-	-	(165,142)	-
Interest income	11,777	10,344	13,122	11,086
Net cash flows from (used in) investing activities	(2,906,180)	467,156	(1,224,393)	801,073
Cash flows from financing activities				
Cash paid for interest expenses and commitment fee	(149,096)	(73,157)	(16,674)	(28,430)
Cash paid for deferred financial fees	(48,059)	(83)	(35,318)	-
Cash received from long-term loans	2,100,673	1,128,350	-	473,179
Repayment of long-term loans	(1,297,143)	(1,441,487)	(786,217)	(1,383,139)
Dividend paid to the Company's shareholders	(259,846)	(332,601)	(259,846)	(332,601)
Dividend paid to non-controlling interests of the subsidiary	(34,183)	-	-	-
Net cash flows from (used in) financing activities	312,346	(718,978)	(1,098,055)	(1,270,991)
Increase (decrease) in translation adjustments	(24,605)	91,891	(15,784)	51,147
Net increase (decrease) in cash and cash equivalents	(2,178,211)	377,677	(1,244,343)	742,624
Cash and cash equivalents at beginning of period	4,374,711	4,223,423	2,719,519	2,041,349
Cash and cash equivalents at end of period	2,196,500	4,601,100	1,475,176	2,783,973
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The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries

Cash flow statements (continued)

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Supplemental cash flows information				
Non-cash transactions				
Dividend income from subsidiaries offset against receivable from/payable to subsidiaries	-	-	264,750	558,349
Amortisation of financial fees to advances for vessel constructions	737	958	567	878
Transfer of interest expenses and commitment fee to advances for vessel constructions	46,804	27,370	15,117	26,195
Transfer of deferred financial fees to present as a deduction from long-term loans	45,268	3,639	1,221	3,618
Transfer of deferred financial fees to subsidiary in proportion to the drawdown amount	-	-	48,405	4,270
Transfer of advances for vessel constructions to vessel and equipment of a subsidiary	917,527	918,294	917,527	918,294
Adjustment of deferred financial fees and advances for vessel constructions	-	(979)	-	(979)
Adjustment of provision for long-term employee benefits with the beginning balance of retained earnings	-	(57,408)	-	(51,551)

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries

Statements of changes in shareholders' equity

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to the parent's shareholders														
	Retained earnings							Other components of shareholders' equity - other comprehensive income		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity		
				Appropriated		Corporate social responsibility		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
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Statutory reserve		reserve	Unappropriated							
				The Company	Subsidiaries									
Balance as at 1 January 2011	1,039,521	411,430	172,446	103,952	518,120	14,336	14,448,545	(2,183,075)	14,525,275	29,283	14,554,558			
Dividend paid to the Company's shareholders	-	-	-	-	-	-	(332,601)	-	(332,601)	-	(332,601)			
Total comprehensive income for the period	-	-	-	-	-	-	509,916	290,514	800,430	2,000	802,430			
Appropriated to corporate social responsibility reserve	-	-	-	-	-	2,549	(2,549)	-	-	-	-			
Balance as at 30 June 2011	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>518,120</u>	<u>16,885</u>	<u>14,623,311</u>	<u>(1,892,561)</u>	<u>14,993,104</u>	<u>31,283</u>	<u>15,024,387</u>			
Balance as at 1 January 2012	1,039,521	411,430	172,446	103,952	518,120	15,333	14,521,659	(1,459,091)	15,323,370	33,129	15,356,499			
Dividend paid to the Company's shareholders (Note 18)	-	-	-	-	-	-	(259,846)	-	(259,846)	-	(259,846)			
Dividend paid to non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	(34,183)	(34,183)			
Total comprehensive income for the period	-	-	-	-	-	-	(27,818)	55,061	27,243	1,138	28,381			
Appropriated to corporate social responsibility reserve	-	-	-	-	-	875	(875)	-	-	-	-			
Balance as at 30 June 2012	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>518,120</u>	<u>16,208</u>	<u>14,233,120</u>	<u>(1,404,030)</u>	<u>15,090,767</u>	<u>84</u>	<u>15,090,851</u>			
	-	-	-	-	-	-	-	-	-	-	-			
	-	-	-	-	-	-	-	-	-	-	-			

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries

Statements of changes in shareholders' equity (continued)

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Separate financial statements							Total shareholders' equity
	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	
				Statutory reserve	Corporate social responsibility reserve		Exchange differences on translation of financial statements	
Balance as at 1 January 2011	1,039,521	411,430	172,446	103,952	14,336	10,458,600	(662,415)	11,537,870
Dividend paid to the Company's shareholders	-	-	-	-	-	(332,601)	-	(332,601)
Total comprehensive income for the period	-	-	-	-	-	524,305	232,570	756,875
Appropriated to corporate social responsibility reserve	-	-	-	-	2,549	(2,549)	-	-
Balance as at 30 June 2011	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>16,885</u>	<u>10,647,755</u>	<u>(429,845)</u>	<u>11,962,144</u>
	-	-	-	-	-	-	-	-
Balance as at 1 January 2012	1,039,521	411,430	172,446	103,952	15,333	10,624,884	(59,831)	12,307,735
Dividend paid to the Company's shareholders (Note 18)	-	-	-	-	-	(259,846)	-	(259,846)
Total comprehensive income for the period	-	-	-	-	-	115,683	45,850	161,533
Appropriated to corporate social responsibility reserve	-	-	-	-	875	(875)	-	-
Balance as at 30 June 2012	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>16,208</u>	<u>10,479,846</u>	<u>(13,981)</u>	<u>12,209,422</u>
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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

Precious Shipping Public Company Limited and subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2012 and 2011

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 Accounting Standard No. 34 (revised 2009) "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, jointly controlled entity and associates (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2011.

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

2. New accounting standards not yet effective

During the period, the Federation of Accounting Professions issued the financial reporting standard No. 8 Operating Segments that is effective for fiscal years beginning on or after 1 January 2013.

The Company’s management believes that the above accounting standard will not have any significant impact on the financial statements for the year when it is initially applied.

3. Current investment

(Unit: Thousand Baht)

Consolidated financial statements								
Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method		
30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	
Thousand INR	Thousand INR	%	%					
Investment in associate held by a subsidiary								
Southern LPG Limited	64,592	64,592	50.00	50.00	<u>27,777</u>	<u>27,658</u>	17,477	17,403
Less: Allowance for loss on investment							<u>(17,477)</u>	<u>(17,403)</u>
Current investment - net							<u>-</u>	<u>-</u>

A subsidiary (Precious Shipping (Mauritius) Limited) recorded investment in an associated company incorporated in India under equity method only until 31 December 2000, since the Company’s management is making efforts to sell this investment. The investment has therefore been classified as current investment, under current assets, and provision for loss on investment in full has been set up.

(Unaudited but reviewed)

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	217,526	104,741	-	-
3 - 6 months	4,021	117	-	-
6 - 12 months	1,470	20,236	-	-
Over 12 months	34,441	20,109	-	-
Total	257,458	145,203	-	-
Less: Allowance for doubtful debts	(34,441)	(20,109)	-	-
Total trade receivables - unrelated parties, net	223,017	125,094	-	-
<u>Other receivables - related parties</u>				
Advances to related parties	-	-	850,766	771,933
Total other receivables - related parties	-	-	850,766	771,933
Trade and other receivables - net	223,017	125,094	850,766	771,933

5. 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 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2012	2011	2012	2011	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	16,067	11,055	Fixed rate per vessel per day set with reference to the administrative cost of the Company

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2012	2011	2012	2011	
Interest income	-	-	2,429	3,424	At interest rate of 0.40% per annum (2011: 0.70% per annum)
Dividend received	-	-	264,750	305,849	As declared
Condominium rental expenses	-	-	2,372	2,342	Market price
Sales of newbuilding vessel	-	-	-	918,294	At cost
Transaction with jointly controlled entity					
(Eliminated from consolidated financial statements in proportion with the Company's shareholding)					
Vessel construction supervision income	945	910	1,890	1,820	In accordance with contract based on market practice
Transactions with related companies					
Air ticket expenses	3,362	1,986	1,363	988	Market price
Rental and service expenses	2,605	793	2,092	468	Market price
Computer purchases	177	278	177	278	Market price

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2012	2011	2012	2011	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	29,932	21,844	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Interest income	-	-	4,553	6,850	At interest rate of 0.40% per annum (2011: 0.70% per annum)
Dividend received	-	-	264,750	558,349	As declared
Condominium rental expenses	-	-	4,671	4,692	Market price
Sales of newbuilding vessels	-	-	917,527	918,294	At cost
Transaction with jointly controlled entity					
(Eliminated from consolidated financial statements in proportion with the Company's shareholding)					
Vessel construction supervision income	1,866	1,830	3,732	3,661	In accordance with contract based on market practice

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2012	2011	2012	2011	
Transactions with related companies					
Air ticket expenses	5,961	3,963	2,174	1,921	Market price
Rental and service expenses	4,632	4,237	3,951	3,493	Market price
Computer purchases	1,119	332	418	332	Market price

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
<u>Other receivables - related parties (Note 4)</u>				
Subsidiaries	-	-	695,113	731,132
Jointly controlled entity	-	-	155,653	40,801
Total other receivables - related parties	-	-	850,766	771,933
<u>Trade and other payables - related parties</u>				
Subsidiaries	-	-	3,569,662	3,430,581
Related companies	574	91	119	32
Total trade and other payables - related parties	574	91	3,569,781	3,430,613

The outstanding balances of the amounts due from/to subsidiaries and jointly controlled entity represent current accounts between the Company and those subsidiaries and jointly controlled entity. The Company's management believes that no allowance for doubtful accounts is necessary. No interest was charged on advances to/from subsidiaries and jointly controlled entity.

(Unaudited but reviewed)

Directors and management's benefits

The Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Short-term employee benefits	20,463	21,779	19,572	20,644
Post-employment benefits	498	589	498	589
Other long-term benefits (reversal)	(60)	2,613	(54)	2,332
Total	<u>20,901</u>	<u>24,981</u>	<u>20,016</u>	<u>23,565</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Short-term employee benefits	34,093	31,567	33,028	30,845
Post-employment benefits	993	1,175	993	1,175
Other long-term benefits	6,041	18,066	5,383	16,096
Total	<u>41,127</u>	<u>50,808</u>	<u>39,404</u>	<u>48,116</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries and jointly controlled entity in relation to the loans from banks. There was no guarantee fee charged.

6. Short-term loans to a subsidiary

As at 30 June 2012, short-term loans to a wholly owned subsidiary are in the form of promissory notes in US Dollar, amounting to USD 76.80 million (31 December 2011: USD 71.80 million), which carry interest at the rate of 0.40% per annum (31 December 2011: 0.40% per annum), and are due at call. Movements in the balance of the loans during the period were as follows.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			30 June 2012
	31 December 2011	Increase	Translation adjustment	
Short-term loans to a subsidiary				
Precious Shipping (Singapore) Pte. Limited	<u>2,275,428</u>	<u>165,142</u>	<u>3,674</u>	<u>2,444,244</u>

7. Long-term loan to jointly controlled entity

As at 30 June 2012, long-term loan to jointly controlled entity is in the form of promissory note in US Dollar, amounting to USD 8.55 million (31 December 2011: USD 8.55 million), has no interest, and is due at call. However, the Company does not intend to call for the loan repayment in the foreseeable future; therefore, the loan is classified as long-term loan. The loan represents Company's contribution (in lieu of equity capital) to the jointly controlled entity in proportion with the Company's shareholding (50%) in the jointly controlled entity. An equal amount is also received by the jointly controlled entity from the other partner shareholder. These loans have been made to enable the 3 SPC subsidiaries of the jointly controlled entity to pay the installments due to the shipbuilder. Movements in the balance of the loan during the period were as follows.

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2011	Translation adjustment	30 June 2012
Long-term loan to jointly controlled entity			
Associated Bulk Carriers Pte. Limited	<u>270,960</u>	<u>1,153</u>	<u>272,113</u>

(Unaudited but reviewed)

8. 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		Cost		Dividend received	
	30	31	percentage		30	31	For the six-month	
	June	December	June	December	June	December	periods ended 30 June	
	2012	2011	2012	2011	2012	2011	2012	2011
			%	%				
Precious Metals Limited	275,000	250,000	99.99	99.99	337,219	310,698	-	-
Precious Wishes Limited	230,000	230,000	99.99	99.99	287,059	285,842	32,200	23,000
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	268,148	267,012	31,200	5,200
Precious Minerals Limited	230,000	230,000	99.99	99.99	243,835	242,802	23,000	4,600
Precious Lands Limited	84,000	84,000	99.99	99.99	78,420	78,088	-	-
Precious Rivers Limited	234,000	234,000	99.99	99.99	202,826	201,966	35,100	46,800
Precious Lakes Limited	99,000	99,000	99.99	99.99	89,855	89,474	-	-
Precious Seas Limited	100,000	100,000	99.99	99.99	124,808	124,279	30,000	51,999
Precious Stars Limited	105,000	105,000	99.99	99.99	131,048	130,493	21,000	10,500
Precious Oceans Limited	175,000	175,000	99.99	99.99	218,414	217,488	-	36,750
Precious Planets Limited	270,000	100,000	99.99	99.99	296,157	124,279	-	-
Precious Diamonds Limited	205,000	205,000	99.99	99.99	185,415	184,630	51,250	92,250
Precious Sapphires Limited	144,000	144,000	99.99	99.99	125,796	125,262	14,400	57,600
Precious Emeralds Limited	366,000	366,000	99.99	99.99	301,639	300,361	-	36,600
Precious Rubies Limited	84,000	84,000	99.99	99.99	78,420	78,088	-	-
Precious Opals Limited	74,000	74,000	99.99	99.99	70,343	70,044	-	-
Precious Garnets Limited	379,000	379,000	99.99	99.99	311,122	309,803	-	7,580
Precious Pearls Limited	173,000	73,000	99.99	99.99	177,699	75,817	-	-
Precious Flowers Limited	336,000	76,000	99.99	99.99	342,618	78,230	-	-
Precious Forests Limited	96,000	96,000	99.99	99.99	95,159	94,755	-	-
Precious Trees Limited	202,000	80,000	99.99	99.99	207,938	81,886	-	-
Precious Ponds Limited	84,000	84,000	99.99	99.99	81,943	81,595	-	-
Precious Ventures Limited	202,000	80,000	99.99	99.99	225,550	99,423	-	-
Precious Capitals Limited	200,000	200,000	99.99	99.99	249,616	248,558	-	40,000
Precious Jasmines Limited	147,000	147,000	99.99	99.99	169,587	168,869	-	-
Precious Orchids Limited	217,000	217,000	99.99	99.99	191,640	190,827	-	2,170
Precious Lagoons Limited	140,000	140,000	99.99	99.99	174,731	173,990	-	35,000
Precious Cliffs Limited	140,000	140,000	99.99	99.99	174,731	173,990	-	23,800
Precious Hills Limited	140,000	140,000	99.99	99.99	174,731	173,990	26,600	28,000
Precious Mountains Limited	140,000	140,000	99.99	99.99	174,731	173,990	-	7,000
Precious Resorts Limited	140,000	140,000	99.99	99.99	174,731	173,990	-	7,000
Precious Cities Limited	170,000	170,000	99.99	99.99	198,692	197,849	-	42,500
Precious Comets Limited	71,100	71,100	99.99	99.99	57,477	57,233	-	-
Precious Ornaments Limited	68,100	68,100	99.99	99.99	55,053	54,820	-	-
Nedtex Limited	2,500	2,500	69.99	69.99	809	806	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	For the six-month periods ended 30 June	
			%	%			2012	2011
Precious Storage Terminals Limited	6,000	6,000	69.99	69.99	5,241	5,219	-	-
Thebes Pte. Limited	0.0365	0.0365	100.00	100.00	-	-	-	-
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	318	317	-	-
Precious Shipping (Mauritius) Limited	250	250	100.00	100.00	318	317	-	-
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	333,873	332,457	-	-
Precious Shipping (UK) Limited	250	250	99.99	99.99	318	317	-	-
Great Circle Shipping Agency Limited	210,000	100,000	99.99	99.99	345,128	230,226	-	-
Precious Projects Pte. Limited	0.0345	0.0345	100.00	100.00	-	-	-	-
Total investments in subsidiaries					6,963,156	6,010,080	264,750	558,349
Less: Allowance for loss on investments in subsidiaries					(6,369)	(6,342)		
Total investments in subsidiaries - net					6,956,787	6,003,738		

The Company offsets the dividend income against amounts receivables from/payables to subsidiaries in the statements of financial position.

The change in cost of investments in subsidiaries other than the changes below in the investments is from the exchange differences on translation of functional currency to presentation currency.

During the six-month period ended 30 June 2012, the Company subscribed and paid for newly issued ordinary shares of subsidiaries as detailed below.

Subsidiaries' name	Date of payment for newly issued new ordinary shares	New ordinary shares		
		Par value	No. of shares	Total value
		(Baht)	(Million Shares)	(Million Baht)
Precious Metals Limited	24 February 2012	100.00	0.25	25.00
Precious Planets Limited	24 February 2012	100.00	1.70	170.00
Great Circle Shipping Agency Limited	15 March 2012	100.00	1.10	110.00
Precious Ventures Limited	23 May 2012	100.00	1.22	122.00
Precious Trees Limited	23 May 2012	100.00	1.22	122.00
Precious Pearls Limited	27 June 2012	100.00	1.00	100.00
Precious Flowers Limited	27 June 2012	100.00	2.60	260.00

(Unaudited but reviewed)

9. Investment in joint venture

9.1 Details of investment in joint venture

Investment in joint venture represents investment under joint venture agreement in Associated Bulk Carriers Pte. Limited ("the ABC Company") which is jointly controlled by the Company and Varada Marine Pte. Limited for the purpose of owning and operating cement carriers. Details of the investment are as follows.

(Unit: Baht)

Jointly controlled entity's name	Nature of business	Separate financial statements					
		Shareholding percentage		Cost		Carrying amounts based on cost method	
		30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011
		%	%				
Associated Bulk Carriers Pte. Limited	Holding company	50	50	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>

The change in cost of investment in joint venture is from the exchange differences on translation of functional currency to presentation currency.

9.2 Summarised financial information of jointly controlled entity

The consolidated financial statements include the Company's proportionate shares of the assets, liabilities, revenues and expenses of Associated Bulk Carriers Pte. Limited, according to the proportion under the joint venture agreement as follows.

(Unit: Thousand Baht)

	30 June 2012	31 December 2011
Cash and cash equivalents	6,049	12,174
Other current assets	1,020	1,016
Advances for vessel constructions	558,616	455,719
Deferred financial fees	13,755	3,289
Other non-current assets	21,642	10,304
Total assets	<u>601,082</u>	<u>482,502</u>
Trade and other payables	2,878	1,860
Current portion of long-term loan	-	8,893
Long term loan - net of current portion	<u>178,793</u>	<u>168,969</u>
Total liabilities	<u>181,671</u>	<u>179,722</u>
Net assets	<u>419,411</u>	<u>302,780</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2012	2011	2012	2011
Revenues	1	1	4	2
Administrative expenses	(278)	(119)	(380)	(202)
Exchange gain (loss)	5	(3)	(2)	(3)
Finance cost	(13)	(786)	2,882	(2,307)
Profit (loss) for the period	<u>(285)</u>	<u>(907)</u>	<u>2,504</u>	<u>(2,510)</u>

10. Investment in associate held by a subsidiary

10.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

Consolidated financial statements									
Associate's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		
			30 June	31 December	30 June	31 December	30 June	31 December	
			2012	2011	2012	2011	2012	2011	
			%	%					
International Seaports (Haldia) Private Limited	Berth construction and development	India	22.40	22.40	<u>64,850</u>	<u>64,576</u>	<u>99,400</u>	<u>111,681</u>	

The change in cost of investment in associate held by a subsidiary is from the exchange differences on translation of functional currency to presentation currency.

(Unit: Thousand Baht)

Consolidated financial statements				
Share of loss from investment in associate held by a subsidiary				
Associate's name	For the three-month periods ended		For the six-month periods ended	
	30 June		30 June	
	2012	2011	2012	2011
International Seaports (Haldia) Private Limited	<u>6,785</u>	<u>880</u>	<u>10,891</u>	<u>1,343</u>

(Unaudited but reviewed)

Shares of loss from investment in associate held by a subsidiary for the three-month and six-month periods ended 30 June 2012 and 2011, included in the consolidated income statements, were recorded based on the audited financial statements for the years ended 31 March 2012 and 2011, respectively.

10.2 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		Loss for the six-month	
	31 March		31 March		31 March		the six-month		periods ended	
	2012	2011	2012	2011	2012	2011	31 March		31 March	
	Thousand INR	Thousand INR					2012	2011	2012	2011
International Seaports										
(Haldia) Private Limited	440,580	440,580	610,410	745,689	166,659	187,778	126,020	194,714	48,622	5,995

11. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2012	9,445,533	6,735
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses during period - at cost	2,412,666	2,117
Write-off during period - net book value at write-off date	(15)	(15)
Transfer from advances for vessel constructions	917,527	-
Depreciation for period	(422,423)	(2,057)
Translation adjustment	134,731	13
Net book value as at 30 June 2012	12,488,019	6,793

12. Intangible assets

Movements of intangible assets account which are computer software during the six-month period ended 30 June 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2012	22,782	22,725
Amortisation for period	(4,635)	(4,629)
Translation adjustment	(12)	(12)
Net book value as at 30 June 2012	18,135	18,084

(Unaudited but reviewed)

13. Advances for vessel constructions

Movements of the advances for vessel constructions account during the six-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2012	7,899,189	5,815,021
Additions	839,798	138,970
Interest costs and commitment fees	46,804	15,117
Amortisation of financial fees	737	567
Other direct costs	49,389	22,286
Transfer to cost of vessel and equipment of a subsidiary	(917,527)	(917,527)
Translation adjustment	21,448	(2,349)
Balance as at 30 June 2012	7,939,838	5,072,085
Less: Current portion of advances for vessel constructions	(1,333,304)	(1,333,304)
Advance for vessel constructions - net of current portion	6,606,534	3,738,781

During the six-month period ended 30 June 2012, the Group made payment of installments to the shipbuilders as below.

	(Million USD)	(Equivalent to Million Baht)
The Company	4.53	138.97
Subsidiaries	19.60	613.30
Jointly controlled entity - proportion with the Company's shareholding (50%)	2.85	87.53
Total	26.98	839.80

During the six-month period ended 30 June 2012, the amounts of borrowing costs capitalised were Baht 46.80 million in the consolidated financial statements and Baht 15.12 million in the separate financial statements. The weighted average capitalisation rates used to determine the amount of borrowing costs eligible for capitalisation were 1.67% - 2.97% in the consolidated financial statements and 1.67% - 1.78% in the separate financial statements.

Novation of new Shipbuilding Contracts

Novation of the Shipbuilding Contracts for the Vessel Hull No. 333 and Hull No. 315 were signed on 21 December 2011 and 25 January 2012, respectively. Under the terms of the Novation, the New Buyer shall pay to the Company as follows.

Novation Agreement for Hull No.	If the payment is made on Initial Payment Date (31 May 2012)	If the payment is made during the Extended Payment Period (1 - 20 June 2012)
Hull No. 333	An amount equal to USD 22,839,174	Aforesaid amount (USD 22,839,174) plus interest accrued on an amount of USD 17,999,997 (installments paid to the Builder) at a rate of 7.50% per annum from 31 May 2012 to the date of such payment. Therefore, if the payment is made on the last date of the Extended Payment Period above on 20 June 2012, the maximum total amount will be USD 22,913,147
Novation Agreement for Hull No.	If the payment is made on Initial Payment Date (10 July 2012)	If the payment is made during the Extended Payment Period (11 - 26 July 2012)
Hull No. 315	An amount equal to USD 28,158,052	Aforesaid amount (USD 28,158,052) plus interest accrued on an amount of USD 22,799,998 (installments paid to the Builder) at a rate of 7.50% per annum from 10 July 2012 to the date of such payment. Therefore, if the payment is made on the last date of the Extended Payment Period above on 26 July 2012, the maximum total amount will be USD 28,233,011

On 3 July 2012, the Company received part of the proceeds from its novation of the New Shipbuilding Contract of Hull No. 333, amounting to USD 10.00 million or approximately Baht 316.54 million. The Company is in discussion with the new buyer and the shipbuilder with respect to the balance of the proceeds.

However, with respect to the installments paid for the vessel construction, the Company still holds valid letters of guarantee from overseas banks, guaranteeing the refund of installments paid (with certain interest rates) in case of a failure by the New Buyer or Builder to perform in accordance with the Novation Agreement and/or the Shipbuilding Contract.

Delivery of vessel under the new Shipbuilding Contract

On 26 March 2012, the second vessel (Hull No. 334) under the Newbuilding Contracts with ABG Shipyard Ltd., India was completed and delivered to the Company's indirect subsidiary incorporated in Singapore (Precious Fragrance Pte. Limited). The Company, therefore, transferred advances for vessel construction and other direct costs which were relevant to the vessel, totaling USD 29.88 million or approximately Baht 917.53 million, and recorded as cost of vessel and equipment of the aforesaid indirect subsidiary.

14. Deferred financial fees

Movements of the deferred financial fees account during the six-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2012	211,832	168,155
Additions	48,059	35,318
Transfer to present as a deduction against long-term loans	(45,268)	(1,221)
Transfer to subsidiaries as borrowers	-	(44,047)
Write-off deferred financial fee due to cancellation of loan facility	(24,318)	(24,318)
Translation adjustment	578	(27)
Balance as at 30 June 2012	<u>190,883</u>	<u>133,860</u>

(Unaudited but reviewed)

15. Long-term loan facilities

As at 30 June 2012 and 31 December 2011, 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 1		Total	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Long-term loans	2,475,578	2,782,249	181,409	180,640	5,361,544	4,189,231	8,018,531	7,152,120
Less: Deferred financial fees	(14,170)	(15,536)	(2,616)	(2,778)	(140,980)	(107,431)	(157,766)	(125,745)
Total	2,461,408	2,766,713	178,793	177,862	5,220,564	4,081,800	7,860,765	7,026,375
Less: Current portion of long-term loans	(84,143)	(329,924)	-	(8,893)	(327,541)	(379,732)	(411,684)	(718,549)
Long-term loans - net of current portion	2,377,265	2,436,789	178,793	168,969	4,893,023	3,702,068	7,449,081	6,307,826

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements	
	Loan facilities for financing the construction and acquisition of new vessels	
	Facility 1	
	30 June 2012	31 December 2011
Total long-term loans	1,349,426	2,155,001
Less: Deferred financial fees	(6,449)	(11,399)
Total	1,342,977	2,143,602
Less: Current portion of long-term loans	(6,331)	(286,951)
Long-term loans - net of current portion	1,336,646	1,856,651

Movements in the long-term loan accounts during the six-month period ended 30 June 2012 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	
	Facility 1	Facility 2	Facility 1	Total
Balance as at 1 January 2012	2,766,713	177,862	4,081,800	7,026,375
Add: Drawdown	565,093	-	1,535,580	2,100,673
Amortisation of financial fees	1,503	170	12,290	13,963
Write-off deferred financial fee due to cancellation of loan facility	1,125	-	-	1,125
Less: Deferred financial fees	(1,221)	-	(44,047)	(45,268)
Repayment	(874,358)	-	(422,785)	(1,297,143)
Unrealised exchange gain	-	-	(7,837)	(7,837)
Translation adjustment	2,553	761	65,563	68,877
Balance as at 30 June 2012	2,461,408	178,793	5,220,564	7,860,765

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements
	Loan facilities for financing the construction and acquisition of new vessels
	Facility 1
Balance as at 1 January 2012	2,143,602
Add: Amortisation of financial fees	567
Transfer of deferred financial fee to subsidiary	4,358
Write-off deferred financial fees due to cancellation of loan facility	1,125
Less: Deferred financial fees	(1,221)
Repayment	(786,217)
Translation adjustment	(19,237)
Balance as at 30 June 2012	<u>1,342,977</u>

During the current period, the Group entered into loan facility agreement and amended and restated agreements with banks. Details are as follows.

Loan facility for financing the construction and acquisition of new vessels

Facility 1

Since the Company novated the New Shipbuilding Contract for Vessel Hull No. 315 per details provided in Note 13, the Company issued the Prepayment and Cancellation Notice to Lenders to prepay the loan drawn against the aforesaid Contract and to cancel the undrawn balance loan facility against the aforesaid Contract. The details of the actual prepayment and cancellation are as follows.

Hull No.	Loan Prepayment Amount (USD)	Loan Facility Cancellation Amount (USD)	Prepayment and Cancellation Date
315	7,599,999	22,800,001	25 January 2012

Facility 4

On 15 February 2012, ABC Two Pte. Limited and ABC Three Pte. Limited, SPC subsidiaries of jointly controlled entity, where the Company holds 50% interest, have executed a USD 45.60 million Term Loan Facility with Bangkok Bank Public Company Limited, (Singapore Branch) to finance up to 80% of the Contract Price of two new Cement Carriers ordered by the SPC subsidiaries on 22 April 2010. The loan carries interest at LIBOR plus margin.

Loan facilities for purchasing of vessels

Facility 1

At the end of the year 2011, 4 local subsidiaries had drawn USD 92.00 million and cancelled USD 58.00 million against the Term Loan Facility of USD 200.00 million for acquisition of second-hand vessels which the Company and local subsidiaries entered into vide main agreement dated 18 January 2007 as subsequently amended and restated on 23 February 2009, 29 October 2009 and 5 February 2010, with 3 local Banks. In order to extend the availability period of the balance of USD 50.00 million, on 9 March 2012, the Company and local subsidiaries executed a USD 50.00 million Term Loan Facility on same terms and conditions with one of the three Banks, viz., Thanachart Bank Public Company Limited and the subsidiaries have drawn the whole amount during the period.

On 18 May 2012, 4 local subsidiaries entered into USD Interest Rate Swap Agreements covering interest of the USD outstanding loans, whereby floating interest rates are to be swapped for fixed interest rates. The swap periods and payments are quarterly and correspond to the interest payment schedules of the underlying USD loans. The swap agreements are effective for interest payable during the period from 31 December 2014 to 30 September 2022.

Facility 3

On 17 February 2012, the Company has executed a USD 100 million Term Loan Facility with Export-Import Bank of Thailand to finance up to 80% of the Acquisition Cost of new or second-hand Dry Bulk Vessels that may be acquired by the Company. The loan carries interest at LIBOR plus margin.

(Unaudited but reviewed)

As at 30 June 2012, the Group's bank loan facilities and the undrawn loan balances are summarised below.

(Unit: Million USD)					
Facility	Bank	Borrower	Interest rate per loan agreement	Maximum facility amount per loan agreement	Undrawn loan balance as at 30 June 2012
Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)					
Facility 1	DNB NOR Bank ASA (Singapore Branch) and 5 other banks, total 6 banks	The Company and subsidiaries	LIBOR + margin	217.60	175.20
Facility 2	NIBC Bank Ltd., Singapore	ABC One Pte. Limited (a SPC subsidiary of the jointly controlled entity)	LIBOR + margin	22.80	11.40
Facility 3	ING Bank N.V. (Singapore Branch) and DNB NOR Bank ASA (Singapore Branch)	4 indirect subsidiaries in Singapore	LIBOR + margin	84.96	84.96
Facility 4	Bangkok Bank PCL (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited (SPC subsidiaries of the jointly controlled entity)	LIBOR + margin	45.60	45.60

(Unaudited but reviewed)

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan agreement	Maximum facility amount per loan agreement	Undrawn loan balance as at 30 June 2012
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	200.00	-
Facility 2	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch and 3 other banks, total 4 banks	The Company and subsidiaries	LIBOR + margin	200.00	200.00
Facility 3	Export-Import Bank of Thailand	The Company and subsidiaries	LIBOR + margin	100.00	100.00

Under the loan facility for financing the construction and acquisition of new vessels (Facility 2), the Company holds 50% of the total shareholding in the SPC subsidiary of the jointly controlled entity, the maximum facility amount per Loan Agreement and the undrawn loan balance as at 30 June 2012 of the Company's portion is USD 11.40 million and USD 5.70 million, respectively.

Under the loan facility for financing the construction and acquisition of new vessels (Facility 4), the Company holds 50% of the total shareholding in the SPC subsidiaries of the jointly controlled entity, the maximum facility amount per Loan Agreement and the undrawn loan balance as at 30 June 2012 of the Company's portion is USD 22.80 million and USD 22.80 million, respectively.

16. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (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.

17. Segment information

The Group's operations involve the business of owning and internationally operating (chartering) small handy sized and supramax dry 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.

(Unaudited but reviewed)

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, as under:

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 30 June										
	Time charter		Voyage charter		Total		Elimination		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Hire income	607,129	545,985	-	-	607,129	545,985	(12,848)	(12,374)	594,281	533,611
Freight income	-	-	407,229	306,606	407,229	306,606	(10,641)	(28,610)	396,588	277,996
Total vessel operating income	607,129	545,985	407,229	306,606	1,014,358	852,591	(23,489)	(40,984)	990,869	811,607
Voyage disbursements	-	-	(84,029)	(74,940)	(84,029)	(74,940)	23,489	40,984	(60,540)	(33,956)
Bunker consumption	-	-	(185,323)	(67,792)	(185,323)	(67,792)	-	-	(185,323)	(67,792)
Total voyage expenses	-	-	(269,352)	(142,732)	(269,352)	(142,732)	23,489	40,984	(245,863)	(101,748)
Net vessel operating income/time charter equivalent income	607,129	545,985	137,877	163,874	745,006	709,859	-	-	745,006	709,859

(Unit: Thousand Baht)

Consolidated financial statements										
For the six-month periods ended 30 June										
	Time charter		Voyage charter		Total		Elimination		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Hire income	1,065,041	1,135,963	-	-	1,065,041	1,135,963	(25,014)	(24,758)	1,040,027	1,111,205
Freight income	-	-	775,253	549,670	775,253	549,670	(36,860)	(116,833)	738,393	432,837
Total vessel operating income	1,065,041	1,135,963	775,253	549,670	1,840,294	1,685,633	(61,874)	(141,591)	1,778,420	1,544,042
Voyage disbursements	-	-	(169,457)	(194,463)	(169,457)	(194,463)	61,874	141,591	(107,583)	(52,872)
Bunker consumption	-	-	(340,084)	(114,241)	(340,084)	(114,241)	-	-	(340,084)	(114,241)
Total voyage expenses	-	-	(509,541)	(308,704)	(509,541)	(308,704)	61,874	141,591	(447,667)	(167,113)
Net vessel operating income/time charter equivalent income	1,065,041	1,135,963	265,712	240,966	1,330,753	1,376,929	-	-	1,330,753	1,376,929

18. Dividend

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 six-month period ended 30 June 2012 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
a) Interim dividend based on the retained earnings as of 31 March 2012	Board of Directors' meeting on 14 May 2012	1,039,380,297	140,303	0.10	103.94	12 June 2012
b) Final dividend based on the retained earnings as of 31 December 2011	Annual General Meeting of the shareholders on 26 March 2012	1,039,382,300	138,300	0.15	155.91	5 April 2012
Total				<u>0.25</u>	<u>259.85</u>	

19. Commitments and contingent liabilities

19.1 Vessel building contracts commitments

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

	30 June 2012		31 December 2011	
	(Million USD)	(Equivalent to Million Baht)	(Million USD)	(Equivalent to Million Baht)
The Company	247.20	7,867.41	268.40	8,505.92
Subsidiaries	34.30	1,091.64	53.90	1,708.15
Jointly controlled entity - proportion with the Company's shareholding (50%)	25.65	816.34	28.50	903.20
Total	307.15	9,775.39	350.80	11,117.27

19.2 Obligations in respect of charges for management of the undrawn portion of loan facilities

As at 30 June 2012, 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 30 June 2012 (Million USD)	Terms of payment of commitment fees	Payable upto
Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)				
Facility 1	0.35% per annum of undrawn loan balance	175.20	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 2	1.20% per annum of undrawn loan balance	11.40	Every three months until the end of the drawdown period	Upon delivery of the vessel
Facility 3	1.15% per annum of undrawn loan balance	84.96	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 4	1.20% per annum of undrawn loan balance	45.60	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	200.00	Every three months until the end of the drawdown period	30 June 2012
Facility 3	0.70% per annum of undrawn loan balance	100.00	Every three months until the end of the drawdown period	31 December 2012

Since the Company holds 50% of the total shareholding in the SPC subsidiaries of the jointly controlled entity, the undrawn loan balance of loan facility for financing the construction and acquisition of new vessels under Facility 2 and Facility 4 of the Company's portion is 50% of the undrawn loan balance.

As explained in Note 20.1 to the financial statements, the Company signed the Amending and Restating Agreement of Loan Facility for purchasing of vessels Facility 2 on 19 July 2012.

19.3 Uncalled portion of other long-term investment

As at 30 June 2012, 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 2011: Baht 10.13 million).

19.4 Long-term time charter commitments

Pursuant to a Memorandum of Understanding signed in October 2009, on 2 December 2009, the Company signed Long-Term Time Charter Contracts with a company incorporated in India (the charterer) for 4 (3 definite vessels, plus an additional vessel at Charterer's option to be declared within 30 September 2012) 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.

In 2011, the Company has nominated the 3 Long-Term Charter Contracts (3 definite vessels) to each SPC subsidiary of the jointly controlled entity. Since the Company holds 50% of the total shareholding in each SPC subsidiary (through the jointly controlled entity), the Company's portion is 50% of the commitments.

As at 30 June 2012, ABC One Pte. Limited (a SPC subsidiary of the jointly controlled entity) has paid the fine payable to the charterer due to the delay of vessel delivery amounting to USD 1.36 million or approximately Baht 43.28 million (31 December 2011: USD 0.65 million or approximately Baht 20.60 million). The Company's portion is 50% of the amount, which is USD 0.68 million or approximately Baht 21.64 million (31 December 2011: USD 0.33 million or approximately Baht 10.30 million) included in

other non-current assets in the consolidated statement of financial position. This amount will be deducted from the final payment to the shipbuilder, as stipulated in the shipbuilding agreement ordered by ABC One Pte. Limited (a SPC subsidiary of the jointly controlled entity).

20. Events after the reporting period

20.1 The availability period of Loan Facility for purchasing of vessels Facility 2 expired on 30 June 2012. Subsequently, on 19 July 2012, the Company has executed the Amending and Restating Agreement no. 2 of the Secured Term Loan Facility Agreement for the extension of the availability period of the Facility up to 30 June 2013, an increase in the margin and the withdrawal of one local Bank as one of the original Lenders, thereby reducing the amount of the total Loan Facility to USD 150.00 million.

20.2 On 24 July 2012, the Company and the Company's subsidiaries in Singapore have executed the Fourth Supplemental Deed to the Loan Facility for financing the construction and acquisition of new vessels Facility 1 to prepay the loan drawn against the new Shipbuilding Contract of Vessel Hull No. 316 amounting to USD 7,599,999 and to cancel the undrawn balance Loan Facility against the aforesaid Vessel.

21. Functional currency financial statements

The USD functional currency statements of financial position as at 30 June 2012 and 31 December 2011 and the income statements for the three-month and six-month periods ended 30 June 2012 and 2011 are as follows.

Precious Shipping Public Company Limited and subsidiaries Statements of financial position

	Consolidated		(Unit: Thousand USD) Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	69,016	138,042	46,351	85,813
Current investment	-	-	-	-
Trade and other receivables	7,007	3,947	26,732	24,358
Short-term loans to a subsidiary	-	-	76,800	71,800
Current portion of advances for vessel constructions	41,893	41,882	41,893	41,882
Bunker oil	1,766	2,176	-	-

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries
Statements of financial position (continued)

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Other current assets				
Advances to vessel masters	2,803	1,997	-	-
Claim recoverables	407	591	-	-
Others	1,470	1,372	406	438
Total other current assets	4,680	3,960	406	438
Total current assets	124,362	190,007	192,182	224,291
Non-current assets				
Investments in subsidiaries	-	-	218,588	189,445
Investment in joint venture	-	-	-	-
Investment in associate held by a subsidiary	3,123	3,524	-	-
Other long-term investment	260	260	260	260
Long-term loan to jointly controlled entity	-	-	8,550	8,550
Receivables from cross currency swap contracts	1,292	1,538	-	-
Property, plant and equipment	392,383	298,049	213	213
Intangible assets	570	719	568	717
Other non-current assets				
Claim recoverables - maritime claims	1,910	1,312	-	-
Advances for vessel purchase	-	12,500	-	-
Advances for vessel constructions - net of current portion	207,582	207,373	117,475	141,608
Deferred financial fees	5,998	6,684	4,206	5,306
Others	774	419	76	76
Total other non-current assets	216,264	228,288	121,757	146,990
Total non-current assets	613,892	532,378	349,936	346,175
Total assets	738,254	722,385	542,118	570,466
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade accounts payable	2,445	1,046	18	17
Advances received from related parties	-	-	112,161	108,250
Accrued crew accounts	1,951	1,504	-	-
Accrued expenses	3,697	1,882	134	171
Current portion of accrued employee bonus	1,253	2,107	1,156	1,942
Total trade and other payables	9,346	6,539	113,469	110,380
Advances received from charterers	1,600	2,721	-	-
Current portion of long-term loans	12,935	22,673	199	9,055
Income tax payable	79	16	-	-

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries
 Statements of financial position (continued)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Other current liabilities				
Withholding tax payable	347	448	308	403
Others	531	648	246	306
Total other current liabilities	878	1,096	554	709
Total current liabilities	24,838	33,045	114,222	120,144
Non-current liabilities				
Accrued employee bonus - net of current portion	423	1,704	390	1,572
Long-term loans - net of current portion	234,056	199,040	41,998	58,586
Provision for maritime claims	2,700	2,040	-	-
Provision for long-term employee benefits	2,071	1,989	1,879	1,799
Total non-current liabilities	239,250	204,773	44,267	61,957
Total liabilities	264,088	237,818	158,489	182,101
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	14,285	14,285	-	-
Corporate social responsibility reserve	500	473	500	473
Unappropriated	401,479	410,813	324,065	328,828
Other components of shareholders' equity	(1,165)	(1,113)	-	-
Equity attributable to owner of the Company	474,163	483,522	383,629	388,365
Non-controlling interests of the subsidiaries	3	1,045	-	-
Total shareholders' equity	474,166	484,567	383,629	388,365
Total liabilities and shareholders' equity	738,254	722,385	542,118	570,466

(Unaudited but reviewed)

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries**Income statements****For the three-month periods ended 30 June 2012 and 2011**

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Revenues				
Vessel operating income				
Hire income	18,876	17,593	-	-
Freight income	12,596	9,165	-	-
Total vessel operating income	31,472	26,758	-	-
Service income	48	43	570	424
Gains of sales of new shipbuilding under				
Novation Agreement	-	6,214	-	6,214
Interest income	173	157	214	153
Exchange gains	55	103	70	111
Other income	-	-	-	-
Dividend received	-	17	8,448	10,130
Total revenues	31,748	33,292	9,302	17,032
Expenses				
Vessel operating costs				
Vessel running expenses	10,078	6,658	-	-
Voyage disbursements	1,923	1,120	-	-
Bunker consumption	5,886	2,235	-	-
Total vessel operating costs	17,887	10,013	-	-
Depreciation	7,312	5,158	30	40
Cost of services	60	88	-	-
Administrative expenses	1,380	1,525	1,139	1,279
Management remuneration including perquisites	663	823	636	777
Bad debts and doubtful accounts	6	4	-	-
Total expenses	27,308	17,611	1,805	2,096
Profit before share of loss from investment in associate, finance cost and corporate income tax	4,440	15,681	7,497	14,936
Share of loss from investment in associate held by a subsidiary	(215)	(29)	-	-
Profit before finance cost and corporate income tax	4,225	15,652	7,497	14,936
Finance cost	(3,730)	(2,412)	(1,447)	(1,570)
Profit before corporate income tax	495	13,240	6,050	13,366
Corporate income tax	(47)	(11)	-	-
Profit for the period	448	13,229	6,050	13,366
Profit attributable to:				
Equity holders of the Company	418	13,230	6,050	13,366
Non-controlling interests of the subsidiaries	30	(1)	-	-
Profit for the period	448	13,229	6,050	13,366
				(Unit: USD)
Basic earnings per share				
Profit attributable to equity holders of the Company	0.0004	0.0127	0.0058	0.0129

(Unaudited but reviewed)

(Unaudited but reviewed)

Precious Shipping Public Company Limited and subsidiaries**Income statements****For the six-month periods ended 30 June 2012 and 2011**

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Revenues				
Vessel operating income				
Hire income	33,390	36,416	-	-
Freight income	23,726	14,211	-	-
Total vessel operating income	57,116	50,627	-	-
Service income	92	87	1,082	836
Gains on sales of equipment	-	45	-	45
Gains of sales of new shipbuilding under Novation Agreement	-	6,214	-	6,214
Interest income	400	378	436	372
Other income	-	-	-	-
Dividend received	-	17	8,448	18,350
Total revenues	57,608	57,368	9,966	25,817
Expenses				
Vessel operating costs				
Vessel running expenses	18,713	13,719	-	-
Voyage disbursements	3,455	1,736	-	-
Bunker consumption	10,925	3,749	-	-
Total vessel operating costs	33,093	19,204	-	-
Depreciation	13,571	10,325	66	80
Cost of services	93	124	-	-
Administrative expenses	2,767	3,113	2,372	2,627
Management remuneration including perquisites	1,322	1,665	1,267	1,577
Bad debts and doubtful accounts	634	4	-	-
Exchange losses	22	192	83	129
Total expenses	51,502	34,627	3,788	4,413
Profit before share of loss from investment in associate, finance cost and corporate income tax	6,106	22,741	6,178	21,404
Share of loss from investment in associate held by a subsidiary	(349)	(44)	-	-
Profit before finance cost and corporate income tax	5,757	22,697	6,178	21,404
Finance cost	(6,554)	(5,776)	(2,522)	(4,143)
Profit (loss) before corporate income tax	(797)	16,921	3,656	17,261
Corporate income tax	(71)	(105)	-	-
Profit (loss) for the period	(868)	16,816	3,656	17,261
Profit (loss) attributable to:				
Equity holders of the Company	(916)	16,770	3,656	17,261
Non-controlling interests of the subsidiaries	48	46	-	-
Profit (loss) for the period	(868)	16,816	3,656	17,261
				(Unit: USD)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company	(0.0009)	0.0161	0.0035	0.0166

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 26 July 2012.