

Precious Shipping Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 2015

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 2015, the related consolidated statements of income, and comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Precious Shipping Public Company Limited for the same periods. 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*.

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

EY Office Limited

Bangkok: 3 August 2015

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2015 (Unaudited but reviewed)	31 December 2014 (Audited)	30 June 2015 (Unaudited but reviewed)	31 December 2014 (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,936,085	535,002	1,574,201	84,077
Current investment	3	-	-	-	-
Trade and other receivables	4, 5	259,486	317,561	1,946,347	1,503,991
Short-term loans to a subsidiary	6	-	-	1,594,265	1,661,335
Bunker oil		80,556	115,496	-	-
Other current assets					
Advances to vessel masters		120,682	134,795	-	-
Claim recoverables		40,178	30,380	-	-
Others		65,012	39,524	17,594	15,561
Total other current assets		225,872	204,699	17,594	15,561
Total current assets		2,501,999	1,172,758	5,132,407	3,264,964
Non-current assets					
Long-term loans to a subsidiary	7	-	-	327,703	319,807
Investments in subsidiaries	8	-	-	8,312,215	8,110,938
Investment in associate held by a subsidiary	9	86,163	95,582	-	-
Other long-term investment	10	19,170	13,732	19,170	13,732
Property, plant and equipment	11	23,684,543	22,070,925	4,309	5,448
Intangible assets		2,357	2,795	2,344	2,776
Other non-current assets					
Claim recoverables - maritime claims		158,473	144,524	-	-
Advances for vessel constructions	12	4,147,603	4,014,210	4,136,200	3,660,903
Deferred financial fees	13	176,634	124,191	176,634	120,954
Deferred contract costs	14, 21.3	267,730	266,734	-	-
Others		3,097	3,077	2,395	2,396
Total other non-current assets		4,753,537	4,552,736	4,315,229	3,784,253
Total non-current assets		28,545,770	26,735,770	12,980,970	12,236,954
Total assets		31,047,769	27,908,528	18,113,377	15,501,918

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements			
	30 June 2015 (Unaudited but reviewed)	31 December 2014 (Audited)	30 June 2015 (Unaudited but reviewed)	31 December 2014 (Audited)		
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables						
	Trade and other payables	5	86,241	128,024	1,385	98,394
	Advances received from related parties	5	-	-	1,341,941	1,403,844
	Accrued crew accounts		117,376	113,499	-	-
	Accrued expenses		203,409	155,652	10,704	21,976
	Accrued employee bonus		15,764	14,160	13,685	12,901
	Total trade and other payables		422,790	411,335	1,367,715	1,537,115
	Advances received from charterers		37,546	17,214	-	-
	Current portion of long-term loans	15	4,821,036	811,972	491,701	-
	Income tax payable		1,478	3,733	-	-
	Other current liabilities		19,705	21,662	6,569	6,175
	Total current liabilities		5,302,555	1,265,916	1,865,985	1,543,290
Non-current liabilities						
	Payables to cross currency swap contracts		24,961	2,439	-	-
	Long-term loans - net of current portion	15	8,406,372	11,101,330	-	36,410
	Provision for maritime claims	16	209,323	181,705	-	-
	Provision for long-term employee benefits		76,001	73,285	69,467	66,728
	Total non-current liabilities		8,716,657	11,358,759	69,467	103,138
	Total liabilities		14,019,212	12,624,675	1,935,452	1,646,428

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2015 (Unaudited but reviewed)	31 December 2014 (Audited)	30 June 2015 (Unaudited but reviewed)	31 December 2014 (Audited)
Shareholders' equity					
Share capital	17				
Registered share capital					
1,611,256,930 ordinary shares of Baht 1 each (31 December 2014: 1,039,520,600 ordinary shares of Baht 1 each)		1,611,257	1,039,521	1,611,257	1,039,521
Issued and paid-up share capital					
1,559,280,897 ordinary shares of Baht 1 each (31 December 2014: 1,039,520,600 ordinary shares of Baht 1 each)		1,559,281	1,039,521	1,559,281	1,039,521
Paid-in capital					
Premium on ordinary shares		1,967,716	411,430	1,967,716	411,430
Premium on treasury stock		172,446	172,446	172,446	172,446
Retained earnings					
Appropriated					
Statutory reserve - the Company		103,952	103,952	103,952	103,952
- subsidiaries		523,320	523,320	-	-
Corporate social responsibility reserve		16,256	16,588	16,256	16,588
Unappropriated		13,169,327	13,907,253	11,477,625	11,618,389
Other components of shareholders' equity		(482,557)	(889,508)	880,649	493,164
Equity attributable to owners of the Company		17,029,741	15,285,002	16,177,925	13,855,490
Non-controlling interests of the subsidiaries		(1,184)	(1,149)	-	-
Total shareholders' equity		17,028,557	15,283,853	16,177,925	13,855,490
Total liabilities and shareholders' equity		31,047,769	27,908,528	18,113,377	15,501,918
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The accompanying notes are an integral part of the financial statements.

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Directors
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(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2015**

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

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenues					
Vessel operating income					
Hire income		657,129	886,630	-	-
Freight income		284,408	226,704	-	-
Total vessel operating income		941,537	1,113,334	-	-
Service income	5	2,278	778	21,063	22,370
Gains on sales of equipment		-	-	5	-
Interest income	5	997	2,782	827	2,014
Exchange gains		-	360	-	207
Dividend received	5, 8	-	-	-	201,900
Other income		-	8	-	8
Total revenues		944,812	1,117,262	21,895	226,499
Expenses					
Vessel operating costs					
Vessel running expenses		547,983	487,008	-	-
Voyage disbursements		61,438	36,956	-	-
Bunker consumption		118,892	87,160	-	-
Total vessel operating costs		728,313	611,124	-	-
Depreciation	11	359,341	301,513	636	617
Cost of services		2,048	1,966	-	-
Losses on sales of vessel	11	12,628	-	-	-
Administrative expenses	5	63,444	50,986	50,351	44,391
Management remuneration including perquisites	5	21,514	26,551	20,111	25,161
Bad debts and doubtful accounts (reversal)		(4,230)	(258)	-	-
Exchange losses		31,832	-	32,141	-
Total expenses		1,214,890	991,882	103,239	70,169
Profit (loss) before share of profit from investment in associate, finance cost and income tax revenue (expense)		(270,078)	125,380	(81,344)	156,330
Share of profit from investment in associate held by a subsidiary	9.1	4,074	1,753	-	-
Profit (loss) before finance cost and income tax revenue (expense)		(266,004)	127,133	(81,344)	156,330
Finance cost		(135,085)	(179,938)	(912)	(96,350)
Profit (loss) before income tax revenue (expense)		(401,089)	(52,805)	(82,256)	59,980
Income tax revenue (expense)		(1,479)	1	-	-
Profit (loss) for the period		(402,568)	(52,804)	(82,256)	59,980

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 30 June 2015

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

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit (loss) attributable to:					
Equity holders of the Company		(402,565)	(52,756)	(82,256)	59,980
Non-controlling interests of the subsidiaries		(3)	(48)	-	-
Profit (loss) for the period		(402,568)	(52,804)	(82,256)	59,980
Basic earnings per share	19				
Profit (loss) attributable to equity holders of the Company		(0.35)	(0.05)	(0.07)	0.05
Weighted average number of ordinary shares (Thousand shares)		1,165,177	1,039,521	1,165,177	1,039,521

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 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit (loss) for the period	<u>(402,568)</u>	<u>(52,804)</u>	<u>(82,256)</u>	<u>59,980</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operation's financial statements	<u>(11,046)</u>	<u>(1,308)</u>	<u>-</u>	<u>-</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(11,046)</u>	<u>(1,308)</u>	<u>-</u>	<u>-</u>
<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	<u>600,631</u>	<u>5,331</u>	<u>558,948</u>	<u>4,301</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>600,631</u>	<u>5,331</u>	<u>558,948</u>	<u>4,301</u>
Other comprehensive income for the period	<u>589,585</u>	<u>4,023</u>	<u>558,948</u>	<u>4,301</u>
Total comprehensive income for the period	<u>187,017</u>	<u>(48,781)</u>	<u>476,692</u>	<u>64,281</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>187,063</u>	<u>(48,756)</u>	<u>476,692</u>	<u>64,281</u>
Non-controlling interests of the subsidiaries	<u>(46)</u>	<u>(25)</u>	<u>-</u>	<u>-</u>
	<u>187,017</u>	<u>(48,781)</u>	<u>476,692</u>	<u>64,281</u>

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

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the six-month period ended 30 June 2015**

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

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenues					
Vessel operating income					
Hire income		1,327,893	1,781,114	-	-
Freight income		594,351	451,499	-	-
Total vessel operating income		1,922,244	2,232,613	-	-
Service income	5	2,977	3,366	41,482	43,787
Gains on sales of vessel and equipment		-	26,976	5	-
Interest income	5	1,033	3,916	831	5,192
Dividend received	5, 8	-	-	-	447,500
Other income		-	35	-	35
Total revenues		1,926,254	2,266,906	42,318	496,514
Expenses					
Vessel operating costs					
Vessel running expenses		1,061,136	937,649	-	-
Voyage disbursements		144,571	66,880	-	-
Bunker consumption		253,894	151,142	-	-
Total vessel operating costs		1,459,601	1,155,671	-	-
Depreciation	11	708,940	598,521	1,251	1,225
Cost of services		2,941	2,897	-	-
Losses on sales of vessel	11	12,628	-	-	-
Administrative expenses	5	123,055	96,737	101,056	84,975
Management remuneration including perquisites	5	50,308	47,736	46,985	45,478
Bad debts and doubtful accounts (reversal)		6,254	(102)	-	-
Exchange losses		30,548	1,771	31,281	2,151
Total expenses		2,394,275	1,903,231	180,573	133,829
Profit (loss) before share of profit from investment in associate, finance cost and income tax revenue (expense)					
		(468,021)	363,675	(138,255)	362,685
Share of profit from investment in associate held by a subsidiary	9.1	1,256	1,916	-	-
Profit (loss) before finance cost and income tax revenue (expense)					
		(466,765)	365,591	(138,255)	362,685
Finance cost		(270,021)	(283,928)	(2,841)	(119,351)
Profit (loss) before income tax revenue (expense)		(736,786)	81,663	(141,096)	243,334
Income tax revenue (expense)		(1,479)	3,162	-	-
Profit (loss) for the period		(738,265)	84,825	(141,096)	243,334

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 six-month period ended 30 June 2015

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

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit (loss) attributable to:					
Equity holders of the Company		(738,258)	86,865	(141,096)	243,334
Non-controlling interests of the subsidiaries		(7)	(2,040)	-	-
Profit (loss) for the period		<u>(738,265)</u>	<u>84,825</u>	<u>(141,096)</u>	<u>243,334</u>
Basic earnings per share	19				
Profit (loss) attributable to equity holders of the Company		<u>(0.67)</u>	<u>0.08</u>	<u>(0.13)</u>	<u>0.23</u>
Weighted average number of ordinary shares (Thousand shares)		<u>1,102,696</u>	<u>1,039,521</u>	<u>1,102,696</u>	<u>1,039,521</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 six-month period ended 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit (loss) for the period	<u>(738,265)</u>	<u>84,825</u>	<u>(141,096)</u>	<u>243,334</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operation's financial statements	<u>(3,804)</u>	<u>2,300</u>	<u>-</u>	<u>-</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(3,804)</u>	<u>2,300</u>	<u>-</u>	<u>-</u>
<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	<u>410,727</u>	<u>(172,905)</u>	<u>387,485</u>	<u>(150,545)</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>410,727</u>	<u>(172,905)</u>	<u>387,485</u>	<u>(150,545)</u>
Other comprehensive income for the period	<u>406,923</u>	<u>(170,605)</u>	<u>387,485</u>	<u>(150,545)</u>
Total comprehensive income for the period	<u><u>(331,342)</u></u>	<u><u>(85,780)</u></u>	<u><u>246,389</u></u>	<u><u>92,789</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>(331,307)</u>	<u>(83,660)</u>	<u>246,389</u>	<u>92,789</u>
Non-controlling interests of the subsidiaries	<u>(35)</u>	<u>(2,120)</u>	<u>-</u>	<u>-</u>
	<u><u>(331,342)</u></u>	<u><u>(85,780)</u></u>	<u><u>246,389</u></u>	<u><u>92,789</u></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 six-month period ended 30 June 2015**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit (loss) before tax	(736,786)	81,663	(141,096)	243,334
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	709,436	599,279	1,740	1,977
Bad debts and doubtful accounts (reversal)	6,254	(102)	-	-
Write-off equipment	-	8	-	8
Losses (gains) on sales of vessel and equipment	12,628	(26,976)	(5)	-
Write-off deferred financial fee	1,929	74,774	1,929	74,774
Amortisation of deferred contract costs	9,088	-	-	-
Share of profit from investment in associate held by a subsidiary	(1,256)	(1,916)	-	-
Provisions for maritime claims	12,573	2,895	-	-
Provision for long-term employee benefits	2,904	2,764	2,738	2,616
Unrealised exchange losses (gains)	272	3,510	(822)	3,172
Amortised financial fees to interest expense	36,008	20,997	-	-
Interest expense	226,268	137,424	-	-
Interest income	-	(1,174)	-	(3,508)
Profit (loss) from operating activities before changes in operating assets and liabilities	279,318	893,146	(135,516)	322,373
Operating assets (increase) decrease				
Trade and other receivables	58,462	(60,777)	(81,241)	29,480
Bunker oil	35,666	1,316	-	-
Other current assets	(16,076)	(1,587)	(2,425)	23,965
Other non-current assets	(3,594)	(67,168)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	102,686	60,333	(99,820)	(337,963)
Advances received from charterers	19,074	(35,675)	-	-
Other current liabilities	(2,600)	(3,079)	299	145
Non-current liabilities	(187)	(17,707)	-	(16,451)
Cash flows from (used in) operating activities	472,749	768,802	(318,703)	21,549
Cash paid for corporate income tax and withholding tax deducted at source	(5,168)	(6,615)	(928)	(1,421)
Net cash flows from (used in) operating activities	467,581	762,187	(319,631)	20,128

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 six-month period ended 30 June 2015**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses	(1,170,146)	(1,120,568)	(6)	(622)
Cash received from sales of vessel and equipment	70,066	46,147	5	-
Cash paid for advances for vessel constructions and other direct costs	(1,205,319)	(2,050,445)	(1,195,143)	(1,775,001)
Cash received from novation/cancellation of shipbuilding contracts	428,898	832,447	428,898	232,032
Cash paid for other long-term investment	(5,065)	(5,065)	(5,065)	(5,065)
Cash paid for investments in a subsidiary	-	-	(1,000)	-
Decrease in short-term loans to a subsidiary	-	-	104,162	-
Decrease in long-term loans to a subsidiary	-	-	-	186,311
Dividend received from associate held by a subsidiary	10,371	5,190	-	-
Interest income	-	1,174	-	3,508
Net cash flows used in investing activities	(1,871,195)	(2,291,120)	(668,149)	(1,358,837)
Cash flows from financing activities				
Cash paid for interest expense and commitment fee	(233,382)	(144,951)	(7,035)	-
Cash paid for deferred financial fees	(72,248)	(25,772)	(72,220)	(17,321)
Cash received from long-term loans	1,560,767	1,255,888	549,416	-
Repayment of long-term loans	(505,830)	(329,159)	(112,010)	-
Prepayment of long-term loans	(69,959)	(136,688)	-	-
Cash received from share capital increase	2,076,046	-	2,076,046	-
Dividend paid to the Company's shareholders	-	(207,878)	-	(207,878)
Dividend paid to non-controlling interests of a subsidiary	-	(9,352)	-	-
Net cash flows from (used in) financing activities	2,755,394	402,088	2,434,197	(225,199)
Increase (decrease) in translation adjustments	49,303	(29,666)	43,707	(16,612)
Net increase (decrease) in cash and cash equivalents	1,401,083	(1,156,511)	1,490,124	(1,580,520)
Cash and cash equivalents at beginning of period	535,002	2,941,784	84,077	2,122,521
Cash and cash equivalents at end of period	1,936,085	1,785,273	1,574,201	542,001
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Dividend income from subsidiaries offset against receivable from/payable to subsidiaries	-	-	-	447,500
Transfer of interest expenses and commitment fee to advance for vessel constructions	7,179	7,478	7,101	-
Amortisation of financial fees to advances for vessel constructions	1,068	-	1,068	-
Transfer of deferred financial fees to present as a deduction from long-term loans	14,275	22,216	2,575	-
Transfer of deferred financial fees to subsidiary in proportion to the drawdown amount	-	-	8,476	-
Transfer of advances for vessel constructions to vessel and equipment of a subsidiary	661,276	616,907	313,430	-

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 six-month period ended 30 June 2015

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to the parent's shareholders												
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Retained earnings			Unappropriated	Exchange differences on translation of financial statements	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 reserve						
				Statutory reserve								
				The Company	Subsidiaries							
Balance as at 1 January 2014	1,039,521	411,430	172,446	103,952	523,320	16,107	14,299,769	(945,956)	15,620,589	10,438	15,631,027	
Dividend payable to the Company's shareholders	-	-	-	-	-	-	(207,878)	-	(207,878)	(9,352)	(217,230)	
Total comprehensive income for the period	-	-	-	-	-	-	86,865	(170,525)	(83,660)	(2,120)	(85,780)	
Appropriated to corporate social responsibility reserve	-	-	-	-	-	698	(698)	-	-	-	-	
Balance as at 30 June 2014	<u>1,039,521</u>	<u>411,430</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>16,805</u>	<u>14,178,058</u>	<u>(1,116,481)</u>	<u>15,329,051</u>	<u>(1,034)</u>	<u>15,328,017</u>	
Balance as at 1 January 2015	1,039,521	411,430	172,446	103,952	523,320	16,588	13,907,253	(889,508)	15,285,002	(1,149)	15,283,853	
Increase in share capital (Note 17)	519,760	1,556,286	-	-	-	-	-	-	2,076,046	-	2,076,046	
Total comprehensive income for the period	-	-	-	-	-	-	(738,258)	406,951	(331,307)	(35)	(331,342)	
Appropriated to corporate social responsibility reserve	-	-	-	-	-	(332)	332	-	-	-	-	
Balance as at 30 June 2015	<u>1,559,281</u>	<u>1,967,716</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>16,256</u>	<u>13,169,327</u>	<u>(482,557)</u>	<u>17,029,741</u>	<u>(1,184)</u>	<u>17,028,557</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 changes in shareholders' equity (continued)

For the six-month period ended 30 June 2015

(Unit: Thousand Baht)

Separate financial statements

	Retained earnings						Other components of shareholders' equity - other comprehensive income	Total shareholders' equity
	Appropriated							
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Statutory reserve	Corporate social responsibility			
					reserve	Unappropriated		
Balance as at 1 January 2014	1,039,521	411,430	172,446	103,952	16,107	11,433,273	429,109	13,605,838
Dividend payable to the Company's shareholders	-	-	-	-	-	(207,878)	-	(207,878)
Total comprehensive income for the period	-	-	-	-	-	243,334	(150,545)	92,789
Appropriated to corporate social responsibility reserve	-	-	-	-	698	(698)	-	-
Balance as at 30 June 2014	1,039,521	411,430	172,446	103,952	16,805	11,468,031	278,564	13,490,749
Balance as at 1 January 2015	1,039,521	411,430	172,446	103,952	16,588	11,618,389	493,164	13,855,490
Increase in share capital (Note 17)	519,760	1,556,286	-	-	-	-	-	2,076,046
Total comprehensive income for the period	-	-	-	-	-	(141,096)	387,485	246,389
Appropriated to corporate social responsibility reserve	-	-	-	-	(332)	332	-	-
Balance as at 30 June 2015	1,559,281	1,967,716	172,446	103,952	16,256	11,477,625	880,649	16,177,925
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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

Precious Shipping Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2015

1. General information

1.1 Corporate information

Precious Shipping Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged as a holding company for investment in the marine transportation business. The registered office of the Company is at Cathay House, 7th Floor, 8 North Sathorn Road, Silom, Bangrak, Bangkok 10500.

1.2 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are presented in Thai Baht which is different from the functional currency of the Company, which is US Dollar. The presentation is in Thai Baht in accordance with the regulatory requirements in Thailand.

The USD functional currency interim financial statements are translated into the Thai Baht presentation currency financial statements at the rate of exchange prevailing at the end of reporting period in respect of assets and liabilities, and at a rate that approximates the actual rate at the date of the transaction in respect of revenues and expenses, differences being recorded as “Exchange differences on translation of financial statements” in other comprehensive income, other component of shareholders' equity.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Precious Shipping Public Company Limited, subsidiaries and associate (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2014. There have been no changes in the composition of the Group during the current period except that the Company had incorporated 1 subsidiary in order to take delivery and own the vessel that was ordered by the Company, and is currently under construction at one shipyard in China.

Company's name	Nature of business	Country of incorporation	Percentage directly owned by the Company	
			30 June 2015	31 December 2014
			%	%
<u>Subsidiary held by the Company</u>				
Precious Moons Limited	Shipowner	Thailand	99.99	-

1.4 New financial reporting standards

During the period, the Group has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Group already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Group has control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Group's financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Group.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Group's financial statements.

2. 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 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in note 1.4 to the financial statements.

(Unaudited but reviewed)

3. Current investment

(Unit: Thousand Baht)

Consolidated financial statements								
Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method		
30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	
Thousand INR	Thousand INR	%	%					
Investment in associate held by a subsidiary								
Southern LPG Limited	64,592	64,592	50.00	50.00	29,478	28,768	18,548	18,101
Less: Allowance for loss on investment							(18,548)	(18,101)
Current investment - net							-	-

The change in cost of current investment is from the exchange differences on translation of financial statements from functional currency to presentation currency.

The Group is currently processing the voluntary winding-up of Southern LPG Limited with the relevant authority in India, and so the investment in Southern LPG Limited is still presented as a current investment, under current assets, and has made a full provision for loss on this investment.

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	234,613	314,821	-	-
3 - 6 months	25,089	1,967	-	-
6 - 12 months	6,011	773	-	-
Over 12 months	102	22	-	-
Total	265,815	317,583	-	-
Less: Allowance for doubtful debts	(6,329)	(22)	-	-
Total trade receivables - unrelated parties, net	259,486	317,561	-	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 5)	-	-	1,946,347	1,503,991
Total other receivables	-	-	1,946,347	1,503,991
Total trade and other receivables - net	259,486	317,561	1,946,347	1,503,991

(Unaudited but reviewed)

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		
	2015	2014	2015	2014	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	21,063	22,370	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Dividend received	-	-	-	201,900	As declared
Condominium rental expenses	-	-	1,885	2,112	Market price
Sales of newbuilding vessel (as part of advances for vessel constructions and other direct cost)	-	-	313,430	-	At cost
Transactions with related companies					
Air ticket expenses	2,590	3,062	642	1,147	Market price
Rental and service expenses	1,184	1,404	835	1,006	Market price
Computer purchases	462	430	429	276	Market price

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2015	2014	2015	2014	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	41,482	43,787	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Dividend received	-	-	-	447,500	As declared
Interest income	-	-	-	2,334	At interest rate of 0.40% per annum until 31 March 2014
Condominium rental expenses	-	-	3,931	4,250	Market price
Sales of newbuilding vessel (as part of advances for vessel constructions and other direct cost)	-	-	313,430	-	At cost
Transactions with related companies					
Air ticket expenses	4,127	7,440	1,064	2,482	Market price
Rental and service expenses	4,107	4,278	3,013	3,345	Market price
Computer purchases	943	1,057	609	903	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	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Other receivables - related parties (Note 4)				
Subsidiaries	-	-	1,946,347	1,503,991
Total other receivables - related parties	-	-	1,946,347	1,503,991
Trade and other payables - related parties				
Subsidiaries	-	-	1,341,941	1,403,844
Related companies	1,082	444	428	192
Total trade and other payables - related parties	1,082	444	1,342,369	1,404,036

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

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2015 and 2014, 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	
	2015	2014	2015	2014
Short-term employee benefits	21,185	22,874	19,783	21,818
Post-employment benefits	329	306	328	305
Other long-term benefits	-	3,371	-	3,038
Total	21,514	26,551	20,111	25,161

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	49,650	40,431	46,329	38,842
Post-employment benefits	658	612	656	611
Other long-term benefits	-	6,693	-	6,025
Total	50,308	47,736	46,985	45,478

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.

6. Short-term loans to a subsidiary

As at 30 June 2015, short-term loans to a wholly owned subsidiary, Precious Shipping (Singapore) Pte. Limited, are in the form of promissory notes in US Dollar, amounting to USD 47.20 million (31 December 2014: USD 50.40 million), bearing no interest, and are due at call. Movements in the balance of the loans during the period were as follows.

	(Unit: Thousand Baht)
	Separate
	financial statements
Balance as at 1 January 2015	1,661,335
Decrease	(104,162)
Translation adjustment	37,092
Balance as at 30 June 2015	1,594,265

7. Long-term loans to a subsidiary

As at 30 June 2015, long-term loans to a wholly owned subsidiary, Associated Bulk Carriers Pte. Limited ("ABC Company"), are in the form of promissory notes in USD, bearing no interest and are due at call. The Company does not intend to call for the loans repayment in the foreseeable future; therefore, the loans are classified as long-term loans.

(Unaudited but reviewed)

The details of long-term loans were as follows.

The loan amounting to USD 9.70 million (31 December 2014: USD 9.70 million) was made available by the Company to enable 4 subsidiaries of ABC Company per details below to pay the installments due to China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China, per respective Shipbuilding Contracts.

Subsidiaries' name	Shipbuilding Contract date
ABC Two Pte. Limited	5 December 2012
ABC Three Pte. Limited	5 December 2012
ABC Four Pte. Limited	3 April 2013
ABC One Pte. Limited*	30 August 2013

* On 13 January 2014, ABC Company ("Original buyer") entered into a novation agreement with its subsidiary, ABC One Pte. Limited. ("New buyer") and China Shipbuilding & Offshore International Co. Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd. ("Sellers") to transfer all the rights, title, interest, benefits, obligation and/or liabilities of the shipbuilding contract dated 30 August 2013 for construction of one 20,000 DWT Cement Carrier having builder hull No. CC200-04.

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

	(Unit: Thousand Baht)
	Separate
	<u>financial statements</u>
Balance as at 1 January 2015	319,807
Translation adjustment	7,896
Balance as at 30 June 2015	<u><u>327,703</u></u>

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 percentage		Cost		Dividend received	
	30	31	30	31	30	31	For the six-month	
	June	December	June	December	June	December	periods ended 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014
			%	%				
Precious Metals Limited	275,000	275,000	99.99	99.99	357,887	349,265	-	-
Precious Wishes Limited	230,000	230,000	99.99	99.99	304,653	297,313	-	-
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	284,584	277,727	-	65,000
Precious Minerals Limited	230,000	230,000	99.99	99.99	258,780	252,545	-	-
Precious Lands Limited	306,000	306,000	99.99	99.99	327,506	319,615	-	-
Precious Rivers Limited	234,000	234,000	99.99	99.99	215,257	210,071	-	46,800
Precious Lakes Limited	184,000	184,000	99.99	99.99	188,893	184,342	-	-
Precious Seas Limited	100,000	100,000	99.99	99.99	132,458	129,266	-	30,000
Precious Stars Limited	105,000	105,000	99.99	99.99	139,080	135,730	-	42,000
Precious Oceans Limited	175,000	175,000	99.99	99.99	231,801	226,216	-	-
Precious Planets Limited	270,000	270,000	99.99	99.99	314,309	306,736	-	-
Precious Diamonds Limited	205,000	205,000	99.99	99.99	196,780	192,039	-	-
Precious Sapphires Limited	144,000	144,000	99.99	99.99	133,506	130,289	-	-
Precious Emeralds Limited	366,000	366,000	99.99	99.99	320,127	312,414	-	73,200
Precious Rubies Limited	259,360	259,360	99.99	99.99	267,287	260,847	-	-
Precious Opals Limited	249,360	249,360	99.99	99.99	258,714	252,480	-	-
Precious Garnets Limited	379,000	379,000	99.99	99.99	330,191	322,236	-	75,800
Precious Pearls Limited	173,000	173,000	99.99	99.99	188,591	184,047	-	-
Precious Flowers Limited	336,000	336,000	99.99	99.99	363,618	354,857	-	-
Precious Forests Limited	96,000	96,000	99.99	99.99	100,991	98,558	-	-
Precious Trees Limited	202,000	202,000	99.99	99.99	220,683	215,366	-	-
Precious Ponds Limited	124,000	124,000	99.99	99.99	132,738	129,540	-	-
Precious Ventures Limited	202,000	202,000	99.99	99.99	239,374	233,607	-	-
Precious Capitals Limited	200,000	200,000	99.99	99.99	264,916	258,533	-	-
Precious Jasmines Limited	147,000	147,000	99.99	99.99	179,981	175,645	-	-
Precious Orchids Limited	217,000	217,000	99.99	99.99	203,386	198,486	-	21,700
Precious Lagoons Limited	140,000	140,000	99.99	99.99	185,441	180,973	-	-
Precious Cliffs Limited	140,000	140,000	99.99	99.99	185,441	180,973	-	21,000
Precious Hills Limited	140,000	140,000	99.99	99.99	185,441	180,973	-	21,000
Precious Mountains Limited	140,000	140,000	99.99	99.99	185,441	180,973	-	-
Precious Resorts Limited	140,000	140,000	99.99	99.99	185,441	180,973	-	-
Precious Cities Limited	170,000	170,000	99.99	99.99	210,870	205,789	-	51,000
Precious Comets Limited	141,000	141,000	99.99	99.99	140,987	137,590	-	-
Precious Ornaments Limited	156,000	156,000	99.99	99.99	154,735	151,007	-	-
Precious Moons Limited	1,000	-	99.99	-	1,032	-	-	-
Nedtex Limited	2,500	2,500	69.99	69.99	859	838	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received	
	30	31	30	31	30	31	For the six-month	
	June	December	June	December	June	December	periods ended 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014
Precious Storage Terminals Limited	6,000	6,000	69.99	69.99	5,563	5,429	-	-
Thebes Pte. Limited	0.0365	0.0365	100.00	100.00	-	-	-	-
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	338	330	-	-
Precious Shipping (Mauritius) Limited	250	250	100.00	100.00	338	330	-	-
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	354,336	345,799	-	-
Precious Shipping (UK) Limited	250	250	100.00	100.00	338	330	-	-
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	366,282	357,457	-	-
Precious Projects Pte. Limited	-	0.0345	-	100.00	-	-	-	-
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-	-	-
Total investments in subsidiaries					8,318,974	8,117,534	-	447,500
Less: Allowance for loss on investments in subsidiaries					(6,759)	(6,596)		
Total investments in subsidiaries - net					8,312,215	8,110,938		

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

As at 30 June 2015, the Company has pledged the shares of 34 subsidiaries amounting to Baht 7,855.18 million (31 December 2014: 34 subsidiaries amounting to Baht 7,665.92 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 15 to the financial statements.

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

(Unaudited but reviewed)

During the six-month period ended 30 June 2015, there were changes in cost of investments in subsidiaries as below.

1. The Company incorporated 1 subsidiary, as discussed in Note 1.3 to the financial statements, as detailed below.

Subsidiary's name	Date	New ordinary shares		
		Par value (Baht)	No. of shares (Shares)	Total value (Thousand Baht)
Precious Moons Limited	9 February 2015	100.00	9,998	999.80

2. In addition, Precious Shipping (Singapore) Pte. Limited incorporated 4 subsidiaries, as detailed below.

Company's name	Nature of business	Country of incorporation	Percentage indirectly owned by the Company	
			30 June 2015	31 December 2014
			%	%

Subsidiaries held by Precious

Shipping (Singapore) Pte. Limited

1. Precious Grace Pte. Ltd.	Shipowner	Singapore	100.00	-
2. Precious Sonnets Pte. Ltd.	Shipowner	Singapore	100.00	-
3. Precious Glories Pte. Ltd.	Shipowner	Singapore	100.00	-
4. Precious Wisdom Pte. Ltd.	Shipowner	Singapore	100.00	-

3. On 18 March 2015, the Company sold 1 share of Precious Projects Pte. Limited ("Precious Projects") to Precious Shipping (Singapore) Pte. Limited ("Precious Singapore"), another subsidiary of the Company, at a price of USD 1.00 per share, totaling USD 1.00. The change of ownership does not affect the Group's holding in Precious Projects, which is unchanged at 100.00%. This transaction was approved by the Executive Board of Directors' Meeting of the Company on 17 March 2015 and Directors' Resolutions of Precious Singapore on 18 March 2015. The transaction is considered as sales of investment under common control of the Group.

(Unaudited but reviewed)

9. Investment in associate held by a subsidiary**9.1 Details of associate held by a subsidiary**

(Unit: Thousand Baht)

		Consolidated financial statements						Carrying amounts	
		Shareholding percentage		Cost		based on equity method			
		30 June	31 December	30 June	31 December	30 June	31 December		
Associate's name	Nature of business	2015	2014	2015	2014	2015	2014		
		%	%						
International Seaports (Haldia) Private Limited	Berth construction and development	22.40	22.40	68,825	67,167	86,163	95,582		

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 30 June			
Associate's name		Share of profit		Dividend received	
		2015	2014	2015	2014
International Seaports (Haldia) Private Limited		4,074	1,753	5,174	-

(Unit: Thousand Baht)

		Consolidated financial statements			
		For the six-month periods ended 30 June			
Associate's name		Share of profit		Dividend received	
		2015	2014	2015	2014
International Seaports (Haldia) Private Limited		1,256	1,916	10,371	5,190

Shares of profit from investment in associate held by a subsidiary for the six-month periods ended 30 June 2015 and 2014, included in the consolidated income statements, were recorded based on the financial information for the six-month periods ended 31 March 2015 and 2014, respectively.

(Unaudited but reviewed)

9.2 Summarised financial information of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the		Profit for the	
	31 March		31 March		31 March		six-month periods ended		six-month periods ended	
	2015	2014	2015	2014	2015	2014	31 March		31 March	
	Thousand INR	Thousand INR					2015	2014	2015	2014
International Seaports (Haldia) Private Limited	440,580	440,580	446,344	514,704	61,686	69,529	196,952	207,819	5,609	8,555

10. Other long-term investment

On 30 June 2015, the Company paid an additional called portion of 2,026,086 ordinary shares of Baht 2.50 each amounting to Baht 5.06 million in TMN Company Limited. As a result, as at 30 June 2015, the Company paid up Baht 10.00 per share, or a total of Baht 20.26 million, representing 3% of total issued and paid-up share capital (31 December 2014: Baht 7.50 per share, or a total of Baht 15.20 million, representing 3% of total issued and paid-up share capital).

The change in cost of other long-term investment, other than the above, is from the exchange differences on translation of financial statements from functional currency to presentation currency.

11. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2015	22,070,925	5,448
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses during period - at cost	1,170,146	6
Transfer from advances for vessel constructions	661,276	-
Disposals	(81,024)	-
Depreciation for period	(708,940)	(1,251)
Translation adjustment	572,160	106
Net book value as at 30 June 2015	23,684,543	4,309

(Unaudited but reviewed)

On 8 June 2015, Precious Oceans Limited, (“the local subsidiary”) entered into a Memorandum of Agreement with an overseas company to sell one vessel for USD 2.20 million. On 19 June 2015, the vessel was delivered to the buyer. The local subsidiary has already received the selling price (net of direct selling expense) of USD 2.09 million (or approximately Baht 70.06 million). The Group recorded a loss from sales of vessel amounting to USD 0.38 million (or approximately Baht 12.63 million) in the consolidated income statement for the six-month period ended 30 June 2015.

As at 30 June 2015, the subsidiaries have mortgaged 42 vessels (31 December 2014: 37 vessels) with net book value of Baht 23,106.58 million (31 December 2014: Baht 20,788.82 million) with banks to secure long-term loans as referred to in Note 15 to the financial statements.

12. Advances for vessel constructions

Movements of the advances for vessel constructions account during the six-month period ended 30 June 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2015	4,014,210	3,660,903
Additions	1,045,718	1,045,718
Capitalisation of finance cost	7,179	7,101
Amortisation of financial fees	1,068	1,068
Other direct costs	63,757	53,580
Cash received from amendment of shipbuilding contracts	(428,898)	(428,898)
Transfer to cost of vessel and equipment of subsidiaries	(661,276)	(313,430)
Translation adjustment	105,845	110,158
Balance as at 30 June 2015	<u>4,147,603</u>	<u>4,136,200</u>

During the six-month period ended 30 June 2015, the amount of borrowing costs capitalised was Baht 7.18 million in the consolidated financial statements and Baht 7.10 million in the separate financial statements. The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 2.76% - 3.11% in the consolidated financial statements and separate financial statements.

(Unaudited but reviewed)

Delivery of vessels under the Shipbuilding Contracts with China Shipbuilding & Offshore International Co., Ltd. and Shanhaiguan New Shipbuilding Industry Co., Ltd., China

During the six-month period ended 30 June 2015, 2 vessels were completed and delivered to the Company's 2 indirect subsidiaries incorporated in Singapore as detailed below.

Type of vessel	Delivery date	Subsidiary's name	Hull No.	Cost of vessel construction and other direct costs
Cement carrier	6 January 2015	ABC One Pte. Limited	CC200-04	USD 25.55 million (or approximately Baht 831.82 million)
Dry Bulk Carrier	30 April 2015	Precious Glories Pte. Limited	BC385-11	USD 22.95 million (or approximately Baht 775.30 million)

Amendments for vessel construction contracts

Due to certain technical difficulties faced by Taizhou Sanfu Ship Engineering Co.,Ltd. ("the Seller") for construction of the 4 Handysize Bulk Carriers, on 30 January 2015, the Company ("the Buyer") and the Seller has signed 4 Amended and Restated Shipbuilding Contracts ("Amending Agreements") which have become effective from 13 March 2015 after the completion of all conditions precedent which included the refund of all installments paid earlier by the Buyer to the Seller for the 4 Handysize Bulk Carriers, amounting to USD 13.18 million. The Amending Agreements have been executed mainly in order to change the orders from construction of the 4 Handysize Bulk Carriers (Hull Nos. SF130120, SF130121, SF130122 and SF130123) to 4 63,345 DWT Ultramax Bulk Carriers ("Vessel" or "Vessels"). However, there is no change in the delivery dates of the Vessels, despite the much larger size of the Ultramax Bulk Carriers.

The main terms of the 4 Amending Agreements are as follows:

Vessel type	4 Dry Bulk Carriers (Ultramax Vessel)
Acquirer	The Company
Seller	Taizhou Sanfu Ship Engineering Co., Ltd., China
Contract price	USD 27.70 million per vessel (USD 110.81 million in aggregate)
Payment terms	The contract price of each vessel will be paid in 5 installments. The first installment of USD 3,294,090 would be payable within 3 banking days after the effective date of the Amending Agreement. The second installment of 15% of contract price with deduction of the first installment (USD 3,294,090), the third installment of 10% of contract price and the fourth installment of 5% of contract price, each of installment would be payable after the submission of a bank guarantee in favor of the Company and relevant milestone certificates. The last installment of 70% of contract price would be payable on delivery.
Expected delivery date	Year 2015 to Year 2016

Refusal to take delivery of vessels from Sainty Marine Corporation Ltd., China

In April 2015, the Company refused to take delivery of two newly built Ultramax bulk carriers with total contract value of USD 55.80 million from Sainty Marine Corporation Ltd., China (Shipbuilder), since the ships were not in accordance with the specifications in terms of fuel consumption and further due to the possibility stern tube bearing damage if operated. The Company is in the process of negotiations with the Shipbuilder.

13. Deferred financial fees

Movements of the deferred financial fees account during the six-month period ended 30 June 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2015	124,191	120,954
Additions	64,274	64,245
Transfer to present as a deduction against long-term loans	(14,275)	(2,575)
Write-off deferred financial fees	(1,929)	(1,929)
Transfer to subsidiary as a borrower	-	(8,476)
Translation adjustment	4,373	4,415
Balance as at 30 June 2015	<u>176,634</u>	<u>176,634</u>

(Unaudited but reviewed)

14. Deferred contract costs

Movements of the deferred contract costs account during the six-month period ended 30 June 2015 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2015	266,734
Additions	3,574
Amortisation for the period	(9,088)
Translation adjustment	6,510
Balance as at 30 June 2015	<u>267,730</u>

(Unaudited but reviewed)

15. Long-term loan facilities

As at 30 June 2015 and 31 December 2014, 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				Total	
Facility 1		Facility 2		Facility 3		Facility 4		Facility 5		Facility 6		Facility 8		Facility 9		Facility 1		Facility 2		Total		
30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	
Long-term loans	1,222,770	1,244,032	1,926,629	1,973,561	1,225,328	1,238,133	631,599	637,637	628,411	161,387	1,400,005	1,392,549	576,009	36,783	455,987	-	3,628,863	3,694,331	1,683,720	1,706,000	13,379,321	12,084,413
Add (less): Deferred financial fees	(5,264)	(6,399)	(28,382)	(32,046)	(18,757)	(20,441)	(4,073)	(4,588)	(3,963)	(1,041)	2,604	(6,005)	(8,932)	(373)	(1,375)	-	(89,598)	(98,203)	5,827	(2,015)	(151,913)	(171,111)
Total	1,217,506	1,237,633	1,898,247	1,941,515	1,206,571	1,217,692	627,526	633,049	624,448	160,346	1,402,609	1,386,544	567,077	36,410	454,612	-	3,539,265	3,596,128	1,689,547	1,703,985	13,227,408	11,913,302
Less: Current portion	(1,217,506)	(100,925)	(1,898,247)	(183,669)	(85,418)	(83,258)	(43,278)	(42,203)	(65,731)	(12,026)	(107,893)	(78,484)	(567,077)	-	(454,612)	-	(122,782)	(123,085)	(258,492)	(188,322)	(4,821,036)	(811,972)
Long-term loans - net of current portion	-	1,136,708	-	1,757,846	1,121,153	1,134,434	584,248	590,846	558,717	148,320	1,294,716	1,308,060	-	36,410	-	-	3,416,483	3,473,043	1,431,055	1,515,663	8,406,372	11,101,330

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

Loan facility for financing the construction and acquisition of new vessels

	Facility 8		Facility 9		Total	
	30 June	31 December	30 June	31 December	30 June	31 December
	2015	2014	2015	2014	2015	2014
Long-term loans	37,691	36,783	455,987	-	493,678	36,783
Less: Deferred financial fees	(602)	(373)	(1,375)	-	(1,977)	(373)
Total	37,089	36,410	454,612	-	491,701	36,410
Less: Current portion	(37,089)	-	(454,612)	-	(491,701)	-
Long-term loans - net of current portion	-	36,410	-	-	-	36,410

(Unaudited but reviewed)

Movements in the long-term loans accounts during the six-month period ended 30 June 2015 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 3	Facility 4	Facility 5	Facility 6	Facility 8	Facility 9	Facility 1	Facility 2	Total
Balance as at 1 January 2015	1,237,633	1,941,515	1,217,692	633,049	160,346	1,386,544	36,410	-	3,596,128	1,703,985	11,913,302
Add: Drawdown	-	-	-	-	478,103	-	643,231	439,433	-	-	1,560,767
Amortisation of financial fees	1,265	4,359	2,135	611	441	8,562	288	1,004	10,693	7,718	37,076
Less: Deferred financial fees	-	-	-	-	(3,225)	-	(8,737)	(2,313)	-	-	(14,275)
Repayment	(50,787)	(93,470)	(42,381)	(21,281)	(32,318)	(26,670)	(112,010)	-	(63,121)	(63,792)	(505,830)
Prepayment	-	-	-	-	-	-	-	-	(69,959)	-	(69,959)
Unrealised exchange gain	-	-	-	-	-	-	-	-	(21,583)	-	(21,583)
Translation adjustment	29,395	45,843	29,125	15,147	21,101	34,173	7,895	16,488	87,107	41,636	327,910
Balance as at 30 June 2015	<u>1,217,506</u>	<u>1,898,247</u>	<u>1,206,571</u>	<u>627,526</u>	<u>624,448</u>	<u>1,402,609</u>	<u>567,077</u>	<u>454,612</u>	<u>3,539,265</u>	<u>1,689,547</u>	<u>13,227,408</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

	Loan facility for financing the construction and acquisition of new vessels		
	Facility 8	Facility 9	Total
Balance as at 1 January 2015	36,410	-	36,410
Add: Drawdown	109,983	439,433	549,416
Amortisation of financial fees	64	1,004	1,068
Transfer of deferred financial fees to a subsidiary	8,476	-	8,476
Less: Deferred financial fees	(8,738)	(2,313)	(11,051)
Repayment	(112,010)	-	(112,010)
Translation adjustment	2,904	16,488	19,392
Balance as at 30 June 2015	37,089	454,612	491,701

The Group received waivers of the financial covenant breaches of certain loan facility agreements as follows.

Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)

Facility 1

Following the breach of the security coverage ratio, on 23 July 2015, DNB Asia Ltd. as Agent and Security agent of the facility has agreed that the borrowers may provide a cash collateral of USD 13,449,778.63 (apart from the vessels already mortgaged as security) to maintain a minimum security coverage ratio of not less than 125% of the aggregate amount outstanding as per loan agreement. The borrowers have arranged such cash collateral which can be released after 90 business days from 27 July 2015 provided that the security coverage ratio exceeds 130% of the aggregate amount outstanding after the release and there is no continuing default.

Further, the Agent has approved the waiver of the testing of the financial covenant regarding the funded debt to EBITDA ratio up to 31 December 2015 or any date to be notified by the agent ("Temporary Waiver Period").

The above approvals have been granted subject to the Company complying with the following conditions:

- a) The Company cannot pay any dividends or make any other distributions to any shareholder during Temporary Waiver Period or thereafter until the borrowers are in compliance with all the covenants within this loan agreement;
- b) The Company must submit cashflow forecasts every month for the next three months until the borrowers are in compliance with all the covenants within this loan agreement.

As of 27 July 2015, the Company complied with the above conditions and the waiver is now effective.

Facility 2

Following the breach of the security coverage ratio, on 23 July 2015, ING Bank N.V., Singapore Branch ("ING") and DNB Asia Ltd. ("DNB") have approved that the minimum security coverage ratio may revert to 125% from 130% of the aggregate amount outstanding for the remainder of the facility period and have also agreed that the borrowers may provide a cash collateral of USD 11,415,000 (apart from the vessels already mortgaged as security) to maintain a minimum security coverage ratio of not less than 125% of the aggregate amount outstanding. The borrowers have arranged such cash collateral which can be released after 90 business days from 27 July 2015 provided that security coverage ratio exceeds 130% of the aggregate amount outstanding after the release and there is no continuing default.

Further, ING and DNB have also approved the following:

- 1) the minimum free cash balance reverts to USD 100,000 per vessel from USD 200,000 per vessel owned by the Group for the period up to 31 December 2015 or any date to be notified by the agent ("Temporary Waiver Period").
- 2) the waiver on testing of the financial covenant regarding the funded debt to EBITDA ratio during the Temporary Waiver Period.

The above approvals have been granted subject to the Company complying with the following conditions:

- a) The Company cannot pay any dividends or make any other distributions to any shareholder during the Temporary Waiver Period or thereafter until the borrowers are in compliance with all the covenants within this loan agreement;
- b) The Company must submit cashflow forecasts every month for the next three months until the borrowers are in compliance with all the covenants within this loan agreement.

As of 27 July 2015, the Company complied with the above conditions and the waiver is now effective.

Facility 6

On 14 July 2015, Export-Import Bank of Thailand has approved the amendment of the financial covenant regarding the maintenance of net funded debt to EBITDA ratio from not exceeding 6:1 to be not exceeding 13.5:1 and debt service coverage ratio at least 1.1:1 to be at least 0.4:1 for the period starting from 1 January 2015 to 31 December 2015.

Facility 7

On 3 July 2015, Norddeutsche Landesbank Girozentrale (Singapore Branch) has approved the waiver of the testing of the financial covenant regarding funded debt to EBITDA ratio from 31 March 2015 to 31 December 2016.

Facility 9

On 12 May 2015, Krung Thai Bank PLC. has approved the waiver of the testing of the financial covenant regarding the debt to EBITDA ratio and debt service coverage ratio from 31 March 2015 to 31 December 2015.

Facility 10

On 15 July 2015, BNP Paribas has approved the waiver of the testing of the financial covenant regarding funded debt to EBITDA ratio from 31 March 2015 to 31 December 2016.

Loan facilities for purchasing of vessels

Facility 1

On 14 May 2015, Krung Thai Bank PLC. as the facility agent of the original facility and Thanachart Bank PLC. as the facility agent of the other USD 50 million facility have approved the waiver of the testing of the financial covenants regarding the debt to EBITDA ratio and debt service coverage ratio from 31 March 2015 to 31 December 2015.

Facility 2

On 14 July 2015, Export-Import Bank of Thailand has approved the amendment of the financial covenants regarding the maintenance of net funded debt to EBITDA ratio from not exceeding 6:1 to be not exceeding 13.5:1 and debt service coverage ratio at least 1.1:1 to be at least 0.4:1 for the period starting from 1 January 2015 to 31 December 2015.

(Unaudited but reviewed)

The Group's bank loan facilities and the undrawn loan balances are summarised below.

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan/amendment agreement	Maximum facility amount per loan/amendment agreement		Undrawn loan balance	
				30 June 2015	31 December 2014	30 June 2015	31 December 2014
Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)							
Facility 1	DNB Asia Ltd. and 5 other banks, total 6 banks	The Company and subsidiaries	LIBOR + margin	54.50	54.50	-	-
Facility 2	ING Bank N.V. (Singapore Branch) and DNB Asia Ltd.	4 indirect subsidiaries in Singapore	LIBOR + margin	84.96	84.96	-	-
Facility 3	Bangkok Bank Plc. (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited	LIBOR + margin	38.69	38.69	-	-
Facility 4	Bangkok Bank Plc. (Singapore Branch)	ABC Four Pte. Limited	LIBOR + margin	19.34	19.34	-	-
Facility 5	TMB Bank Plc.	ABC One Pte. Limited	LIBOR + margin	19.58	19.58	-	14.69
Facility 6	Export-Import Bank of Thailand	The Company and subsidiaries	LIBOR + margin	81.50	81.50	37.66	37.66
Facility 7	Norddeutsche Landesbank Girozentrale (Singapore Branch)	The Company and subsidiaries in Singapore	LIBOR + margin	41.85	41.85	41.85	41.85
Facility 8	DNB Asia Ltd. and Export-Import Bank of China	The Company and subsidiaries in Singapore	LIBOR + margin	199.20	200.00	182.15	198.88
Facility 9	Krung Thai Bank Plc.	The Company and 5 local subsidiaries	LIBOR + margin	13.50	13.50	-	13.50
Facility 10	BNP Paribas	The Company and subsidiaries in Singapore	LIBOR + margin	42.00	42.00	42.00	42.00

(Unaudited but reviewed)

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan/amendment agreement	Maximum facility amount per loan/amendment agreement		Undrawn loan balance	
				30 June 2015	31 December 2014	30 June 2015	31 December 2014
Loan facilities for purchasing of vessels							
Facility 1	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	USD 142.00 million and Baht 1,502.35 million	USD 142.00 million and Baht 1,502.35 million	-	-
Facility 2	Export-Import Bank of Thailand	The Company and subsidiaries	LIBOR + margin	64.82	64.82	-	-

(Unaudited but reviewed)

As at 30 June 2015, the Group had outstanding bank loans amounting to Baht 3,682.83 million on the basis of which the Group is unable to maintain certain financial covenants under the loan agreements. The Group has been in discussions with the Banks for requesting waivers of the testing of certain financial covenants for a certain period. In order to report its financial position in accordance with generally accepted accounting standards, as at 30 June 2015 the Group has presented the balance of these loans as current liabilities. However, on 27 July 2015, the Group received waivers of the testing of certain financial covenants from the banks of the outstanding loan amounting to Baht 3,115.75 million.

16. Provision for maritime claims

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2015	181,705
Increase during the period	50,638
Decrease during the period	(27,758)
Translation adjustment	4,738
Balance as at 30 June 2015	<u>209,323</u>

17. Share capital

On 6 March 2015, the Board of Directors' Meeting No. 3/2015 of the Company and 10 April 2015, the Extraordinary General Meeting No. 1/2015 of the Company's shareholders have approved the increase of the Company's registered share capital by Baht 571,736,330 divided into 571,736,330 ordinary shares at the par value of Baht 1.00 per share from the existing registered capital of Baht 1,039,520,600 divided into 1,039,520,600 ordinary shares at the par value of Baht 1.00 per share to the new registered capital of Baht 1,611,256,930 divided into 1,611,256,930 ordinary shares at the par value of Baht 1.00 per share, 571,736,330 new ordinary shares at the par value of Baht 1.00 per share, to be allocated as follows:

1) Rights offering

Not more than 519,760,300 new ordinary shares are to be offered to the Company's existing shareholders at a ratio of 2 existing ordinary shares to 1 newly issued ordinary share, at an offering price of Baht 4 per share.

2) Warrants to purchase ordinary shares of the Company No. 1 (“PSL-W1”)

Not more than 51,976,030 new ordinary shares are to be reserved to support the exercise of PSL-W1, which are registered and transferable warrants as discussed in Note 18 to the financial statements.

Subsequently, the Company issued 519,760,297 ordinary shares, and the Company registered its paid-up increased share capital of Baht 519,760,297 with the Ministry of Commerce on 9 June 2015. Therefore, the current paid-up share capital of the Company is Baht 1,559,280,897.

18. Warrants

On 16 June 2015, the Company issued and allotted warrants (PSL-W1), which are registered and transferable warrants, to the Company’s ordinary shares in an amount of 51,975,666 units. Details of the warrants are summarised below.

Number of warrants issued :	51,975,666 units
Offering price :	Baht 0 per unit
Offering method :	Allocation proportionately to existing shareholders of the Company who subscribe and make subscription payment for the Rights Offering at the offering ratio of 10 newly issued ordinary shares to 1 unit of the warrant
Exercise ratio and price :	1 unit of the warrant per 1 newly issued ordinary share at a price of Baht 17.50 per share
Term of the warrant :	Not exceeding 3 years from the initial issuance date of warrants
Expiry date :	15 June 2018
Period of exercise :	On the last day of each calendar quarter after the 2 nd anniversary from the issuance date (16 June 2017) until the date of expiration of the Warrants. Accordingly, the first and the last exercise dates shall be 30 June 2017 and 15 June 2018, respectively.

19. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the period attributable to the equity holder of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit (loss) for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

No calculation of diluted earnings per share for the three-month and six-month periods ended 30 June 2015 was required since the exercise price of the warrant exceeded the fair value of the Company's ordinary shares.

20. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

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

The following table presents net vessel operating income from Time charter and Voyage charter of the Group for the three-month and six-month periods ended 30 June 2015 and 2014.

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 30 June										
	Time charter		Voyage charter		Total		Elimination		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Hire income	657,129	886,630	-	-	657,129	886,630	-	-	657,129	886,630
Freight income	-	-	356,157	268,256	356,157	268,256	(71,749)	(41,552)	284,408	226,704
Total vessel operating income	657,129	886,630	356,157	268,256	1,013,286	1,154,886	(71,749)	(41,552)	941,537	1,113,334
Voyage disbursements	-	-	(133,187)	(78,508)	(133,187)	(78,508)	71,749	41,552	(61,438)	(36,956)
Bunker consumption	-	-	(118,892)	(87,160)	(118,892)	(87,160)	-	-	(118,892)	(87,160)
Total voyage expenses	-	-	(252,079)	(165,668)	(252,079)	(165,668)	71,749	41,552	(180,330)	(124,116)
Net vessel operating income/time charter equivalent income	657,129	886,630	104,078	102,588	761,207	989,218	-	-	761,207	989,218

(Unit: Thousand Baht)

Consolidated financial statements										
For the six-month periods ended 30 June										
	Time charter		Voyage charter		Total		Elimination		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Hire income	1,327,893	1,782,139	-	-	1,327,893	1,782,139	-	(1,025)	1,327,893	1,781,114
Freight income	-	-	735,846	495,905	735,846	495,905	(141,495)	(44,406)	594,351	451,499
Total vessel operating income	1,327,893	1,782,139	735,846	495,905	2,063,739	2,278,044	(141,495)	(45,431)	1,922,244	2,232,613
Voyage disbursements	-	-	(286,066)	(112,311)	(286,066)	(112,311)	141,495	45,431	(144,571)	(66,880)
Bunker consumption	-	-	(253,894)	(151,142)	(253,894)	(151,142)	-	-	(253,894)	(151,142)
Total voyage expenses	-	-	(539,960)	(263,453)	(539,960)	(263,453)	141,495	45,431	(398,465)	(218,022)
Net vessel operating income/time charter equivalent income	1,327,893	1,782,139	195,886	232,452	1,523,779	2,014,591	-	-	1,523,779	2,014,591

21. Commitments and contingent liabilities

21.1 Shipbuilding contracts commitments

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

	30 June 2015		31 December 2014	
	(Million USD)	(Equivalent to Million Baht)	(Million USD)	(Equivalent to Million Baht)
The Company	516.26	17,437.55	525.57	17,324.32
Subsidiaries	-	-	14.69	484.16
Total	516.26	17,437.55	540.26	17,808.48

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

The Group had obligations in respect of the charges for management of the undrawn portion of loan facilities, which are summarised as follows.

Facility	Commitment fees payable by the Group	Undrawn loan balance as at		Terms of payment of commitment fees	Payable upto
		30 June	31 December		
		2015	2014		
		(Million USD)	(Million USD)		

Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)

Facility 5	0.60% per annum of undrawn loan balance	-	14.69	Every three months until the end of the drawdown period	Upon delivery of vessel
Facility 6	0.70% per annum of undrawn loan balance	37.66	37.66	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 7	1.02% per annum of undrawn loan balance	41.85	41.85	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 8	1.00% per annum of undrawn loan balance	182.15	198.88	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 9	0.50% per annum of undrawn loan balance	-	13.50	Every three months until the end of the drawdown period	2 June 2015
Facility 10	1.00% per annum of undrawn loan balance	42.00	42.00	Every three months until the end of the drawdown period	Upon delivery of each vessel

21.3 Long-term time charter commitments

Pursuant to a Memorandum of Understanding signed in October 2009, on 2 December 2009 and on 7 September 2012, the Company signed Long-Term Time Charter Contracts with a company incorporated in India (the charterer) for 4 new cement carriers. The charter periods under the contracts are 15 years, with a fixed charter rate per day as stipulated in the contracts. There is an option to extend the charter period twice by blocks of 5 years, with reduced charter rates as stipulated in the contracts. The vessels are new custom-built cement carriers, which have to be delivered to the charterer as per the committed schedule during 2011 to 2014. If the vessels are not delivered to the charterer within the agreed schedule, there is a fine payable of USD 4,250 per vessel per day.

The Company has nominated the 4 Long-Term Charter Contracts to ABC One Pte. Limited, ABC Two Pte. Limited, ABC Three Pte. Limited, and ABC Four Pte. Limited.

As discussed in Note 12 to the financial statements, during the six-month period ended 30 June 2015, the last cement carrier was completed and delivered to ABC One Pte. Limited and then delivered to charterer under Long-Term Time Charter Contract on 26 January 2015. As a result, as at 30 June 2015, there were no commitments of fine payable under the Long-Term Time Charter Contract.

21.4 Commitment from option deed agreement

As part of the Share Sale and Purchase Agreement between the Company (“the Buyer”) and Varada Marine Pte. Ltd. (“the Seller”) dated 18 January 2013 to purchase one ordinary share of jointly controlled entity, Associated Bulk Carriers Pte. Limited (“ABC Company”), which currently is the Company’s subsidiary. ABC Company (as Grantor) has also entered into an Option Deed with the Seller on 18 January 2013 under which, the Seller shall have the option to purchase 50% of the issued share capital of each of the existing Subsidiaries (“Option Securities”) at the Price of ABC Company’s cost of investment (including Shareholder Loans) together with interest at 7.50% per annum. Each of the Option Securities for each of the subsidiary, may be exercised at any time during the period of 60 days commencing 30 days after the date of actual delivery of each Vessel of each of the Subsidiaries under the respective Shipbuilding Contracts.

On 6 January 2015, the last cement carrier was delivered to ABC One Pte. Limited, one of ABC Company’s subsidiaries. The commitment under the option deed agreement expired on 5 April 2015.

22. Event after the reporting period

On 24 July 2015, Precious Projects Pte. Limited, the Company's indirect subsidiary ("Issuer") has established a SGD 500 million Multicurrency Medium Term Note Programme with BNP Paribas as the Arranger and other relevant parties ("Programme"). The Company, along with Precious Shipping (Singapore) Pte. Limited, the Company's direct subsidiary, are guarantors of the Issuer's obligations under the Programme.

The Programme was approved by the Board of Directors' resolution of Precious Projects Pte. Limited, the Executive Board of Directors' resolution of the Company, and the Board of Directors' resolution of Precious Shipping (Singapore) Pte. Limited, all on 20 July 2015.

As on 3 August 2015, no notes have been issued under this Programme.

23. Functional currency financial statements

The USD functional currency statements of financial position as at 30 June 2015 and 31 December 2014 and the income statements for the three-month and six-month periods ended 30 June 2015 and 2014 are as follows.

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

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
(Unit: Thousand USD)				
Assets				
Current assets				
Cash and cash equivalents	57,320	16,230	46,606	2,551
Current investment	-	-	-	-
Trade and other receivables	7,682	9,634	57,624	45,626
Short-term loans to a subsidiary	-	-	47,200	50,400
Bunker oil	2,385	3,504	-	-
Other current assets				
Advances to vessel masters	3,573	4,089	-	-
Claim recoverables	1,189	922	-	-
Others	1,925	1,199	521	472
Total other current assets	6,687	6,210	521	472
Total current assets	74,074	35,578	151,951	99,049

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Non-current assets				
Long-term loans to a subsidiary	-	-	9,702	9,702
Investments in subsidiaries	-	-	246,092	246,062
Investment in associate held by a subsidiary	2,551	2,900	-	-
Other long-term investment	568	417	568	417
Property, plant and equipment	701,207	669,567	128	165
Intangible assets	70	85	69	84
Other non-current assets				
Claim recoverables - maritime claims	4,692	4,384	-	-
Advances for vessel constructions	122,795	121,779	122,457	111,061
Deferred financial fees	5,229	3,767	5,229	3,669
Deferred contract costs	7,926	8,092	-	-
Others	92	93	71	73
Total other non-current assets	140,734	138,115	127,757	114,803
Total non-current assets	845,130	811,084	384,316	371,233
Total assets	919,204	846,662	536,267	470,282
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade accounts payable	2,553	3,884	41	2,985
Advances received from related parties	-	-	39,730	42,588
Accrued crew accounts	3,475	3,443	-	-
Accrued expenses	6,022	4,722	317	667
Accrued employee bonus	467	430	405	391
Total trade and other payables	12,517	12,479	40,493	46,631
Advances received from charterers	1,112	522	-	-
Current portion of long-term loans	142,732	24,633	14,557	-
Income tax payable	44	113	-	-
Other current liabilities	583	657	194	187
Total current liabilities	156,988	38,404	55,244	46,818
Non-current liabilities				
Payables to cross currency swap contracts	739	74	-	-
Long-term loans - net of current portion	248,880	336,782	-	1,105
Provision for maritime claims	6,197	5,512	-	-
Provision for long-term employee benefits	2,250	2,223	2,057	2,024
Total non-current liabilities	258,066	344,591	2,057	3,129
Total liabilities	415,054	382,995	57,301	49,947

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered share capital	52,598	35,308	52,598	35,308
Issued and paid-up share capital	51,055	35,308	51,055	35,308
Paid-in capital				
Premium on ordinary shares	63,284	16,135	63,284	16,135
Premium on treasury stock	4,819	4,819	4,819	4,819
Retained earnings				
Appropriated				
Statutory reserve - the Company	2,802	2,802	2,802	2,802
- subsidiaries	14,460	14,460	-	-
Corporate social responsibility reserve	518	527	518	527
Unappropriated	369,103	391,438	356,488	360,744
Other components of shareholders' equity	(1,856)	(1,787)	-	-
Equity attributable to owner of the Company	504,185	463,702	478,966	420,335
Non-controlling interests of the subsidiaries	(35)	(35)	-	-
Total shareholders' equity	504,150	463,667	478,966	420,335
Total liabilities and shareholders' equity	919,204	846,662	536,267	470,282

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2015**

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

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Revenues				
Vessel operating income				
Hire income	19,640	27,267	-	-
Freight income	8,500	6,972	-	-
Total vessel operating income	28,140	34,239	-	-
Service income	68	24	630	688
Interest income	30	85	25	62
Exchange gains	-	11	-	5
Dividend received	-	-	-	6,207
Total revenues	28,238	34,359	655	6,962
Expenses				
Vessel operating costs				
Vessel running expenses	16,378	14,977	-	-
Voyage disbursements	1,836	1,136	-	-
Bunker consumption	3,554	2,681	-	-
Total vessel operating costs	21,768	18,794	-	-
Depreciation	10,740	9,272	19	18
Cost of services	61	61	-	-
Losses on sales of vessel	378	-	-	-
Administrative expenses	1,896	1,567	1,504	1,365
Management remuneration including perquisites	642	817	602	773
Bad debts and doubtful accounts (reversal)	(126)	(8)	-	-
Exchange losses	951	-	960	-
Total expenses	36,310	30,503	3,085	2,156
Profit (loss) before share of profit from investment in associate, finance cost and income tax revenue (expense)	(8,072)	3,856	(2,430)	4,806
Share of profit from investment in associate held by a subsidiary	122	54	-	-
Profit (loss) before finance cost and income tax revenue (expense)	(7,950)	3,910	(2,430)	4,806
Finance cost	(4,038)	(5,534)	(28)	(2,963)
Profit (loss) before income tax revenue (expense)	(11,988)	(1,624)	(2,458)	1,843
Income tax revenue (expense)	(44)	-	-	-
Profit (loss) for the period	(12,032)	(1,624)	(2,458)	1,843
Profit (loss) attributable to:				
Equity holders of the Company	(12,032)	(1,623)	(2,458)	1,843
Non-controlling interests of the subsidiaries	-	(1)	-	-
Profit (loss) for the period	(12,032)	(1,624)	(2,458)	1,843
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	(0.0103)	(0.0015)	(0.0021)	0.0018
Weighted average number of ordinary shares (Thousand shares)	1,165,177	1,039,521	1,165,177	1,039,521

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the six-month period ended 30 June 2015**

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

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Revenues				
Vessel operating income				
Hire income	40,247	54,633	-	-
Freight income	18,022	13,849	-	-
Total vessel operating income	58,269	68,482	-	-
Service income	90	103	1,257	1,343
Gains on sales of vessel and equipment	-	825	-	-
Interest income	31	120	25	159
Dividend received	-	-	-	13,729
Other income	-	1	-	1
Total revenues	58,390	69,531	1,282	15,232
Expenses				
Vessel operating costs				
Vessel running expenses	32,143	28,764	-	-
Voyage disbursements	4,390	2,052	-	-
Bunker consumption	7,701	4,638	-	-
Total vessel operating costs	44,234	35,454	-	-
Depreciation	21,480	18,359	38	37
Cost of services	89	89	-	-
Losses on sales of vessel	378	-	-	-
Administrative expenses	3,727	2,967	3,062	2,607
Management remuneration including perquisites	1,527	1,465	1,427	1,395
Bad debts and doubtful accounts (reversal)	196	(3)	-	-
Exchange losses	912	54	934	66
Total expenses	72,543	58,385	5,461	4,105
Profit (loss) before share of profit from investment in associate, finance cost and income tax revenue (expense)	(14,153)	11,146	(4,179)	11,127
Share of profit from investment in associate held by a subsidiary	35	59	-	-
Profit (loss) before finance cost and income tax revenue (expense)	(14,118)	11,205	(4,179)	11,127
Finance cost	(8,183)	(8,715)	(87)	(3,667)
Profit (loss) before income tax revenue (expense)	(22,301)	2,490	(4,266)	7,460
Income tax revenue (expense)	(44)	97	-	-
Profit (loss) for the period	(22,345)	2,587	(4,266)	7,460
Profit (loss) attributable to:				
Equity holders of the Company	(22,345)	2,649	(4,266)	7,460
Non-controlling interests of the subsidiaries	-	(62)	-	-
Profit (loss) for the period	(22,345)	2,587	(4,266)	7,460
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	(0.0203)	0.0026	(0.0039)	0.0072
Weighted average number of ordinary shares (Thousand shares)	1,102,696	1,039,521	1,102,696	1,039,521

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 3 August 2015.