

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 2017

## **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 2017, 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 period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

**Emphasis of matter**

Without expressing a qualified conclusion on the aforementioned interim financial information, I draw attention to note 10.4 to the financial statements regarding the cancellation of the Shipbuilding Contracts and the uncertainty regarding the outcome of arbitration proceedings.

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

EY Office Limited

Bangkok: 3 August 2017

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		3,007,371	2,676,310	1,880,119	2,145,249
Current portion of restricted bank deposits	3	12,940	36,070	-	-
Trade and other receivables	4, 5	196,829	139,995	5,007,577	4,629,332
Bunker oil		59,882	40,734	-	-
Other current assets					
Advances to vessel masters		82,859	90,986	-	-
Claim recoverables		32,547	24,242	-	-
Others		104,966	92,685	14,136	20,361
Total other current assets		220,372	207,913	14,136	20,361
<b>Total current assets</b>		<b>3,497,394</b>	<b>3,101,022</b>	<b>6,901,832</b>	<b>6,794,942</b>
<b>Non-current assets</b>					
Restricted bank deposits - net of current portion	3	-	354,924	-	-
Long-term loans to subsidiaries	6	-	-	5,256,991	5,543,081
Investments in subsidiaries	7	-	-	6,915,565	7,391,484
Investment in associate held by a subsidiary	8	78,200	86,237	-	-
Other long-term investment		19,286	20,335	19,286	20,335
Receivables from cross currency swap contracts		297,488	-	319,356	28,892
Property, plant and equipment	9	24,777,379	25,671,524	12,770	5,407
Intangible assets		740	1,179	740	1,179
Other non-current assets					
Claim recoverables - maritime claims		124,292	111,874	-	-
Advances for vessel constructions	10	2,307,352	2,712,401	2,298,654	2,701,134
Deferred contract costs	11	230,852	253,466	-	-
Others		3,068	3,068	2,396	2,396
Total other non-current assets		2,665,564	3,080,809	2,301,050	2,703,530
<b>Total non-current assets</b>		<b>27,838,657</b>	<b>29,215,008</b>	<b>14,825,758</b>	<b>15,693,908</b>
<b>Total assets</b>		<b>31,336,051</b>	<b>32,316,030</b>	<b>21,727,590</b>	<b>22,488,850</b>

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 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables					
	5	74,290	37,848	3,646	245
	5	-	-	1,793,189	1,739,800
		90,712	95,738	-	-
		170,434	140,485	42,854	49,830
		18,019	34,055	15,602	29,290
Total trade and other payables		353,455	308,126	1,855,291	1,819,165
Advances received from charterers		24,700	13,872	-	-
Current portion of long-term loans	12	925,366	887,345	-	-
Income tax payable		1	66	-	-
Other current liabilities		18,723	18,575	13,466	8,814
<b>Total current liabilities</b>		<b>1,322,245</b>	<b>1,227,984</b>	<b>1,868,757</b>	<b>1,827,979</b>
<b>Non-current liabilities</b>					
Payables to cross currency swap contracts		-	35,814	-	-
Long-term loans - net of current portion	12	10,279,580	10,846,818	-	-
Debentures	13	5,501,625	5,497,810	5,501,625	5,497,810
Provision for maritime claims	14	163,197	162,782	-	-
Unsecured corporate loans		1,087,405	801,559	1,087,405	801,559
Provision for long-term employee benefits		88,512	84,213	83,676	79,856
<b>Total non-current liabilities</b>		<b>17,120,319</b>	<b>17,428,996</b>	<b>6,672,706</b>	<b>6,379,225</b>
<b>Total liabilities</b>		<b>18,442,564</b>	<b>18,656,980</b>	<b>8,541,463</b>	<b>8,207,204</b>

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)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered share capital				
1,611,256,930 ordinary shares of Baht 1 each	1,611,257	1,611,257	1,611,257	1,611,257
Issued and paid-up share capital				
1,559,280,897 ordinary shares of Baht 1 each	1,559,281	1,559,281	1,559,281	1,559,281
Paid-in capital				
Premium on ordinary shares	1,967,716	1,967,716	1,967,716	1,967,716
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	16,243	16,119	16,243	16,119
Unappropriated	8,748,881	8,813,492	8,262,878	8,626,378
Other components of shareholders' equity	(198,388)	502,693	1,103,611	1,835,754
Equity attributable to owners of the Company	12,893,451	13,659,019	13,186,127	14,281,646
Non-controlling interests of the subsidiaries	36	31	-	-
<b>Total shareholders' equity</b>	<b>12,893,487</b>	<b>13,659,050</b>	<b>13,186,127</b>	<b>14,281,646</b>
<b>Total liabilities and shareholders' equity</b>	<b>31,336,051</b>	<b>32,316,030</b>	<b>21,727,590</b>	<b>22,488,850</b>
	-	-	-	-

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

Directors

(Unaudited but reviewed)

**Precious Shipping Public Company Limited and its subsidiaries****Income statement****For the three-month period ended 30 June 2017**

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

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2017	2016	2017	2016
<b>Revenues</b>					
Vessel operating income					
Hire income		917,589	702,036	-	-
Freight income		162,326	224,328	-	-
Total vessel operating income		1,079,915	926,364	-	-
Service income	5	976	2,181	22,935	20,941
Gains on sales of vessels and equipment	9	30,154	-	-	-
Gains on cancellation of shipbuilding contracts	10.4	-	2,851	-	2,851
Interest income	10.2	5,926	8,396	4,516	7,873
Other income		-	93	1	-
<b>Total revenues</b>		<b>1,116,971</b>	<b>939,885</b>	<b>27,452</b>	<b>31,665</b>
<b>Expenses</b>					
Vessel operating costs					
Vessel running expenses		421,307	512,440	-	-
Voyage disbursements		41,720	72,339	-	-
Bunker consumption		50,799	61,493	-	-
Total vessel operating costs		513,826	646,272	-	-
Depreciation	9	297,248	342,701	1,078	612
Cost of services		892	2,025	-	-
Loss on sales of vessels	9	-	15,145	-	-
Loss on impairment of assets	9	-	120,496	-	-
Loss on impairment of investment in a subsidiary	7	-	-	95,134	-
Administrative expenses	5	70,652	62,722	59,842	52,301
Management remuneration including perquisites	5	20,638	21,483	20,300	19,659
Bad debts and doubtful accounts		611	-	207	32,297
Exchange losses		1,936	4,378	929	2,225
<b>Total expenses</b>		<b>905,803</b>	<b>1,215,222</b>	<b>177,490</b>	<b>107,094</b>
<b>Profit (loss) before share of loss from investment in associate and finance cost</b>		<b>211,168</b>	<b>(275,337)</b>	<b>(150,038)</b>	<b>(75,429)</b>
Share of loss from investment in associate held by a subsidiary	8.1	(1,089)	(2,303)	-	-
<b>Profit (loss) before finance cost</b>		<b>210,079</b>	<b>(277,640)</b>	<b>(150,038)</b>	<b>(75,429)</b>
Finance cost		(215,282)	(197,795)	(81,776)	(55,113)
<b>Loss for the period</b>		<b>(5,203)</b>	<b>(475,435)</b>	<b>(231,814)</b>	<b>(130,542)</b>

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 2017**

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

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2017	2016	2017	2016
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(5,200)	(475,437)	(231,814)	(130,542)
Non-controlling interests of the subsidiaries		(3)	2	-	-
<b>Loss for the period</b>		<u>(5,203)</u>	<u>(475,435)</u>	<u>(231,814)</u>	<u>(130,542)</u>
<b>Basic earnings per share</b>	16				
Loss attributable to equity holders of the Company		<u>(0.00)</u>	<u>(0.30)</u>	<u>(0.15)</u>	<u>(0.08)</u>
Weighted average number of ordinary shares (Thousand Shares)		<u>1,559,281</u>	<u>1,559,281</u>	<u>1,559,281</u>	<u>1,559,281</u>

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



(Unaudited but reviewed)

**Precious Shipping Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the three-month period ended 30 June 2017**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<b>Loss for the period</b>	<u>(5,203)</u>	<u>(475,435)</u>	<u>(231,814)</u>	<u>(130,542)</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	<u>(8,501)</u>	<u>(1,481)</u>	<u>-</u>	<u>-</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(8,501)</u>	<u>(1,481)</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>(178,804)</u>	<u>(23,715)</u>	<u>(183,330)</u>	<u>(27,339)</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(178,804)</u>	<u>(23,715)</u>	<u>(183,330)</u>	<u>(27,339)</u>
<b>Other comprehensive income for the period</b>	<u>(187,305)</u>	<u>(25,196)</u>	<u>(183,330)</u>	<u>(27,339)</u>
<b>Total comprehensive income for the period</b>	<u>(192,508)</u>	<u>(500,631)</u>	<u>(415,144)</u>	<u>(157,881)</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>(192,505)</u>	<u>(500,636)</u>	<u>(415,144)</u>	<u>(157,881)</u>
Non-controlling interests of the subsidiaries	<u>(3)</u>	<u>5</u>	<u>-</u>	<u>-</u>
	<u>(192,508)</u>	<u>(500,631)</u>	<u>(415,144)</u>	<u>(157,881)</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 2017**

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

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2017	2016	2017	2016
<b>Revenues</b>					
Vessel operating income					
Hire income		1,725,879	1,273,680	-	-
Freight income		399,383	455,114	-	-
Total vessel operating income		2,125,262	1,728,794	-	-
Service income	5	1,931	3,240	43,624	48,843
Gains on sales of vessels and equipment	9	32,153	-	1,999	-
Gains on cancellation of shipbuilding contracts	10.4	6,252	2,851	6,252	2,851
Interest income	10.2	8,257	38,956	6,150	37,746
Exchange gains		-	22,473	-	25,789
Other income		128	93	1	-
<b>Total revenues</b>		<b>2,173,983</b>	<b>1,796,407</b>	<b>58,026</b>	<b>115,229</b>
<b>Expenses</b>					
Vessel operating costs					
Vessel running expenses		836,281	1,054,084	-	-
Voyage disbursements		97,675	144,754	-	-
Bunker consumption		115,372	138,387	-	-
Total vessel operating costs		1,049,328	1,337,225	-	-
Depreciation	9	583,565	729,237	1,760	1,231
Cost of services		2,860	3,086	-	-
Loss on sales of vessels	9	-	354,093	-	6
Loss on impairment of assets	9	-	275,343	-	-
Loss on impairment of investment in a subsidiary	7	-	-	95,134	-
Administrative expenses	5	137,447	132,160	115,827	111,258
Management remuneration including perquisites	5	39,695	43,291	39,099	39,793
Bad debts and doubtful accounts (reversal)		(10,229)	25,022	2,804	32,297
Exchange losses		8,830	-	5,646	-
<b>Total expenses</b>		<b>1,811,496</b>	<b>2,899,457</b>	<b>260,270</b>	<b>184,585</b>
<b>Profit (loss) before share of profit (loss) from investment in associate and finance cost</b>		<b>362,487</b>	<b>(1,103,050)</b>	<b>(202,244)</b>	<b>(69,356)</b>
Share of profit (loss) from investment in associate held by a subsidiary	8.1	1,761	(5,180)	-	-
<b>Profit (loss) before finance cost</b>		<b>364,248</b>	<b>(1,108,230)</b>	<b>(202,244)</b>	<b>(69,356)</b>
Finance cost		(428,729)	(578,561)	(161,132)	(278,077)
<b>Loss for the period</b>		<b>(64,481)</b>	<b>(1,686,791)</b>	<b>(363,376)</b>	<b>(347,433)</b>

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 2017**

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

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2017	2016	2017	2016
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(64,487)	(1,686,783)	(363,376)	(347,433)
Non-controlling interests of the subsidiaries		6	(8)	-	-
<b>Loss for the period</b>		<u>(64,481)</u>	<u>(1,686,791)</u>	<u>(363,376)</u>	<u>(347,433)</u>
<b>Basic earnings per share</b>	16				
Loss attributable to equity holders of the Company		<u>(0.04)</u>	<u>(1.08)</u>	<u>(0.23)</u>	<u>(0.22)</u>
Weighted average number of ordinary shares (Thousand Shares)		<u>1,559,281</u>	<u>1,559,281</u>	<u>1,559,281</u>	<u>1,559,281</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 2017**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<b>Loss for the period</b>	<u>(64,481)</u>	<u>(1,686,791)</u>	<u>(363,376)</u>	<u>(347,433)</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	6,204	188	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>6,204</u>	<u>188</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	(707,286)	(401,788)	(732,143)	(429,345)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(707,286)</u>	<u>(401,788)</u>	<u>(732,143)</u>	<u>(429,345)</u>
<b>Other comprehensive income for the period</b>	<u>(701,082)</u>	<u>(401,600)</u>	<u>(732,143)</u>	<u>(429,345)</u>
<b>Total comprehensive income for the period</b>	<u>(765,563)</u>	<u>(2,088,391)</u>	<u>(1,095,519)</u>	<u>(776,778)</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	(765,568)	(2,088,431)	(1,095,519)	(776,778)
Non-controlling interests of the subsidiaries	5	40	-	-
	<u>(765,563)</u>	<u>(2,088,391)</u>	<u>(1,095,519)</u>	<u>(776,778)</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

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

## Consolidated financial statements

	Equity attributable to the parent's shareholders										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	Retained earnings				Exchange differences on translation of financial statements	Other components of shareholders' equity - other comprehensive income				
				Appropriated		Corporate social responsibility reserve	Unappropriated						
				The Company	Subsidiaries								
<b>Balance as at 1 January 2016</b>	1,559,281	1,967,716	172,446	103,952	523,320	16,350	11,478,160	666,854	16,488,079	(1,912)	16,486,167		
Loss for the period	-	-	-	-	-	-	(1,686,783)	-	(1,686,783)	(8)	(1,686,791)		
Other comprehensive income for the period	-	-	-	-	-	-	-	(401,648)	(401,648)	48	(401,600)		
Total comprehensive income for the period	-	-	-	-	-	-	(1,686,783)	(401,648)	(2,088,431)	40	(2,088,391)		
Appropriated to corporate social responsibility reserve	-	-	-	-	-	(78)	78	-	-	-	-		
<b>Balance as at 30 June 2016</b>	<u>1,559,281</u>	<u>1,967,716</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>16,272</u>	<u>9,791,455</u>	<u>265,206</u>	<u>14,399,648</u>	<u>(1,872)</u>	<u>14,397,776</u>		
<b>Balance as at 1 January 2017</b>	1,559,281	1,967,716	172,446	103,952	523,320	16,119	8,813,492	502,693	13,659,019	31	13,659,050		
Loss for the period	-	-	-	-	-	-	(64,487)	-	(64,487)	6	(64,481)		
Other comprehensive income for the period	-	-	-	-	-	-	-	(701,081)	(701,081)	(1)	(701,082)		
Total comprehensive income for the period	-	-	-	-	-	-	(64,487)	(701,081)	(765,568)	5	(765,563)		
Appropriated to corporate social responsibility reserve	-	-	-	-	-	124	(124)	-	-	-	-		
<b>Balance as at 30 June 2017</b>	<u>1,559,281</u>	<u>1,967,716</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>16,243</u>	<u>8,748,881</u>	<u>(198,388)</u>	<u>12,893,451</u>	<u>36</u>	<u>12,893,487</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 2017

(Unit: Thousand Baht)

	Separate financial statements						Other components of shareholders' equity - other comprehensive income	Exchange differences on translation of financial statements	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Retained earnings					
				Statutory reserve	Appropriated				
					Corporate social responsibility reserve	Unappropriated			
<b>Balance as at 1 January 2016</b>	1,559,281	1,967,716	172,446	103,952	16,350	11,361,856	1,987,124	17,168,725	
Loss for the period	-	-	-	-	-	(347,433)	-	(347,433)	
Other comprehensive income for the period	-	-	-	-	-	-	(429,345)	(429,345)	
Total comprehensive income for the period	-	-	-	-	-	(347,433)	(429,345)	(776,778)	
Appropriated to corporate social responsibility reserve	-	-	-	-	(78)	78	-	-	
<b>Balance as at 30 June 2016</b>	<b>1,559,281</b>	<b>1,967,716</b>	<b>172,446</b>	<b>103,952</b>	<b>16,272</b>	<b>11,014,501</b>	<b>1,557,779</b>	<b>16,391,947</b>	
<b>Balance as at 1 January 2017</b>	1,559,281	1,967,716	172,446	103,952	16,119	8,626,378	1,835,754	14,281,646	
Loss for the period	-	-	-	-	-	(363,376)	-	(363,376)	
Other comprehensive income for the period	-	-	-	-	-	-	(732,143)	(732,143)	
Total comprehensive income for the period	-	-	-	-	-	(363,376)	(732,143)	(1,095,519)	
Appropriated to corporate social responsibility reserve	-	-	-	-	124	(124)	-	-	
<b>Balance as at 30 June 2017</b>	<b>1,559,281</b>	<b>1,967,716</b>	<b>172,446</b>	<b>103,952</b>	<b>16,243</b>	<b>8,262,878</b>	<b>1,103,611</b>	<b>13,186,127</b>	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	

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 2017**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Loss before tax	(64,481)	(1,686,791)	(363,376)	(347,433)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	583,950	729,669	2,144	1,657
Bad debts and doubtful accounts (reversal)	(10,229)	25,022	2,804	32,297
Losses (gains) on sales of vessels and equipment	(32,153)	354,093	(1,999)	6
Loss on impairment of assets	-	275,343	-	-
Loss on impairment of investment in a subsidiary	-	-	95,134	-
Gains on cancellation of shipbuilding contracts	(6,252)	(2,851)	(6,252)	(2,851)
Write-off deferred financial fee	-	182,253	-	182,253
Amortisation of deferred contract costs	9,688	9,994	-	-
Share of loss (profit) from investment in associate held by a subsidiary	(1,761)	5,180	-	-
Reversal of provisions for maritime claims	(9,644)	(7,441)	-	-
Provision for long-term employee benefits	4,344	4,501	3,831	3,887
Unrealised exchange losses (gains)	798	(30,306)	107	(31,199)
Amortised financial fees to interest expense	36,521	40,058	-	-
Interest expense	383,524	340,672	157,055	93,102
Amortisation of deferred debentures issuing cost	3,208	1,842	3,208	1,842
Interest income	-	(34,903)	-	(34,903)
Profit (loss) from operating activities before changes in operating assets and liabilities	897,513	206,335	(107,344)	(101,342)
Operating assets (increase) decrease				
Trade and other receivables	(55,542)	43,460	279,580	(1,476,234)
Bunker oil	(25,552)	39,109	-	-
Other current assets	(22,247)	(57,663)	6,628	1,470
Other non-current assets	3	35	-	-
Operating liabilities increase (decrease)				
Trade and other payables	58,651	(104,040)	129,596	80,304
Advances received from charterers	12,450	(5,551)	-	-
Other current liabilities	636	7,774	4,783	3,494
Non-current liabilities	-	(2,888)	-	(2,888)
Cash flows from (used in) operating activities	865,912	126,571	313,243	(1,495,196)
Cash paid for corporate income tax and withholding tax deducted at source	(1,237)	(1,591)	(850)	(1,137)
<b>Net cash flows from (used in) operating activities</b>	<b>864,675</b>	<b>124,980</b>	<b>312,393</b>	<b>(1,496,333)</b>

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 2017

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses	(145,986)	(956,367)	(9,614)	(25)
Cash received from sales of vessels and equipment	76,851	322,503	1,999	3
Cash paid for advances for vessel constructions and other direct costs	(640,634)	(375,412)	(639,121)	(363,248)
Cash received from amendment/cancellation of shipbuilding contracts	6,179	434,744	6,179	434,744
Cash paid for investments in subsidiaries	-	-	-	(595,600)
Cash received from unsecured corporate loan	329,659	211,681	329,659	211,681
Dividend received from associate held by a subsidiary	7,869	-	-	-
<b>Net cash flows used in investing activities</b>	<b>(366,062)</b>	<b>(362,851)</b>	<b>(310,898)</b>	<b>(312,445)</b>
<b>Cash flows from financing activities</b>				
Decrease in restricted bank deposits	361,155	760,627	-	-
Cash paid for interest expense and commitment fee	(384,924)	(301,731)	(158,455)	(54,161)
Cash paid for deferred financial fees	(7,388)	(26,711)	-	(26,711)
Cash received from long-term loans	500,688	923,726	-	-
Repayment of long-term loans	(251,975)	(1,119,550)	-	(599,467)
Prepayment of long-term loans	(245,169)	(2,353,722)	-	-
Cash received from debentures	-	3,570,895	-	3,570,895
<b>Net cash flows from (used in) financing activities</b>	<b>(27,613)</b>	<b>1,453,534</b>	<b>(158,455)</b>	<b>2,890,556</b>
Decrease in translation adjustments	(139,939)	(68,282)	(108,170)	(57,081)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>331,061</b>	<b>1,147,381</b>	<b>(265,130)</b>	<b>1,024,697</b>
Cash and cash equivalents at beginning of period	2,676,310	453,508	2,145,249	52,363
<b>Cash and cash equivalents at end of period</b>	<b>3,007,371</b>	<b>1,600,889</b>	<b>1,880,119</b>	<b>1,077,060</b>
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Transfer of interest expenses and commitment fee to advance for vessel constructions	-	1,240	-	1,240
Amortisation of financial fees to advances for vessel constructions	-	206	-	206
Transfer of deferred financial fees to present as a deduction from long-term loans	-	30,364	-	-
Transfer of deferred financial fees to subsidiaries in proportion to the drawdown amount	-	-	-	30,364
Transfer of advances for vessel constructions to vessel and equipment of a subsidiary	907,567	856,507	904,058	842,782

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 2017**

**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 2016) 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 2016. There have been no changes in the composition of the Group during the current period.

### **1.4 New financial reporting standards**

During the period, the Group has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 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 2016.

## **3. Restricted bank deposits**

As at 30 June 2017, the Group placed deposits at banks of USD 0.38 million or equivalent Baht 12.94 million as cash collateral for one loan facility as mentioned in Note 12 to the financial statements. (31 December 2016: USD 10.91 million or equivalent Baht 390.99 million for 3 loan facilities).

(Unaudited but reviewed)

#### 4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	193,392	137,420	-	-
3 - 6 months	292	2,571	-	-
6 - 12 months	3,145	4	-	-
Over 12 months	12,716	24,560	-	-
Total	209,545	164,555	-	-
Less: Allowance for doubtful debts	(12,716)	(24,560)	-	-
Total trade receivables - unrelated parties, net	196,829	139,995	-	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 5)	-	-	5,007,577	4,629,332
Total other receivables	-	-	5,007,577	4,629,332
Total trade and other receivables - net	196,829	139,995	5,007,577	4,629,332

#### 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.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2017	2016	2017	2016	
<b>Transactions with subsidiaries</b>					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	20,778	19,480	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Service income - commission from vessel sales	-	-	2,157	1,461	3% of vessels' selling price
Condominium rental expenses	-	-	1,721	1,724	Market price
Sales of newbuilding vessel (as part of advances for vessel constructions and other direct costs)	-	-	904,058	480,553	At cost
<b>Transactions with related companies</b>					
Air ticket expenses	1,444	2,249	736	552	Market price
Rental and service expenses	1,916	981	1,826	658	Market price

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2017	2016	2017	2016	
<b>Transactions with subsidiaries</b>					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	41,467	40,422	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Service income - commission from vessel sales	-	-	2,157	8,421	3% of vessels' selling price
Condominium rental expenses	-	-	3,432	3,554	Market price
Sales of newbuilding vessel (as part of advances for vessel constructions and other direct costs)	-	-	904,058	842,782	At cost
<b>Transaction with associate</b>					
Dividend received	7,869	-	-	-	As declared
<b>Transactions with related companies</b>					
Air ticket expenses	3,206	3,552	1,114	903	Market price
Rental and service expenses	6,044	4,311	5,232	3,193	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 2017	31 December 2016	30 June 2017	31 December 2016
<b>Other receivables - related parties (Note 4)</b>				
Subsidiaries	-	-	5,007,577	4,629,332
Total other receivables - related parties	-	-	5,007,577	4,629,332
<b>Trade and other payables - related parties</b>				
Subsidiaries	-	-	1,793,189	1,739,800
Related companies	241	215	87	69
Total trade and other payables - related parties	241	215	1,793,276	1,739,869

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 2017 and 2016, 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	
	2017	2016	2017	2016
Short-term employee benefits	20,130	20,888	19,793	19,135
Post-employment benefits	508	595	507	524
Total	20,638	21,483	20,300	19,659

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	38,679	42,099	38,084	38,744
Post-employment benefits	1,016	1,192	1,015	1,049
Total	39,695	43,291	39,099	39,793

#### 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. Long-term loans to subsidiaries**

Long-term loans to subsidiaries consisted of the following.

- 1) As at 30 June 2017, long-term loans to a wholly owned subsidiary, Associated Bulk Carriers Pte. Limited (“ABC Company”), are in the form of promissory notes amounting to USD 9.70 million (31 December 2016: USD 9.70 million), 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.
- 2) On 30 December 2016, the Company has executed an agreement to extend the period of repayment of advance receivables and short-term loan to Precious Shipping (Singapore) Pte. Limited (“PSSP”) amounting to USD 145 million to 3 years.

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

(Unit: Thousand Baht)

	Separate
	financial statements
Balance as at 1 January 2017	5,543,081
Translation adjustment	(286,090)
Balance as at 30 June 2017	5,256,991

## 7. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	30	31	30	31	30	31
	June	December	June	December	June	December
	2017	2016	2017	2016	2017	2016
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	360,055	379,650
Precious Wishes Limited	230,000	230,000	99.99	99.99	306,498	323,178
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	286,308	301,889
Precious Minerals Limited	230,000	230,000	99.99	99.99	260,348	274,516
Precious Lands Limited	306,000	306,000	99.99	99.99	329,490	347,421
Precious Rivers Limited	234,000	234,000	99.99	99.99	216,561	228,347
Precious Lakes Limited	184,000	184,000	99.99	99.99	190,037	200,379
Precious Seas Limited	100,000	100,000	99.99	99.99	133,260	140,512
Precious Stars Limited	105,000	105,000	99.99	99.99	139,923	147,538
Precious Oceans Limited	175,000	175,000	99.99	99.99	233,205	245,896
Precious Planets Limited	270,000	270,000	99.99	99.99	316,213	333,422
Precious Diamonds Limited	205,000	205,000	99.99	99.99	197,972	208,746
Precious Sapphires Limited	144,000	144,000	99.99	99.99	134,315	141,624
Precious Emeralds Limited	366,000	366,000	99.99	99.99	322,067	339,594
Precious Rubies Limited	259,360	259,360	99.99	99.99	268,906	283,540
Precious Opals Limited	249,360	249,360	99.99	99.99	260,281	274,446
Precious Garnets Limited	379,000	379,000	99.99	99.99	332,191	350,269
Precious Pearls Limited	173,000	173,000	99.99	99.99	189,733	200,059
Precious Flowers Limited	336,000	336,000	99.99	99.99	365,821	385,729
Precious Forests Limited	286,000	286,000	99.99	99.99	284,404	299,881
Precious Trees Limited	202,000	202,000	99.99	99.99	222,020	234,102
Precious Ponds Limited	124,000	124,000	99.99	99.99	133,542	140,810
Precious Ventures Limited	202,000	202,000	99.99	99.99	240,824	253,930
Precious Capitals Limited	200,000	200,000	99.99	99.99	266,520	281,025
Precious Jasmines Limited	147,000	147,000	99.99	99.99	181,072	190,926
Precious Orchids Limited	217,000	217,000	99.99	99.99	204,618	215,753
Precious Lagoons Limited	140,000	140,000	99.99	99.99	186,564	196,717
Precious Cliffs Limited	140,000	140,000	99.99	99.99	186,564	196,717
Precious Hills Limited	140,000	140,000	99.99	99.99	186,564	196,717
Precious Mountains Limited	140,000	140,000	99.99	99.99	186,564	196,717
Precious Resorts Limited	140,000	140,000	99.99	99.99	186,564	196,717
Precious Cities Limited	170,000	170,000	99.99	99.99	212,147	223,692
Precious Comets Limited	141,000	141,000	99.99	99.99	141,841	149,561
Precious Ornaments Limited	156,000	156,000	99.99	99.99	155,673	164,145
Precious Moons Limited	1,000	1,000	99.98	99.98	1,038	1,094
Precious Venus Limited	298,800	298,800	99.99	99.99	288,143	303,824

(Unaudited but reviewed)

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	30	31	30	31	30	31
	June	December	June	December	June	December
2017	2016	2017	2016	2017	2016	
		%	%			
Precious Neptune Limited	298,800	298,800	99.99	99.99	288,143	303,824
Nedtex Limited	-	2,500	-	69.99	-	911
Precious Storage Terminals Limited	-	6,000	-	69.99	-	5,901
Thebes Pte. Limited	0.0365	0.0365	100.00	100.00	-	-
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	340	358
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	356,483	375,883
Precious Shipping (UK) Limited	250	250	100.00	100.00	340	358
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	368,501	388,555
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
Total investments in subsidiaries					9,121,653	9,624,873
Less: Allowance for loss on investments in subsidiaries					(2,206,088)	(2,233,389)
Total investments in subsidiaries - net					6,915,565	7,391,484

As at 30 June 2017, the Company has pledged the shares of 31 subsidiaries amounting to Baht 5,927.33 million (net of allowance for loss on investments) (31 December 2016: 31 subsidiaries amounting to Baht 6,249.90 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 12 to the financial statements.

The change in cost of investments in subsidiaries is from the exchange differences on translation of financial statements from functional currency to presentation currency and on 29 May 2017, Nedtex Limited and Precious Storage Terminals Limited, the Company's subsidiaries have now completed their liquidation processes.

The allowance for loss on investments in subsidiaries in the separate financial statements applied for the subsidiaries which sold their vessels and have no recent plan for the replacements was USD 64.92 million or approximately Baht 2,206.09 million.



(Unaudited but reviewed)

**8. Investment in associate held by a subsidiary****8.1 Details of associate held by a subsidiary**

(Unit: Thousand Baht)

		Consolidated financial statements						Carrying amounts	
Associate's name	Nature of business	Country of incorporation	Shareholding		Cost		based on equity method		
			Percentage						
			30 June	31 December	30 June	31 December	30 June	31 December	
			2017	2016	2017	2016	2017	2016	
			%	%					
International Seaports (Haldia) Private Limited	Berth construction and development	India	22.40	22.40	69,242	73,010	78,200	86,237	

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 loss		Dividend received	
		2017	2016	2017	2016
International Seaports (Haldia) Private Limited		(1,089)	(2,303)	-	-

(Unit: Thousand Baht)

		Consolidated financial statements			
		For the six-month periods ended 30 June			
Associate's name		Share of profit (loss)		Dividend received	
		2017	2016	2017	2016
International Seaports (Haldia) Private Limited		1,761	(5,180)	7,869	-

Shares of profit (loss) from investment in associate held by a subsidiary for the six-month periods ended 30 June 2017 and 2016, included in the consolidated income statements, were recorded based on the financial information for the six-month periods ended 31 March 2017 and 2016, respectively.

**8.2 Summarised financial information of associate held by a subsidiary**

(Unit: Thousand Baht)

Associate's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the six-month periods ended		Profit (loss) for the six-month periods ended	
	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Thousand INR	Thousand INR								
International Seaports (Haldia) Private Limited	440,580	440,580	380,067	375,729	30,960	33,095	200,319	140,010	7,863	(23,126)

(Unaudited but reviewed)

## 9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	25,671,524	5,407
Acquisitions of vessels and equipment and payment of dry-dock and special survey expenses during period - at cost	145,986	9,614
Transfer from advances for vessel constructions	907,567	-
Disposals	(157,899)	-
Depreciation for the period	(583,565)	(1,760)
Reversal of allowance for impairment loss	117,775	-
Translation adjustment	(1,324,009)	(491)
Net book value as at 30 June 2017	<u>24,777,379</u>	<u>12,770</u>

During the six-month period ended 30 June 2017, the Company and a local subsidiary sold and delivered a vessel (30 June 2016: 6 vessels) and sold equipment and had gain on sale of vessel and equipment totaling USD 0.94 million or approximately Baht 32.15 million (30 June 2016: loss on sale of vessels totaling USD 9.96 million or approximately Baht 354.09 million) as presented in the current period consolidated income statement.

As at 30 June 2017, the subsidiaries have mortgaged 36 vessels (31 December 2016: 35 vessels) with net book value of Baht 24,738.82 million (31 December 2016: Baht 24,708.39 million) with banks to secure long-term loans as referred to in Note 12 to the financial statements.

As at 31 December 2016, the Group performed impairment reviews in respect of the vessels expected to be sold in 2017 and recognised an impairment loss of USD 3.44 million or approximately Baht 123.27 million based on fair value (net of direct selling expenses). The Group estimated the fair value of vessels based on an average of latest selling price of vessels sold in the recent past. However, actual results might differ from these estimates depending on the future economic environment and the specific timing of each sale (30 June 2017: None).

**10. Advances for vessel constructions**

Movements of the advances for vessel constructions account during the six-month period ended 30 June 2017 are summarized below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	2,712,401	2,701,134
Additions	620,704	620,704
Other direct costs	20,041	18,528
Transfer to cost of vessel and equipment of a subsidiary	(907,567)	(904,058)
Translation adjustment	(138,227)	(137,654)
Balance as at 30 June 2017	<u>2,307,352</u>	<u>2,298,654</u>

During the six-month period ended 30 June 2017, there were the delivery of a vessel and amended/cancelled of shipbuilding contracts as detailed below.

**10.1 Delivery of vessel under the Shipbuilding Contract with Taizhou Sanfu Ship Engineering Co., Ltd., China**

During the six-month period ended 30 June 2017, a vessel was completed and delivered to the Company's indirect subsidiary incorporated in Singapore as detailed below.

Delivery date	Subsidiary's name	Hull No.	Cost of vessel construction and other direct costs
18 April 2017	Precious Grace Pte. Limited	SF130127	USD 26.72 million or approximately Baht 908.11 million

**10.2 Settlement Agreements of the Shipbuilding Contracts**

On 31 March 2016, the Company, Taizhou Sanfu Ship Engineering Co., Ltd. ("Sanfu") and Jiangsu Ruihai International Trade Co., Ltd. ("JSRH") (jointly referred to as the "Parties") have executed four settlement agreements ("Settlement Agreements") to capture the terms of the amicable settlements reached between the Parties for the eight shipbuilding contracts ("Contract" or "Contracts") for construction of eight 63,345 DWT bulk carrier vessels bearing hull nos. SF130126 to SF130133 ("Vessel" or "Vessels"). The key terms of the Settlement Agreements are as follows:

(Unaudited but reviewed)

- Contract Price for each of Hull Nos. SF130126, SF130127, SF130128 and SF130129 (“Four Remaining Vessels”) shall be reduced to USD 25 million per vessel;
- On delivery date of each of the Four Remaining Vessels, Sanfu and JSRH shall provide the Company an unsecured corporate loan of an amount of USD 6 million per vessel. The repayment of these unsecured corporate loans shall be based on the outcome of the disputes as set out in the two settlement agreements dated 9 October 2015 for Hull Nos. SF130124 and SF130125 in a logical manner; and
- The advances paid under the four Contracts for Hull Nos. SF130130, SF130131, SF130132 and SF130133 plus interest thereon shall be refunded to the Company by way of the application to the respective final installments payable against delivery of each of the Four Remaining Vessels. After the refunds, the three Contracts for Hull Nos. SF130131, SF130132 and SF130133 will be terminated but one Contract for Hull No. SF130130 will be amended.

During the six-month period ended 30 June 2016, the Company recorded USD 0.98 million or approximately Baht 34.90 million as interest income on the advances refunded to the Company for Hull nos. SF130130, SF130131, SF130132 and SF130133.

On 17 November 2016, the Company and Sanfu (jointly referred to as the “Parties”) have executed the second override settlement agreement for Hull No. SF130127 (“Second Settlement Agreement”). The key terms of the Second Settlement Agreement are as follows:

1. The Parties agreed and fixed the delivery date of SF130127 for between 4 and 7 April 2017 (exact date shall be mutually agreed later).
2. The advance paid under the Contract for Hull No. SF130133 plus interest upto 25 November 2016 to be refunded to the Company and applied as partial repayment of unsecured corporate loan for SF130129. After the refund, the Contract for Hull No. SF130133 to be terminated.
3. On the delivery date of SF130127, the unsecured corporate loan for SF130129 to be reinstated to USD 6 million.

During the year 2016, three vessels with Hull Nos. SF130126, SF130128 and SF130129 were delivered and three contracts for building three new vessels with Hull Nos. SF130131, SF130132 and SF130133 were cancelled.

During the six-month period ended 30 June 2017, the vessel with Hull No. SF130127 was also delivered as mentioned in Note 10.1 to the financial statements.

### **10.3 Amendment for the Shipbuilding Contracts**

On 21 April 2016 and 17 November 2016, the Company and Taizhou Sanfu Ship Engineering Co., Ltd. ("Sanfu") (jointly referred to as the "Parties") executed an amending agreement ("Amending Agreement") and a Memorandum of Agreement, respectively in relation to the Shipbuilding Contract dated 20 December 2013 ("Shipbuilding Contract") for construction of one 63,345 DWT Bulk Carrier with Hull No. SF130130 ("Vessel").

On 31 May 2017, the Shipbuilding Contract was automatically terminated as Sanfu was not able to provide a refund guarantee for the 1st Installment which was one of the conditions precedent in the Amending Agreement.

### **10.4 Cancellation of the Shipbuilding Contracts**

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

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

The Company submitted Letters of Demand to the Guarantor Bank, Export-Import Bank of China, Jiangsu Branch ("CEXIM"), against the Irrevocable Letters of Guarantee provided to the Company by CEXIM in accordance with the SBCs to seek full refund of the abovementioned advances, along with interest thereon. During the year 2016, the Company received the refund of the advances along with interest thereon for three vessels bearing hull nos. SAM14024B, SAM14025B and SAM14026B amounting in aggregate to USD 8.81 million from CEXIM since neither party invoked arbitration in respect of these vessels.

In March 2017, the Company (and its nominee) received an additional USD 0.18 million or approximately Baht 6.25 million from Shipbuilder, being the shortfall in the interest amount refunded by the CEXIM under the Letters of Guarantee for three vessels bearing hull nos. SAM14024B, SAM14025B and SAM14026B and the interest amount due and payable by the Shipbuilder in accordance with the relevant SBCs. A sum of USD 0.12 million out of the aforesaid amount is receivable from the nominee.

On 27 June 2017, the Company received the aforesaid sum from the nominee.

(Unaudited but reviewed)

For the Vessels for which the Company has received notices of arbitration from the Shipbuilder, as per the terms of the Irrevocable Letters of Guarantee and the SBCs, the refund of the advances to the Company will remain subject to the final arbitration award and the Irrevocable Letters of Guarantee related to these vessels are automatically extended until 90 days after the final arbitration award has been published.

As of 30 June 2017, details of the cancellations of the SBCs by the Company and by the Shipbuilder (under dispute by the Company) (not including the three vessels for which the Company received the refunds from CEXIM aforesaid) are as follows:

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

## 11. Deferred contract costs

Movements of the deferred contract costs account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Balance as at 1 January 2017	253,466
Amortisation for the period	(9,688)
Translation adjustment	(12,926)
Balance as at 30 June 2017	<u>230,852</u>

(Unaudited but reviewed)

**12. Long-term loan facilities**

As at 30 June 2017 and 31 December 2016, 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 10		Facility 11		Facility 1		Facility 2		Total		
30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	31	
June	December	June	December	June	December	June	December	June	December	June	December	June	December	June	December	June	December	June	December	June	December	June	December	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
Long-term loans	693,220	730,946	1,264,652	1,333,476	1,058,208	1,161,807	547,780	600,694	499,119	561,367	2,233,233	2,456,709	890,419	938,876	792,191	864,864	496,978	-	1,637,258	1,827,640	1,175,607	1,376,214	11,288,665	11,852,593
Add (less): Deferred financial fees	(3,137)	(3,919)	(17,055)	(20,713)	(13,879)	(16,051)	(3,173)	(3,653)	(2,589)	(3,081)	39,377	25,197	(15,928)	(18,407)	(31,564)	(36,237)	(7,307)	-	(54,227)	(64,162)	25,763	22,596	(83,719)	(118,430)
Total	690,083	727,027	1,247,597	1,312,763	1,044,329	1,145,756	544,607	597,041	496,530	558,286	2,272,610	2,481,906	874,491	920,469	760,627	828,627	489,671	-	1,583,031	1,763,478	1,201,370	1,398,810	11,204,946	11,734,163
Less: Current portion	-	-	-	-	(86,126)	(90,749)	(43,568)	(45,926)	(66,204)	(69,786)	(196,873)	(206,084)	(50,068)	(17,567)	(53,836)	(56,644)	(40,806)	-	(123,026)	(122,825)	(264,859)	(277,764)	(925,366)	(887,345)
Long-term loans - net of current portion	690,083	727,027	1,247,597	1,312,763	958,203	1,055,007	501,039	551,115	430,326	488,500	2,075,737	2,275,822	824,423	902,902	706,791	771,983	448,865	-	1,460,005	1,640,653	936,511	1,121,046	10,279,580	10,846,818

(Unaudited but reviewed)

Movements in the long-term loans accounts during the six-month period ended 30 June 2017 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 10	Facility 11	Facility 1	Facility 2	Total
Balance as at 1 January 2017	727,027	1,312,763	1,145,756	597,041	558,286	2,481,906	920,469	828,627	-	1,763,478	1,398,810	11,734,163
Add: Drawdown	-	-	-	-	-	-	-	-	500,688	-	-	500,688
Amortisation of financial fees	589	2,631	1,365	297	339	15,734	1,555	2,849	27	6,731	4,404	36,521
Unrealised exchange loss	-	-	-	-	-	-	-	-	-	40,404	-	40,404
Less: Deferred financial fees	-	-	-	-	-	-	-	-	(7,388)	-	-	(7,388)
Repayment	-	-	(44,350)	(22,270)	(33,820)	(24,351)	-	(28,494)	-	(66,054)	(32,636)	(251,975)
Prepayment	-	-	-	-	-	(74,344)	-	-	-	(71,184)	(99,641)	(245,169)
Translation adjustment	(37,533)	(67,797)	(58,442)	(30,461)	(28,275)	(126,335)	(47,533)	(42,355)	(3,656)	(90,344)	(69,567)	(602,298)
Balance as at 30 June 2017	<u>690,083</u>	<u>1,247,597</u>	<u>1,044,329</u>	<u>544,607</u>	<u>496,530</u>	<u>2,272,610</u>	<u>874,491</u>	<u>760,627</u>	<u>489,671</u>	<u>1,583,031</u>	<u>1,201,370</u>	<u>11,204,946</u>



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

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

**Facility 1**

As the value of security increased to over 130% of total loan outstanding, on 18 January 2017, the borrowers then requested and received USD 1,006,667 from a release of cash collateral. Further, on 21 April 2017, the borrowers requested for the release and received USD 916,667 of the remaining cash collateral.

On 26 April 2017, DNB Asia Ltd. as agent and security agent of the facility approved the waiver of the testing of the financial covenant regarding the funded debt to EBITDA ratio up to 31 December 2017 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 condition that the Company cannot pay any dividends or make any other distributions to any shareholder during the Temporary Waiver Period.

**Facility 2**

As the value of security increased to over 130% of total loan outstanding, on 5 April 2017, the borrowers then requested and received USD 4,979,200 from a release of cash collateral. Further, on 4 July 2017, the borrowers requested for the release and received USD 380,800 of the remaining cash collateral.

On 5 May 2017, ING Bank N.V., Singapore Branch and DNB Asia Ltd. as the Lenders of the facility extended the waiver of the testing of the financial covenant regarding the funded debt to EBITDA ratio up to 31 December 2017 or any date to be notified by the Lenders ("Temporary Waiver Period").

The above approvals have been granted subject to the Company complying with the condition that the Company cannot pay any dividends or make any other distributions to any shareholder during the Temporary Waiver Period.

**Facility 6**

On 2 February 2017, the borrowers made a prepayment of USD 4.99 million, applied in direct order of maturity of the repayment installments and on 7 February 2017, 1 vessel was mortgaged as additional security to cure the security shortfall for this facility and Facility 2 for purchasing of vessels.

In relation to this facility and Facility 2 for purchasing of vessels, on 19 July 2017, Export-Import Bank of Thailand approved the waiver of the testing of the financial covenants regarding the Net Funded Debt to EBITDA ratio and Debt Service Coverage ratio for the period starting from 1 January 2017 to 31 December 2017.

**Facility 8**

On 26 April 2017, the value of security increased to over 125% of total loan outstanding, and the borrowers then requested a release of cash collateral of USD 3,628,906.

**Facility 10**

On 11 May 2017, BNP Paribas approved the waiver of the testing of the financial covenant regarding the funded debt to EBITDA ratio from 1 January 2017 to 31 December 2017.

**Facility 11**

On 9 June 2017, the Company along with its indirect subsidiary in Singapore, Precious Grace Pte. Ltd., executed a USD 16.25 million Secured Loan Facility with BNP Paribas to refinance up to 65% of the lower of the Contract Price or market value of one 63,345 DWT Ultramax Dry Bulk Vessel i.e. M.V. Sarocha Naree (Hull No. SF130127) ("Vessel"). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows.

<b>Loan Facility</b>	Up to USD 16,250,000
<b>Drawdown</b>	The lower of USD 16,250,000 or 65% of the market value of the vessel
<b>Final maturity</b>	8 years after the drawdown
<b>Repayment</b>	The loans shall be repaid over 8 years, in 32 equal quarterly installments of USD 338,542, beginning from three calendar months after the drawdown plus a balloon repayment of USD 5,416,656 together with the last installment.
<b>Security</b>	<ul style="list-style-type: none"> <li>a) 1st priority mortgage on the vessel</li> <li>b) Pledge of shares of the Subsidiary Borrower</li> <li>c) 1st priority charge over the Earnings Account and Retention Account of the Subsidiary Borrower</li> <li>d) 1st priority assignment of all insurance and requisition compensation of the vessel</li> <li>e) 1st priority assignment of any charterparties (for a period of 36 months or more)</li> </ul>

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

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

### **Loan facilities for purchasing of vessels**

#### **Facility 1**

On 31 May 2017, Krung Thai Bank Plc. as the facility agent approved the waiver of the testing of the financial covenants regarding the Debt to EBITDA ratio and Debt Service Coverage ratio up to 31 December 2017. During the temporary waiver period from 1 January 2017 to 31 December 2017, the Company has to follow the following conditions:

- a) The Company is not allowed to pay dividends or make any other distributions to its shareholders;
- b) The Company must submit monthly cashflow forecasts for the next three months;
- c) The Company shall not have any other defaults;
- d) The Company shall maintain a ratio of Total Liabilities to Equity not exceeding 1.8;
- e) The Company shall maintain Debt Service Coverage ratio (including cash) not less than 1.0.

(Unaudited but reviewed)

The Group's bank loan facilities are summarised below.

(Unit: Million USD)

Facility	Bank	Borrower	Interest rate per loan/ amendment agreement	Maximum facility amount per loan/amendment agreement	
				30 June 2017	31 December 2016
<b>Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)</b>					
Facility 1	DNB Asia Ltd. and 5 other banks, total 6 banks	The Company and indirect subsidiaries in Singapore	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
Facility 6	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin	78.24	78.24
Facility 8	DNB Asia Ltd. and Export-Import Bank of China	The Company and indirect subsidiaries in Singapore	LIBOR + margin	30.00	30.00
Facility 10	BNP Paribas	The Company and indirect subsidiaries in Singapore	LIBOR + margin	24.75	24.75
Facility 11	BNP Paribas	The Company and indirect subsidiary in Singapore	LIBOR + margin	14.63	-
<b>Loan facilities for purchasing of vessels</b>					
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 local subsidiaries	LIBOR + margin	64.82	64.82

As at 30 June 2017 and 31 December 2016, the Group had no undrawn loan balance.

### **13. Debentures**

On 22 January 2016, the Company issued 3,590,000 Unsubordinated and Unsecured Debentures of par value Baht 1,000 each by way of a public offering and has accordingly received the aggregate proceeds of Baht 3,590 million. The maturity of the debentures will be 5 years at the interest rate of 5.25% per annum. The interest payment will be quarterly. The issuance of the debentures was approved by the Meeting of the Board of Directors No.7/2015 on 6 October 2015 and the Extraordinary General Meeting of Shareholders No.2/2015 on 5 November 2015.

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

Further, on 9 December 2016, the Company issued 1,960,000 Unsubordinated and Unsecured Debentures of par value Baht 1,000 each by way of a Private Placement to Institutional Investors and High Net Worth Investors ("II&HNW") and accordingly received the aggregate proceeds of Baht 1,960 million. The maturity of the debentures will be 3.5 years at the interest rate of 5.00% per annum. The interest payment will be quarterly. The issuance of the debentures was approved by the Annual General Meeting of Shareholders No.1/2016 on 30 March 2016 and the Meeting of the Executive Board of Directors No. 8/2016 on 11 July 2016.

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

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

(Unaudited but reviewed)

As at 30 June 2017 and 31 December 2016, details of long-term debentures are as follows.

Series	Maturity date	No. of units (Thousand units)	Par value (Baht)	Interest rate (% p.a.)	Term of interest payment	(Unit: Thousand Baht) Carrying amount	
						30 June 2017	31 December 2016
1	Entirely redeemed on 22 January 2021 (5 years)	3,590	1,000	5.25	Quarterly	3,572,454	3,572,869
2	Entirely redeemed on 9 June 2020 (3.5 years)	1,960	1,000	5.00	Quarterly	1,950,420	1,950,647
Total						5,522,874	5,523,516
Less: Deferred debenture issuing costs						(21,249)	(25,706)
Long-term debenture - net						5,501,625	5,497,810

#### 14. Provision for maritime claims

	(Unit: Thousand Baht) Consolidated financial statements
Balance as at 1 January 2017	162,782
Increase during the period	88,882
Decrease (including actual claims) during the period	(80,637)
Translation adjustment	(7,830)
Balance as at 30 June 2017	163,197

## 15. 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 <sup>nd</sup> 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.

During the six-month period ended 30 June 2017, PSL-W1 warrants had not been exercised by the shareholders, and therefore, number of the warrants to purchase the Company's ordinary shares as at 30 June 2017 remained 51,975,666 units.

## 16. Basic earnings per share

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

Diluted earnings per share is calculated by dividing loss for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period 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 year or on the date the potential ordinary shares were issued.

No calculation of diluted earnings per share from warrants for the three-month and six-month periods ended 30 June 2017 was made because the warrants are excluded from the potential ordinary shares since their exercise price is in excess of the weighted average fair value of the Company's ordinary shares.

## **17. 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) Handysize, 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 tables present net vessel operating income from Time charter and Voyage charter of the Group for the three-month and six-month periods ended 30 June 2017 and 2016.

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 30 June										
	Time charter		Voyage charter		Total		Elimination		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Hire income	917,589	702,036	-	-	917,589	702,036	-	-	917,589	702,036
Freight income	-	-	185,533	268,792	185,533	268,792	(23,207)	(44,464)	162,326	224,328
Total vessel operating income	917,589	702,036	185,533	268,792	1,103,122	970,828	(23,207)	(44,464)	1,079,915	926,364
Voyage disbursements	-	-	(64,927)	(116,803)	(64,927)	(116,803)	23,207	44,464	(41,720)	(72,339)
Bunker consumption	-	-	(50,799)	(61,493)	(50,799)	(61,493)	-	-	(50,799)	(61,493)
Total voyage expenses	-	-	(115,726)	(178,296)	(115,726)	(178,296)	23,207	44,464	(92,519)	(133,832)
Net vessel operating income/time charter equivalent income	917,589	702,036	69,807	90,496	987,396	792,532	-	-	987,396	792,532

(Unit: Thousand Baht)

Consolidated financial statements										
For the six-month periods ended 30 June										
	Time charter		Voyage charter		Total		Elimination		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Hire income	1,725,879	1,273,680	-	-	1,725,879	1,273,680	-	-	1,725,879	1,273,680
Freight income	-	-	457,336	527,128	457,336	527,128	(57,953)	(72,014)	399,383	455,114
Total vessel operating income	1,725,879	1,273,680	457,336	527,128	2,183,215	1,800,808	(57,953)	(72,014)	2,125,262	1,728,794
Voyage disbursements	-	-	(155,628)	(216,768)	(155,628)	(216,768)	57,953	72,014	(97,675)	(144,754)
Bunker consumption	-	-	(115,372)	(138,387)	(115,372)	(138,387)	-	-	(115,372)	(138,387)
Total voyage expenses	-	-	(271,000)	(355,155)	(271,000)	(355,155)	57,953	72,014	(213,047)	(283,141)
Net vessel operating income/time charter equivalent income	1,725,879	1,273,680	186,336	171,973	1,912,215	1,445,653	-	-	1,912,215	1,445,653

**18. Commitments and contingent liabilities**

**18.1 Shipbuilding contracts commitments**

As at 31 December 2016, the Company had future minimum payment commitments under shipbuilding contracts amounting to USD 36.13 million or approximately Baht 1,294.59 million (30 June 2017: None).

## 19. Functional currency financial statements

The USD functional currency statements of financial position as at 30 June 2017 and 31 December 2016 and the income statements for the three-month and six-month periods ended 30 June 2017 and 2016 are as follows.

### Precious Shipping Public Company Limited and its subsidiaries

#### Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
(Unit: Thousand USD)				
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	88,501	74,693	55,328	59,872
Current portion of restricted bank deposits	381	1,007	-	-
Trade and other receivables	5,792	3,907	147,362	129,200
Bunker oil	1,762	1,137	-	-
Other current assets				
Advances to vessel masters	2,438	2,539	-	-
Claim recoverables	958	677	-	-
Others	3,089	2,587	416	568
Total other current assets	6,485	5,803	416	568
<b>Total current assets</b>	<b>102,921</b>	<b>86,547</b>	<b>203,106</b>	<b>189,640</b>
<b>Non-current assets</b>				
Restricted bank deposits - net of current portion	-	9,905	-	-
Long-term loans to subsidiaries	-	-	154,702	154,702
Investments in subsidiaries	-	-	203,510	206,289
Investment in associate held by a subsidiary	2,301	2,407	-	-
Other long-term investment	568	568	568	568
Receivables from cross currency swap contracts	8,754	-	9,398	806
Property, plant and equipment	729,145	716,467	376	151
Intangible assets	22	33	22	33
Other non-current assets				
Claim recoverables - maritime claims	3,658	3,122	-	-
Advances for vessel constructions	67,900	75,700	67,644	75,386
Deferred contract costs	6,794	7,074	-	-
Others	90	86	70	67
Total other non-current assets	78,442	85,982	67,714	75,453
<b>Total non-current assets</b>	<b>819,232</b>	<b>815,362</b>	<b>436,290</b>	<b>438,002</b>
<b>Total assets</b>	<b>922,153</b>	<b>901,909</b>	<b>639,396</b>	<b>627,642</b>

(Unaudited but reviewed)

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

(Unit: Thousand USD)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables				
Trade and other payables	2,186	1,056	107	7
Advances received from related parties	-	-	52,770	48,556
Accrued crew accounts	2,669	2,672	-	-
Accrued expenses	5,016	3,921	1,261	1,391
Accrued employee bonus	530	950	459	817
Total trade and other payables	10,401	8,599	54,597	50,771
Advances received from charterers	727	387	-	-
Current portion of long-term loans	27,232	24,765	-	-
Income tax payable	-	2	-	-
Other current liabilities	551	518	397	246
<b>Total current liabilities</b>	<b>38,911</b>	<b>34,271</b>	<b>54,994</b>	<b>51,017</b>
<b>Non-current liabilities</b>				
Payables to cross currency swap contracts	-	1,000	-	-
Long-term loans - net of current portion	302,506	302,724	-	-
Debentures	161,901	153,439	161,901	153,439
Provision for maritime claims	4,802	4,543	-	-
Unsecured corporate loans	32,000	22,371	32,000	22,371
Provision for long-term employee benefits	2,605	2,350	2,462	2,228
<b>Total non-current liabilities</b>	<b>503,814</b>	<b>486,427</b>	<b>196,363</b>	<b>178,038</b>
<b>Total liabilities</b>	<b>542,725</b>	<b>520,698</b>	<b>251,357</b>	<b>229,055</b>
<b>Shareholders' equity</b>				
Share capital				
Registered share capital	52,598	52,598	52,598	52,598
Issued and paid-up share capital	51,055	51,055	51,055	51,055
Paid-in capital				
Premium on ordinary shares	63,284	63,284	63,284	63,284
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	511	509	511	509
Unappropriated	244,488	246,344	265,568	276,118
Other components of shareholders' equity	(1,992)	(2,063)	-	-
Equity attributable to owners of the Company	379,427	381,210	388,039	398,587
Non-controlling interests of the subsidiaries	1	1	-	-
<b>Total shareholders' equity</b>	<b>379,428</b>	<b>381,211</b>	<b>388,039</b>	<b>398,587</b>
<b>Total liabilities and shareholders' equity</b>	<b>922,153</b>	<b>901,909</b>	<b>639,396</b>	<b>627,642</b>

(Unaudited but reviewed)

**Precious Shipping Public Company Limited and its subsidiaries****Income statement****For the three-month period ended 30 June 2017**

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
<b>Revenues</b>				
Vessel operating income				
Hire income	26,803	19,899	-	-
Freight income	4,741	6,358	-	-
Total vessel operating income	31,544	26,257	-	-
Service income	29	62	670	594
Gains on sales of vessels and equipment	881	-	-	-
Gains on cancellation of shipbuilding contracts	-	81	-	81
Interest income	173	238	132	223
Other income	-	3	-	-
<b>Total revenues</b>	<b>32,627</b>	<b>26,641</b>	<b>802</b>	<b>898</b>
<b>Expenses</b>				
Vessel operating costs				
Vessel running expenses	12,306	14,524	-	-
Voyage disbursements	1,219	2,051	-	-
Bunker consumption	1,484	1,743	-	-
Total vessel operating costs	15,009	18,318	-	-
Depreciation	8,682	9,714	31	17
Cost of services	27	57	-	-
Losses on sales of vessels	-	429	-	-
Losses on impairment of assets	-	3,416	-	-
Loss on impairment of investment in a subsidiary	-	-	2,779	-
Administrative expenses	2,064	1,778	1,748	1,482
Management remuneration including perquisites	603	609	593	557
Bad debts and doubtful accounts	18	-	7	916
Exchange losses	56	124	27	63
<b>Total expenses</b>	<b>26,459</b>	<b>34,445</b>	<b>5,185</b>	<b>3,035</b>
<b>Profit (loss) before share of loss from investment in associate and finance cost</b>	<b>6,168</b>	<b>(7,804)</b>	<b>(4,383)</b>	<b>(2,137)</b>
Share of loss from investment in associate held by a subsidiary	(31)	(65)	-	-
<b>Profit (loss) before finance cost</b>	<b>6,137</b>	<b>(7,869)</b>	<b>(4,383)</b>	<b>(2,137)</b>
Finance cost	(6,288)	(5,607)	(2,388)	(1,563)
<b>Loss for the period</b>	<b>(151)</b>	<b>(13,476)</b>	<b>(6,771)</b>	<b>(3,700)</b>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(151)	(13,476)	(6,771)	(3,700)
Non-controlling interests of the subsidiaries	-	-	-	-
<b>Loss for the period</b>	<b>(151)</b>	<b>(13,476)</b>	<b>(6,771)</b>	<b>(3,700)</b>
<b>Basic earnings per share</b>				
Loss attributable to equity holders of the Company	(0.0001)	(0.0087)	(0.0044)	(0.0024)
Weighted average number of ordinary shares (Thousand shares)	1,559,281	1,559,281	1,559,281	1,559,281

(Unaudited but reviewed)

**Precious Shipping Public Company Limited and its subsidiaries****Income statement****For the six-month period ended 30 June 2017**

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
<b>Revenues</b>				
Vessel operating income				
Hire income	50,002	35,965	-	-
Freight income	11,545	12,844	-	-
Total vessel operating income	61,547	48,809	-	-
Service income	56	92	1,264	1,378
Gains on sales of vessels and equipment	938	-	57	-
Gains on cancellation of shipbuilding contracts	180	81	180	81
Interest income	240	1,097	179	1,063
Exchange gains	-	630	-	724
Other income	4	3	-	-
<b>Total revenues</b>	<b>62,965</b>	<b>50,712</b>	<b>1,680</b>	<b>3,246</b>
<b>Expenses</b>				
Vessel operating costs				
Vessel running expenses	24,217	29,747	-	-
Voyage disbursements	2,825	4,086	-	-
Bunker consumption	3,337	3,904	-	-
Total vessel operating costs	30,379	37,737	-	-
Depreciation	16,900	20,577	51	35
Cost of services	83	87	-	-
Loss on sales of vessels	-	9,955	-	-
Loss on impairment of assets	-	7,768	-	-
Loss on impairment of investment in a subsidiary	-	-	2,779	-
Administrative expenses	3,981	3,729	3,355	3,139
Management remuneration including perquisites	1,150	1,222	1,133	1,123
Bad debts and doubtful accounts (reversal)	(293)	703	81	916
Exchange losses	254	-	162	-
<b>Total expenses</b>	<b>52,454</b>	<b>81,778</b>	<b>7,561</b>	<b>5,213</b>
<b>Profit (loss) before share of profit (loss) from investment in associate and finance cost</b>	<b>10,511</b>	<b>(31,066)</b>	<b>(5,881)</b>	<b>(1,967)</b>
Share of profit (loss) from investment in associate held by a subsidiary	50	(146)	-	-
<b>Profit (loss) before finance cost</b>	<b>10,561</b>	<b>(31,212)</b>	<b>(5,881)</b>	<b>(1,967)</b>
Finance cost	(12,414)	(16,308)	(4,666)	(7,829)
<b>Loss for the period</b>	<b>(1,853)</b>	<b>(47,520)</b>	<b>(10,547)</b>	<b>(9,796)</b>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(1,853)	(47,520)	(10,547)	(9,796)
Non-controlling interests of the subsidiaries	-	-	-	-
<b>Loss for the period</b>	<b>(1,853)</b>	<b>(47,520)</b>	<b>(10,547)</b>	<b>(9,796)</b>
<b>Basic earnings per share</b>				
Loss attributable to equity holders of the Company	(0.0012)	(0.0305)	(0.0068)	(0.0063)
Weighted average number of ordinary shares (Thousand shares)	1,559,281	1,559,281	1,559,281	1,559,281

**20. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's authorised directors on 3 August 2017.