

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 2019

## **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 2019, 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 modified conclusion on the aforementioned interim financial information, I draw attention to note 9 and 18 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: 1 August 2019

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

**Statement of financial position**

(Unit: Thousand Baht)

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,459,833	1,842,832	644,560	496,614
Trade and other receivables	3, 4	206,060	254,214	3,962,585	4,155,581
Bunker oil		148,397	95,946	-	-
Other current assets					
Advances to vessel masters		75,246	87,398	-	-
Claim recoverables		2,069	6,222	-	-
Others		65,611	30,541	12,294	12,613
Total other current assets		142,926	124,161	12,294	12,613
<b>Total current assets</b>		<b>1,957,216</b>	<b>2,317,153</b>	<b>4,619,439</b>	<b>4,664,808</b>
<b>Non-current assets</b>					
Long-term loans to subsidiaries	5	-	-	4,371,901	5,020,049
Investments in subsidiaries	6	-	-	6,156,678	6,498,212
Investment in associate held by a subsidiary	7	67,021	73,356	-	-
Other long-term investment		17,449	18,417	17,449	18,417
Receivables from cross currency swap contracts		854,839	565,590	827,868	559,158
Property, plant and equipment	8	20,824,369	22,409,263	8,123	9,440
Intangible assets		4	7	4	7
Other non-current assets					
Claim recoverables - maritime claims		40,662	51,777	-	-
Advances for vessel constructions	9	2,087,551	2,203,355	2,079,682	2,195,049
Deferred contract costs	10	174,547	193,136	-	-
Others		4,758	4,853	3,993	4,083
Total other non-current assets		2,307,518	2,453,121	2,083,675	2,199,132
<b>Total non-current assets</b>		<b>24,071,200</b>	<b>25,519,754</b>	<b>13,465,698</b>	<b>14,304,415</b>
<b>Total assets</b>		<b>26,028,416</b>	<b>27,836,907</b>	<b>18,085,137</b>	<b>18,969,223</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>		
	<b>Note</b>	<b>30 June 2019</b>	<b>31 December 2018</b>	<b>30 June 2019</b>	<b>31 December 2018</b>
		(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	4	102,576	73,773	7,580	664
Advances received from related parties	4	-	-	1,693,937	1,726,757
Accrued crew accounts		82,215	86,351	-	-
Accrued expenses		210,216	192,952	54,115	43,037
Accrued employee bonus		17,443	35,609	12,526	25,532
<b>Total trade and other payables</b>		<b>412,450</b>	<b>388,685</b>	<b>1,768,158</b>	<b>1,795,990</b>
Advances received from charterers		52,653	19,938	-	-
Current portion of long-term loans	11	2,255,268	1,877,206	-	-
Current portion of debentures	12	1,947,171	-	1,947,171	-
Income tax payable		-	984	-	-
Other current liabilities		27,088	21,662	13,412	13,747
<b>Total current liabilities</b>		<b>4,694,630</b>	<b>2,308,475</b>	<b>3,728,741</b>	<b>1,809,737</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	11	5,770,376	7,150,290	-	-
Debentures - net of current portion	12	3,564,438	5,510,771	3,564,438	5,510,771
Provision for maritime claims	13	47,356	59,786	-	-
Provision for long-term employee benefits	14	148,173	112,129	117,259	89,758
<b>Total non-current liabilities</b>		<b>9,530,343</b>	<b>12,832,976</b>	<b>3,681,697</b>	<b>5,600,529</b>
<b>Total liabilities</b>		<b>14,224,973</b>	<b>15,141,451</b>	<b>7,410,438</b>	<b>7,410,266</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>		
	<b>Note</b>	<b>30 June 2019</b>	<b>31 December 2018</b>	<b>30 June 2019</b>	<b>31 December 2018</b>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital	15				
Registered share capital					
1,559,291,862 ordinary shares of Baht 1 each					
(31 December 2018: 1,611,256,930 ordinary shares of Baht 1 each)		1,559,292	1,611,257	1,559,292	1,611,257
Issued and paid-up share capital					
1,559,291,862 ordinary shares of Baht 1 each		1,559,292	1,559,292	1,559,292	1,559,292
Paid-in capital					
Premium on ordinary shares		1,967,897	1,967,897	1,967,897	1,967,897
Premium on treasury stock		172,446	172,446	172,446	172,446
Retained earnings					
Appropriated					
Statutory reserve - the Company		103,952	103,952	103,952	103,952
- subsidiaries		523,320	523,320	-	-
Corporate social responsibility reserve		17,692	17,393	17,692	17,393
Unappropriated		8,905,898	9,135,683	6,936,969	7,220,773
Other components of shareholders' equity		(1,447,087)	(784,562)	(83,549)	517,204
Equity attributable to owners of the Company		11,803,410	12,695,421	10,674,699	11,558,957
Non-controlling interests of the subsidiaries		33	35	-	-
<b>Total shareholders' equity</b>		<b>11,803,443</b>	<b>12,695,456</b>	<b>10,674,699</b>	<b>11,558,957</b>
<b>Total liabilities and shareholders' equity</b>		<b>26,028,416</b>	<b>27,836,907</b>	<b>18,085,137</b>	<b>18,969,223</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 2019**

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

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2019	2018	2019	2018
<b>Revenues</b>					
Vessel operating income					
Hire income		773,098	1,023,911	-	-
Freight income		230,220	160,099	-	-
Total vessel operating income		1,003,318	1,184,010	-	-
Service income	4	3,926	886	22,238	22,697
Gains on sales of equipment		387	-	-	-
Interest income		9,692	13,756	4,041	9,796
Other income		-	1	-	1
<b>Total revenues</b>		<b>1,017,323</b>	<b>1,198,653</b>	<b>26,279</b>	<b>32,494</b>
<b>Expenses</b>					
Vessel operating costs					
Vessel running expenses		416,686	395,491	-	-
Voyage disbursements		42,885	43,024	-	-
Bunker consumption		74,612	55,195	-	-
Total vessel operating costs		534,183	493,710	-	-
Depreciation	8	297,776	291,624	778	720
Cost of services		1,024	1,059	-	-
Administrative expenses	4	114,203	92,261	76,962	62,381
Management remuneration including perquisites	4	32,396	22,379	33,085	20,790
Bad debts and doubtful accounts		1,556	-	-	-
Exchange losses		3,375	2,407	1,851	4,239
<b>Total expenses</b>		<b>984,513</b>	<b>903,440</b>	<b>112,676</b>	<b>88,130</b>
<b>Profit (loss) before share of profit from investment in associate, finance cost and income tax revenue</b>		<b>32,810</b>	<b>295,213</b>	<b>(86,397)</b>	<b>(55,636)</b>
Share of profit from investment in associate held by a subsidiary	7.1	7,917	3,207	-	-
<b>Profit (loss) before finance cost and income tax revenue</b>		<b>40,727</b>	<b>298,420</b>	<b>(86,397)</b>	<b>(55,636)</b>
Finance cost		(181,787)	(206,541)	(73,360)	(79,454)
<b>Profit (loss) before income tax revenue</b>		<b>(141,060)</b>	<b>91,879</b>	<b>(159,757)</b>	<b>(135,090)</b>
Income tax revenue		-	46	-	-
<b>Profit (loss) for the period</b>		<b>(141,060)</b>	<b>91,925</b>	<b>(159,757)</b>	<b>(135,090)</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 2019**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
Note	2019	2018	2019	2018
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(141,060)	91,925	(159,757)	(135,090)
Non-controlling interests of the subsidiaries	-	-	-	-
<b>Profit (loss) for the period</b>	<b>(141,060)</b>	<b>91,925</b>	<b>(159,757)</b>	<b>(135,090)</b>
<b>Basic earnings per share</b>	<i>16</i>			
Profit (loss) attributable to equity holders of the Company	(0.09)	0.06	(0.10)	(0.09)
Weighted average number of ordinary shares (Thousand shares)	1,559,292	1,559,281	1,559,292	1,559,281

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 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<b>Profit (loss) for the period</b>	<u>(141,060)</u>	<u>91,925</u>	<u>(159,757)</u>	<u>(135,090)</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>(5,142)</u>	<u>(11,748)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(5,142)</u>	<u>(11,748)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial loss	<u>(4,283)</u>	<u>-</u>	<u>(3,370)</u>	<u>-</u>
Exchange differences on translation of functional currency to presentation currency financial statements	<u>(413,763)</u>	<u>743,727</u>	<u>(372,308)</u>	<u>715,541</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(418,046)</u>	<u>743,727</u>	<u>(375,678)</u>	<u>715,541</u>
<b>Other comprehensive income for the period</b>	<u>(423,188)</u>	<u>731,979</u>	<u>(375,678)</u>	<u>715,541</u>
<b>Total comprehensive income for the period</b>	<u><u>(564,248)</u></u>	<u><u>823,904</u></u>	<u><u>(535,435)</u></u>	<u><u>580,451</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>(564,247)</u>	<u>823,901</u>	<u>(535,435)</u>	<u>580,451</u>
Non-controlling interests of the subsidiaries	<u>(1)</u>	<u>3</u>	<u>-</u>	<u>-</u>
	<u><u>(564,248)</u></u>	<u><u>823,904</u></u>	<u><u>(535,435)</u></u>	<u><u>580,451</u></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 2019**

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

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2019	2018	2019	2018
<b>Revenues</b>					
Vessel operating income					
Hire income		1,619,874	2,038,639	-	-
Freight income		332,274	233,707	-	-
Total vessel operating income		1,952,148	2,272,346	-	-
Service income	4	4,949	1,804	44,452	44,734
Gains on sales of equipment		387	-	-	-
Interest income		18,920	16,320	7,263	11,669
Other income		119	4	-	3
<b>Total revenues</b>		<b>1,976,523</b>	<b>2,290,474</b>	<b>51,715</b>	<b>56,406</b>
<b>Expenses</b>					
Vessel operating costs					
Vessel running expenses		814,830	774,874	-	-
Voyage disbursements		67,262	49,538	-	-
Bunker consumption		101,112	71,928	-	-
Total vessel operating costs		983,204	896,340	-	-
Depreciation	8	595,084	569,317	1,532	1,465
Cost of services		3,228	2,994	-	-
Administrative expenses	4	196,665	185,177	128,590	121,833
Management remuneration including perquisites	4	52,295	44,328	52,853	41,589
Bad debts and doubtful accounts (reversal)		1,589	(1,957)	-	-
Exchange losses		4,510	2,223	975	1,487
<b>Total expenses</b>		<b>1,836,575</b>	<b>1,698,422</b>	<b>183,950</b>	<b>166,374</b>
<b>Profit (loss) before share of profit from investment in associate, finance cost and income tax revenue</b>		<b>139,948</b>	<b>592,052</b>	<b>(132,235)</b>	<b>(109,968)</b>
Share of profit from investment in associate held by a subsidiary	7.1	4,982	6,842	-	-
<b>Profit (loss) before finance cost and income tax revenue</b>		<b>144,930</b>	<b>598,894</b>	<b>(132,235)</b>	<b>(109,968)</b>
Finance cost		(370,133)	(399,341)	(147,900)	(152,256)
<b>Profit (loss) before income tax revenue</b>		<b>(225,203)</b>	<b>199,553</b>	<b>(280,135)</b>	<b>(262,224)</b>
Income tax revenue		-	46	-	-
<b>Profit (loss) for the period</b>		<b>(225,203)</b>	<b>199,599</b>	<b>(280,135)</b>	<b>(262,224)</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 2019**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
Note	2019	2018	2019	2018
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(225,203)	199,599	(280,135)	(262,224)
Non-controlling interests of the subsidiaries	-	-	-	-
<b>Profit (loss) for the period</b>	<b>(225,203)</b>	<b>199,599</b>	<b>(280,135)</b>	<b>(262,224)</b>
<b>Basic earnings per share</b>	<i>16</i>			
Profit (loss) attributable to equity holders of the Company	(0.14)	0.13	(0.18)	(0.17)
Weighted average number of ordinary shares (Thousand shares)	1,559,292	1,559,281	1,559,292	1,559,281

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 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<b>Profit (loss) for the period</b>	<u>(225,203)</u>	<u>199,599</u>	<u>(280,135)</u>	<u>(262,224)</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>3,141</u>	<u>(669)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>3,141</u>	<u>(669)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial loss	<u>(4,283)</u>	<u>-</u>	<u>(3,370)</u>	<u>-</u>
Exchange differences on translation of functional currency to presentation currency financial statements	<u>(665,668)</u>	<u>193,426</u>	<u>(600,753)</u>	<u>171,488</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(669,951)</u>	<u>193,426</u>	<u>(604,123)</u>	<u>171,488</u>
<b>Other comprehensive income for the period</b>	<u>(666,810)</u>	<u>192,757</u>	<u>(604,123)</u>	<u>171,488</u>
<b>Total comprehensive income for the period</b>	<u><u>(892,013)</u></u>	<u><u>392,356</u></u>	<u><u>(884,258)</u></u>	<u><u>(90,736)</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>(892,011)</u>	<u>392,355</u>	<u>(884,258)</u>	<u>(90,736)</u>
Non-controlling interests of the subsidiaries	<u>(2)</u>	<u>1</u>	<u>-</u>	<u>-</u>
	<u><u>(892,013)</u></u>	<u><u>392,356</u></u>	<u><u>(884,258)</u></u>	<u><u>(90,736)</u></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 2019

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>													
Equity attributable to owners of the Company													
	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	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
				Appropriated		Corporate social responsibility reserve							Unappropriated
				Statutory reserve		The Company	Subsidiaries						
<b>Balance as at 1 January 2018</b>	1,559,281	1,967,716	172,446	103,952	523,320	16,443	8,681,785	(689,491)	12,335,452	35	12,335,487		
Profit for the period	-	-	-	-	-	-	199,599	-	199,599	-	199,599		
Other comprehensive income for the period	-	-	-	-	-	-	-	192,756	192,756	1	192,757		
Total comprehensive income for the period	-	-	-	-	-	-	199,599	192,756	392,355	1	392,356		
Issuance of ordinary shares as a result of warrants exercised	11	181	-	-	-	-	-	-	192	-	192		
Appropriated to corporate social responsibility reserve	-	-	-	-	-	302	(302)	-	-	-	-		
<b>Balance as at 30 June 2018</b>	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>16,745</u>	<u>8,881,082</u>	<u>(496,735)</u>	<u>12,727,999</u>	<u>36</u>	<u>12,728,035</u>		
<b>Balance as at 1 January 2019</b>	1,559,292	1,967,897	172,446	103,952	523,320	17,393	9,135,683	(784,562)	12,695,421	35	12,695,456		
Loss for the period	-	-	-	-	-	-	(225,203)	-	(225,203)	-	(225,203)		
Other comprehensive income for the period	-	-	-	-	-	-	(4,283)	(662,525)	(666,808)	(2)	(666,810)		
Total comprehensive income for the period	-	-	-	-	-	-	(229,486)	(662,525)	(892,011)	(2)	(892,013)		
Appropriated to corporate social responsibility reserve	-	-	-	-	-	299	(299)	-	-	-	-		
<b>Balance as at 30 June 2019</b>	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>17,692</u>	<u>8,905,898</u>	<u>(1,447,087)</u>	<u>11,803,410</u>	<u>33</u>	<u>11,803,443</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 2019

(Unit: Thousand Baht)

## Separate financial statements

	Retained earnings						Other components	Total
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Appropriated		Unappropriated	of shareholders'	
				Statutory reserve	Corporate social		equity - other	
					reserve		responsibility	
						income	shareholders'	
							Exchange differences	equity
							on translation	
							of financial	
							statements	
<b>Balance as at 1 January 2018</b>	1,559,281	1,967,716	172,446	103,952	16,443	7,856,617	604,753	12,281,208
Loss for the period	-	-	-	-	-	(262,224)	-	(262,224)
Other comprehensive income for the period	-	-	-	-	-	-	171,488	171,488
Total comprehensive income for the period	-	-	-	-	-	(262,224)	171,488	(90,736)
Issuance of ordinary shares as a result of warrants exercised	11	181	-	-	-	-	-	192
Appropriated to corporate social responsibility reserve	-	-	-	-	302	(302)	-	-
<b>Balance as at 30 June 2018</b>	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>16,745</u>	<u>7,594,091</u>	<u>776,241</u>	<u>12,190,664</u>
<b>Balance as at 1 January 2019</b>	1,559,292	1,967,897	172,446	103,952	17,393	7,220,773	517,204	11,558,957
Loss for the period	-	-	-	-	-	(280,135)	-	(280,135)
Other comprehensive income for the period	-	-	-	-	-	(3,370)	(600,753)	(604,123)
Total comprehensive income for the period	-	-	-	-	-	(283,505)	(600,753)	(884,258)
Appropriated to corporate social responsibility reserve	-	-	-	-	299	(299)	-	-
<b>Balance as at 30 June 2019</b>	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>17,692</u>	<u>6,936,969</u>	<u>(83,549)</u>	<u>10,674,699</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 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(225,203)	199,553	(280,135)	(262,224)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	595,087	569,568	1,535	1,715
Bad debts and doubtful accounts (reversal)	1,589	(1,957)	-	-
Gains on sales of equipment	(387)	-	-	-
Amortisation of deferred contract costs	8,644	8,792	-	-
Share of profit from investment in associate held by a subsidiary	(4,982)	(6,842)	-	-
Reversal of provision for maritime claims	(915)	(7,671)	-	-
Provision for long-term employee benefits	38,516	4,325	30,888	2,915
Unrealised exchange losses (gains)	251	(1,368)	(1,489)	(934)
Amortised financial fees to interest expense	6,597	14,063	-	-
Interest expense	359,057	374,706	143,636	148,402
Amortisation of deferred debentures issuing cost	2,925	2,953	2,925	2,953
Write-off withholding tax deducted at source	-	115	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	781,179	1,156,237	(102,640)	(107,173)
Operating assets (increase) decrease				
Trade and other receivables	34,099	25,891	(25,940)	239,278
Bunker oil	(58,802)	(12,185)	-	-
Other current assets	(23,951)	(24,211)	872	(3,859)
Other non-current assets	2	-	2	-
Operating liabilities increase (decrease)				
Trade and other payables	42,838	201	66,266	(183,977)
Advances received from charterers	34,574	20,130	-	-
Other current liabilities	6,134	9,324	(76)	2,203
Non-current liabilities	(6,888)	(3,374)	(6,888)	(3,374)
Cash flows from (used in) operating activities	809,185	1,172,013	(68,404)	(56,902)
Cash paid for corporate income tax and withholding tax deducted at source	(2,380)	(1,608)	(832)	(860)
<b>Net cash flows from (used in) operating activities</b>	<b>806,805</b>	<b>1,170,405</b>	<b>(69,236)</b>	<b>(57,762)</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 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
Acquisitions of equipment and payment of dry-dock and special survey expenses	(178,035)	(156,113)	(692)	(344)
Cash received from sales of equipment	405	-	-	-
Decrease in long-term loans to a subsidiary	-	-	393,725	-
Dividend received from associate held by a subsidiary	6,759	16,523	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>(170,871)</b>	<b>(139,590)</b>	<b>393,033</b>	<b>(344)</b>
<b>Cash flows from financing activities</b>				
Cash paid for interest expense	(360,795)	(373,051)	(145,374)	(146,747)
Repayment of long-term loans	(568,233)	(230,661)	-	-
Prepayment of long-term loans	-	(208,783)	-	-
Cash received from share subscription as a result of warrant exercised	-	192	-	192
<b>Net cash flows used in financing activities</b>	<b>(929,028)</b>	<b>(812,303)</b>	<b>(145,374)</b>	<b>(146,555)</b>
Increase (decrease) in translation adjustments	(89,905)	32,349	(30,477)	3,145
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(382,999)</b>	<b>250,861</b>	<b>147,946</b>	<b>(201,516)</b>
Cash and cash equivalents at beginning of period	1,842,832	1,853,618	496,614	1,240,080
<b>Cash and cash equivalents at end of period</b>	<b>1,459,833</b>	<b>2,104,479</b>	<b>644,560</b>	<b>1,038,564</b>
	-	-	-	-

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 2019**

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

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

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

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

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

### 1.3 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 2018. There have been no changes in the composition of the Group during the current period.

### 1.4 New financial reporting standards

#### (a) Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s and its subsidiaries’ financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company’s and its subsidiaries’ financial statements.

**(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

**TFRS 16 Leases**

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

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

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

**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 2018.

**3. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	196,267	250,030	-	-
3 - 6 months	6,877	1,574	-	-
6 - 12 months	4,436	1,728	-	-
Over 12 months	-	882	-	-
Total	207,580	254,214	-	-
Less: Allowance for doubtful debts	(1,520)	-	-	-
Total trade receivables - unrelated parties, net	206,060	254,214	-	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 4)	-	-	3,962,585	4,155,581
Total other receivables	-	-	3,962,585	4,155,581
Total trade and other receivables - net	206,060	254,214	3,962,585	4,155,581

(Unaudited but reviewed)

#### 4. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2019	2018	2019	2018	
<b>Transactions with subsidiaries</b>					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	22,238	22,697	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Condominium rental expenses	-	-	1,740	1,742	Market price
<b>Transaction with associate</b>					
Dividend received	-	6,993	-	-	As declared
<b>Transactions with related companies</b>					
Air ticket expenses	1,203	2,075	345	998	Market price
Rental and service expenses	2,107	2,337	1,985	2,021	Market price

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2019	2018	2019	2018	
<b>Transactions with subsidiaries</b>					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	44,452	44,734	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Condominium rental expenses	-	-	3,474	3,446	Market price
<b>Transaction with associate</b>					
Dividend received	6,759	16,523	-	-	As declared
<b>Transactions with related companies</b>					
Air ticket expenses	3,494	5,072	966	1,984	Market price
Rental and service expenses	7,597	7,373	6,108	5,972	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	31 December	30 June	31 December
	2019	2018	2019	2018
<b>Other receivables - related parties (Note 3)</b>				
Subsidiaries	-	-	3,962,585	4,155,581
Total other receivables - related parties	-	-	3,962,585	4,155,581
<b>Trade and other payables - related parties</b>				
Subsidiaries	-	-	1,693,937	1,726,757
Related companies	265	285	45	12
Total trade and other payables - related parties	265	285	1,693,982	1,726,769

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 2019 and 2018, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	20,221	21,884	20,910	20,295
Post-employment benefits	12,175	495	12,175	495
Total	32,396	22,379	33,085	20,790

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	39,497	43,343	40,055	40,605
Post-employment benefits	12,798	985	12,798	984
Total	52,295	44,328	52,853	41,589

#### Guarantee obligations with related parties

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

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

Long-term loans to subsidiaries consisted of the following.

- 1) As at 30 June 2019, long-term loans to a wholly owned subsidiary, Associated Bulk Carriers Pte. Limited, are in the form of promissory notes amounting to USD 9.70 million (31 December 2018: 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 28 December 2018, 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 4 years. As at 30 June 2019, the Company had an advance receivables and short-term loan to PSSP amounting to USD 132.50 million (31 December 2018: USD 145 million).

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

(Unit: Thousand Baht)

	Separate
	financial statements
Balance as at 1 January 2019	5,020,049
Decrease	(393,725)
Translation adjustment	(254,423)
Balance as at 30 June 2019	4,371,901

## 6. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	30	31	30	31	30	31
	June	December	June	December	June	December
2019	2018	2019	2018	2019	2018	
		%	%			
Precious Metals Limited	275,000	275,000	99.99	99.99	325,756	343,827
Precious Wishes Limited	230,000	230,000	99.99	99.99	277,301	292,684
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	259,034	273,403
Precious Minerals Limited	230,000	230,000	99.99	99.99	235,547	248,614
Precious Lands Limited	306,000	306,000	99.99	99.99	298,103	314,640
Precious Rivers Limited	234,000	234,000	99.99	99.99	195,931	206,800
Precious Lakes Limited	184,000	184,000	99.99	99.99	171,934	181,472
Precious Seas Limited	100,000	100,000	99.99	99.99	120,566	127,254
Precious Stars Limited	105,000	105,000	99.99	99.99	126,594	133,616
Precious Oceans Limited	175,000	175,000	99.99	99.99	210,990	222,694
Precious Planets Limited	270,000	270,000	99.99	99.99	286,090	301,961
Precious Diamonds Limited	205,000	205,000	99.99	99.99	179,113	189,049
Precious Sapphires Limited	144,000	144,000	99.99	99.99	121,520	128,261
Precious Emeralds Limited	366,000	366,000	99.99	99.99	291,386	307,550
Precious Rubies Limited	259,360	259,360	99.99	99.99	243,290	256,786
Precious Opals Limited	249,360	249,360	99.99	99.99	235,486	248,550
Precious Garnets Limited	379,000	379,000	99.99	99.99	300,546	317,219
Precious Pearls Limited	173,000	173,000	99.99	99.99	171,659	181,182
Precious Flowers Limited	336,000	336,000	99.99	99.99	330,972	349,332
Precious Forests Limited	286,000	286,000	99.99	99.99	257,311	271,585
Precious Trees Limited	202,000	202,000	99.99	99.99	200,870	212,013
Precious Ponds Limited	124,000	124,000	99.99	99.99	120,821	127,523
Precious Ventures Limited	202,000	202,000	99.99	99.99	217,883	229,970
Precious Capitals Limited	200,000	200,000	99.99	99.99	241,131	254,508
Precious Jasmines Limited	147,000	147,000	99.99	99.99	163,823	172,911
Precious Orchids Limited	217,000	217,000	99.99	99.99	185,126	195,395
Precious Lagoons Limited	140,000	140,000	99.99	99.99	168,792	178,155
Precious Cliffs Limited	140,000	140,000	99.99	99.99	168,792	178,155
Precious Hills Limited	140,000	140,000	99.99	99.99	168,792	178,155
Precious Mountains Limited	140,000	140,000	99.99	99.99	168,792	178,155
Precious Resorts Limited	140,000	140,000	99.99	99.99	168,792	178,155
Precious Cities Limited	170,000	170,000	99.99	99.99	191,938	202,585
Precious Comets Limited	141,000	141,000	99.99	99.99	128,329	135,448
Precious Ornaments Limited	156,000	156,000	99.99	99.99	140,843	148,656
Precious Moons Limited	1,000	1,000	99.98	99.98	939	991
Precious Venus Limited	298,800	298,800	99.99	99.99	260,694	275,156



(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
2019	2018	2019	2018	2019	2018	
			%	%		
Precious Neptune Limited	298,800	298,800	99.99	99.99	260,694	275,156
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	307	325
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	322,524	340,416
Precious Shipping (UK) Limited	250	250	100.00	100.00	307	325
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	333,397	351,892
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
Total investments in subsidiaries					8,252,715	8,710,524
Less: Allowance for loss on investments in subsidiaries					(2,096,037)	(2,212,312)
Total investments in subsidiaries - net					6,156,678	6,498,212

As at 30 June 2019, the Company has pledged the shares of 25 subsidiaries amounting to Baht 4,606.52 million (net of allowance for loss on investments) (31 December 2018: 25 subsidiaries amounting to Baht 4,862.06 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 11 to the financial statements.

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

As at 30 June 2019 and 31 December 2018, the allowance for loss on investments in subsidiaries in the separate financial statements applied for the subsidiaries which have sold the vessels and still have no future plan of buying vessels.

## 7. Investment in associate held by a subsidiary

### 7.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30	31	30	31	30	31
			June	December	June	December	June	December
2019	2018	2019	2018	2019	2018			
			%	%				
International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40	62,646	66,121	67,021	73,356

(Unaudited but reviewed)

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)

Associate's name	Consolidated financial statements			
	For the three-month periods ended 30 June			
	Share of profit		Dividend received	
	2019	2018	2019	2018
International Seaports (Haldia) Private Limited	7,917	3,207	-	6,993

(Unit: Thousand Baht)

Associate's name	Consolidated financial statements			
	For the six-month periods ended 30 June			
	Share of profit		Dividend received	
	2019	2018	2019	2018
International Seaports (Haldia) Private Limited	4,982	6,842	6,759	16,523

Shares of profit from investment in associate held by a subsidiary for the three-month and six-month periods ended 30 June 2019 and 2018, included in the consolidated income statements, were recorded based on the financial information for the three-month and six-month periods ended 31 March 2019 and 2018, respectively.

## 7.2 Summarised financial information of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the		Profit for the	
	31 March		31 March		31 March		six-month periods ended		six-month periods ended	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Thousand INR	Thousand INR								
International Seaports										
(Haldia) Private Limited	440,580	440,580	336,016	340,858	36,814	42,648	234,504	235,455	22,241	30,546

(Unaudited but reviewed)

## 8. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2019	22,409,263	9,440
Acquisitions of equipment and payment of dry-dock and special survey expenses during period - at cost	178,035	692
Disposals	(18)	-
Depreciation for the period	(595,084)	(1,532)
Translation adjustment	(1,167,827)	(477)
Net book value as at 30 June 2019	20,824,369	8,123

As at 30 June 2019, the subsidiaries have mortgaged 32 vessels (31 December 2018: 32 vessels) with net book value of Baht 18,871.62 million (31 December 2018: Baht 20,309.16 million) with banks to secure long-term loans as referred to in Note 11 to the financial statements.

## 9. Advances for vessel constructions

As at 30 June 2019, the Group has balance of advances for vessel constructions amounting to USD 67.90 million or approximately Baht 2,087.55 million (including the advances plus other related costs), which related to the Nine Shipbuilding Contracts with Sainty Marine Corporation (“Sainty”) for hull nos. SAM14017B to SAM14023B and SAM14027B to SAM14028B, which are under arbitration.

Movements of the advances for vessel constructions account during the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 1 January 2019	2,203,355	2,195,049
Translation adjustment	(115,804)	(115,367)
Balance as at 30 June 2019	2,087,551	2,079,682

(Unaudited but reviewed)

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

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

The Company submitted Letters of Demand to the Guarantor Bank, Export-Import Bank of China, Jiangsu Branch (“CEXIM”), against the Irrevocable Letters of Guarantee provided to the Company by CEXIM in accordance with the SBCs to seek full refund of the abovementioned advances, along with interest thereon. The Company received the refunds of the advances along with the interest for three vessels between 2016 and 2017. The Company received notices of arbitration from Sainty for the remaining nine vessels. As per the terms of the Irrevocable Letters of Guarantee and the SBCs, the Irrevocable Letters of Guarantee related to these vessels are automatically extended until 90 days after the final arbitration award is published. At present, the arbitrations for these nine Vessels are on-going. Further details are mentioned in Note 18 of the financial statements.

As of 30 June 2019 and 31 December 2018, details of the cancellations of the SBCs by the Company and by Sainty (under dispute by the Company) are as follows:

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

(Unaudited but reviewed)

#### 10. Deferred contract costs

Movements of the deferred contract costs account during the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
Balance as at 1 January 2019	193,136
Amortisation for the period	(8,644)
Translation adjustment	<u>(9,945)</u>
Balance as at 30 June 2019	<u><u>174,547</u></u>

(Unaudited but reviewed)

**11. Long-term loan facilities**

As at 30 June 2019 and 31 December 2018, long-term loans accounts are presented below.

(Unit: Thousand Baht)

Consolidated financial statements																								
Loan facilities for financing the construction and acquisition of new vessels																		Loan facilities for purchasing of vessels						
Facility 1		Facility 2		Facility 3		Facility 4		Facility 5		Facility 6		Facility 7		Facility 8		Facility 9		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	
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
Long-term loans	587,305	661,976	1,057,112	1,207,651	799,487	885,506	416,302	460,320	331,153	381,298	1,670,612	1,855,609	697,992	769,162	615,270	676,173	374,696	415,256	889,702	979,082	594,681	751,408	8,034,312	9,043,441
Add (less): Deferred financial fees	(721)	(1,317)	(5,915)	(8,788)	(8,058)	(9,617)	(1,889)	(2,238)	(1,301)	(1,618)	47,479	51,814	(8,832)	(10,740)	(18,678)	(22,201)	(5,215)	(6,110)	(17,463)	(22,271)	11,925	17,141	(8,668)	(15,945)
Total	586,584	660,659	1,051,197	1,198,863	791,429	875,889	414,413	458,082	329,852	379,680	1,718,091	1,907,423	689,160	758,422	596,592	653,972	369,481	409,146	872,239	956,811	606,606	768,549	8,025,644	9,027,496
Less: Current portion	(586,584)	(91,841)	(173,163)	(182,459)	(78,161)	(82,433)	(39,468)	(41,644)	(59,973)	(63,280)	(179,996)	(189,893)	(689,160)	(758,422)	(49,189)	(51,785)	(36,948)	(38,966)	(123,573)	(123,452)	(239,053)	(253,031)	(2,255,268)	(1,877,206)
Long-term loans - net of current portion	-	568,818	878,034	1,016,404	713,268	793,456	374,945	416,438	269,879	316,400	1,538,095	1,717,530	-	-	547,403	602,187	332,533	370,180	748,666	833,359	367,553	515,518	5,770,376	7,150,290

(Unaudited but reviewed)

Movements in the long-term loans accounts during the six-month period ended 30 June 2019 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 7	Facility 8	Facility 9	Facility 1	Facility 2	Total
Balance as at 1 January 2019	660,659	1,198,863	875,889	458,082	379,680	1,907,423	758,422	653,972	409,146	956,811	768,549	9,027,496
Add: Amortisation of financial fees	540	2,470	1,080	236	237	(1,650)	1,377	2,413	588	3,727	(4,421)	6,597
Unrealised exchange loss	-	-	-	-	-	-	-	-	-	21,383	-	21,383
Less: Repayment	(40,848)	(89,193)	(40,442)	(20,308)	(30,839)	(89,605)	(31,495)	(25,983)	(19,192)	(60,233)	(120,095)	(568,233)
Translation adjustment	(33,767)	(60,943)	(45,098)	(23,597)	(19,226)	(98,077)	(39,144)	(33,810)	(21,061)	(49,449)	(37,427)	(461,599)
Balance as at 30 June 2019	586,584	1,051,197	791,429	414,413	329,852	1,718,091	689,160	596,592	369,481	872,239	606,606	8,025,644

(Unaudited but reviewed)

The Group's bank loan facilities are summarised below.

Facility	Bank	Borrower	Interest rate per loan/amendment agreement
<b>Loan facilities for financing the construction and acquisition of new vessels (New buildings)</b>			
Facility 1	DNB Asia Ltd. and 5 other banks, total 6 banks	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 2	ING Bank N.V. (Singapore Branch) and DNB Asia Ltd.	4 indirect subsidiaries in Singapore	LIBOR + margin
Facility 3	Bangkok Bank PLC. (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited	LIBOR + margin
Facility 4	Bangkok Bank PLC. (Singapore Branch)	ABC Four Pte. Limited	LIBOR + margin
Facility 5	TMB Bank PLC.	ABC One Pte. Limited	LIBOR + margin
Facility 6	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 7	DNB Asia Ltd. and Export-Import Bank of China	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 8	BNP Paribas	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 9	BNP Paribas	The Company and indirect subsidiary in Singapore	LIBOR + margin
Facility 10	Export-Import Bank of Thailand	The Company and local subsidiary	LIBOR + margin
<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
Facility 2	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin



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

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

**Facility 1 and Facility 2**

As at 30 June 2019, the Company is unable to maintain compliance with a certain financial covenant. The Company has been in discussions with the banks to request a waiver to test this financial covenant for a certain period. However, the Company's management, on the basis of a legal opinion from its in-house counsel as well as external counsel, believes that the breach of this covenant does not constitute an Event of Default and therefore does not make the outstanding loans due and payable on demand under the loan agreements. Therefore, the Company has presented the part of the outstanding balance of these loans that are not due for repayment within the next twelve months, as non-current liabilities.

**Facility 6**

On 12 July 2019, the Company and 4 local subsidiaries executed an Amendment Agreement with Export-Import Bank of Thailand, whereby the financial covenant in relation to the net funded debt to EBITDA ratio was replaced with two financial covenants. After the amendments, the financial covenants are as follows:

- a) Debt service coverage ratio of at least 1.1:1;
- b) Debt to equity ratio not exceeding 2:1 with minimum total shareholders' equity of USD 300,000,000;
- c) Minimum free cash balance of USD 100,000 per vessel owned by the Group.

**Facility 7**

As at 30 June 2019, the Company had an outstanding bank loan amounting to Baht 689.16 million, for which the Company is unable to maintain compliance with a certain financial covenant. The Company has been in discussions with the banks to request a waiver to test this financial covenant for a certain period. In order to report its financial statements for the six-month period ended 30 June 2019 in accordance with generally accepted accounting standards, the Company has presented the balance of this loan as a current liability.

### **Facility 10**

On 12 July 2019, the Company and a local subsidiary, executed an Amendment Agreement with Export-Import Bank of Thailand to extend the availability period up to 15 November 2019 (from 28 June 2019).

As of 30 June 2019, the Company had an undrawn loan balance in the amount of USD 18 million.

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

#### **Facility 1**

On 10 May 2019, Krung Thai Bank Plc. as the facility agent informed the Company of the lenders' approval of the waiver of the testing of the financial covenants regarding the Debt to EBITDA ratio up to 31 December 2019. A principal condition of the approval is that the Company is not allowed to pay dividends or make any other distributions to its shareholders during the waiver period.

#### **Facility 2**

On 12 July 2019, the Company and 5 local subsidiaries executed the Amendment Agreement with Export-Import Bank of Thailand, whereby the financial covenant in relation to the net funded debt to EBITDA ratio was replaced with two financial covenants. After the amendments, the financial covenants applicable to this Facility are as follows:

- a) Debt service coverage ratio of at least 1.1:1;
- b) Debt to equity ratio not exceeding 2:1 with minimum total shareholders' equity of USD 300,000,000;
- c) Minimum free cash balance of USD 100,000 per vessel owned by the Group.

**12. Debentures**

As at 30 June 2019 and 31 December 2018, details of debentures are as follows.

						(Unit: Thousand Baht)	
						Carrying amount	
Series	Maturity date	No. of units	Par value	Interest rate	Term of interest payment	30 June 2019	31 December 2018
		(Thousand units)	(Baht)	(% p.a.)			
1	Entirely redeemed on 22 January 2021 (5 years)	3,590	1,000	5.25	Quarterly	3,570,154	3,571,838
2	Entirely redeemed on 9 June 2020 (3.5 years)	1,960	1,000	5.00	Quarterly	1,949,165	1,950,084
Total						5,519,319	5,521,922
Less: Deferred debenture issuing costs						(7,710)	(11,151)
Debentures - net						5,511,609	5,510,771
Less: Current portion						(1,947,171)	-
Debentures - net of current portion						3,564,438	5,510,771

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

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

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

**13. Provision for maritime claims**

		(Unit: Thousand Baht)
		Consolidated
		financial statements
Balance as at 1 January 2019		59,786
Increase during the period		11,601
Decrease (including actual claims) during the period		(21,108)
Translation adjustment		(2,923)
Balance as at 30 June 2019		47,356

#### **14. Provision for long-term employee benefits**

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment. During the three-month and six-month periods ended 30 June 2019, the Group reflected the effect of the change by recognising past service costs of Baht 32.93 million (The Company only: Baht 27.15 million) as expenses in the income statement.

#### **15. Share capital**

On 4 April 2019, the Annual General Meeting of the Shareholders passed a resolution approving the reduction of the registered capital of the Company in the amount of Baht 51,965,068 from Baht 1,611,256,930 to Baht 1,559,291,862 by way of cancellation of 51,965,068 unissued shares at Baht 1 par value per share. The unissued shares are mainly due to the unexercised warrants. On 9 April 2019, the Company completed the registration of the aforementioned reduction of the registered capital with the Ministry of Commerce.

#### **16. Basic earnings per share**

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

#### **17. Segment information**

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

The Group's operations involve the business of owning and internationally operating Handysize, Supramax and Ultramax dry bulk vessels on a tramp shipping basis (i.e. without any set routes). This is the main industry segment that the company operates in and almost all revenues are derived from it. As such, no segmental bifurcation is applicable since the operations are almost entirely limited to this one main segment.

(Unaudited but reviewed)

The business activity in the segment, i.e. the chartering of the vessels, is undertaken in two ways, viz., Time charter and Voyage charter. Under Time charter, the charterer (customer) pays charter hire (at an agreed daily rate, almost always in US Dollars) to operate the vessel for an agreed time period. In this case, the charterer bears all voyage expenses including port disbursements and costs of bunker fuel. Under Voyage charter, the charterer pays freight on a per ton basis (almost always in US Dollars) to transport a particular cargo between two or more designated ports. In this case, the Group bears all the voyage expenses. The voyage expenses are presented in the financial statements as voyage disbursements and bunker consumption. Under Time charter, the vessel routes are determined or controlled exclusively by the charterers and under Voyage charters, the route varies from time to time for each voyage, which is determined by a number of factors which are totally beyond the Groups' control. As such, reporting by geographical segments would not be practical or meaningful, and could in fact be misleading.

In view of the above, segment information is limited to the bifurcation of the total vessel operating income (and voyage expenses in respect of Voyage charter) derived from Time charter and Voyage charter presented as "Hire income" and "Freight income" respectively.

The following table presents net vessel operating income from Time charter and Voyage charter of the Group for the three-month and six-month periods ended 30 June 2019 and 2018.

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 30 June										
	Time charter		Voyage charter		Total		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Hire income	773,098	1,023,911	-	-	773,098	1,023,911	-	-	773,098	1,023,911
Freight income	-	-	292,769	160,099	292,769	160,099	(62,549)	-	230,220	160,099
Total vessel operating income	773,098	1,023,911	292,769	160,099	1,065,867	1,184,010	(62,549)	-	1,003,318	1,184,010
Voyage disbursements	-	-	(105,434)	(43,024)	(105,434)	(43,024)	62,549	-	(42,885)	(43,024)
Bunker consumption	-	-	(74,612)	(55,195)	(74,612)	(55,195)	-	-	(74,612)	(55,195)
Total voyage expenses	-	-	(180,046)	(98,219)	(180,046)	(98,219)	62,549	-	(117,497)	(98,219)
Net vessel operating income/time charter equivalent income	773,098	1,023,911	112,723	61,880	885,821	1,085,791	-	-	885,821	1,085,791

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements										
For the six-month periods ended 30 June										
	Time charter		Voyage charter		Total		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Hire income	1,619,874	2,038,639	-	-	1,619,874	2,038,639	-	-	1,619,874	2,038,639
Freight income	-	-	428,065	233,595	428,065	233,595	(95,791)	112	332,274	233,707
Total vessel operating income	1,619,874	2,038,639	428,065	233,595	2,047,939	2,272,234	(95,791)	112	1,952,148	2,272,346
Voyage disbursements	-	-	(163,053)	(49,426)	(163,053)	(49,426)	95,791	(112)	(67,262)	(49,538)
Bunker consumption	-	-	(101,112)	(71,928)	(101,112)	(71,928)	-	-	(101,112)	(71,928)
Total voyage expenses	-	-	(264,165)	(121,354)	(264,165)	(121,354)	95,791	(112)	(168,374)	(121,466)
Net vessel operating income/time charter equivalent income	1,619,874	2,038,639	163,900	112,241	1,783,774	2,150,880	-	-	1,783,774	2,150,880

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

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

The final arbitration awards will determine whether the Company will receive the refund of the advances which the Company paid to Sainty along with interest thereon and/or any damages, or whether the Company will have to pay any claim amounts including damages to Sainty.

In the event that the final awards for all 9 arbitrations go against the Company, the Company may lose the advances for vessel constructions totaling USD 64.12 million plus other related costs, and may have a liability to pay Sainty an additional USD 19.83 million plus unquantified damages, losses, interest and/or costs in accordance with their claims.

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

## 19. Functional currency financial statements

The USD functional currency statements of financial position as at 30 June 2019 and 31 December 2018 and the income statements for the three-month and six-month periods ended 30 June 2019 and 2018 are as follows.

### Precious Shipping Public Company Limited and its subsidiaries

#### Statement of financial position

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	June	December	June	December
	2019	2018	2019	2018
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	47,483	56,790	20,965	15,304
Trade and other receivables	6,702	7,834	128,888	128,062
Bunker oil	4,827	2,957	-	-
Other current assets				
Advances to vessel masters	2,448	2,693	-	-
Claim recoverables	67	192	-	-
Others	2,134	941	400	389
Total other current assets	4,649	3,826	400	389
<b>Total current assets</b>	<b>63,661</b>	<b>71,407</b>	<b>150,253</b>	<b>143,755</b>
<b>Non-current assets</b>				
Long-term loans to subsidiaries	-	-	142,202	154,702
Investments in subsidiaries	-	-	200,254	200,254
Investment in associate held by a subsidiary	2,180	2,261	-	-
Other long-term investment	568	568	568	568
Receivables from cross currency swap contracts	27,805	17,430	26,928	17,231
Property, plant and equipment	677,341	690,582	264	291
Intangible assets	-	-	-	-
Other non-current assets				
Claim recoverables - maritime claims	1,322	1,595	-	-
Advances for vessel constructions	67,900	67,900	67,644	67,644
Deferred contract costs	5,677	5,952	-	-
Others	155	150	130	126
Total other non-current assets	75,054	75,597	67,774	67,770
<b>Total non-current assets</b>	<b>782,948</b>	<b>786,438</b>	<b>437,990</b>	<b>440,816</b>
<b>Total assets</b>	<b>846,609</b>	<b>857,845</b>	<b>588,243</b>	<b>584,571</b>

(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	31	30	31
	June	December	June	December
	2019	2018	2019	2018
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables				
Trade and other payables	3,337	2,274	247	21
Advances received from related parties	-	-	55,098	53,213
Accrued crew accounts	2,674	2,661	-	-
Accrued expenses	6,837	5,946	1,760	1,326
Accrued employee bonus	567	1,097	407	787
Total trade and other payables	13,415	11,978	57,512	55,347
Advances received from charterers	1,713	614	-	-
Current portion of long-term loans	73,356	57,850	-	-
Current portion of debentures	63,334	-	63,334	-
Income tax payable	-	30	-	-
Other current liabilities	881	668	436	424
<b>Total current liabilities</b>	<b>152,699</b>	<b>71,140</b>	<b>121,282</b>	<b>55,771</b>
<b>Non-current liabilities</b>				
Long-term loans - net of current portion	187,689	220,349	-	-
Debentures - net of current portion	115,938	169,824	115,938	169,824
Provision for maritime claims	1,540	1,843	-	-
Provision for long-term employee benefits	4,820	3,456	3,814	2,766
<b>Total non-current liabilities</b>	<b>309,987</b>	<b>395,472</b>	<b>119,752</b>	<b>172,590</b>
<b>Total liabilities</b>	<b>462,686</b>	<b>466,612</b>	<b>241,034</b>	<b>228,361</b>
<b>Shareholders' equity</b>				
Share capital				
Registered share capital	51,055	52,598	51,055	52,598
Issued and paid-up share capital	51,055	51,055	51,055	51,055
Paid-in capital				
Premium on ordinary shares	63,290	63,290	63,290	63,290
Premium on treasury stock	4,819	4,819	4,819	4,819
Retained earnings				
Appropriated				
Statutory reserve - the Company	2,802	2,802	2,802	2,802
- subsidiaries	14,460	14,460	-	-
Corporate social responsibility reserve	552	543	552	543
Unappropriated	249,252	256,547	224,691	233,701
Other components of shareholders' equity	(2,308)	(2,284)	-	-
Equity attributable to owner of the Company	383,922	391,232	347,209	356,210
Non-controlling interests of the subsidiaries	1	1	-	-
<b>Total shareholders' equity</b>	<b>383,923</b>	<b>391,233</b>	<b>347,209</b>	<b>356,210</b>
<b>Total liabilities and shareholders' equity</b>	<b>846,609</b>	<b>857,845</b>	<b>588,243</b>	<b>584,571</b>



(Unaudited but reviewed)

**Precious Shipping Public Company Limited and its subsidiaries****Income statement****For the three-month period ended 30 June 2019**

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
<b>Revenues</b>				
Vessel operating income				
Hire income	24,560	31,768	-	-
Freight income	7,313	4,968	-	-
Total vessel operating income	31,873	36,736	-	-
Service income	125	28	706	704
Gains on sales of equipment	12	-	-	-
Interest income	308	427	129	304
<b>Total revenues</b>	<b>32,318</b>	<b>37,191</b>	<b>835</b>	<b>1,008</b>
<b>Expenses</b>				
Vessel operating costs				
Vessel running expenses	13,237	12,271	-	-
Voyage disbursements	1,362	1,335	-	-
Bunker consumption	2,370	1,713	-	-
Total vessel operating costs	16,969	15,319	-	-
Depreciation	9,460	9,048	25	22
Cost of services	32	32	-	-
Administrative expenses	3,628	2,863	2,445	1,936
Management remuneration including perquisites	1,030	694	1,051	645
Bad debts and doubtful accounts	50	-	-	-
Exchange losses	107	75	59	132
<b>Total expenses</b>	<b>31,276</b>	<b>28,031</b>	<b>3,580</b>	<b>2,735</b>
<b>Profit (loss) before share of profit from investment in associate, finance cost and income tax revenue</b>	<b>1,042</b>	<b>9,160</b>	<b>(2,745)</b>	<b>(1,727)</b>
Share of profit from investment in associate held by a subsidiary	251	99	-	-
<b>Profit (loss) before finance cost and income tax revenue</b>	<b>1,293</b>	<b>9,259</b>	<b>(2,745)</b>	<b>(1,727)</b>
Finance cost	(5,775)	(6,409)	(2,330)	(2,465)
<b>Profit (loss) before income tax revenue</b>	<b>(4,482)</b>	<b>2,850</b>	<b>(5,075)</b>	<b>(4,192)</b>
Income tax revenue	-	2	-	-
<b>Profit (loss) for the period</b>	<b>(4,482)</b>	<b>2,852</b>	<b>(5,075)</b>	<b>(4,192)</b>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(4,482)	2,852	(5,075)	(4,192)
Non-controlling interests of the subsidiaries	-	-	-	-
<b>Profit (loss) for the period</b>	<b>(4,482)</b>	<b>2,852</b>	<b>(5,075)</b>	<b>(4,192)</b>
<b>Basic earnings per share</b>				
Profit (loss) attributable to equity holders of the Company	(0.0029)	0.0018	(0.0033)	(0.0027)
Weighted average number of ordinary shares (Thousand shares)	1,559,292	1,559,281	1,559,292	1,559,281

(Unaudited but reviewed)

**Precious Shipping Public Company Limited and its subsidiaries****Income statement****For the six-month period ended 30 June 2019**

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2019	2018	2019	2018
<b>Revenues</b>				
Vessel operating income				
Hire income	51,432	64,129	-	-
Freight income	10,552	7,315	-	-
Total vessel operating income	61,984	71,444	-	-
Service income	157	57	1,411	1,407
Gains on sales of equipment	12	-	-	-
Interest income	601	509	231	364
Other income	4	-	-	-
<b>Total revenues</b>	<b>62,758</b>	<b>72,010</b>	<b>1,642</b>	<b>1,771</b>
<b>Expenses</b>				
Vessel operating costs				
Vessel running expenses	25,872	24,370	-	-
Voyage disbursements	2,136	1,543	-	-
Bunker consumption	3,211	2,246	-	-
Total vessel operating costs	31,219	28,159	-	-
Depreciation	18,895	17,904	49	46
Cost of services	102	94	-	-
Administrative expenses	6,245	5,826	4,083	3,832
Management remuneration including perquisites	1,661	1,394	1,678	1,308
Bad debts and doubtful accounts (reversal)	51	(62)	-	-
Exchange losses	143	69	31	44
<b>Total expenses</b>	<b>58,316</b>	<b>53,384</b>	<b>5,841</b>	<b>5,230</b>
<b>Profit (loss) before share of profit from investment in associate, finance cost and income tax revenue</b>	<b>4,442</b>	<b>18,626</b>	<b>(4,199)</b>	<b>(3,459)</b>
Share of profit from investment in associate held by a subsidiary	158	215	-	-
<b>Profit (loss) before finance cost and income tax revenue</b>	<b>4,600</b>	<b>18,841</b>	<b>(4,199)</b>	<b>(3,459)</b>
Finance cost	(11,752)	(12,557)	(4,696)	(4,787)
<b>Profit (loss) before income tax revenue</b>	<b>(7,152)</b>	<b>6,284</b>	<b>(8,895)</b>	<b>(8,246)</b>
Income tax revenue	-	2	-	-
<b>Profit (loss) for the period</b>	<b>(7,152)</b>	<b>6,286</b>	<b>(8,895)</b>	<b>(8,246)</b>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(7,152)	6,286	(8,895)	(8,246)
Non-controlling interests of the subsidiaries	-	-	-	-
<b>Profit (loss) for the period</b>	<b>(7,152)</b>	<b>6,286</b>	<b>(8,895)</b>	<b>(8,246)</b>
<b>Basic earnings per share</b>				
Profit (loss) attributable to equity holders of the Company	(0.0046)	0.0040	(0.0057)	(0.0053)
Weighted average number of ordinary shares (Thousand shares)	1,559,292	1,559,281	1,559,292	1,559,281

**20. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's authorised directors on 1 August 2019.