

Precious Shipping Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2020

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Precious Shipping Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Precious Shipping Public Company Limited and its subsidiaries as at 30 September 2020, the related consolidated statements of income, and comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Precious Shipping Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of matters

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

1. Coronavirus disease 2019 Pandemic

I draw attention to Note 1.2 to the interim consolidated financial statements. The Covid-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affected the Group's business activities in the first half of 2020 and may do so again in the future, particularly if there is a curtailment of global industrial activity. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

2. The execution of the Settlement Agreement regarding the cancellation of the Shipbuilding Contracts

As discussed in Note 9 to the interim consolidated financial statements, regarding the cancellation of the Shipbuilding Contracts ("SBCs"), the Company and Jiangsu Guoxin Corporation Ltd. (formerly known as "Sainty Marine Corporation Ltd.") (collectively "Parties") executed an amicable settlement agreement ("Settlement Agreement") in order to fully and finally settle any and all of their disputes and claims arising out of and/or in relation to the SBCs, the refund guarantees thereof and/or the arbitration and court proceedings.

This Settlement Agreement is binding upon the Parties, subject to the terms and conditions specified, with Sainty to refund advances in the amount agreed between the Parties.

The Company recorded the amount that was not refunded amounting to Baht 869 million (The Company only: Baht 861 million) as an expense in the income statements. Following the Company's receipt of the full amount per the Settlement Agreement, the Parties will withdraw their claims, counterclaims and/or appeals in relation to the SBCs and terminate all related arbitration and court proceedings, with no remaining and/or outstanding issues or claims. The Company has now received full settlement per the Settlement Agreement in July 2020.

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

As discussed in Note 1.5 to the interim consolidated financial statements, due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month and nine-month periods ended 30 September 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of Covid-19 Pandemic issued by the Federation of Accounting Professions.

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

EY Office Limited

Bangkok: 9 November 2020

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,751,565	1,181,181	874,097	443,251
Trade and other receivables	3, 4	171,232	182,610	4,550,130	3,479,693
Short-term loans to subsidiary	5	-	-	-	129,662
Bunker oil		37,213	176,486	-	-
Derivative assets	2	429,558	-	429,558	-
Other current assets					
Advances to vessel masters		76,891	73,486	-	-
Claim recoverables		4,126	10,639	-	-
Others		60,941	56,120	20,790	16,413
Total other current assets		141,958	140,245	20,790	16,413
Total current assets		2,531,526	1,680,522	5,874,575	4,069,019
Non-current assets					
Long-term loans to subsidiary	5	-	-	3,683,729	4,523,100
Derivative assets	2	40,179	-	9,886	-
Receivables from cross currency swap contracts	2	-	950,891	-	921,749
Investments in subsidiaries	6	-	-	7,787,406	6,038,468
Investment in associate held by a subsidiary	7	73,232	68,092	-	-
Investment in equity instrument of non-listed company		17,967	17,114	17,967	17,114
Property, plant and equipment	8	20,387,118	20,097,548	7,099	6,668
Right-of-use assets	2	26,855	-	22,553	-
Intangible assets		7,591	6,750	7,234	6,749
Other non-current assets					
Claim recoverables - maritime claims		32,905	24,656	-	-
Advances for vessel constructions	9	-	2,047,470	-	2,039,751
Deferred contract costs	10	157,749	162,783	-	-
Others		3,163	4,726	2,395	3,963
Total other non-current assets		193,817	2,239,635	2,395	2,043,714
Total non-current assets		20,746,759	23,380,030	11,538,269	13,557,562
Total assets		23,278,285	25,060,552	17,412,844	17,626,581

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2020

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements			
	30 September 2020	31 December 2019	30 September 2020	31 December 2019		
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)		
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables						
	Trade and other payables	4	158,362	70,721	8,928	13,458
	Advances received from related parties	4	-	-	2,049,979	1,749,784
	Accrued crew accounts		87,431	84,750	-	-
	Accrued expenses		76,239	338,001	42,664	59,705
	Accrued employee bonus		-	34,421	-	24,609
	Total trade and other payables		322,032	527,893	2,101,571	1,847,556
	Advances received from charterers		37,983	75,091	-	-
	Current portion of long-term loans	11	1,501,022	2,137,258	-	-
	Current portion of debentures	12	1,337,869	1,947,630	1,337,869	1,947,630
	Current portion of lease liabilities	2	5,254	-	4,078	-
	Income tax payable		1,484	1,507	-	-
	Other current liabilities		17,015	22,872	11,986	13,318
	Total current liabilities		3,222,659	4,712,251	3,455,504	3,808,504
Non-current liabilities						
	Long-term loans - net of current portion	11	5,249,872	5,011,892	-	-
	Debentures - net of current portion	12	3,791,747	3,565,212	3,791,747	3,565,212
	Lease liabilities - net of current portion	2	20,564	-	17,625	-
	Derivative liabilities	2	96,646	-	-	-
	Provision for maritime claims	13	53,653	46,240	-	-
	Provision for long-term employee benefits		171,490	165,911	131,576	129,517
	Total non-current liabilities		9,383,972	8,789,255	3,940,948	3,694,729
	Total liabilities		12,606,631	13,501,506	7,396,452	7,503,233

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

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered share capital				
1,559,291,862 ordinary shares of Baht 1 each	1,559,292	1,559,292	1,559,292	1,559,292
Issued and fully paid up				
1,559,291,862 ordinary shares of Baht 1 each	1,559,292	1,559,292	1,559,292	1,559,292
Paid-in capital				
Premium on ordinary shares	1,967,897	1,967,897	1,967,897	1,967,897
Premium on treasury stock	172,446	172,446	172,446	172,446
Retained earnings				
Appropriated				
Statutory reserve - the Company	103,952	103,952	103,952	103,952
- subsidiaries	523,320	523,320	-	-
Corporate social responsibility reserve	17,953	17,696	17,953	17,696
Unappropriated	7,495,588	8,891,671	5,951,449	6,587,678
Other components of shareholders' equity	(1,168,827)	(1,677,260)	243,403	(285,613)
Equity attributable to owners of the Company	10,671,621	11,559,014	10,016,392	10,123,348
Non-controlling interests of the subsidiaries	33	32	-	-
Total shareholders' equity	10,671,654	11,559,046	10,016,392	10,123,348
Total liabilities and shareholders' equity	23,278,285	25,060,552	17,412,844	17,626,581
	-	-	-	-

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

Directors

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 September 2020**

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Vessel operating income					
Hire income		789,960	858,951	-	-
Freight income		153,341	183,796	-	-
Total vessel operating income		943,301	1,042,747	-	-
Service income	4	878	1,880	22,615	22,325
Exchange gains		12,427	689	12,172	950
Interest income	4	671	5,893	47,851	2,468
Dividend income		-	405	-	405
Other income		7	-	-	-
Total revenues		957,284	1,051,614	82,638	26,148
Expenses					
Vessel operating costs					
Vessel running expenses		382,768	371,948	-	-
Voyage disbursements		30,539	36,680	-	-
Bunker consumption		42,760	73,330	-	-
Total vessel operating costs		456,067	481,958	-	-
Depreciation	8	304,948	294,577	1,971	769
Cost of services		924	1,069	-	-
Administrative expenses	4	58,655	110,376	37,354	85,069
Management remuneration including perquisites	4	16,790	19,985	17,653	20,675
Reversal of expected credit losses/Bad debts and doubtful accounts		-	(1,363)	-	-
Total expenses		837,384	906,602	56,978	106,513
Profit (loss) from operating activities		119,900	145,012	25,660	(80,365)
Share of profit from investment in associate held by a subsidiary	7.1	2,590	8,462	-	-
Finance cost		(144,595)	(182,898)	(77,424)	(75,840)
Loss for the period		(22,105)	(29,424)	(51,764)	(156,205)

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 September 2020

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Loss attributable to:					
Equity holders of the Company		(22,105)	(29,424)	(51,764)	(156,205)
Non-controlling interests of the subsidiaries		-	-	-	-
Loss for the period		<u>(22,105)</u>	<u>(29,424)</u>	<u>(51,764)</u>	<u>(156,205)</u>
Basic earnings per share	14				
Loss attributable to equity holders of the Company		<u>(0.01)</u>	<u>(0.02)</u>	<u>(0.03)</u>	<u>(0.10)</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 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Loss for the period	<u>(22,105)</u>	<u>(29,424)</u>	<u>(51,764)</u>	<u>(156,205)</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	(431)	7,285	-	-
Gains on cash flow hedges	78,787	-	26,858	-
Changes in cost of hedges	<u>(26,741)</u>	<u>-</u>	<u>(7,262)</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	51,615	7,285	19,596	-
<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	260,216	(58,781)	243,258	(52,480)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>260,216</u>	<u>(58,781)</u>	<u>243,258</u>	<u>(52,480)</u>
Other comprehensive income for the period	<u>311,831</u>	<u>(51,496)</u>	<u>262,854</u>	<u>(52,480)</u>
Total comprehensive income for the period	<u><u>289,726</u></u>	<u><u>(80,920)</u></u>	<u><u>211,090</u></u>	<u><u>(208,685)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	289,725	(80,920)	211,090	(208,685)
Non-controlling interests of the subsidiaries	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>289,726</u></u>	<u><u>(80,920)</u></u>	<u><u>211,090</u></u>	<u><u>(208,685)</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 nine-month period ended 30 September 2020**

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Vessel operating income					
Hire income		2,043,682	2,478,825	-	-
Freight income		633,421	516,070	-	-
Total vessel operating income		2,677,103	2,994,895	-	-
Service income	4	2,666	6,829	67,573	66,777
Gains on sales of equipment		-	387	-	-
Exchange gains		15,513	-	13,714	-
Interest income	4	7,384	24,813	146,963	9,731
Dividend income		-	405	-	405
Other income		7	119	-	-
Total revenues		2,702,673	3,027,448	228,250	76,913
Expenses					
Vessel operating costs					
Vessel running expenses		1,141,075	1,186,778	-	-
Voyage disbursements		131,156	103,942	-	-
Bunker consumption		238,010	174,442	-	-
Total vessel operating costs		1,510,241	1,465,162	-	-
Depreciation	8	915,044	889,661	5,854	2,301
Cost of services		2,974	4,297	-	-
Administrative expenses	4	228,446	307,041	169,544	213,659
Management remuneration including perquisites	4	40,566	72,280	42,971	73,528
Losses on settlement agreement	9	868,717	-	860,602	-
Expected credit losses/Bad debts and doubtful accounts		8,912	226	-	-
Exchange losses		-	3,821	-	25
Total expenses		3,574,900	2,742,488	1,078,971	289,513
Profit (loss) from operating activities		(872,227)	284,960	(850,721)	(212,600)
Share of profit from investment in associate held by a subsidiary	7.1	7,119	13,444	-	-
Gain on derivative		17,545	-	17,545	-
Finance cost		(474,715)	(553,031)	(228,507)	(223,740)
Loss for the period		(1,322,278)	(254,627)	(1,061,683)	(436,340)

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 nine-month period ended 30 September 2020

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

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Loss attributable to:				
Equity holders of the Company	(1,322,277)	(254,627)	(1,061,683)	(436,340)
Non-controlling interests of the subsidiaries	(1)	-	-	-
Loss for the period	(1,322,278)	(254,627)	(1,061,683)	(436,340)
Basic earnings per share				
14				
Loss attributable to equity holders of the Company	(0.85)	(0.16)	(0.68)	(0.28)

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 nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Loss for the period	<u>(1,322,278)</u>	<u>(254,627)</u>	<u>(1,061,683)</u>	<u>(436,340)</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	(7,011)	10,426	-	-
Losses on cash flow hedges	(153,669)	-	(133,163)	-
Changes in cost of hedges	12,001	-	30,081	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(148,679)</u>	<u>10,426</u>	<u>(103,082)</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial loss	-	(4,283)	-	(3,370)
Exchange differences on translation of functional currency to presentation currency financial statements	583,609	(724,449)	533,002	(653,233)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>583,609</u>	<u>(728,732)</u>	<u>533,002</u>	<u>(656,603)</u>
Other comprehensive income for the period	<u>434,930</u>	<u>(718,306)</u>	<u>429,920</u>	<u>(656,603)</u>
Total comprehensive income for the period	<u><u>(887,348)</u></u>	<u><u>(972,933)</u></u>	<u><u>(631,763)</u></u>	<u><u>(1,092,943)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	(887,349)	(972,931)	(631,763)	(1,092,943)
Non-controlling interests of the subsidiaries	1	(2)	-	-
	<u><u>(887,348)</u></u>	<u><u>(972,933)</u></u>	<u><u>(631,763)</u></u>	<u><u>(1,092,943)</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 nine-month period ended 30 September 2020

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
	Retained earnings			Other components of shareholders' equity							Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
				Appropriated				Exchange differences						Total other components of shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Statutory reserve		Corporate social responsibility reserve	Unappropriated	on translation of financial statements	Gains (losses) on cash flow hedges	Changes in cost of hedges				
				The Company	Subsidiaries									
Balance as at 1 January 2019	1,559,292	1,967,897	172,446	103,952	523,320	17,393	9,135,683	(784,562)	-	-	(784,562)	12,695,421	35	12,695,456
Loss for the period	-	-	-	-	-	-	(254,627)	-	-	-	-	(254,627)	-	(254,627)
Other comprehensive income for the period	-	-	-	-	-	-	(4,283)	(714,021)	-	-	(714,021)	(718,304)	(2)	(718,306)
Total comprehensive income for the period	-	-	-	-	-	-	(258,910)	(714,021)	-	-	(714,021)	(972,931)	(2)	(972,933)
Appropriated to corporate social responsibility reserve	-	-	-	-	-	587	(587)	-	-	-	-	-	-	-
Balance as at 30 September 2019	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>17,980</u>	<u>8,876,186</u>	<u>(1,498,583)</u>	<u>-</u>	<u>-</u>	<u>(1,498,583)</u>	<u>11,722,490</u>	<u>33</u>	<u>11,722,523</u>
Balance as at 1 January 2020	1,559,292	1,967,897	172,446	103,952	523,320	17,696	8,891,671	(1,677,260)	-	-	(1,677,260)	11,559,014	32	11,559,046
Cumulative effect of change in accounting policy (Note 2)	-	-	-	-	-	-	(73,549)	-	139,020	(65,515)	73,505	(44)	-	(44)
Balance as at 1 January 2020 - as restated	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>17,696</u>	<u>8,818,122</u>	<u>(1,677,260)</u>	<u>139,020</u>	<u>(65,515)</u>	<u>(1,603,755)</u>	<u>11,558,970</u>	<u>32</u>	<u>11,559,002</u>
Loss for the period	-	-	-	-	-	-	(1,322,277)	-	-	-	-	(1,322,277)	(1)	(1,322,278)
Other comprehensive income for the period	-	-	-	-	-	-	-	576,596	(153,669)	12,001	434,928	434,928	2	434,930
Total comprehensive income for the period	-	-	-	-	-	-	(1,322,277)	576,596	(153,669)	12,001	434,928	(887,349)	1	(887,348)
Appropriated to corporate social responsibility reserve	-	-	-	-	-	257	(257)	-	-	-	-	-	-	-
Balance as at 30 September 2020	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>523,320</u>	<u>17,953</u>	<u>7,495,588</u>	<u>(1,100,664)</u>	<u>(14,649)</u>	<u>(53,514)</u>	<u>(1,168,827)</u>	<u>10,671,621</u>	<u>33</u>	<u>10,671,654</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 nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Separate financial statements										
	Retained earnings						Other components of shareholders' equity				
	Appropriated						Other comprehensive income				
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Corporate social responsibility			Exchange differences on translation of financial statements	Gains (losses) on cash flow hedges	Changes in cost of hedges	Total other components of shareholders' equity	Total shareholders' equity
Statutory reserve				reserve	Unappropriated						
Balance as at 1 January 2019	1,559,292	1,967,897	172,446	103,952	17,393	7,220,773	517,204	-	-	517,204	11,558,957
Loss for the period	-	-	-	-	-	(436,340)	-	-	-	-	(436,340)
Other comprehensive income for the period	-	-	-	-	-	(3,370)	(653,233)	-	-	(653,233)	(656,603)
Total comprehensive income for the period	-	-	-	-	-	(439,710)	(653,233)	-	-	(653,233)	(1,092,943)
Appropriated to corporate social responsibility reserve	-	-	-	-	587	(587)	-	-	-	-	-
Balance as at 30 September 2019	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>17,980</u>	<u>6,780,476</u>	<u>(136,029)</u>	<u>-</u>	<u>-</u>	<u>(136,029)</u>	<u>10,466,014</u>
Balance as at 1 January 2020	1,559,292	1,967,897	172,446	103,952	17,696	6,587,678	(285,613)	-	-	(285,613)	10,123,348
Cumulative effect of change in accounting policy (Note 2)	-	-	-	-	-	425,711	-	160,648	(61,552)	99,096	524,807
Balance as at 1 January 2020 - as restated	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>17,696</u>	<u>7,013,389</u>	<u>(285,613)</u>	<u>160,648</u>	<u>(61,552)</u>	<u>(186,517)</u>	<u>10,648,155</u>
Loss for the period	-	-	-	-	-	(1,061,683)	-	-	-	-	(1,061,683)
Other comprehensive income for the period	-	-	-	-	-	-	533,002	(133,163)	30,081	429,920	429,920
Total comprehensive income for the period	-	-	-	-	-	(1,061,683)	533,002	(133,163)	30,081	429,920	(631,763)
Appropriated to corporate social responsibility reserve	-	-	-	-	257	(257)	-	-	-	-	-
Balance as at 30 September 2020	<u>1,559,292</u>	<u>1,967,897</u>	<u>172,446</u>	<u>103,952</u>	<u>17,953</u>	<u>5,951,449</u>	<u>247,389</u>	<u>27,485</u>	<u>(31,471)</u>	<u>243,403</u>	<u>10,016,392</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 nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Loss before tax	(1,322,278)	(254,627)	(1,061,683)	(436,340)
Adjustments to reconcile loss before tax				
to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	915,807	889,665	6,614	2,305
Expected credit losses/Bad debts and doubtful accounts	8,912	226	-	-
Losses on settlement agreement	868,717	-	860,602	-
Gains on sales of equipment	-	(387)	-	-
Write-off equipment	15	-	15	-
Amortisation of deferred contract costs	13,135	12,923	-	-
Share of profit from investment in associate held by a subsidiary	(7,119)	(13,444)	-	-
Provision for maritime claims (reversal)	(1,940)	3,890	-	-
Provision for long-term employee benefits	10,509	42,109	6,981	33,371
Unrealised exchange gains	(9,119)	(2,534)	(6,615)	(3,963)
Amortised financial fees to interest expense	13,668	18,442	-	-
Finance cost	466,934	534,936	221,819	216,275
Amortisation of deferred debentures issuing cost	3,777	4,373	3,777	4,373
Interest income	-	-	(142,557)	-
Write-off withholding tax deducted at source	1,666	-	1,666	-
Profit (loss) from operating activities before changes in operating assets and liabilities	962,684	1,235,572	(109,381)	(183,979)
Operating assets (increase) decrease				
Trade and other receivables	11,864	108,285	(747,224)	(342,660)
Bunker oil	148,277	34,482	-	-
Other current assets	4,200	8,997	(5,092)	1,603
Other non-current assets	1,627	1	1,627	1
Operating liabilities increase (decrease)				
Trade and other payables	(230,664)	20,517	164,991	229,317
Advances received from charterers	(41,032)	32,574	-	-
Other current liabilities	(6,283)	(2,470)	(1,479)	108
Other non-current liabilities	(4,920)	(6,888)	(4,920)	(6,888)
Cash flows from (used in) operating activities	845,753	1,431,070	(701,478)	(302,498)
Cash paid for corporate income tax and withholding tax deducted at source	(1,739)	(3,097)	(823)	(1,250)
Net cash flows from (used in) operating activities	844,014	1,427,973	(702,301)	(303,748)

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 nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Acquisitions of equipment and payment of dry-dock and special survey expenses	(198,491)	(298,376)	(2,726)	(728)
Cash received from sales of equipment	-	405	-	-
Acquisitions of computer software	(1,261)	(5,232)	(904)	(5,232)
Cash received from settlement agreement	1,269,067	-	1,269,067	-
Decrease in loans to subsidiary	-	-	268,682	393,725
Dividend received from associate held by a subsidiary	2,058	15,213	-	-
Net cash flows from (used in) investing activities	1,071,373	(287,990)	1,534,119	387,765
Cash flows from financing activities				
Cash paid for interest expense	(461,297)	(535,105)	(220,297)	(216,445)
Cash paid for deferred financial fees	(8,957)	(5,416)	-	-
Cash paid for lease liabilities	(4,300)	-	(3,621)	-
Cash paid for derivative	(18,305)	-	(18,305)	-
Cash received from long-term loans	1,226,695	496,977	-	-
Repayment of long-term loans	(737,090)	(857,724)	-	-
Prepayment of long-term loans	(1,222,660)	(681,139)	-	-
Repayment of debentures - net	(186,621)	-	(186,621)	-
Net cash flows used in financing activities	(1,412,535)	(1,582,407)	(428,844)	(216,445)
Increase (decrease) in translation adjustments	67,532	(96,724)	27,872	(32,805)
Net increase (decrease) in cash and cash equivalents	570,384	(539,148)	430,846	(165,233)
Cash and cash equivalents at beginning of period	1,181,181	1,842,832	443,251	496,614
Cash and cash equivalents at end of period	1,751,565	1,303,684	874,097	331,381
	-	-	-	-

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

Precious Shipping Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month and nine-month periods ended 30 September 2020

1. General information

1.1 Corporate information

Precious Shipping Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged as a holding company for investment in the marine transportation business. The registered office of the Company is at No. 8, North Sathorn Road, G, 7th, 8th and 9th floors, Silom, Bangrak, Bangkok 10500.

1.2 Coronavirus disease 2019 Pandemic

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

This situation affected the Group’s financial position, operating results, and cash flows in the first half of the year and may do so again in the future, particularly if there is a curtailment of global industrial activity. However, the impact cannot be reasonably estimated at this stage. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

1.3 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.

(Unaudited but reviewed)

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.

1.4 Basis of consolidation

These interim consolidated financial statements include the financial statements of Precious Shipping Public Company Limited, subsidiaries and associate (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019. There have been no changes in the composition of the Group during the current period.

1.5 New financial reporting standards

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

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

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

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

- Classification and measurement of investment in equity instrument of non-listed company - The Company measures investment in equity instrument of non-listed company at fair value and classifies the investment as financial assets at fair value through other comprehensive income.
- Initial recognition of financial assets at fair value - The Company measures long-term loans to subsidiaries that carry no interest at fair value. The fair value is measured at the present value of all future cash receipts discounted using the market rate for a similar financial instrument. The difference between fair value and book value of long-term loans to subsidiaries is recognised as investment in subsidiaries.
- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

(Unaudited but reviewed)

- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss. However, the Group applies hedge accounting for certain derivatives.

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

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

TFRS 16 Leases

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

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

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

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

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

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

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

(Unaudited but reviewed)

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

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

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.6 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

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

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

Financial liabilities are classified and measured at amortised cost.

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

Impairment of financial assets

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

Hedge Accounting

If hedge accounting criteria are met for cash flow hedges, a change in fair value of the effective portion of the hedging instrument is recognised in other comprehensive income, while a change in fair value of the ineffective portion of the hedging instruments is recognised in income statement. The Group excludes the time value of an option contract and the foreign currency basis spread of foreign currency swaps from the designation of those financial instruments as the hedging instruments. The time value and the foreign currency basis spreads are recognised in other comprehensive income and accumulated in a separate component of equity under cost of hedging.

1.6.2 Leases

Right-of-use assets

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

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

Lease liabilities

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

Short-term leases and Leases of low-value assets

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

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

As described in Note 1.5 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Derivative assets	-	321,968	-	321,968
Non-current assets				
Derivative assets	-	664,489	-	664,489
Receivables from cross currency swap contracts	950,891	(950,891)	-	-
Right-of-use assets	-	-	29,171	29,171

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2019	The impacts of		1 January 2020
		financial reporting standards related to financial instruments	TFRS 16	
Liabilities and shareholders' equity				
Current liabilities				
Accrued expenses	338,001	(741)	-	337,260
Current portion of lease liabilities	-	-	4,225	4,225
Non-current liabilities				
Lease liabilities - net of current portion	-	-	24,946	24,946
Derivative liabilities	-	36,351	-	36,351
Shareholders' equity				
Retained earnings - unappropriated	8,891,671	(73,549) ^(A)	-	8,818,122
Other components of shareholders' equity	(1,677,260)	73,505	-	(1,603,755)

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2019	The impacts of		1 January 2020
		financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Derivative assets	-	321,968	-	321,968
Non-current assets				
Long-term loans to subsidiary	4,523,100	(888,021)	-	3,635,079
Derivative assets	-	633,609	-	633,609
Receivables from cross currency swap contracts	921,749	(921,749)	-	-
Investments in subsidiaries	6,038,468	1,379,000	-	7,417,468
Right-of-use assets	-	-	24,491	24,491

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		
	The impacts of		
	Financial reporting standards related to financial instruments	TFRS 16	
	31 December 2019		1 January 2020
Liabilities and shareholders' equity			
Current liabilities			
Current portion of lease liabilities	-	-	3,421
Non-current liabilities			
Lease liabilities - net of current portion	-	-	21,070
Shareholders' equity			
Retained earnings - unappropriated	6,587,678	425,711 ^(A)	-
Other components of shareholders' equity	(285,613)	99,096	-

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

2.1 Financial instruments

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

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

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

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

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

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

(Unaudited but reviewed)

2.2 Leases

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

(Unit: Thousand Baht)

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

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	168,232	174,033	-	-
3 - 6 months	754	128	-	-
6 - 12 months	2,246	8,843	-	-
Over 12 months	9,284	151	-	-
Total	<u>180,516</u>	<u>183,155</u>	-	-
Less: Allowance for expected credit losses/Allowance for doubtful debts	<u>(9,284)</u>	<u>(545)</u>	-	-
Total trade receivables - unrelated parties, net	<u>171,232</u>	<u>182,610</u>	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<u>Other receivables - related parties (Note 4)</u>				
Advances to related parties	-	-	4,407,390	3,479,693
Interest receivables	-	-	142,740	-
Total other receivables	-	-	4,550,130	3,479,693
Total trade and other receivables - net	171,232	182,610	4,550,130	3,479,693

4. Related party transactions

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2020	2019	2020	2019	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	22,615	22,325	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Interest income	-	-	47,589	-	At interest rate of 5.00% per annum
Condominium rental expenses	-	-	2,126	1,872	Market price
Transaction with associate					
Dividend received	-	8,454	-	-	As declared
Transactions with related companies					
Air ticket expenses	-	985	-	374	Market price
Rental and service expenses	2,180	1,930	1,225	1,749	Market price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2020	2019	2020	2019	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	67,573	66,777	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Interest income	-	-	142,543	-	At interest rate of 5.00% per annum
Condominium rental expenses	-	-	6,108	5,346	Market price
Transaction with associate					
Dividend received	2,058	15,213	-	-	As declared
Transactions with related companies					
Air ticket expenses	245	4,479	184	1,340	Market price
Rental and service expenses	12,968	9,527	5,763	7,857	Market price

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Other receivables - related parties (Note 3)				
Subsidiaries	-	-	4,550,130	3,479,693
Total other receivables - related parties	-	-	4,550,130	3,479,693
Trade and other payables - related parties				
Subsidiaries	-	-	2,049,979	1,749,784
Related companies	126	78	-	40
Total trade and other payables - related parties	126	78	2,049,979	1,749,824
Lease liabilities				
Related company	7,061	-	7,061	-
Total lease liabilities	7,061	-	7,061	-

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

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	16,015	19,160	16,878	19,850
Post-employment benefits	775	825	775	825
Total	16,790	19,985	17,653	20,675

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	38,243	58,657	40,648	59,905
Post-employment benefits	2,323	13,623	2,323	13,623
Total	40,566	72,280	42,971	73,528

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. Loans to subsidiaries

Loans to subsidiaries consisted of the following.

- 1) As at 31 December 2019, long-term loans to a wholly owned subsidiary, Associated Bulk Carriers Pte. Limited ("ABC"), are in the form of promissory notes amounting to USD 4.30 million, bearing no interest and are due at call. The Company intends to call for the loans repayment within one year.

On 20 July 2020, ABC repaid all outstanding loans.

(Unaudited but reviewed)

- 2) On 30 December 2019, the Company executed a loan agreement with Precious Shipping (Singapore) Pte. Limited (“PSSP”) in order to refinance the existing loans amounting to USD 150 million between the Company as lender and PSSP as borrower. As at 30 September 2020, the Company had long-term loan to PSSP amounting to USD 116 million (31 December 2019: USD 150 million).

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

(Unit: Thousand Baht)

	Separate financial statements
Balance as at 1 January 2020	4,652,762
Adjustments of long-term loans to subsidiary due to adoption financial reporting standards related to financial instruments	(888,021)
Decrease	(268,682)
Translation adjustment	187,670
Balance as at 30 September 2020	<u>3,683,729</u>

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
	September	December	September	December	September	December
	2020	2019	2020	2019	2020	2019
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	335,436	319,502
Precious Wishes Limited	230,000	230,000	99.99	99.99	285,541	271,977
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	266,731	254,060
Precious Minerals Limited	230,000	230,000	99.99	99.99	242,546	231,024
Precious Lands Limited	306,000	306,000	99.99	99.99	306,961	292,379
Precious Rivers Limited*	234,000	234,000	99.99	99.99	201,754	192,169
Precious Lakes Limited	184,000	184,000	99.99	99.99	177,043	168,633
Precious Seas Limited*	100,000	100,000	99.99	99.99	124,148	118,251
Precious Stars Limited*	105,000	105,000	99.99	99.99	130,356	124,163
Precious Oceans Limited	175,000	175,000	99.99	99.99	217,260	206,939
Precious Planets Limited	270,000	270,000	99.99	99.99	294,592	280,597
Precious Diamonds Limited	205,000	205,000	99.99	99.99	184,435	175,674
Precious Sapphires Limited	144,000	144,000	99.99	99.99	125,131	119,186

(Unaudited but reviewed)

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2020	2019	2020	2019	2020	2019
Precious Emeralds Limited	366,000	366,000	99.99	99.99	300,045	285,791
Precious Rubies Limited	259,360	259,360	99.99	99.99	250,519	238,618
Precious Opals Limited	249,360	249,360	99.99	99.99	242,484	230,965
Precious Garnets Limited	379,000	379,000	99.99	99.99	309,477	294,776
Precious Pearls Limited	173,000	173,000	99.99	99.99	176,760	168,363
Precious Flowers Limited	336,000	336,000	99.99	99.99	340,807	324,617
Precious Forests Limited	286,000	286,000	99.99	99.99	264,958	252,371
Precious Trees Limited	202,000	202,000	99.99	99.99	206,839	197,013
Precious Ponds Limited	124,000	124,000	99.99	99.99	124,411	118,501
Precious Ventures Limited	202,000	202,000	99.99	99.99	224,358	213,700
Precious Capitals Limited	200,000	200,000	99.99	99.99	248,297	236,502
Precious Jasmines Limited	147,000	147,000	99.99	99.99	168,691	160,677
Precious Orchids Limited	217,000	217,000	99.99	99.99	190,627	181,571
Precious Lagoons Limited	140,000	140,000	99.99	99.99	173,808	165,551
Precious Cliffs Limited*	140,000	140,000	99.99	99.99	173,808	165,551
Precious Hills Limited*	140,000	140,000	99.99	99.99	173,808	165,551
Precious Mountains Limited*	140,000	140,000	99.99	99.99	173,808	165,551
Precious Resorts Limited	140,000	140,000	99.99	99.99	173,808	165,551
Precious Cities Limited*	170,000	170,000	99.99	99.99	197,641	188,253
Precious Comets Limited	141,000	141,000	99.99	99.99	132,143	125,866
Precious Ornaments Limited	156,000	156,000	99.99	99.99	145,029	138,139
Precious Moons Limited	1,000	1,000	99.98	99.98	967	921
Precious Venus Limited	298,800	298,800	99.99	99.99	268,441	255,689
Precious Neptune Limited	298,800	298,800	99.99	99.99	268,441	255,689
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	316	302
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	1,779,884	316,331
Precious Shipping (UK) Limited	250	250	100.00	100.00	316	302
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	343,304	326,995
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
Total investments in subsidiaries					9,945,729	8,094,261
Less: Allowance for loss on investments in subsidiaries					(2,158,323)	(2,055,793)
Total investments in subsidiaries - net					7,787,406	6,038,468

* The subsidiaries are in the process of liquidation.

(Unaudited but reviewed)

As at 30 September 2020, the Company has pledged the shares of 18 subsidiaries amounting to Baht 3,226.82 million (net of allowance for loss on investments) (31 December 2019: 26 subsidiaries amounting to Baht 4,770.45 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 11 to the financial statements.

The change in cost of investments in subsidiaries is from the exchange differences on translation of financial statements from functional currency to presentation currency and impact of adoption financial reporting standards related to financial instruments.

As at 30 September 2020 and 31 December 2019, the amounts under allowance for loss on investments in subsidiaries in the separate financial statements are derived from subsidiaries which have sold vessels and insofar have no plan of buying replacement vessels.

7. Investment in associate held by a subsidiary

7.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

			Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30	31	30	31	30	31
Associate's name	Nature of business	Country of incorporation	September 2020	December 2019	September 2020	December 2019	September 2020	December 2019
			%	%				
International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40	64,508	61,443	73,232	68,092

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

(Unit: Thousand Baht)

		Consolidated financial statements			
		For the three-month periods ended 30 September			
Associate's name		Share of profit		Dividend received	
		2020	2019	2020	2019
International Seaports (Haldia) Private Limited		2,590	8,462	-	8,454

(Unit: Thousand Baht)

		Consolidated financial statements			
		For the nine-month periods ended 30 September			
Associate's name		Share of profit		Dividend received	
		2020	2019	2020	2019
International Seaports (Haldia) Private Limited		7,119	13,444	2,058	15,213

(Unaudited but reviewed)

Shares of profit from investment in associate held by a subsidiary for the three-month and nine-month periods ended 30 September 2020 and 2019, included in the consolidated income statements, were calculated based on the financial information for the three-month and nine-month periods ended 30 June 2020 and 2019, 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	
	30 June		30 June		30 June		nine-month periods ended		nine-month periods ended	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Thousand INR	Thousand INR								
International Seaports (Haldia) Private Limited	440,580	440,580	376,053	372,808	49,124	44,105	274,710	359,443	31,780	60,016

8. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	20,097,548	6,668
Acquisitions of equipment and payment of dry-dock and special survey expenses during period - at cost	198,491	2,726
Write-off	(15)	(15)
Depreciation for the period	(910,871)	(2,602)
Translation adjustment	1,001,965	322
Net book value as at 30 September 2020	20,387,118	7,099

As at 30 September 2020, the subsidiaries have mortgaged 29 vessels (31 December 2019: 31 vessels) with net book value of Baht 16,787.65 million (31 December 2019: Baht 17,744.05 million) with banks to secure long-term loans as referred to in Note 11 to the financial statements.

(Unaudited but reviewed)

9. Advances for vessel constructions

Movements of the advances for vessel constructions account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	2,047,470	2,039,751
Losses on settlement agreement	(868,717)	(860,602)
Cash received from settlement agreement	(1,269,067)	(1,269,067)
Translation adjustment	90,314	89,918
Balance as at 30 September 2020	<u>-</u>	<u>-</u>

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.

Details of the cancellations of the SBCs by the Company and by Sainty (under dispute by the Company) are as follows:

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

On 10 July 2020, the Company and Sainty (the Company and Sainty are jointly referred to as the “Parties”) executed an amicable settlement agreement (“Settlement Agreement”) in order to fully and finally settle any and all of their disputes and claims arising out of and/or in relation to the SBCs, the Vessels, the refund guarantees thereof and/or the arbitration and court proceedings. The key terms of the Settlement Agreement are as follows:

Settlement Amount	The Settlement Amount is USD 40,500,000 which shall be paid by Sainty and/or CEXIM (“Refund Guarantor”) (by way of the Buyer’s demand of payments under the relevant refund guarantees) to the Buyer on or before 31 July 2020 (“Payment Date”).
Effect of the Buyer’s receipt of the full Settlement Amount on or before the Payment date	<ul style="list-style-type: none"> • There shall be no remaining and/or outstanding issues whatsoever between the Parties. • The refund guarantees in relation to the Contracts shall become null and void and any and all responsibilities, duties, liabilities and obligations of the Refund Guarantor under each refund guarantee shall be discharged and released. • Both Parties will withdraw their claims, counterclaims and/or appeals in relation to the Contracts and terminate the arbitrations and court proceedings, with no remaining and/or outstanding issues.

(Unaudited but reviewed)

On 13 July 2020, the Company submitted a Letter of Demand to CEXIM to refund USD 40.50 million to the Company according to the Settlement Agreement, subsequently the Company fully received it on 29 July 2020. The Group recorded loss on settlement agreement in the amount of USD 27.40 million (The Company only: USD 27.14 million) in the income statements for the nine-month period ended 30 September 2020.

10. Deferred contract costs

Movements of the deferred contract costs account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Balance as at 1 January 2020	162,783
Amortisation for the period	(13,135)
Translation adjustment	8,101
Balance as at 30 September 2020	157,749

(Unaudited but reviewed)

11. Long-term loan facilities

As at 30 September 2020 and 31 December 2019, long-term loans accounts are presented below.

(Unit: Thousand Baht)

Consolidated financial statements													
As at 30 September 2020													
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Facility 12	Total
Long-term loans	-	307,778	721,615	377,641	263,495	1,585,151	638,039	300,173	484,884	748,549	431,276	886,421	6,745,022
Add (less): Deferred financial fees	-	(394)	(5,743)	(1,384)	(820)	45,636	(17,469)	(3,984)	(3,609)	(9,048)	5,128	(2,441)	5,872
Total	-	307,384	715,872	376,257	262,675	1,630,787	620,570	296,189	481,275	739,501	436,404	883,980	6,750,894
Less: Current portion	-	(307,384)	(80,657)	(40,677)	(61,806)	(185,388)	(71,396)	(1,139)	(37,021)	(354,949)	(272,207)	(88,398)	(1,501,022)
Long-term loans - net of current portion	-	-	635,215	335,580	200,869	1,445,399	549,174	295,050	444,254	384,552	164,197	795,582	5,249,872

(Unit: Thousand Baht)

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

(Unaudited but reviewed)

Movements of the long-term loans accounts during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements													
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Facility 12	Total
Balance as at 1 January 2020	529,432	947,967	738,522	387,234	294,205	1,597,814	562,545	344,563	466,070	804,403	476,395	-	7,149,150
Add: Drawdown	-	-	-	-	-	-	336,068	-	-	-	-	890,627	1,226,695
Amortisation of financial fees	207	3,228	1,493	329	296	(1,680)	5,508	807	1,283	5,248	(3,392)	341	13,668
Less: Deferred financial fees	-	-	-	-	-	-	(6,161)	-	-	-	-	(2,796)	(8,957)
Repayment	(7,687)	(349,638)	(60,897)	(30,579)	(46,437)	(45,249)	(26,199)	(9,692)	(9,369)	(90,698)	(60,645)	-	(737,090)
Prepayment	(550,994)	(335,598)	-	-	-	-	(279,264)	(56,804)	-	-	-	-	(1,222,660)
Unrealised exchange gain	-	-	-	-	-	-	-	-	-	(19,485)	-	-	(19,485)
Translation adjustment	29,042	41,425	36,754	19,273	14,611	79,902	28,073	17,315	23,291	40,033	24,046	(4,192)	349,573
Balance as at 30 September 2020	-	307,384	715,872	376,257	262,675	1,630,787	620,570	296,189	481,275	739,501	436,404	883,980	6,750,894

(Unaudited but reviewed)

The Group's bank loan facilities are summarised below.

Facility	Bank	Borrower	Interest rate per loan/amendment agreement
Facility 1	DNB Bank ASA and 5 other banks, total 6 banks	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 2	ING Bank N.V. (Singapore Branch) and DNB Bank ASA	4 indirect subsidiaries in Singapore	LIBOR + margin
Facility 3	Bangkok Bank PLC. (Singapore Branch)	ABC Two Pte. Limited and ABC Three Pte. Limited	LIBOR + margin
Facility 4	Bangkok Bank PLC. (Singapore Branch)	ABC Four Pte. Limited	LIBOR + margin
Facility 5	TMB Bank PLC.	ABC One Pte. Limited	LIBOR + margin
Facility 6	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 7	BNP Paribas	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 8	BNP Paribas	The Company and indirect subsidiary in Singapore	LIBOR + margin
Facility 9	Export-Import Bank of Thailand	The Company and local subsidiary	LIBOR + margin
Facility 10	Krung Thai Bank PLC. and 2 other banks, total 3 banks	The Company and local subsidiaries	MLR-1 for Thai Baht loan and LIBOR + margin for USD loan
Facility 11	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 12	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 13	Export-Import Bank of Thailand	The Company and local subsidiary and indirect subsidiary in Singapore	LIBOR + margin

As at 30 September 2020, the Group had an undrawn loan balance in the amount of USD 10.10 million (31 December 2019: USD 28 million).

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

Facility 1

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

Facility 2

As at 30 September 2020, the Company is unable to maintain compliance with a certain financial covenant. The Company has been in discussions with the bank to request a waiver to test this financial covenant for a certain period. However, the Company's management, on the basis of a legal opinion from its in-house counsel as well as external counsel, believes that the breach of this covenant does not constitute an Event of Default and therefore does not make the outstanding loan due and payable on demand under the loan agreement. The Company has presented all outstanding balance of this loan that is due for repayment within the next twelve months as current liabilities.

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

Facility 6

On 13 May 2020, the Company and 4 local subsidiaries ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was to be due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

Facility 7

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

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

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

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

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

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

Following a breach of the security coverage ratio on 30 April 2020, the borrowers had provided a cash collateral of USD 1,100,000 to maintain the minimum security coverage ratio of not less than 135% of the aggregate amount outstanding as per the loan agreement. On 17 July 2020, the borrowers entered into a supplemental agreement in relation to the cross collateralisation of facility 7 and facility 8 following which there was no longer a breach of the minimum-security cover. Subsequently on 21 July 2020, the bank released the USD 1,100,000 of cash collateral.

Facility 9

On 13 May 2020, the Company along with its subsidiary ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was to be due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

Facility 10

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

Facility 11

On 13 May 2020, the Company and 5 local subsidiaries ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was to be due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

Facility 12

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

On 13 May 2020, the Company and 5 local subsidiaries (“the Borrowers”) executed an Amendment Agreement with Export-Import Bank of Thailand (“the Lender”), whereby no principal repayment was to be due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

Facility 13

On 28 May 2020, the Company along with 2 subsidiaries executed a USD 10.10 million Term loan Facility with Export-Import Bank of Thailand (“EXIM”) to be used for partial redemption of the debentures No.2/2016 due in December 2021 (as extended) (PSL206A). Subsequently, on 29 July 2020, the Company along with 2 subsidiaries and EXIM executed an Amendment Agreement to amend the utilisation of the loan facility for partial redemption of the Debentures No.1/2016 due in January 2021 (PSL211A). 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.

Facility	Description
Loan Facility	Up to USD 10,100,000
Drawdown	Totally USD 10.10 million
Final maturity	1 year after the drawdown
Repayment	The loans shall be repaid over 1 year, in 2 equal installments. The first repayment shall fall 9 months after the drawdown date and the second repayment shall be 12 months after the drawdown date.
Security	a) 1 st priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its year end consolidated USD financial statements starting from year end 2020 which include:

- a) maintenance of 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.

(Unaudited but reviewed)

As at 30 September 2020, there is no outstanding balance as the Company has not drawn the loans as yet.

On 19 October 2020, the Company had drawn down the loan amounting to USD 10.10 million.

12. Debentures

As at 30 September 2020 and 31 December 2019, details of 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 September 2020	31 December 2019
1 (PSL211A)	Extended the maturity date to be redeemed by 22 July 2022 (6.5 years)	3,590	1,000	5.25	Quarterly	3,571,061	3,569,015
2 (PSL206A)	Extended the maturity date to be redeemed by 9 December 2021 (5 years)	1,960	800	6.50	Quarterly	1,559,728	1,948,543
Total						5,130,789	5,517,558
Less: Deferred debenture issuing costs						(1,173)	(4,716)
Debentures - net						5,129,616	5,512,842
Less: Current portion						(1,337,869)	(1,947,630)
Debentures - net of current portion						3,791,747	3,565,212

Since the functional currency of the Company is US Dollars, with a view to covering the currency risk on the Thai Baht denominated liability of the Company, the entire proceeds (PSL211A) 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 (PSL206A) 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)

On 27 April 2020, the Board of Directors' Meeting No. 2/2020 of the Company approved the following proposal to amend the terms and conditions of the Debentures of Precious Shipping Public Company Limited No. 2/2016 Due 2020 (PSL206A) as follows:

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

On 19 May 2020, the bondholders' meeting of PSL206A approved the abovementioned amended terms and conditions. On 9 June 2020, the Company made an upfront redemption payment of 20 percent, which is equivalent to Baht 392.00 million. The outstanding balance of this debenture is Baht 1,568.00 million. Subsequently on 16 June 2020, the Company purchased a put option with a strike of Baht 30.15 to protect against the appreciation of the Thai Baht against the US Dollar, for Baht 1,250 million of the outstanding amount.

On 16 June 2020, the Board of Directors' Meeting No. 5/2020 of the Company approved the following proposal to amend the terms and conditions of the Debentures of Precious Shipping Public Company Limited No. 1/2016 Due 2021 (PSL211A):

- a) an extension of the maturity date by 1.5 years from 22 January 2021 to 22 July 2022;
- b) a partial upfront redemption payment of 20 percent on or before the existing maturity date (i.e. 22 January 2021);
- c) an increase in the coupon rate from 5.25 percent per annum to 6.75 percent per annum starting from 22 January 2021; and
- d) The Company will have right to make an early redemption of the debentures (in whole or in part).

On 30 July 2020, the bondholders' meeting of PSL211A approved the above amended terms and conditions.

In October 2020, the Company exercised its' right to redeem a further Baht 627.20 million, which is equivalent to 40% of PSL206A's outstanding balance of Baht 1,568.00 million and 10% of PSL211A's original Baht 3,590.00 million issue size, which is equivalent to Baht 359.00 million. The Company will exercise its' right to redeem a further 10% of PSL211A's original Baht 3,590 million issue size, which is equivalent to Baht 359.00 million to the bondholders on 16 November 2020.

(Unaudited but reviewed)

13. Provision for maritime claims

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
Balance as at 1 January 2020	46,240
Increase during the period	26,084
Decrease (including actual claims) during the period	(20,846)
Translation adjustment	<u>2,175</u>
Balance as at 30 September 2020	<u>53,653</u>

14. Basic earnings per share

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

15. Segment information

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

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

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

(Unaudited but reviewed)

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

The following table presents net vessel operating income from Time charter and Voyage charter of the Group for the three-month and nine-month periods ended 30 September 2020 and 2019.

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 30 September										
	Time charter		Voyage charter		Total		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Hire income	789,960	858,951	-	-	789,960	858,951	-	-	789,960	858,951
Freight income	-	-	174,266	221,399	174,266	221,399	(20,925)	(37,603)	153,341	183,796
Total vessel operating income	789,960	858,951	174,266	221,399	964,226	1,080,350	(20,925)	(37,603)	943,301	1,042,747
Voyage disbursements	-	-	(51,464)	(74,283)	(51,464)	(74,283)	20,925	37,603	(30,539)	(36,680)
Bunker consumption	-	-	(42,760)	(73,330)	(42,760)	(73,330)	-	-	(42,760)	(73,330)
Total voyage expenses	-	-	(94,224)	(147,613)	(94,224)	(147,613)	20,925	37,603	(73,299)	(110,010)
Net vessel operating income/time charter equivalent income	789,960	858,951	80,042	73,786	870,002	932,737	-	-	870,002	932,737

(Unit: Thousand Baht)

Consolidated financial statements										
For the nine-month periods ended 30 September										
	Time charter		Voyage charter		Total		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Hire income	2,043,682	2,478,825	-	-	2,043,682	2,478,825	-	-	2,043,682	2,478,825
Freight income	-	-	739,359	649,464	739,359	649,464	(105,938)	(133,394)	633,421	516,070
Total vessel operating income	2,043,682	2,478,825	739,359	649,464	2,783,041	3,128,289	(105,938)	(133,394)	2,677,103	2,994,895
Voyage disbursements	-	-	(237,094)	(237,336)	(237,094)	(237,336)	105,938	133,394	(131,156)	(103,942)
Bunker consumption	-	-	(238,010)	(174,442)	(238,010)	(174,442)	-	-	(238,010)	(174,442)
Total voyage expenses	-	-	(475,104)	(411,778)	(475,104)	(411,778)	105,938	133,394	(369,166)	(278,384)
Net vessel operating income/time charter equivalent income	2,043,682	2,478,825	264,255	237,686	2,307,937	2,716,511	-	-	2,307,937	2,716,511

16. Functional currency financial statements

The USD functional currency statements of financial position as at 30 September 2020 and 31 December 2019 and the income statements for the three-month and nine-month periods ended 30 September 2020 and 2019 are as follows.

Precious Shipping Public Company Limited and its subsidiaries**Statement of financial position****As at 30 September 2020**

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Assets				
Current assets				
Cash and cash equivalents	55,328	39,172	27,611	14,700
Trade and other receivables	5,409	6,056	143,728	115,397
Short-term loans to subsidiary	-	-	-	4,300
Bunker oil	1,175	5,853	-	-
Derivative assets	13,569	-	13,569	-
Other current assets				
Advances to vessel masters	2,429	2,437	-	-
Claim recoverables	130	353	-	-
Others	1,925	1,861	656	544
Total other current assets	4,484	4,651	656	544
Total current assets	79,965	55,732	185,564	134,941
Non-current assets				
Long-term loans to subsidiary	-	-	116,361	150,000
Derivative assets	1,269	-	312	-
Receivables from cross currency swap contracts	-	31,534	-	30,568
Investments in subsidiaries	-	-	245,986	200,254
Investment in associate held by a subsidiary	2,313	2,258	-	-
Investment in equity instrument of non-listed company	568	568	568	568
Property, plant and equipment	643,982	666,497	224	221
Right-of-use assets	848	-	712	-
Intangible assets	240	224	229	224
Other non-current assets				
Claim recoverables - maritime claims	1,039	818	-	-
Advances for vessel constructions	-	67,900	-	67,644
Deferred contract costs	4,983	5,398	-	-
Others	100	157	76	132
Total other non-current assets	6,122	74,273	76	67,776
Total non-current assets	655,342	775,354	364,468	449,611
Total assets	735,307	831,086	550,032	584,552

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2020

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade and other payables	5,002	2,345	282	446
Advances received from related parties	-	-	64,754	58,028
Accrued crew accounts	2,762	2,811	-	-
Accrued expenses	2,408	11,209	1,348	1,980
Accrued employee bonus	-	1,141	-	816
Total trade and other payables	10,172	17,506	66,384	61,270
Advances received from charterers	1,200	2,490	-	-
Current portion of long-term loans	47,414	70,878	-	-
Current portion of debentures	42,260	64,590	42,260	64,590
Current portion of lease liabilities	166	-	129	-
Income tax payable	47	50	-	-
Other current liabilities	537	759	378	442
Total current liabilities	101,796	156,273	109,151	126,302
Non-current liabilities				
Long-term loans - net of current portion	165,831	166,210	-	-
Debentures - net of current portion	119,773	118,234	119,773	118,234
Lease liabilities - net of current portion	649	-	557	-
Derivative liabilities	3,053	-	-	-
Provision for maritime claims	1,695	1,533	-	-
Provision for long-term employee benefits	5,417	5,502	4,156	4,295
Total non-current liabilities	296,418	291,479	124,486	122,529
Total liabilities	398,214	447,752	233,637	248,831
Shareholders' equity				
Share capital				
Registered share capital	51,055	51,055	51,055	51,055
Issued and fully paid up	51,055	51,055	51,055	51,055
Paid-in capital				
Premium on ordinary shares	63,290	63,290	63,290	63,290
Premium on treasury stock	4,819	4,819	4,819	4,819
Retained earnings				
Appropriated				
Statutory reserve - the Company	2,802	2,802	2,802	2,802
- subsidiaries	14,460	14,460	-	-
Corporate social responsibility reserve	559	552	559	552
Unappropriated	204,649	248,797	193,817	213,203
Other components of shareholders' equity	(4,542)	(2,442)	53	-
Equity attributable to owners of the Company	337,092	383,333	316,395	335,721
Non-controlling interests of the subsidiaries	1	1	-	-
Total shareholders' equity	337,093	383,334	316,395	335,721
Total liabilities and shareholders' equity	735,307	831,086	550,032	584,552

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 30 September 2020

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

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Revenues				
Vessel operating income				
Hire income	25,211	27,999	-	-
Freight income	4,893	5,992	-	-
Total vessel operating income	30,104	33,991	-	-
Service income	28	61	721	728
Exchange gains	396	22	389	31
Interest income	22	192	1,528	80
Dividend income	-	13	-	13
Total revenues	30,550	34,279	2,638	852
Expenses				
Vessel operating costs				
Vessel running expenses	12,216	12,125	-	-
Voyage disbursements	975	1,195	-	-
Bunker consumption	1,364	2,391	-	-
Total vessel operating costs	14,555	15,711	-	-
Depreciation	9,732	9,602	63	25
Cost of services	29	35	-	-
Administrative expenses	1,873	3,598	1,193	2,773
Management remuneration including perquisites	536	651	563	674
Reversal of expected credit losses/Bad debts and doubtful accounts	-	(45)	-	-
Total expenses	26,725	29,552	1,819	3,472
Profit (loss) from operating activities	3,825	4,727	819	(2,620)
Share of profit from investment in associate held by a subsidiary	83	276	-	-
Finance cost	(4,614)	(5,962)	(2,471)	(2,472)
Loss for the period	(706)	(959)	(1,652)	(5,092)
Loss attributable to:				
Equity holders of the Company	(706)	(959)	(1,652)	(5,092)
Non-controlling interests of the subsidiaries	-	-	-	-
Loss for the period	(706)	(959)	(1,652)	(5,092)
Basic earnings per share				
Loss attributable to equity holders of the Company	(0.0005)	(0.0006)	(0.0011)	(0.0033)

(Unaudited but reviewed)

Precious Shipping Public Company Limited and its subsidiaries

Income statement

For the nine-month period ended 30 September 2020

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

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Revenues				
Vessel operating income				
Hire income	64,683	79,431	-	-
Freight income	19,999	16,544	-	-
Total vessel operating income	84,682	95,975	-	-
Service income	84	218	2,137	2,139
Gains on sales of equipment	-	12	-	-
Exchange gains	491	-	435	-
Interest income	233	793	4,648	311
Dividend income	-	13	-	13
Other income	-	4	-	-
Total revenues	85,490	97,015	7,220	2,463
Expenses				
Vessel operating costs				
Vessel running expenses	36,094	37,997	-	-
Voyage disbursements	4,141	3,331	-	-
Bunker consumption	7,508	5,602	-	-
Total vessel operating costs	47,743	46,930	-	-
Depreciation	28,944	28,497	185	74
Cost of services	94	137	-	-
Administrative expenses	7,217	9,843	5,353	6,856
Management remuneration including perquisites	1,285	2,312	1,361	2,352
Losses on settlement agreement	27,400	-	27,144	-
Expected credit losses/Bad debts and doubtful accounts	280	6	-	-
Exchange losses	-	121	-	-
Total expenses	112,963	87,846	34,043	9,282
Profit (loss) from operating activities	(27,473)	9,169	(26,823)	(6,819)
Share of profit from investment in associate held by a subsidiary	226	434	-	-
Gain on derivative	553	-	553	-
Finance cost	(15,009)	(17,714)	(7,228)	(7,168)
Loss for the period	(41,703)	(8,111)	(33,498)	(13,987)
Loss attributable to:				
Equity holders of the Company	(41,703)	(8,111)	(33,498)	(13,987)
Non-controlling interests of the subsidiaries	-	-	-	-
Loss for the period	(41,703)	(8,111)	(33,498)	(13,987)
Basic earnings per share				
Loss attributable to equity holders of the Company	(0.0267)	(0.0052)	(0.0215)	(0.0090)

(Unaudited but reviewed)

17. Approval of interim financial information

This interim financial information was authorised for issue by the Company's authorised directors on 9 November 2020.