

Precious Shipping Public Company Limited
and subsidiaries
Audit report and consolidated financial statements
31 December 2011 and 2010

Report of Independent Auditor

To the Shareholders of Precious Shipping Public Company Limited

I have audited the accompanying consolidated statements of financial position of Precious Shipping Public Company Limited and subsidiaries as at 31 December 2011 and 2010, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Precious Shipping Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements of a subsidiary incorporated overseas which is included in these consolidated financial statements. The assets of this subsidiary constitute 18.00% of the consolidated total assets as at 31 December 2011 (2010: 13.09%), the revenues constitute 6.54% of the consolidated total revenues and the profit constitutes 4.28% of the consolidated profit for the year ended 31 December 2011 (2010: the revenues constitute 5.15% of the consolidated total revenues and the profit constitutes 3.03% of the consolidated profit). The financial statements of this subsidiary was audited by other auditor, whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for that subsidiary in the consolidated financial statements, is based solely on that auditor's report.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits and the report of other auditor, as referred to in the first paragraph, provide a reasonable basis for my opinion.

In my opinion, based on my audits and the report of other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of Precious Shipping Public Company Limited and subsidiaries and of Precious Shipping Public Company Limited as at 31 December 2011 and 2010, and the results of their operations and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the above financial statements, I draw attention to the matters as discussed in Note 3 and Note 5 to the financial statements, during the current year, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the financial statements. The Company has restated the financial statements as at 31 December 2010 and for the year then ended to reflect the changes in accounting policies resulting from the adoption of these new accounting standards.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited
Bangkok: 3 February 2012

Precious Shipping Public Company Limited and subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Assets					
Current assets					
Cash and cash equivalents	8	4,374,710,831	4,223,423,116	2,719,518,786	2,041,348,939
Current investment	9	-	-	-	-
Trade and other receivables	10	125,093,908	34,005,563	771,932,752	288,402,207
Short-term loans to subsidiary	12	-	-	2,275,428,160	1,923,652,940
Current portion of advances for vessel constructions	21	1,327,296,167	-	1,327,296,167	-
Bunker oil		68,962,534	5,739,374	-	-
Other current assets					
Advances to vessel masters		63,297,992	42,054,433	-	-
Claim recoverables		18,717,858	8,899,886	-	-
Others		43,465,857	34,175,915	13,874,730	16,856,102
Total other current assets		125,481,707	85,130,234	13,874,730	16,856,102
Total current assets		6,021,545,147	4,348,298,287	7,108,050,595	4,270,260,188
Non-current assets					
Investments in subsidiaries	14	-	-	6,003,737,796	5,712,011,518
Investment in joint venture	15	-	-	32	30
Investment in associate held by a subsidiary	16	111,681,183	124,298,823	-	-
Other long-term investment	17	8,246,419	7,845,719	8,246,419	7,845,719
Long-term loan to jointly controlled entity	13	-	-	270,959,760	257,793,615
Receivables from cross currency swap contracts		48,752,293	123,044,680	-	-
Property, plant and equipment	18	9,445,533,320	6,400,332,615	6,734,944	10,869,913
Intangible assets	19	22,782,018	30,349,390	22,725,080	30,349,390
Other non-current assets					
Claim recoverables - maritime claims		41,564,593	47,623,978	-	-
Advances for vessel purchase	20	396,140,000	-	-	-
Advances for vessel constructions - net of current portion	21	6,571,893,082	8,548,112,532	4,487,724,751	7,112,688,392
Deferred financial fees	22	211,831,896	329,044,413	168,154,793	324,783,820
Others	37.4	13,278,643	2,935,953	2,405,874	2,406,766
Total other non-current assets		7,234,708,214	8,927,716,876	4,658,285,418	7,439,878,978
Total non-current assets		16,871,703,447	15,613,588,103	10,970,689,449	13,458,749,163
Total assets		22,893,248,594	19,961,886,390	18,078,740,044	17,729,009,351

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

Precious Shipping Public Company Limited and subsidiaries

Statements of financial position (continued)

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	23	33,149,672	11,020,525	3,431,104,300	2,527,583,534
Advances received from charterers		86,237,567	47,462,373	-	-
Current portion of long-term loans	26	718,548,807	147,396,006	286,950,863	23,996,843
Income tax payable		505,569	3,934,172	-	-
Other current liabilities					
Accrued crew accounts		47,659,255	40,491,614	-	-
Current portion of accrued employee bonus	24	66,761,343	136,457,659	61,556,221	125,410,398
Accrued expenses		59,641,166	32,541,269	5,421,211	8,806,675
Withholding tax payable		14,205,822	4,008,263	12,778,024	2,426,350
Others		20,525,852	16,790,768	9,706,563	9,520,280
Total other current liabilities		208,793,438	230,289,573	89,462,019	146,163,703
Total current liabilities		1,047,235,053	440,102,649	3,807,517,182	2,697,744,080
Non-current liabilities					
Accrued employee bonus - net of current portion	24	54,027,882	76,278,284	49,836,307	70,045,686
Provision for maritime claims	25	64,637,371	67,237,399	-	-
Long-term loans - net of current portion	26	6,307,825,838	4,766,301,811	1,856,651,461	3,371,798,720
Provision for long-term employee benefits	27	63,023,284	-	57,001,255	-
Total non-current liabilities		6,489,514,375	4,909,817,494	1,963,489,023	3,441,844,406
Total liabilities		7,536,749,428	5,349,920,143	5,771,006,205	6,139,588,486

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

Precious Shipping Public Company Limited and subsidiaries

Statements of financial position (continued)

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Shareholders' equity					
Share capital					
Registered share capital					
1,039,520,600 ordinary shares of Baht 1 each		1,039,520,600	1,039,520,600	1,039,520,600	1,039,520,600
Issued and paid-up share capital					
1,039,520,600 ordinary shares of Baht 1 each		1,039,520,600	1,039,520,600	1,039,520,600	1,039,520,600
Paid-in capital					
Premium on ordinary shares		411,429,745	411,429,745	411,429,745	411,429,745
Premium on treasury stock		172,445,812	172,445,812	172,445,812	172,445,812
Retained earnings					
Appropriated					
Statutory reserve - the Company	28	103,952,060	103,952,060	103,952,060	103,952,060
- subsidiaries	28	518,120,000	518,120,000	-	-
Corporate social responsibility reserve	29	15,332,951	14,335,865	15,332,951	14,335,865
Unappropriated		14,521,658,969	14,505,952,943	10,624,883,723	10,510,150,514
Other components of shareholders' equity		(1,459,090,358)	(2,183,073,693)	(59,831,052)	(662,413,731)
Equity attributable to owners of the Company		15,323,369,779	14,582,683,332	12,307,733,839	11,589,420,865
Non-controlling interests of the subsidiaries		33,129,387	29,282,915	-	-
Total shareholders' equity		15,356,499,166	14,611,966,247	12,307,733,839	11,589,420,865
Total liabilities and shareholders' equity		22,893,248,594	19,961,886,390	18,078,740,044	17,729,009,351
		0	0	0	0

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

Directors

Precious Shipping Public Company Limited and subsidiaries

Income statements

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Revenues					
Vessel operating income					
Hire income		2,102,650,117	2,745,953,055	-	-
Freight income		976,265,257	182,337,727	-	-
Total vessel operating income		3,078,915,374	2,928,290,782	-	-
Service income	11	4,845,459	10,439,658	52,232,890	71,423,294
Gains on sales of vessels and equipment	18	1,831,319	438,383,131	1,412,510	-
Gains on sales of new shipbuildings under					
Novation Agreements	21	319,167,621	-	319,167,621	-
Interest income	11	26,071,027	25,827,298	24,156,135	20,670,634
Exchange gains		-	-	684,684	-
Other income		2,170,014	421,216	14,370	5,181
Dividend received	11, 14, 17	506,521	-	982,335,321	1,530,297,884
Total revenues		3,433,507,335	3,403,362,085	1,380,003,531	1,622,396,993
Expenses					
Vessel operating costs					
Vessel running expenses		874,904,589	841,687,513	-	-
Voyage disbursements		131,305,127	26,434,940	-	-
Bunker consumption		327,083,608	5,169,079	-	-
Total vessel operating costs		1,333,293,324	873,291,532	-	-
Depreciation	18	646,563,290	678,208,471	4,833,128	7,406,486
Cost of services		5,586,962	4,865,927	-	-
Administrative expenses	11	185,530,467	204,821,733	155,949,276	178,083,051
Management remuneration including perquisites	11	99,390,770	112,979,663	93,976,987	105,797,843
Bad debts and doubtful accounts		124,468	15,809,182	-	-
Exchange losses		5,447,550	6,516,027	-	14,273,561
Total expenses		2,275,936,831	1,896,492,535	254,759,391	305,560,941
Profit before share of income from investment in associate, finance cost and corporate income tax		1,157,570,504	1,506,869,550	1,125,244,140	1,316,836,052
Share of income from investment in associate held by a subsidiary	16.1	7,637,073	18,658,503	-	-
Profit before finance cost and corporate income tax		1,165,207,577	1,525,528,053	1,125,244,140	1,316,836,052
Finance cost		(440,757,218)	(299,289,850)	(313,548,816)	(221,538,247)
Profit before corporate income tax		724,450,359	1,226,238,203	811,695,324	1,095,297,805
Corporate income tax	31	(3,638,021)	(82,611,388)	-	-
Profit for the year		720,812,338	1,143,626,815	811,695,324	1,095,297,805
Profit attributable to:					
Equity holders of the Company		718,524,855	1,133,727,544	811,695,324	1,095,297,805
Non-controlling interests of the subsidiaries		2,287,483	9,899,271	-	-
Profit for the year		720,812,338	1,143,626,815	811,695,324	1,095,297,805
Basic earnings per share					
Profit attributable to equity holders of the Company	33	0.69	1.09	0.78	1.05

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

Precious Shipping Public Company Limited and subsidiaries
Statements of comprehensive income
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
Profit for the year	<u>720,812,338</u>	<u>1,143,626,815</u>	<u>811,695,324</u>	<u>1,095,297,805</u>
Other comprehensive income:				
Exchange differences on translation of foreign operation's financial statements	(23,873,553)	5,043,936	-	-
Exchange differences on translation of functional currency to presentation currency financial statements	<u>749,415,877</u>	<u>(1,556,188,625)</u>	<u>602,582,679</u>	<u>(1,238,444,238)</u>
Other comprehensive income for the year	<u>725,542,324</u>	<u>(1,551,144,689)</u>	<u>602,582,679</u>	<u>(1,238,444,238)</u>
Total comprehensive income for the year	<u><u>1,446,354,662</u></u>	<u><u>(407,517,874)</u></u>	<u><u>1,414,278,003</u></u>	<u><u>(143,146,433)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	1,442,508,190	(414,879,086)	1,414,278,003	(143,146,433)
Non-controlling interests of the subsidiaries	<u>3,846,472</u>	<u>7,361,212</u>	<u>-</u>	<u>-</u>
	<u><u>1,446,354,662</u></u>	<u><u>(407,517,874)</u></u>	<u><u>1,414,278,003</u></u>	<u><u>(143,146,433)</u></u>

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

Precious Shipping Public Company Limited and subsidiaries

Cash flow statements

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
Cash flows from operating activities				
Profit before tax	724,450,359	1,226,238,203	811,695,324	1,095,297,805
Adjustments to reconcile profit before tax to to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	655,730,565	687,459,304	13,993,535	16,657,318
Bad debt and doubtful accounts	124,468	15,809,182	-	-
Write-off and donation of equipment	5	683	5	682
Allowance for loss on investments in subsidiaries	-	-	-	444
Losses (gains) on sales of vessels and equipment	(1,831,319)	(438,383,131)	(1,412,510)	100,047
Gains on sales of new shipbuildings under Novation Agreements	(319,167,621)	-	(319,167,621)	-
Write-off deferred financial fees	89,513,976	-	89,513,976	-
Share of income from investment in associate held by a subsidiary	(7,637,073)	(18,658,503)	-	-
Provision for maritime claims (reversal)	2,507,343	(17,917,902)	-	-
Provision for long-term employee benefits	5,930,849	-	5,737,637	-
Unrealised exchange losses (gains)	620,599	(8,461,692)	(2,677,699)	11,072
Amortised financial fees to interest expense	8,466,799	5,461,474	-	-
Interest expense	111,417,070	71,848,735	-	-
Interest income	(23,780,098)	(21,434,322)	(23,183,401)	(19,979,092)
Profit from operating activities before changes in operating assets and liabilities	1,246,345,922	1,501,962,031	574,499,246	1,092,088,276
Operating assets (increase) decrease				
Trade and other receivables	(85,696,364)	(9,239,211)	550,553,738	97,523,092
Bunker oil	(61,473,623)	(40,650,653)	-	-
Other current assets	(32,829,749)	32,094,933	5,809,686	4,932,022
Other non-current assets	(10,096,275)	240,432	-	224,791
Operating liabilities increase (decrease)				
Trade and other payables	21,187,748	(30,333,868)	760,533,514	700,602,803
Advances received from charterers	36,434,741	(24,019,910)	-	-
Other current liabilities	(27,279,154)	(54,639,991)	(57,888,004)	(34,148,856)
Other non-current liabilities	(24,973,142)	(88,382,805)	(22,712,672)	(81,372,878)
Cash flows from operating activities	1,061,620,104	1,287,030,958	1,810,795,508	1,779,849,250
Cash paid for corporate income tax and withholding tax deducted at source	(11,022,168)	(107,341,242)	(3,115,275)	(3,826,459)
Net cash flows from operating activities	1,050,597,936	1,179,689,716	1,807,680,233	1,776,022,791

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

Precious Shipping Public Company Limited and subsidiaries

Cash flow statements (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
Cash flows from investing activities				
Acquisitions of vessels, equipment and payment of dry-dock and special survey expenses	(2,387,724,255)	(962,066,739)	(391,116)	(3,783,109)
Acquisitions of computer software	(351,100)	(908,772)	(289,821)	(908,772)
Cash paid for advances for vessel constructions and other direct costs	(1,693,046,873)	(1,658,069,733)	(1,138,214,584)	(214,097,522)
Cash paid for advances for vessel purchase	(389,908,750)	-	-	-
Cash received from sales of new shipbuildings under Novation Agreements	2,167,572,480	-	2,167,572,480	-
Proceeds from sales of vessels and equipment	1,923,077	822,849,716	1,501,388	160,014
Cash received in advance for share acquisition in associate held by a subsidiary	-	10,334,960	-	-
Dividend received from associate held by a subsidiary	3,375,001	3,288,306	-	-
Increase in investment in a subsidiary	-	(92)	-	(49,000,000)
Increase in investment in joint venture	-	-	-	(33)
Increase in short-term loans to subsidiary	-	-	(249,541,600)	-
Increase in long-term loan to jointly controlled entity	-	-	-	(267,865,515)
Interest income	23,780,098	21,434,322	23,183,400	19,979,092
Net cash flows from (used in) investing activities	(2,274,380,322)	(1,763,138,032)	803,820,147	(515,515,845)
Cash flows from financing activities				
Cash paid for interest expense	(162,738,434)	(131,054,753)	(47,804,213)	(59,206,018)
Cash paid for deferred financial fees	(40,085,098)	(109,052,216)	-	(103,375,521)
Cash received from long-term loans	4,453,525,405	1,053,227,382	842,227,200	197,218,767
Repayment of long-term loans	(2,455,723,895)	(28,796,417)	(2,218,243,946)	-
Dividends paid to the Company's shareholders	(644,413,837)	(1,299,195,572)	(644,413,837)	(1,299,195,572)
Net cash flows from (used in) financing activities	1,150,564,141	(514,871,576)	(2,068,234,796)	(1,264,558,344)
Increase (decrease) in translation adjustments	224,505,960	(567,616,214)	134,904,263	(238,920,526)
Net increase (decrease) in cash and cash equivalents	151,287,715	(1,665,936,106)	678,169,847	(242,971,924)
Cash and cash equivalents at beginning of year	4,223,423,116	5,889,359,130	2,041,348,939	2,284,320,863
Add: Cash and cash equivalents of subsidiaries as at acquisition date	-	92	-	-
Cash and cash equivalents at end of year	4,374,710,831	4,223,423,116	2,719,518,786	2,041,348,939
	0	0	0	0

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

Precious Shipping Public Company Limited and subsidiaries

Cash flow statements (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Supplemental cash flows information				
Non-cash transactions				
Dividend income from subsidiaries offset against receivable from/payable to subsidiaries	-	-	981,828,800	1,530,297,884
Amortisation of financial fees to advances for vessel constructions	1,802,291	3,043,438	1,565,209	3,038,346
Transfer of interest expense to advances for vessel constructions	47,744,245	59,927,141	44,170,852	59,869,148
Transfer of deferred financial fees to present as a deduction from long-term loans	89,849,508	28,495,967	6,063,432	7,361,675
Amortisation of financial fees to interest expense	8,466,799	5,461,474	-	-
Transfer of deferred financial fees to subsidiary in proportion to the drawdown amount	-	-	86,586,466	19,715,856
Transfer of advances for vessel constructions to vessel and equipment of a subsidiary	918,294,404	-	918,294,404	-
Adjustment of deferred financial fee and advances for vessel constructions	(979,265)	(6,054,799)	(979,265)	(6,054,799)
Adjustment of provision for long-term employee benefits with the beginning balance of retained earnings	(57,407,906)	-	(51,551,192)	-

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

Precious Shipping Public Company Limited and subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2011 and 2010

(Unit: Baht)

Consolidated financial statements													
Equity attributable to the parent's shareholders													
	Retained earnings						Other components of shareholders' equity						
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Appropriated		Corporate social responsibility reserve	Unappropriated	Other comprehensive income			Total equity attributable to the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Statutory reserve	Subsidiaries			Exchange differences on financial statements	Revaluation surplus on assets of subsidiary	Total other components of shareholders' equity			
Balance as at 31 December 2009 - as previously reported	1,039,520,600	411,429,745	172,445,812	103,952,060	513,220,000	37,782,784	14,652,874,052	(22,850,674)	203,452,059	180,601,385	17,111,826,438	24,533,097	17,136,359,535
Cumulative effect of change in accounting policy for the effects of changes in foreign exchange rates (Note 3 and 5)	-	-	-	-	-	-	-	(611,616,389)	-	(611,616,389)	(611,616,389)	(2,611,394)	(614,227,783)
Cumulative effect of change in accounting policy for land and condominium units of a subsidiary (Note 3 and 5)	-	-	-	-	-	-	-	-	(203,452,059)	(203,452,059)	(203,452,059)	-	(203,452,059)
Balance as at 31 December 2009 - as restated	1,039,520,600	411,429,745	172,445,812	103,952,060	513,220,000	37,782,784	14,652,874,052	(634,467,063)	-	(634,467,063)	16,296,757,990	21,921,703	16,318,679,693
Dividend paid to the Company's shareholders (Note 36)	-	-	-	-	-	-	(1,299,195,572)	-	-	-	(1,299,195,572)	-	(1,299,195,572)
Total comprehensive income for the year (restated)	-	-	-	-	-	-	1,133,727,544	(1,548,606,630)	-	(1,548,606,630)	(414,879,086)	7,361,212	(407,517,874)
Appropriated to statutory reserve (Note 28)	-	-	-	-	4,900,000	-	(4,900,000)	-	-	-	-	-	-
Appropriated to corporated social responsibility reserve (Note 29)	-	-	-	-	-	(23,446,919)	23,446,919	-	-	-	-	-	-
Balance as at 31 December 2010 - as restated	1,039,520,600	411,429,745	172,445,812	103,952,060	518,120,000	14,335,865	14,505,952,943	(2,183,073,693)	-	(2,183,073,693)	14,582,683,332	29,282,915	14,611,966,247
Balance as at 31 December 2010 - as previously reported	1,039,520,600	411,429,745	172,445,812	103,952,060	518,120,000	14,335,865	14,333,075,039	(25,251,684)	147,287,957	122,036,273	16,714,915,394	34,569,483	16,749,484,877
Cumulative effect of change in accounting policy for the effects of changes in foreign exchange rates (Note 3 and 5)	-	-	-	-	-	-	172,877,904	(2,157,822,009)	-	(2,157,822,009)	(1,984,944,105)	(5,286,568)	(1,990,230,673)
Cumulative effect of change in accounting policy for land and condominium units of a subsidiary (Note 3 and 5)	-	-	-	-	-	-	-	-	(147,287,957)	(147,287,957)	(147,287,957)	-	(147,287,957)
Balance as at 31 December 2010 - as restated	1,039,520,600	411,429,745	172,445,812	103,952,060	518,120,000	14,335,865	14,505,952,943	(2,183,073,693)	-	(2,183,073,693)	14,582,683,332	29,282,915	14,611,966,247
Cumulative effect of change in accounting policy for employee benefits (Note 3 and 5)	-	-	-	-	-	-	(57,407,906)	-	-	-	(57,407,906)	-	(57,407,906)
Dividend paid to the Company's shareholders (Note 36)	-	-	-	-	-	-	(644,413,837)	-	-	-	(644,413,837)	-	(644,413,837)
Total comprehensive income for the year	-	-	-	-	-	-	718,524,855	723,983,335	-	723,983,335	1,442,508,190	3,846,472	1,446,354,662
Appropriated to corporated social responsibility reserve (Note 29)	-	-	-	-	-	997,086	(997,086)	-	-	-	-	-	-
Balance as at 31 December 2011	1,039,520,600	411,429,745	172,445,812	103,952,060	518,120,000	15,332,951	14,521,658,969	(1,459,090,358)	-	(1,459,090,358)	15,323,369,779	33,129,387	15,356,499,166
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	(0)	(0)

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

Precious Shipping Public Company Limited and subsidiaries
Statements of changes in shareholders' equity (continued)
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Separate financial statements								
	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Retained earnings			Other components of shareholders' equity - other comprehensive income		Total shareholders' equity
				Statutory reserve	Appropriated		Exchange differences on translation of financial statements		
					Corporate social responsibility reserve	Unappropriated			
Balance as at 31 December 2009 - as previously reported	1,039,520,600	411,429,745	172,445,812	103,952,060	37,782,784	10,690,601,362	-	12,455,732,363	
Cumulative effect of change in accounting policy for the effects of changes in foreign exchange rates (Note 3 and 5)	-	-	-	-	-	-	576,030,507	576,030,507	
Balance as at 31 December 2009 - as restated	1,039,520,600	411,429,745	172,445,812	103,952,060	37,782,784	10,690,601,362	576,030,507	13,031,762,870	
Dividend paid to the Company's shareholders (Note 36)	-	-	-	-	-	(1,299,195,572)	-	(1,299,195,572)	
Total comprehensive income for the year (restated)	-	-	-	-	-	1,095,297,805	(1,238,444,238)	(143,146,433)	
Appropriated to corporated social responsibility reserve (Note 29)	-	-	-	-	(23,446,919)	23,446,919	-	-	
Balance as at 31 December 2010 - as restated	1,039,520,600	411,429,745	172,445,812	103,952,060	14,335,865	10,510,150,514	(662,413,731)	11,589,420,865	
Balance as at 31 December 2010 - as previously reported	1,039,520,600	411,429,745	172,445,812	103,952,060	14,335,865	10,418,381,449	-	12,160,065,531	
Cumulative effect of change in accounting policy for the effects of changes in foreign exchange rates (Note 3 and 5)	-	-	-	-	-	91,769,065	(662,413,731)	(570,644,666)	
Balance as at 31 December 2010 - as restated	1,039,520,600	411,429,745	172,445,812	103,952,060	14,335,865	10,510,150,514	(662,413,731)	11,589,420,865	
Cumulative effect of change in accounting policy for employee benefits (Note 3 and 5)	-	-	-	-	-	(51,551,192)	-	(51,551,192)	
Dividend paid to the Company's shareholders (Note 36)	-	-	-	-	-	(644,413,837)	-	(644,413,837)	
Total comprehensive income for the year	-	-	-	-	-	811,695,324	602,582,679	1,414,278,003	
Appropriated to corporated social responsibility reserve (Note 29)	-	-	-	-	997,086	(997,086)	-	-	
Balance as at 31 December 2011	1,039,520,600	411,429,745	172,445,812	103,952,060	15,332,951	10,624,883,723	(59,831,052)	12,307,733,839	
	-	-	-	-	-	-	0	0	
	-	-	-	-	-	-	0	0	

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

Precious Shipping Public Company Limited and subsidiaries

Notes to consolidated financial statements

For the years ended 31 December 2011 and 2010

1. Corporate information

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

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The USD functional currency financial statements are translated into the Thai Baht presentation currency financial statements at the rate of exchange prevailing on 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 components of shareholders' equity.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Precious Shipping Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”), associate and joint venture:

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2011	2010
			%	%
<u>Subsidiaries held by the Company</u>				
1. Precious Metals Limited	Shipowner	Thailand	99.99	99.99
2. Precious Wishes Limited	Shipowner	Thailand	99.99	99.99
3. Precious Stones Shipping Limited	Shipowner	Thailand	99.99	99.99
4. Precious Minerals Limited	Shipowner	Thailand	99.99	99.99
5. Precious Lands Limited	Shipowner	Thailand	99.99	99.99
6. Precious Rivers Limited	Shipowner	Thailand	99.99	99.99
7. Precious Lakes Limited	Shipowner	Thailand	99.99	99.99
8. Precious Seas Limited	Shipowner	Thailand	99.99	99.99
9. Precious Stars Limited	Shipowner	Thailand	99.99	99.99
10. Precious Oceans Limited	Shipowner	Thailand	99.99	99.99
11. Precious Planets Limited	Shipowner	Thailand	99.99	99.99
12. Precious Diamonds Limited	Shipowner	Thailand	99.99	99.99
13. Precious Sapphires Limited	Shipowner	Thailand	99.99	99.99
14. Precious Emeralds Limited	Shipowner	Thailand	99.99	99.99
15. Precious Rubies Limited	Shipowner	Thailand	99.99	99.99
16. Precious Opals Limited	Shipowner	Thailand	99.99	99.99
17. Precious Garnets Limited	Shipowner	Thailand	99.99	99.99
18. Precious Pearls Limited	Shipowner	Thailand	99.99	99.99
19. Precious Flowers Limited	Shipowner	Thailand	99.99	99.99
20. Precious Forests Limited	Shipowner	Thailand	99.99	99.99
21. Precious Trees Limited	Shipowner	Thailand	99.99	99.99
22. Precious Ponds Limited	Shipowner	Thailand	99.99	99.99
23. Precious Ventures Limited	Shipowner	Thailand	99.99	99.99
24. Precious Capitals Limited	Shipowner	Thailand	99.99	99.99
25. Precious Jasmines Limited	Shipowner	Thailand	99.99	99.99
26. Precious Orchids Limited	Shipowner	Thailand	99.99	99.99
27. Precious Lagoons Limited	Shipowner	Thailand	99.99	99.99
28. Precious Cliffs Limited	Shipowner	Thailand	99.99	99.99
29. Precious Hills Limited	Shipowner	Thailand	99.99	99.99
30. Precious Mountains Limited	Shipowner	Thailand	99.99	99.99
31. Precious Resorts Limited	Shipowner	Thailand	99.99	99.99
32. Precious Cities Limited	Shipowner	Thailand	99.99	99.99
33. Precious Comets Limited	Shipowner	Thailand	99.99	99.99
34. Precious Ornaments Limited	Shipowner	Thailand	99.99	99.99
35. Nedtex Limited	Bulk storage barges*	Thailand	69.99	69.99
36. Precious Storage Terminals Limited	Bulk storage barges*	Thailand	69.99	69.99
37. Thebes Pte. Limited	Maritime Business*	Singapore	100.00	100.00
38. Precious Shipping (Panama) S.A.	Shipowner/ Chartering	Panama	99.99	99.99
39. Precious Shipping (Mauritius) Limited	Holding company*	Mauritius	100.00	100.00
40. Precious Shipping (Singapore) Pte. Limited	Holding company/ Chartering	Singapore	100.00	100.00
41. Precious Shipping (UK) Limited	Chartering	England	99.99	99.99
42. Great Circle Shipping Agency Limited	Technical manager of ships	Thailand	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2011	2010
			%	%
43. Precious Projects Pte. Limited	Investment holding company	Singapore	100.00	100.00
<u>Subsidiaries held by subsidiaries</u>				
44. Rapid Port Leasing Company Pte. Limited	Marine construction**	Singapore	100.00	100.00
45. PSL Investments Limited	Holding company*	Mauritius	100.00	100.00
46. International Lighterage Limited	Holding company	Mauritius	100.00	100.00
47. PSL Thun Shipping Pte. Limited	Chartering	Singapore	64.06	64.06
48. Regidor Pte. Limited	Maritime business *	Singapore	100.00	100.00
49. Precious Forests Pte. Limited	Shipowner	Singapore	100.00	100.00
50. Precious Fragrance Pte. Limited	Shipowner	Singapore	100.00	-
51. Precious Thoughts Pte. Limited	Shipowner	Singapore	100.00	-
52. Precious Comforts Pte. Limited (Formerly known as OSW6 Pte. Limited)	Shipowner	Singapore	100.00	100.00
53. Precious Sparks Pte. Limited (Formerly known as OSW7 Pte. Limited)	Shipowner	Singapore	100.00	100.00
54. Precious Visions Pte. Limited (Formerly known as OSW8 Pte. Limited)	Shipowner	Singapore	100.00	100.00
55. Precious Bridges Pte. Limited (Formerly known as OSW9 Pte. Limited)	Shipowner	Singapore	100.00	100.00
<u>Joint venture</u>				
56. Associated Bulk Carriers Pte. Limited	Holding company	Singapore	50.00	50.00
<u>Subsidiaries of joint venture (SPC Subsidiaries)</u>				
57. ABC One Pte. Limited	Shipowner	Singapore	50.00	50.00
58. ABC Two Pte. Limited	Shipowner	Singapore	50.00	50.00
59. ABC Three Pte. Limited	Shipowner	Singapore	50.00	50.00
<u>Associate held by a subsidiary</u>				
60. International Seaports (Haldia) Private Limited	Berth construction and development	India	22.40	22.40

*Business suspended

**The relevant authority in Singapore approved the dissolution of this company on 12 January 2012.

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

Joint venture is accounted for in the consolidated financial statements using the proportionate shares of the assets, liabilities, revenues and expenses with the Company's shareholding in the joint venture (proportionate consolidation method).

Investment in associate is accounted for using the equity method and is recognised initially at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investee from the date that significant influence incurs until the date that significant influence ceases.

- c) The financial statements of the subsidiaries and joint venture are prepared for the same reporting period as the Company and using the same significant accounting policies as the Company.

The financial statements of the associated company are prepared for a reporting date that differs from that of the Company by no more than three months. In this respect, the accounting periods and differences are consistent and the financial statements are prepared using the same significant accounting policies as the Company.

- d) The financial statements of all subsidiaries and joint venture are prepared in their respective functional currencies. Where the functional currency is not USD, the financial statements are translated into USD using the exchange rate prevailing on 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. The resultant differences have been shown under the caption of "Exchange differences on translation of financial statements" in other comprehensive income, other components of shareholders' equity.
- e) Material balances and transactions between the Company and subsidiaries, and investments in subsidiaries by the Company and shareholders' equity of the subsidiaries have been eliminated from the consolidated financial statements.

Material balances and transactions between the Company and joint venture, and investment in joint venture by the Company and shareholders' equity of the joint venture have been eliminated from the consolidated financial statements in proportion with the Company's shareholding in the joint venture.

- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements, which present investments in subsidiaries and joint venture under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards during the year

During the current year, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 12	Income Tax
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial Reporting Standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15 Agreements for the Construction of Real Estate

Accounting Standard Interpretations:

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable
 Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its
 Shareholders

SIC 31 Revenue-Barter Transactions Involving Advertising Services

These accounting standards do not have any significant impact on the financial statements for the current year, except for the following accounting standards.

TAS 1 (revised 2009) Presentation of Financial Statements

The Group applies TAS 1 (revised 2009) Presentation of Financial Statements, which became effective as of 1 January 2011. As a result, the Group presents in the statement of changes in shareholders' equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation, earnings per share remains unchanged.

TAS 12 Income Tax

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines.

The Group has early adopted TAS 12 Income Tax which would otherwise become effective in 2013. The change has no significant impact on the Company's retained earnings as at 31 December 2010 and profit for the years ended 31 December 2011 and 2010 since management considered that there are no deferred tax assets to be recognised because it is not probable that future taxable profit will be available against which the Group can utilise the benefits thereof.

TAS 16 (revised 2009) Property, Plant and Equipment

The Group changed its accounting policy for land and condominium units from the revaluation model to the cost model, as permitted under TAS 16 (revised 2009) Property, Plant and Equipment. In this regard, the Group has restated the previous period's consolidated financial statements as though the land and condominium units had originally been recorded using the cost model. This change results in the reversal of the revaluation surplus previously held in equity as at 31 December 2010 and 2009, of Baht 147.29 million and Baht 203.45 million, respectively, with a corresponding decrease in the carrying amount of land and condominium units under property, plant and equipment as at 31 December 2010 and 2009 of Baht 147.29 million and Baht 203.45 million, respectively, and increasing the profit of the consolidated income statement for the year ended 31 December 2011 by Baht 50.09 million (or 0.05 Baht per share) (2010: Baht 50.09 million (or Baht 0.05 per share)). The cumulative effect of the change in the accounting policy has been presented under the heading of "Cumulative effect of change in accounting policy for land and condominium units of a subsidiary" in the consolidated statements of changes in shareholders' equity. This has no impact on the separate financial statements. It may be noted that this is not a requirement of TAS 16 (revised 2009) Property, Plant and Equipment but is a voluntary change in accounting policy to simplify the financial statements by eliminating the periodic increase in revaluation surplus and the associated depreciation of this revaluation surplus through the income statement.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits or liabilities arising from other defined benefit plans and other long-term employee benefits using actuarial techniques. The Group previously accounted for such employee benefits when they were incurred.

The Group has changed this accounting policy in the current year and recognised the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current period, with no restatement of the comparative period. This change results in decreasing the consolidated retained earnings and increasing provision for long-term employee benefits as at 1 January 2011, amounting to Baht 57.41 million (separate financial statement: Baht 51.55 million) and decreasing the profit of the consolidated income statements for the year ended 31 December 2011 by

Baht 5.93 million (or Baht 0.0057 per share) (separate financial statement: decreasing profit by Baht 5.74 million (or Baht 0.0055 per share). The cumulative effect of the change in the accounting policy has been presented under the heading of "Cumulative effect of change in accounting policy for employee benefits" in the consolidated and separate statements of changes in shareholders' equity.

TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates

The Group has early adopted TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates which would otherwise become effective in 2013. When a reporting entity prepares financial statements, TAS 21 (revised 2009) requires each individual entity to determine its functional currency and measure its results and financial position in that functional currency. TAS 21 (revised 2009) defines the functional currency as the currency of the primary economic environment in which the entity operates and the presentation currency as the currency in which the financial statements are presented.

The Group operates in a USD environment, with purchases and sales predominantly quoted and settled in USD. Accordingly, the management determines that USD is the functional currency of Group's vessel operating entities whilst Thai Baht is the presentation currency of the Group.

TAS 21 (revised 2009) requires all transactions to be initially recorded in the functional currency, USD. All transactions that are not denominated in USD are foreign currency transactions; exchange differences arising on translation generally are recognised in profit or loss. Exchange differences arising from translation of functional currency to presentation currency are recognised in other comprehensive income, other components of shareholders' equity. In general, when the Thai Baht presentation currency appreciates against the USD functional currency, the carrying amount of assets, liabilities and the exchange differences on translation of financial statements in equity is likely to reduce. Conversely, when the Thai Baht depreciates against the USD, the carrying amount of assets, liabilities and the exchange differences on translation of financial statements in equity is likely to increase.

The adoption of TAS 21 (revised 2009) is considered to be a change in accounting policy under TAS 8 (revised 2009) Accounting Policies, Changes in Accounting Estimates and Errors whereby the effects of changes in accounting policy have been applied retrospectively as though the financial statements had originally been prepared using USD functional currency.

The cumulative effect of change in the accounting policy has been presented under the heading of "Cumulative effect of change in accounting policy for the effects of changes in foreign exchange rates" in the consolidated and separate statements of changes in shareholders' equity.

A summary of how these adjustments arising from TAS 21 (revised 2009) have affected the Group's financial statements and explanation for the key movements are set out in the Note 5 to the financial statements.

TAS 24 (revised 2009) Related Party Disclosures

The Group adopted TAS 24 (revised 2009) Related Party Disclosures, which became effective as of 1 January 2011. Under this standard, the Group is required to disclose key management personnel's remuneration both in total and for each category of employee benefit type. Details of connected transactions are now included in the notes to the financial statements as required by TAS 24 (revised 2009).

4. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard:

TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of
Government Assistance

Accounting Standard Interpretations:

SIC 10 Government Assistance - No Specific Relation to
Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable
Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its
Shareholders

The Company has elected to adopt SIC 21 and SIC 25 in 2011. The adoption of these SIC in 2011 has no significant effect on the Company's retained earnings as at 31 December 2010 and profit for the years ended 31 December 2011 and 2010. For TAS 20 (revised 2009) and SIC 10, the Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

5. Cumulative effect of changes in accounting policies due to the adoption of new accounting standards

During the current year, the Company made the changes to its significant accounting policies described in Note 3 to the financial statements, as a result of the adoption of revised and new accounting standards. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity, under other components of shareholders' equity.

The amounts of adjustments affecting the statement of financial position as at 31 December 2010 and the income statement for the year ended 31 December 2010 are summarised below.

(Unit: Thousand Baht)

Statements of financial position as at 31 December 2010						
	Consolidated financial statements			Separate financial statements		
	As previously reported	Effect of the changes in accounting policies	As restated	As previously reported	Effect of the changes in accounting policies	As restated
Assets						
Cash and cash equivalents	4,210,310	13,113	4,223,423	2,031,532	9,817	2,041,349
Trade and other receivables	33,855	151	34,006	317,568	(29,166)	288,402
Short-term loans to subsidiary	-	-	-	1,914,402	9,251	1,923,653
Other current assets	92,543	(1,675)	90,868	16,199	657	16,856
Total current assets	4,336,708	11,589	4,348,297	4,279,701	(9,441)	4,270,260
Investments	173,241	(41,096)	132,145	5,762,157	(42,300)	5,719,857
Long-term loan to jointly controlled entity	-	-	-	256,554	1,240	257,794
Property, plant and equipment (a)	7,518,078	(1,117,745)	6,400,333	12,033	(1,163)	10,870
Advances for vessel constructions (a)	9,517,341	(969,228)	8,548,113	8,081,917	(969,229)	7,112,688
Claim recoverables - maritime claims (b)	-	47,624	47,624	-	-	-
Other non-current assets	526,258	(40,884)	485,374	412,051	(54,511)	357,540
Total non-current assets	17,734,918	(2,121,329)	15,613,589	14,524,712	(1,065,963)	13,458,749
Total assets	22,071,626	(2,109,740)	19,961,886	18,804,413	(1,075,404)	17,729,009
Liabilities						
Trade and other payables	11,100	(79)	11,021	3,017,317	(489,733)	2,527,584
Advances received from charterers	47,683	(221)	47,462	-	-	-
Current portion of long-term loans	147,610	(214)	147,396	24,100	(103)	23,997
Other current liabilities	236,292	(2,068)	234,224	146,199	(36)	146,163
Total current liabilities	442,685	(2,582)	440,103	3,187,616	(489,872)	2,697,744
Accrued employee bonus - net of current portion	76,645	(367)	76,278	70,382	(337)	70,045
Provision for maritime claims (b)	20,768	46,469	67,237	-	-	-
Long-term loans - net of current portion	4,782,043	(15,741)	4,766,302	3,386,349	(14,550)	3,371,799
Total non-current liabilities	4,879,456	30,361	4,909,817	3,456,731	(14,887)	3,441,844
Total liabilities	5,322,141	27,779	5,349,920	6,644,347	(504,759)	6,139,588

(Unit: Thousand Baht)

Statements of financial position as at 31 December 2010

	Consolidated financial statements			Separate financial statements		
	As previously reported	Effect of the changes in accounting policies	As restated	As previously reported	Effect of the changes in accounting policies	As restated
Shareholders' equity						
Share capital	1,039,521	-	1,039,521	1,039,521	-	1,039,521
Premium on ordinary shares	411,430	-	411,430	411,430	-	411,430
Premium on treasury stock	172,446	-	172,446	172,446	-	172,446
Retained earnings - appropriated	636,408	-	636,408	118,288	-	118,288
Retained earnings - unappropriated	14,333,075	172,878	14,505,953	10,418,381	91,770	10,510,151
Other components of shareholders' equity						
Revaluation surplus on assets of subsidiary - net	(c) 147,288	(147,288)	-	-	-	-
Exchange differences on translation of financial statements	(d) (25,252)	(2,157,823)	(2,183,075)	-	(662,415)	(662,415)
Equity attributable to owner of the Company	16,714,916	(2,132,233)	14,582,683	12,160,066	(570,645)	11,589,421
Non-controlling interests of subsidiaries	34,569	(5,286)	29,283	-	-	-
Total shareholders' equity	16,749,485	(2,137,519)	14,611,966	12,160,066	(570,645)	11,589,421
Total liabilities and shareholders' equity	22,071,626	(2,109,740)	19,961,886	18,804,413	(1,075,404)	17,729,009

(Unit: Thousand Baht)

Income statements for the year ended 31 December 2010

	Consolidated financial statements			Separate financial statements		
	As previously reported	Effect of the changes in accounting policies	As restated	As previously reported	Effect of the changes in accounting policies	As restated
Revenues						
Vessel operating income						
Hire income	2,810,421	(64,468)	2,745,953	-	-	-
Freight income	142,683	39,655	182,338	-	-	-
Total vessel operating income	2,953,104	(24,813)	2,928,291	-	-	-
Service income	10,379	61	10,440	71,463	(40)	71,423
Gains on sales of vessels and equipment	390,280	48,103	438,383	-	-	-
Interest income	25,978	(151)	25,827	20,571	100	20,671
Other income	426	(5)	421	5	-	5
Dividend received	-	-	-	1,530,298	-	1,530,298
Total revenues	3,380,167	23,195	3,403,362	1,622,337	60	1,622,397

(Unit: Thousand Baht)

Income statements for the year ended 31 December 2010

	Consolidated financial statements			Separate financial statements		
	Effect of the		As restated	Effect of the		As restated
	As previously reported	changes in accounting policies		As previously reported	changes in accounting policies	
Expenses						
Vessel operating costs						
Vessel running expenses	847,172	(5,484)	841,688	-	-	-
Voyage disbursements	20,905	5,530	26,435	-	-	-
Bunker consumption	5,174	(5)	5,169	-	-	-
Total vessel operating costs	873,251	41	873,292	-	-	-
Depreciation	796,564	(118,356)	678,208	8,561	(1,155)	7,406
Cost of services	4,818	48	4,866	-	-	-
Administrative expenses	195,348	9,474	204,822	169,331	8,752	178,083
Management remuneration including perquisites	104,136	8,844	112,980	98,006	7,792	105,798
Bad debts and doubtful accounts	15,289	520	15,809	-	-	-
Exchange losses	112,243	(105,727)	6,516	120,353	(106,079)	14,274
Total expenses	2,101,649	(205,156)	1,896,493	396,251	(90,690)	305,561
Profit before share of income from investment in associate, finance cost and corporate income tax	1,278,518	228,351	1,506,869	1,226,086	90,750	1,316,836
Share of income from investment in associate held by a subsidiary	19,520	(861)	18,659	-	-	-
Profit before finance cost and corporate income tax	1,298,038	227,490	1,525,528	1,226,086	90,750	1,316,836
Finance cost	(301,394)	2,104	(299,290)	(222,557)	1,019	(221,538)
Profit before corporate income tax	996,644	229,594	1,226,238	1,003,529	91,769	1,095,298
Corporate income tax	(81,922)	(689)	(82,611)	-	-	-
Profit for the year	914,722	228,905	1,143,627	1,003,529	91,769	1,095,298
Profit attributable to:						
Equity holders of the Company	904,685	229,043	1,133,728	1,003,529	91,769	1,095,298
Non-controlling interest of the subsidiaries	10,037	(138)	9,899	-	-	-
Profit for the year	914,722	228,905	1,143,627	1,003,529	91,769	1,095,298
						(Unit: Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	0.87	0.22	1.09	0.97	0.08	1.05

Notes:

- (a) It is noted that the USD is the functional currency of reporting entities of the Group whilst the Thai Baht is the presentation currency of the Group. The value of the USD against the Thai Baht has been declining over the past few years. This change in the value of the USD has substantial effects on the amount of assets and liabilities translated from USD to Thai Baht especially those assets acquired and liabilities incurred prior to 1 January 2011, the date of transition of the adoption of TAS 21 (revised 2009). As a result, due to the declining value of the USD, the amounts of property, plant and equipment and advances for vessel constructions have reduced substantially as at 31 December 2010 in the presentation currency when compared to the balances as previously reported under the previous accounting policy.
- (b) This impact arises from a reclassification of provisions and contingencies, recognising the provision for maritime claims and related claim recoverable - maritime claim gross instead of net.
- (c) This impact arises from the change in accounting policy for measurement of land and condominium units from revaluation model to cost model, as discussed in Note 3 to the financial statements.
- (d) The change in carrying amounts of assets and liabilities due to a change in functional currency is recorded in the cumulative translation adjustments in equity. The two main changes described above, in relation to vessels and advances for vessel constructions, are the main components of the change in the cumulative translation adjustments.

6. Significant accounting policies**6.1 Revenue and expense recognition*****Vessel operating income***

Vessel operating income (consisting of Hire income from Time charter and Freight income from Voyage charter) and related expenses are recognised on an accrual basis.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised as interest accrues based on the effective rate method.

Dividend received

Dividends received are recognised when the right to receive the dividends is established.

6.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

6.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

6.4 Bunker oil

Bunker oil is valued at the lower of cost (first-in, first-out method) and net realisable value and is charged to vessel operating costs whenever consumed.

6.5 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- b) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and joint venture are accounted for in the separate financial statements using the cost method.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss in the income statement. If the Company disposes only part of the investment, the carrying value per share used to calculate the cost of the portion sold is determined using the weighted average method.

6.6 Property, plant and equipment

Land and condominium units, vessels and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of vessels, condominium units and equipment is calculated by reference to their costs, after deducting residual value, on the straight-line basis over the following estimated useful lives:

Vessels and equipment	5 - 25 years
Dry-dock and special survey expenses	2 years and 4 years respectively
Condominium units	20 years
Leasehold improvement	5 years
Others	5 years

Depreciation is included in determining income.

No depreciation is provided on land and asset under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

6.7 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

6.8 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Computer software	5 years and 10 years
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6.9 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

6.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

6.11 Long-term leases

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

6.12 Foreign currencies

The Group's financial statements are presented in Thai Baht, which is different from the Group's functional currency of USD. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency. Foreign currency transactions during a particular month are translated into functional currency at the average exchange rates ruling during the previous transaction month.

Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency at the exchange rate ruling at the end of reporting period. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

b) Group companies

The assets and liabilities of Group companies whose functional currency is not USD are translated into USD at the exchange rate ruling at the end of reporting period and their income statements and statements of comprehensive income are translated at a rate that approximates the actual rate at the date of the transaction.

The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

6.13 Impairment of assets

At the end of each reporting period, the Company and subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

6.14 Employee benefits

a) Short-term employee benefits

Short-term employee benefit obligations, which include salaries, wages, bonuses, and contributions to the social security fund, are measured on an undiscounted basis and are expensed when they are incurred.

b) Post-employment benefits

The Group provides post-employment benefits through a defined contribution plan (under the Provident Fund Act B.E. 2530 (1987)) and a defined benefit plan (obligations for retired employees under the Thai Labor Protection Act B.E. 2541 (1998)).

- Defined contribution plan

A defined contribution plan comprises a provident fund which is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

- Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. Such benefits are discounted to determine its present value using the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by an independent actuary using the Projected Unit Credit Method.

When the benefits under the plans are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average remaining period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains or losses arising from defined benefit plans in other comprehensive income in the period in which they arise.

- c) Other long-term employee benefits

The Group's obligation in respect of accrued bonuses is classified as long-term employee benefits other than retirement benefit plans, and is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

d) Termination benefits

The Group recognises termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

For the first-time adoption of TAS 19 Employee Benefits, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

6.15 Provisions

Provisions are recognised when the Company and subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Provisions for maritime claims

Provisions for maritime claims are recorded by the subsidiaries upon receipt of the claim advices from the charterers, based on the best estimate of the expenditure required to settle the subsidiaries present obligation.

6.16 Income tax

Income tax expense for the year comprises current and deferred tax. Income tax of the Company and subsidiaries in Thailand is provided for in the accounts based on the taxable income determined in accordance with tax legislation in Thailand. Overseas subsidiaries calculate corporate income tax in accordance with the method and tax rates stipulated by tax laws in those countries.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

6.17 Premium on treasury stock

Gains on disposal of treasury stock are determined by reference to the carrying amount and are presented as premium on treasury stock. Losses on disposal of treasury stock are determined by reference to the carrying amount and are presented in premium on treasury stock and retained earnings, consecutively.

6.18 Derivatives

Cross currency swap contracts

Receivables and payables arising from cross currency swap contracts are translated into USD at the exchange rates ruling at the end of reporting period. Unrecognised gains and losses from the translation are recognised in profit or loss.

7. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and

estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercises judgment, using a variety of valuation techniques. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and long-term volatility of financial instruments.

Property plant and equipment/Depreciation

In calculating depreciation on vessels, condominium units and equipment, the management estimates useful lives and residual values of the Company's and subsidiaries' vessels, condominium units and equipment and reviews estimated useful lives and residual values if there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangible assets and subsequent impairment testing require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash	674	637	663	625
Bank deposits	4,374,037	4,222,786	2,718,856	2,040,724
Total	4,374,711	4,223,423	2,719,519	2,041,349

As at 31 December 2011, bank deposits carried interest between 0.10% - 0.50% per annum for USD savings accounts, 0.75% per annum for Baht savings accounts, 0.20% - 1.30% per annum for USD fixed deposits and 1.37% - 2.25% per annum for EUR fixed deposits (2010: between 0.05% - 0.26% per annum for USD savings accounts, 0.25% per annum for Baht savings accounts and 0.25% - 2.00% per annum for USD fixed deposits).

9. Current investment

(Unit: Thousand Baht)

Consolidated financial statements								
Paid-up capital		Shareholding percentage		Cost		Carrying amount based on equity method		
2011	2010	2011	2010	2011	2010	2011	2010	
Thousand INR	Thousand INR	%	%	(Restated)		(Restated)		
Investment in associate held by a subsidiary								
Southern LPG Limited	64,592	64,592	50.00	50.00	27,658	26,314	17,403	16,557
Less: Allowance for loss on investment							(17,403)	(16,557)
Current investment - net							-	-

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

10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(Restated)		(Restated)	
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	104,741	33,087	-	-
3 - 6 months	117	-	-	-
6 - 12 months	20,236	919	-	-
Over 12 months	20,109	19,008	-	-
Total	145,203	53,014	-	-
Less: Allowance for doubtful debts	(20,109)	(19,008)	-	-
Total trade receivables - unrelated parties, net	125,094	34,006	-	-
<u>Other receivables - related parties</u>				
Advances to related parties	-	-	771,933	288,402
Total other receivables	-	-	771,933	288,402
Trade and other receivables - net	125,094	34,006	771,933	288,402

11. Related party transactions

In addition to relationship between the Company and its subsidiaries as stated in Note 14, its joint venture as stated in Note 15, and its associates as stated in Note 16, the other related party transactions and relationship are summarised below.

Related party's name	Transaction	Relationship
Globex Corporation Limited	None	Major shareholder holding 25.65% ordinary shares in the Company and related by way of the Company's directors as shareholders and directors in the related party
Unistretch Limited	Office rental and service expenses	Related by way of common shareholders and directors
Ambika Tour Agency Limited	Air ticket expenses	Related by way of common shareholders and directors
Geepee Air Service Limited	Air ticket expenses	Related by way of common shareholders and directors
Maestro Controls Limited	Air-conditioning service expenses	Related by way of common shareholders and directors
Maxwin Builders Limited	Office and apartment management expenses	Related by way of common shareholders and directors
InsurExcellence Insurance Brokers Limited	Insurance expense	Related by way of Company Directors' close family member as the related party's shareholder
InsurExcellence Life Insurance Brokers Limited	Insurance expense	Related by way of Company Directors' close family member as the related party's shareholder
Quidlab Company Limited	Computer hardware or software purchases	Related by way of Company Senior Manager's close family member as the related party's shareholder and director

During the years, the Company, subsidiaries and jointly controlled entities 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)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2011	2010	2011	2010	
		(Restated)		(Restated)	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	46,094	44,564	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Service income - commission from vessel sales	-	-	-	25,053	3% of vessels' selling price
Dividend received	-	-	981,829	1,530,298	As declared
Interest income	-	-	10,914	8,111	At interest rate of 0.40% and 0.70% per annum (2010: 0.70% per annum)
Condominium rental expenses	-	-	9,404	9,258	Market price
Transaction with jointly controlled entity					
(Eliminated from consolidated financial statements in proportion with the Company's shareholding)					
Vessel construction supervision income	3,069	903	6,139	1,807	USD 350,000 per vessel in accordance with contract based on market practice
Transaction with associate					
Dividend received	3,375	3,288	-	-	As declared
Transactions with related companies					
Air ticket expenses	7,731	9,500	3,488	3,686	Market price
Rental and service expenses	5,793	5,725	4,507	4,415	Market price
Computer purchases	1,764	4,506	626	3,806	Market price

The balances of the accounts as at 31 December 2011 and 2010 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
<u>Other receivables - related parties (Note 10)</u>				
Subsidiaries	-	-	731,132	279,477
Jointly controlled entity	-	-	40,801	8,925
Total other receivables - related parties	-	-	771,933	288,402

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
<u>Trade and other payables - related parties (Note 23)</u>				
Subsidiaries	-	-	3,430,581	2,526,929
Related companies	91	853	32	433
Total trade and other payables - related parties	91	853	3,430,613	2,527,362

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

Directors and management's benefits

During the years ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	Consolidated financial		(Unit: Thousand Baht) Separate financial	
	statements		statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Short-term employee benefits	72,631	77,536	69,878	74,328
Post-employment benefits	2,363	-	2,363	-
Other long-term benefits	24,397	35,444	21,736	31,470
Total	99,391	112,980	93,977	105,798

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries and jointly controlled entity, as described in Note 26 to the financial statements. There was no guarantee fee charged.

12. Short-term loans to subsidiary

As at 31 December 2011, short-term loans to wholly owned subsidiary are in the form of promissory notes in US Dollar, amounting to USD 71.80 million (2010: USD 63.80 million), which carry interest at the rate of 0.40% per annum (2010: 0.70% per annum), and are due at call. Movements in the balance of the loans during the year were as follows:

(Unit: Thousand Baht)

	Separate financial statements			2011
	2010	Addition	Translation adjustment	
	(Restated)			
Short-term loans to subsidiary				
Precious Shipping (Singapore)				
Pte. Limited	1,923,653	249,542	102,233	2,275,428

13. Long-term loan to jointly controlled entity

As at 31 December 2011, long-term loan to jointly controlled entity is in the form of promissory note in US Dollar, amounting to USD 8.55 million (2010: USD 8.55 million), has no interest, and is due at call. However, the Company does not intend to call for the loan repayment in the foreseeable future; therefore, the loan is classified as long-term loan. The loan represents Company's contribution (in lieu of equity capital) to the jointly controlled entity in proportion with the Company's shareholding (50%) in the jointly controlled entity. An equal amount is also received by the jointly controlled entity from the other partner shareholder. These loans have been made to enable the 3 SPC subsidiaries of the jointly controlled entity to pay the installments due to the shipbuilder. Movements in the balance of the loan during the year were as follows:

(Unit: Thousand Baht)

	Separate financial statements		
	2010	Translation adjustment	2011
	(Restated)		
Long-term loan to jointly controlled entity			
Associated Bulk Carriers Pte. Limited	257,794	13,166	270,960

14. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements						Dividend received	
	Paid-up capital		Shareholding		Cost		for the years ended	
	2011	2010	percentage		2011	2010	31 December	
			2011	2010	2011	2010	2011	2010
			%	%		(Restated)		(Restated)
Precious Metals Limited	250,000	250,000	99.99	99.99	310,698	295,601	-	45,000
Precious Wishes Limited	230,000	230,000	99.99	99.99	285,842	271,952	23,000	345,000
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	267,012	254,037	18,200	26,000
Precious Minerals Limited	230,000	230,000	99.99	99.99	242,802	231,006	32,200	23,000
Precious Lands Limited	84,000	84,000	99.99	99.99	78,088	74,294	-	-
Precious Rivers Limited	234,000	234,000	99.99	99.99	201,966	192,152	84,240	-
Precious Lakes Limited	99,000	99,000	99.99	99.99	89,474	85,126	-	188,099
Precious Seas Limited	100,000	100,000	99.99	99.99	124,279	118,240	72,000	30,000
Precious Stars Limited	105,000	105,000	99.99	99.99	130,493	124,152	51,450	36,750
Precious Oceans Limited	175,000	175,000	99.99	99.99	217,488	206,920	63,000	35,000
Precious Planets Limited	100,000	100,000	99.99	99.99	124,279	118,240	-	-
Precious Diamonds Limited	205,000	205,000	99.99	99.99	184,630	175,658	116,850	20,500
Precious Sapphires Limited	144,000	144,000	99.99	99.99	125,262	119,176	95,040	50,400
Precious Emeralds Limited	366,000	366,000	99.99	99.99	300,361	285,766	36,600	54,900
Precious Rubies Limited	84,000	84,000	99.99	99.99	78,088	74,294	-	-
Precious Opals Limited	74,000	74,000	99.99	99.99	70,044	66,641	-	-
Precious Garnets Limited	379,000	379,000	99.99	99.99	309,803	294,749	7,580	56,850
Precious Pearls Limited	73,000	73,000	99.99	99.99	75,817	72,133	-	-
Precious Flowers Limited	76,000	76,000	99.99	99.99	78,230	74,428	-	-
Precious Forests Limited	96,000	96,000	99.99	99.99	94,755	90,151	-	-
Precious Trees Limited	80,000	80,000	99.99	99.99	81,886	77,907	-	-
Precious Ponds Limited	84,000	84,000	99.99	99.99	81,595	77,631	-	100,800
Precious Ventures Limited	80,000	80,000	99.99	99.99	99,423	94,592	-	-
Precious Capitals Limited	200,000	200,000	99.99	99.99	248,558	236,480	100,000	60,000
Precious Jasmines Limited	147,000	147,000	99.99	99.99	168,869	160,663	-	110,250
Precious Orchids Limited	217,000	217,000	99.99	99.99	190,827	181,555	2,170	65,100
Precious Lagoons Limited	140,000	140,000	99.99	99.99	173,990	165,536	60,200	-
Precious Cliffs Limited	140,000	140,000	99.99	99.99	173,990	165,536	43,400	-
Precious Hills Limited	140,000	140,000	99.99	99.99	173,990	165,536	53,200	28,000
Precious Mountains Limited	140,000	140,000	99.99	99.99	173,990	165,536	39,200	35,000
Precious Resorts Limited	140,000	140,000	99.99	99.99	173,990	165,536	7,000	28,000
Precious Cities Limited	170,000	170,000	99.99	99.99	197,849	188,236	76,499	85,000
Precious Comets Limited	71,100	71,100	99.99	99.99	57,233	54,452	-	106,649
Precious Ornaments Limited	68,100	68,100	99.99	99.99	54,820	52,156	-	-
Nedtex Limited	2,500	2,500	69.99	69.99	806	766	-	-
Precious Storage Terminals Limited	6,000	6,000	69.99	69.99	5,219	4,966	-	-

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements						Dividend received	
	Paid-up capital		Shareholding		Cost		for the years ended	
	2011	2010	2011	2010	2011	2010	31 December	
			%	%			2011	2010
Thebes Pte. Limited	0.0365	0.0365	100.00	100.00	-	-	-	-
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	317	301	-	-
Precious Shipping (Mauritius) Limited	250	250	100.00	100.00	317	301	-	-
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	332,457	316,303	-	-
Precious Shipping (UK) Limited	250	250	99.99	99.99	317	301	-	-
Great Circle Shipping Agency Limited	100,000	100,000	99.99	99.99	230,226	219,039	-	-
Precious Projects Pte. Limited	0.0345	0.0345	100.00	100.00	-	-	-	-
Total investments in subsidiaries					6,010,080	5,718,045	981,829	1,530,298
Less: Allowance for loss on investments in subsidiaries					(6,342)	(6,034)		
Total investments in subsidiaries - net					6,003,738	5,712,011		

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

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

During the year ended 31 December 2010, there had been the following changes in the investments in subsidiaries.

On 10 February 2010, a local subsidiary (Precious Jasmines Limited) issued new ordinary shares, which the Company purchased in proportion to its shareholding at that date, at par value, for a total of Baht 49.00 million.

On 10 December 2010, Precious Shipping (Singapore) Pte. Limited which is the Company's wholly owned Singaporean subsidiary signed an Agreement with Oswal Shipping Pte. Limited (the "Seller"), a company incorporated in Singapore, the owner of 4 Single Purpose Companies (SPCs), for the purchase of the entire issued and paid-up share capital (Singapore Dollar 1.00 each) of the 4 SPCs, OSW6 Pte. Limited, OSW7 Pte. Limited, OSW8 Pte. Limited and OSW9 Pte. Limited (In 2011, the subsidiaries changed company name to Precious Comforts Pte. Limited, Precious Sparks Pte. Limited, Precious Visions Pte. Limited, Precious Bridges Pte. Limited, respectively). Each of the 4 SPCs holds 1 New Shipbuilding Contract (Supramax vessel) each with Wuhan Guoyu Logistics Group Co. Ltd and Yangzhou Guoyu Shipbuilding Co. Ltd

(both companies jointly referred to as the "Shipyard"). The closing of the transaction including the transfer of the shares in the SPC's to the Buyer was completed in December 2010. The aggregate purchase price of the shares in the 4 SPCs is USD 6,800,004 (USD 1,700,001 for each SPC). The purchase price was paid in installments to the Seller as stipulated in the Agreement after the SPCs' received Refund Guarantees (RGs), from the Shipyard's Bank and hence the 4 SPCs are now the Company's indirect subsidiaries since the date the shares were transferred.

15. Investment in joint venture

15.1 Details of investment in joint venture

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

(Unit: Baht)

Jointly controlled entity	Nature of business	Separate financial statements					
		Shareholding percentage		Cost		Carrying amounts based on cost method	
		2011	2010	2011	2010	2011	2010
		(%)	(%)		(Restated)		(Restated)
Associated Bulk Carriers Pte. Limited	Holding company	50	50	32	30	32	30

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

15.2 Summarised financial information of jointly controlled entity

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

(Unit: Thousand Baht)

	2011	2010
		(Restated)
Cash and cash equivalents	12,174	2,086
Other current assets	1,016	-
Advances for vessel constructions	455,719	342,983
Deferred financial fees	3,289	4,261
Other non-current assets	10,304	-
Total assets	<u>482,502</u>	<u>349,330</u>
Other current liabilities	1,860	367
Current portion of long-term loan	8,893	1,409
Long term loan - net of current portion	168,969	83,107
Total liabilities	<u>179,722</u>	<u>84,883</u>
Net assets	<u>302,780</u>	<u>264,447</u>

(Unit: Thousand Baht)

For the years ended

31 December

	2011	2010
		(Restated)
Revenues	4	15
Administrative expenses	(603)	(1,445)
Exchange loss	(3)	-
Finance cost	(3,647)	(7)
Loss for the year	<u>(4,249)</u>	<u>(1,437)</u>

On 30 December 2008, International Lighterage Limited, a subsidiary of the Company (shareholding is through Precious Shipping (Mauritius) Limited), signed an agreement to buy 4.92 million shares of International Seaports (Haldia) Private Limited for a price of INR 110.46 million, from an existing shareholder. This transaction was to be effective only upon receipt of the appropriate approval from the relevant government agency in the associate's country. During the year 2009, in accordance with the agreement, the subsidiary made an advance payment for the share acquisition to the existing shareholder, amounting to INR 15.93 million or approximately Baht 11.54 million. This amount was recorded as advance for share acquisition in associate held by a subsidiary, under other non-current assets in the consolidated statement of financial position. Subsequently, the transaction was not completed since the conditions precedent to the completion of the transaction (particularly the receipt of statutory approvals) were not satisfied. Therefore, the agreement was cancelled and the subsidiary received the repayment in September 2010 of the whole amount of advance paid for the share acquisition.

17. Other long-term investment

In 2006, the Company acquired 2,026,086 ordinary shares in TMN Company Limited with a par value of Baht 10 each, representing a 3% equity interest. The Company paid up Baht 5 per share, or a total of Baht 10.13 million.

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

During the year ended 31 December 2011, the Company received dividend income from TMN Company Limited amounting to Baht 0.51 million (2010: none).

18. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Land and condominium units	Vessels and equipment			Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
		Vessels and equipment	Dry-dock and special survey expenses	Total				
Cost								
31 December 2010 (Restated)	215,517	10,316,527	547,426	10,863,953	50,869	15,767	10,592	11,156,698
Acquisitions/transfer in	636	3,182,412	120,859	3,303,271	811	1,301	-	3,306,019
Disposals/transfer out/write-off	-	-	(225,031)	(225,031)	(572)	(4,205)	-	(229,808)
Translation adjustment	11,017	604,439	22,057	626,496	2,600	678	541	641,332
31 December 2011	227,170	14,103,378	465,311	14,568,689	53,708	13,541	11,133	14,874,241
Accumulated depreciation								
31 December 2010 (Restated)	173,220	4,269,839	250,170	4,520,009	39,896	13,769	9,471	4,756,365
Depreciation for the year	11,875	438,337	190,061	628,398	4,133	1,655	502	646,563
Depreciation on disposals/transfer out/ write-off	-	-	(224,747)	(224,747)	(485)	(4,215)	-	(229,447)
Translation adjustment	9,258	232,988	9,692	242,680	2,165	622	502	255,227
31 December 2011	194,353	4,941,164	225,176	5,166,340	45,709	11,831	10,475	5,428,708
Net book value								
31 December 2010 (Restated)	42,297	6,046,688	297,256	6,343,944	10,973	1,998	1,121	6,400,333
31 December 2011	32,817	9,162,214	240,135	9,402,349	7,999	1,710	658	9,445,533
Depreciation for the year								
2011								646,563

(Unit: Thousand Baht)

Consolidated financial statements

	Land and condominium units	Vessels and equipment			Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
		Vessels and equipment	Dry-dock and special survey expenses	Total				
Cost (Restated)								
31 December 2009	238,259	11,941,816	726,070	12,667,886	58,187	17,450	11,722	12,993,504
Acquisitions/transfer in	245	726,506	230,778	957,284	4,783	-	-	962,312
Disposals/transfer out/write-off	-	(1,249,086)	(346,661)	(1,595,747)	(6,327)	-	-	(1,602,074)
Translation adjustment	(22,987)	(1,102,709)	(62,761)	(1,165,470)	(5,774)	(1,683)	(1,130)	(1,197,044)
31 December 2010	215,517	10,316,527	547,426	10,863,953	50,869	15,767	10,592	11,156,698
Accumulated depreciation (Restated)								
31 December 2009	178,866	5,228,878	336,385	5,565,263	44,656	13,039	8,243	5,810,067
Depreciation for the year	12,188	418,034	238,333	656,367	5,434	2,094	2,125	678,208
Depreciation on disposals/transfer out/ write-off	-	(927,082)	(294,762)	(1,221,844)	(5,633)	-	-	(1,227,477)
Translation adjustment	(17,834)	(449,991)	(29,786)	(479,777)	(4,561)	(1,364)	(897)	(504,433)
31 December 2010	173,220	4,269,839	250,170	4,520,009	39,896	13,769	9,471	4,756,365
Net book value (Restated)								
31 December 2009	59,393	6,712,938	389,685	7,102,623	13,531	4,411	3,479	7,183,437
31 December 2010	42,297	6,046,688	297,256	6,343,944	10,973	1,998	1,121	6,400,333
Depreciation for the year (Restated)								
2010								678,208

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
Cost				
31 December 2010 (Restated)	21,084	14,947	8,055	44,086
Acquisitions/transfer in	391	-	-	391
Disposals/transfer out/write-off	(567)	(3,380)	-	(3,947)
Translation adjustment	1,068	653	411	2,132
31 December 2011	21,976	12,220	8,466	42,662
Accumulated depreciation				
31 December 2010 (Restated)	13,333	12,948	6,935	33,216
Depreciation for the year	2,734	1,597	502	4,833
Depreciation on disposals/ transfer out/write-off	(478)	(3,380)	-	(3,858)
Translation adjustment	758	607	371	1,736
31 December 2011	16,347	11,772	7,808	35,927
Net book value				
31 December 2010 (Restated)	7,751	1,999	1,120	10,870
31 December 2011	5,629	448	658	6,735
Depreciation for the year				
2011				4,833

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
Cost (Restated)				
31 December 2009	25,912	16,542	8,913	51,367
Acquisitions/transfer in	4,028	-	-	4,028
Disposals/transfer out/write-off	(6,224)	-	-	(6,224)
Translation adjustment	(2,632)	(1,595)	(858)	(5,085)
31 December 2010	21,084	14,947	8,055	44,086
Accumulated depreciation (Restated)				
31 December 2009	16,969	12,131	5,999	35,099
Depreciation for the year	3,723	2,094	1,589	7,406
Depreciation on disposals/ transfer out/write-off	(5,549)	-	-	(5,549)
Translation adjustment	(1,810)	(1,277)	(653)	(3,740)
31 December 2010	13,333	12,948	6,935	33,216
Net book value (Restated)				
31 December 2009	8,943	4,411	2,914	16,268
31 December 2010	7,751	1,999	1,120	10,870
Depreciation for the year (Restated)				
2010				7,406

During the year ended 31 December 2010, local subsidiaries sold and delivered 5 vessels and had gains on sales of vessels and equipment totaling Baht 438.38 million as presented in the 2010 consolidated profit or loss.

As at 31 December 2011, certain vessels and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 128.04 million (2010: Baht 122.90 million) in the consolidated financial statements and Baht 21.56 million (2010: Baht 21.42 million) in the separate financial statements.

As at 31 December 2011, the subsidiaries have mortgaged 14 vessels (2010: 7 vessels) with net book value of Baht 6,394.78 million (2010: Baht 2,576.03 million) with banks to secure long-term loans as referred to in Note 26 to the financial statements.

19. Intangible assets

Details of intangible assets which are computer software are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
Cost				
Cost at beginning of year	50,217	52,900	50,217	52,900
Acquisitions	351	909	290	909
Transfer in from equipment	-	1,536	-	1,536
Translation adjustment	2,581	(5,128)	2,578	(5,128)
Cost at end of year	53,149	50,217	53,085	50,217
Accumulated amortisation				
Accumulated amortisation at beginning of year	19,868	10,726	19,868	10,726
Amortisation for the year	9,167	9,251	9,160	9,251
Transfer in from equipment	-	1,367	-	1,367
Translation adjustment	1,332	(1,476)	1,332	(1,476)
Accumulated amortisation at end of year	30,367	19,868	30,360	19,868
Net book value as at 31 December	22,782	30,349	22,725	30,349
Amortisation for the year	9,167	9,251	9,160	9,251

20. Advances for vessel purchase

During the year 2011, a local subsidiary entered into a Purchase Agreement termed as Memorandum of Agreement with an overseas company to purchase a second-hand vessel for a total of USD 19.50 million. The local subsidiary paid deposit of USD 12.50 million or approximately Baht 396.14 million. Subsequently, on 12 January 2012 the local subsidiary made the final balance payment and took the delivery of the vessel.

21. Advances for vessel constructions

The Company had Orders for Newbuilding Vessels as follows:

Vessel type	18 Bulk Carriers (12 Handysize vessels and 6 Supramax vessels)	4 Bulk Carriers (Supramax vessels)	3 Cement Carriers*
Acquirer	The Company	Special Purpose Subsidiaries (Acquired by the Company's subsidiary as mentioned in Note 14)	Jointly Controlled Entities (Special Purpose Subsidiaries)*
Shipbuilder	ABG Shipyard Ltd., India	Wuhan Guoyu Logistics Group Co. Ltd. and Yangzhou Guoyu Shipbuilding Co. Ltd., China	ABG Shipyard Ltd., India
Contract date	20 July 2007 for the 12 Handysize vessels, 14 September 2007 for 3 Supramax vessels and 11 February 2008 for 3 more Supramax vessels	10 December 2010 (Date of acquisition of the Special Purpose Subsidiaries which had placed the orders for the vessels in year 2006)	22 April 2010
Contract value	USD 30.00 million per Handysize vessel and USD 38.00 million per Supramax vessel (or USD 588.00 million in aggregate)	USD 24.50 million per vessel (or USD 98.00 million in aggregate)	USD 28.50 million per vessel (or USD 85.50 million in aggregate) The Company's shareholding is 50% and therefore, in all the contracts the Company's portion is 50% of the aggregate contract prices, which is USD 42.75 million.

Payment terms	The contract price will be paid in 5 installments of 20% each, with each installment (except the last installment, which would be payable on delivery) paid only on the submission of a bank guarantee in favor of the Company.	The contract price will be paid in 5 installments of 20% each, with each installment (except the last installment, which would be payable on delivery) paid only on the submission of a bank guarantee in favor of each SPC subsidiary.	The contract price will be paid in 5 installments of 20% each, with each installment (except the last installment, which would be payable on delivery) paid only on the submission of a bank guarantee in favor of each SPC subsidiary.
Expected delivery schedule	2011 to 2014	2012	2012 to 2013

* The Jointly Controlled Entity may order one more vessel (through another wholly owned SPC subsidiary) if the charterer, as mentioned in Note 37.4 to the financial statements exercises the option to take one more vessel on time charter. The total amount to be paid for acquiring 4 vessels (if the option for the 4th vessel is exercised) would be USD 114.00 million out of which the Company's share (50%) would be USD 57.00 million.

As at 31 December 2011 and 2010, advances for vessel constructions are presented below.

	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
Balance at beginning of year	8,548,113	7,593,351	7,112,688	7,593,351
Additions	1,651,253	1,436,258	1,111,297	197,219
Acquisitions of subsidiaries (Note 14)	-	204,774	-	-
Interest costs	47,744	59,927	44,171	59,869
Amortisation of financial fees	1,802	3,043	1,565	3,038
Other direct costs	41,794	17,038	26,918	16,879
Sales of new shipbuildings under Novation Agreements	(1,848,405)	-	(1,848,405)	-
Transfer to cost of vessel and equipment of a subsidiary	(918,294)	-	(918,294)	-
Adjustment	(979)	(6,055)	(979)	(6,055)
Translation adjustment	376,161	(760,223)	286,060	(751,613)
Balance at end of year	7,899,189	8,548,113	5,815,021	7,112,688
Less: Current portion of advances for vessel constructions	(1,327,296)	-	(1,327,296)	-
Advances for vessel constructions - net of current portion	<u>6,571,893</u>	<u>8,548,113</u>	<u>4,487,725</u>	<u>7,112,688</u>

During the years, the Company, subsidiaries and jointly controlled entities made payment of installments to the shipbuilders as below.

	2011		2010	
	(Million USD)	(Equivalent to Million Baht)	(Million USD)	(Equivalent to Million Baht)
The Company	36.47	1,111.30	6.00	197.22
Subsidiaries	14.70	453.55	29.40	885.35
Jointly controlled entity - proportion with the Company's shareholding (50%)	2.85	86.40	11.40	353.69
Total	54.02	1,651.25	46.80	1,436.26

During the year ended 31 December 2011, the amount of borrowing costs capitalised was Baht 47.74 million (2010: Baht 59.93 million) in the consolidated financial statements and Baht 44.17 million (2010: Baht 59.87 million) in the separate financial statements. The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 1.44% - 2.97% (2010: 1.45% - 2.70%) in the consolidated financial statements and was 1.44% - 1.74% (2010: 1.45% - 1.74%) in the separate financial statements.

Novation of new Shipbuilding Contracts

On 18 March 2011 and 21 December 2011, the Company signed 4 Novation Agreements with Global Bulk Carriers Pte. Ltd. (the "New Buyer"), for disposal of the 4 new Shipbuilding Contracts, signed between the Company and ABG Shipyard Ltd., India. Since the estimated revised Delivery Dates under the terms of the existing Shipbuilding Contracts were not suitable for the Company, the Company opted to dispose of the Contracts because the disposal in this manner and on these terms allowed the Company to fully recover all installments paid to the Builder plus interest at 7.50% per annum from the dates of payment of the respective installments plus an additional amount of USD 100,000 per new Shipbuilding Contract.

Details of the 4 new Shipbuilding Contracts' disposals during the year ended 31 December 2011 are as follows:

Vessel Hull No.	DWT	Shipbuilding Contract Date	Contract Amount (USD)	Installments paid to the Builder by the Company (USD)
329	32,000	20 July 2007	29,999,997	17,999,997
330	32,000	20 July 2007	29,999,997	17,999,997
313	54,000	14 September 2007	37,999,998	22,799,998
333	32,000	20 July 2007	29,999,997	17,999,997

During the year ended 31 December 2011, the Company received in aggregate USD 71.47 million as the novation proceeds from the disposal of 3 new Shipbuilding Contracts (Vessel Hull Nos. 329, 330 and 313). The gains on sales of the new Shipbuilding Contracts under the Novation Agreements amounting to USD 10.52 million or approximately Baht 319.17 million were recorded in the consolidated and separate profit or loss for the year ended 31 December 2011.

Novation of the Shipbuilding Contract for the Vessel Hull No. 333 was signed on 21 December 2011. Under the terms of the Novation, the New Buyer shall pay to the Company as follows:

If the payment is made on Initial Payment Date (31 May 2012)	If the payment is made during the Extended Payment Period (1 – 20 June 2012)
An amount equal to USD 22,839,174	Aforesaid amount (USD 22,839,174) plus interest accrued on an amount of USD 17,999,997 (installments paid to the Builder) at a rate of 7.5% per annum from 31 May 2012 to the date of such payment. Therefore, if the payment is made on the last date of the Extended Payment Period above on 20 June 2012, the maximum Total Amount will be USD 22,913,147

Delivery of vessel under the new Shipbuilding Contract

On 14 June 2011, the first vessel under one of the Newbuilding Contracts with ABG Shipyard Ltd., India was completed and delivered to the Company's indirect subsidiary incorporated in Singapore (Precious Forests Pte. Limited). The Company therefore transferred advance for vessel construction and other direct costs which were relevant to the vessel, totaling USD 30.27 million or approximately Baht 918.29 million, and recorded as cost of vessel and equipment of the aforesaid indirect subsidiary.

22. Deferred financial fees

Movements of the deferred financial fees account during the years ended 31 December 2011 and 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
Balance at beginning of year	329,044	276,111	324,784	276,111
Additions	40,085	109,052	-	103,376
Transfer to present as a deduction against long-term loans	(89,849)	(28,496)	(6,063)	(7,362)
Transfer to subsidiaries as a borrower	-	-	(82,317)	(19,716)
Write-off	(81,749)	-	(81,749)	-
Adjustment	-	6,055	-	6,055
Translation adjustment	14,301	(33,678)	13,500	(33,680)
Balance at end of year	<u>211,832</u>	<u>329,044</u>	<u>168,155</u>	<u>324,784</u>

During the year 2011, the Company has written off Baht 81.75 million being a part of the deferred financial fees paid in earlier years due to the loan prepayment and reduction of loan facilities. The amount of write-off has been estimated on a pro-rata basis to the amount of reduction of the facilities.

23. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
Trade payables - related parties	91	853	32	433
Trade payables - unrelated parties	33,059	10,168	491	222
Advance received from related parties	-	-	3,430,581	2,526,929
Total trade and other payables	<u>33,150</u>	<u>11,021</u>	<u>3,431,104</u>	<u>2,527,584</u>

24. Accrued employee bonus

As at 31 December 2011 and 2010, accrued employee bonus can be separated based on the year the payment is to be made to employees, as follows:

(Unit: Thousand Baht)

Payable within	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
1 year	66,761	136,458	61,556	125,410
2 - 3 years	54,028	76,278	49,836	70,046
Total	120,789	212,736	111,392	195,456

25. Provision for maritime claims

(Unit: Thousand Baht)

	Consolidated financial statements	
	2011	2010 (Restated)
Balance at beginning of year	67,237	192,431
Increase during the year	24,222	11,182
Decrease during the year	(29,780)	(119,548)
Translation adjustment	2,958	(16,828)
Balance at end of year	64,637	67,237

26. Long-term loan facilities

As at 31 December 2011 and 2010, long-term loans accounts are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements							
	Loan facilities for financing the construction and acquisition of new vessels				Loan facilities for purchasing of vessels			
	Facility 1		Facility 2		Facility 1		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
		(Restated)		(Restated)		(Restated)		(Restated)
Long-term loans	2,782,249	3,413,127	180,640	85,931	4,189,231	1,464,008	7,152,120	4,963,066
Less: Deferred financial fees	(15,536)	(17,331)	(2,778)	(1,415)	(107,431)	(30,622)	(125,745)	(49,368)
Total	2,766,713	3,395,796	177,862	84,516	4,081,800	1,433,386	7,026,375	4,913,698
Less: Current portion of long-term loans	(329,924)	(23,997)	(8,893)	(1,409)	(379,732)	(121,990)	(718,549)	(147,396)
Long-term loans - net of current portion	2,436,789	3,371,799	168,969	83,107	3,702,068	1,311,396	6,307,826	4,766,302

(Unit: Thousand Baht)

	Separate financial statements	
	Loan facilities for financing the construction and acquisition of new vessels	
	Facility 1	
	2011	2010 (Restated)
Long-term loans	2,155,001	3,413,127
Less: Deferred financial fees	(11,399)	(17,331)
Total	2,143,602	3,395,796
Less: Current portion of long-term loans	(286,951)	(23,997)
Long-term loans - net of current portion	<u>1,856,651</u>	<u>3,371,799</u>

Movements in the long-term loan accounts during the year ended 31 December 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Loan facilities for financing the construction and acquisition of new vessels		Loan facilities for purchasing of vessels	
	Facility 1	Facility 2	Facility 1	Total
	Facility 1	Facility 2	Facility 1	Total
Balance at beginning of year (Restated)	3,395,796	84,516	1,433,386	4,913,698
Add: Drawdown	1,497,398	86,399	2,869,728	4,453,525
Amortisation of financial fees	1,879	237	8,153	10,269
Write-off from sales of new shipbuildings under Novation Agreements	7,765	-	-	7,765
Less: Deferred financial fees	(6,063)	(1,469)	(82,317)	(89,849)
Repayment	(2,273,338)	-	(182,386)	(2,455,724)
Unrealised exchange gains	-	-	(75,065)	(75,065)
Adjustment	(979)	-	-	(979)
Translation adjustment	144,255	8,179	110,301	262,735
Balance at end of year	<u>2,766,713</u>	<u>177,862</u>	<u>4,081,800</u>	<u>7,026,375</u>

(Unit: Thousand Baht)

	Separate financial statements
	Loan facilities for financing the construction and acquisition of new vessels
	Facility 1
Balance at beginning of year (restated)	3,395,796
Add: Drawdown	842,227
Amortisation of financial fees	1,565
Write-off from sales of new shipbuildings under Novation Agreements	7,765
Transfer to subsidiary	4,270
Less: Deferred financial fees	(6,063)
Repayment	(2,218,244)
Adjustment	(979)
Translation adjustment	117,265
Balance at end of year	<u>2,143,602</u>

The details of each loan facility are summarised as follows:

26.1 Loan facility for financing the construction and acquisitions of new vessels (Newbuildings)

Facility 1

On 3 July 2008, the Company entered into a secured loan agreement with overseas and local commercial banks to obtain a loan facility of USD 398.40 million carrying interest at LIBOR plus margin. The loan was to be used to finance the construction and acquisition of 15 new vessels (9 handysize vessels and 6 supramax vessels) out of the 18 new vessels already ordered by the Company and the total loan amount was equivalent to 80% of the aggregate contract prices of the 15 vessels.

Subsequently, during the year ended 31 December 2011 the Company novated the 4 New Shipbuilding Contracts for Vessel Hull Nos. 329, 330, 313 and 333 per details provided in Note 21 to the financial statements, and thereafter, the Company prepaid the loans drawn against the aforesaid Contracts and cancelled the undrawn balance loan facility against the aforesaid Contracts.

The details of the prepayment and cancellation are as follows:

Hull No.	Loan Prepayment Amount (USD)	Loan Facility Cancellation Amount (USD)	Prepayment & Cancellation Date
329	11,999,998	12,000,000	26 April 2011
330	11,999,998	12,000,000	7 April 2011
313	15,199,999	15,200,000	26 July 2011
333	11,999,998	12,000,000	25 October 2011

The drawing, final maturity, repayment and security of the above loan facility is summarised as follows:

Facility / Description	Pre-delivery facility	Post-delivery facility
Drawing	As per milestones in the shipbuilding contracts whereby the aggregate of all drawings per vessel would be equivalent to 60% of the contracted price of each vessel	100% of the post-delivery facility amount equivalent to 80% of the contracted price of each vessel is to be drawn upon delivery of the respective vessel out of which the entire pre-delivery facility amount of each vessel will be repaid.
Final maturity	Delivery of each vessel	10 years from delivery of the first vessel
Repayment	To be repaid in one lump sum upon delivery of the respective vessel	Each tranche (aggregate drawings in respect of each vessel) is to be amortised (repaid) in quarterly installments, each equivalent to 1/60th of the post-delivery facility amount, and in a balloon amount equal to the balance under such tranche on final maturity. The first quarterly repayment of each tranche shall commence 3 months after delivery of each respective vessel.
Security	<ul style="list-style-type: none"> a) Corporate guarantee from the Company if the Company is not a joint borrower b) 1st priority assignment of the shipbuilding contracts c) 1st priority assignment of the refund guarantees by the refund guarantors given in relation to the shipbuilding contracts with the Company 	<ul style="list-style-type: none"> a) 1st priority mortgage over the vessels b) Pledge of the vessel-owning subsidiaries' shares c) Corporate guarantee from the Company if the Company is not a joint borrower d) 1st priority assignment of requisition compensation in respect of the vessels e) 1st priority assignment of all insurance proceeds f) 1st priority assignment of the earnings of the vessels and pledge over the earnings and retention account of each vessel

The Loan Agreement contains covenants that, among other things, require the Company to maintain certain financial ratios which include:

- a) maintenance of a funded debt to total shareholders' equity ratio not exceeding 2:1
- b) maintenance of a funded debt to EBITDA ratio not exceeding 5:1
- c) maintenance of minimum free liquidity of USD 100,000 per vessel

Facility 2

On 28 October 2010, ABC One Pte. Ltd., one of the three Singapore registered subsidiaries (referred to as the "SPC subsidiary" in this note) of Associated Bulk Carriers Pte. Ltd., the Jointly Controlled Entity (ABC Company) where the Company holds 50% interest, entered into a Secured Loan Agreement of USD 22.80 million with an international bank to fund 80% of the Contract Price of the new cement carrier ordered by the subsidiary on 22 April 2010. The loan carries interest at LIBOR plus margin. The drawing, final maturity, repayment and security of the loan facility is summarised as follows:

Facility / Description	Pre-delivery facility	Post-delivery facility
Drawing	As per milestones in the shipbuilding contract whereby the aggregate of all drawings would be equivalent to 60% of the contract price of the vessel	100% of the post-delivery facility amount equivalent to 80% of the contracted price of vessel is to be drawn upon delivery of the vessel out of which the entire pre-delivery facility amount (60% of the contract price) will be repaid.
Final maturity	Delivery of vessel	10 years from delivery of the vessel
Repayment	To be repaid in one lump sum (from post-delivery facility) upon delivery of vessel	The aggregate drawings (the post-delivery facility amount) are to be repaid in quarterly installments, each equivalent to 1/60th of the post-delivery facility amount with the balance payable as a balloon with last repayment installment on maturity. The first quarterly repayment shall commence 3 months after delivery of the vessel.
Security	<ol style="list-style-type: none"> a) Corporate Guarantee from Associated Bulk Carriers Pte. Limited (the Shareholder of the SPC subsidiary) b) Several but not Joint Corporate 	<ol style="list-style-type: none"> a) 1st priority mortgage over the vessel b) 1st priority assignment of Earnings and Time Charter with Charterer c) Several but not Joint Corporate Guarantees from the Company and the JV Partner's 2 companies

Facility / Description	Pre-delivery facility	Post-delivery facility
	<p>Guarantees from the Company and the JV Partner's 2 Companies in proportion to the respective partner's interest in the SPC subsidiary, which is 50% from the Company and 50% from the JV partner</p> <p>c) 1st priority assignment of the shipbuilding contract</p> <p>d) 1st priority assignment of the refund guarantees by the refund guarantors given in relation to the shipbuilding contract</p>	<p>in proportion to the respective partner's interest (50% holding by each partner) in the SPC subsidiary for an aggregate amount of upto USD 8 million. Therefore, the maximum amount of the Guarantee of the Company shall be USD 4 million.</p> <p>d) Pledge of the shares of ABC One Pte. Ltd. (the SPC subsidiary)</p> <p>e) 1st priority assignment of insurance proceeds</p> <p>f) 1st priority assignment of the earnings of the vessel and pledge over the earnings account and retention account of the vessel</p>

The Secured Loan Agreement contains covenants that, among other things, require ABC One Pte. Ltd. (and the Shareholder, viz. Associated Bulk Carriers Pte. Limited) to maintain certain financial ratios which include:

- a) maintenance of EBITDA of no less than 1.1 times of Total Debt Service
- b) maintenance of Total Shareholders' Equity to the aggregate of Total Shareholders' Equity and Total Debt of no less than 20%.

Facility 3

On 14 October 2011, the four Single Purpose Companies (SPCs) in Singapore of the Company's subsidiary have executed an USD 84.96 million Loan Agreement with ING Bank N.V., Singapore Branch and DnB NOR Bank ASA, Singapore Branch to finance up to 80% of the Total Acquisition Cost of the 4 new Supramax 57,000 dwt Dry Bulk vessels ordered by the SPCs to be built in China. The loan carries interest at LIBOR plus margin. The drawing, final maturity, repayment and security of the loan facility is summarised as follows:

Facility / Description	Pre-delivery facility	Post-delivery facility
Drawing	Each request for drawdown, other than the portion of acquisition cost pertaining to the share purchase consideration shall be in accordance with the relevant shipbuilding contract(s).	100% of the post-delivery facility amount is to be drawn upon delivery of the respective vessels.
Final maturity	8 years after final drawdown of each vessel tranche	8 years after final drawdown of each vessel tranche
Repayment	To be repaid in one lump sum upon delivery of the respective Vessel from the proceeds of the post-delivery drawdown	For each Vessel, in 32 equal quarterly installments of USD 354,000 and a balloon repayment of USD 9,912,000 together with the last installment. The first repayment installment to be due 3 months after the final drawdown of each vessel. At final maturity, all amounts outstanding shall be repaid and the respective vessel tranches reduced to zero.
Security	<ul style="list-style-type: none"> a) Pledge of shares of the borrowers b) First priority assignment of refund guarantees issued by the China Merchants Bank, or any other banks/financial institutions acceptable to the lenders c) First priority assignment of the shipbuilding contracts d) Corporate guarantee from the Company 	<ul style="list-style-type: none"> a) Pledge of shares of the borrowers b) First priority mortgage on the vessels c) First priority assignment of earnings and time charters d) First priority pledge over the earnings accounts with the security agent e) First priority assignment of all insurances and requisition compensation of the vessels f) Corporate guarantee from the Company g) All the above post-delivery securities to be cross collateralised

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

- a) maintenance of the maximum Funded Debt to Total Shareholders' Equity ratio of 2:1
- b) maintenance of the maximum Funded Debt to EBITDA ratio of 5:1
- c) maintenance of a minimum Free Cash Balance of USD 100,000 per vessel owned by the Precious Group

26.2 Loan facilities for purchasing of vessels

Facility 1

On 23 February 2009, 29 October 2009 and 5 February 2010, the Company and local subsidiaries entered into an amended and restated agreement (of the main agreement dated 18 January 2007), with local commercial banks to obtain credit facilities, as detailed below.

- a) A term loan of Baht 8,750.00 million carrying interest at MLR minus 1.00% per annum. The loan is to be used for purchase of vessels, to be drawn down within 29 December 2010 (availability period), and to be repaid in equal quarterly installments over a period of 12 years (commencing after the completion of a grace period of one year from the date of first drawdown).
- b) A foreign currency exchange facility of USD 5.00 million.
- c) A swap facility of Baht 8,750.00 million is to be used for convert the Thai Baht loan (as and when the facility is drawn) to convert into US Dollar so that there is no foreign exchange exposure for the Company and local subsidiaries when the loan facility is utilised. The swap period and payments correspond to the drawdown and loan repayment schedule. A swap fee is payable at a fixed rate per annum based on the market rates as and when the loan drawdowns are made and converted into US Dollar.

The loan facilities secured by the mortgage of the subsidiaries' vessels, the pledge of the subsidiaries' shares, the assignment of the beneficiary rights under the insurance policies for the mortgaged vessels of the subsidiaries, and the assignment of the revenues earned from the mortgaged vessels of the subsidiaries to the lenders.

The loan facility agreement contains covenants that, among other things, require the Company and subsidiaries to maintain certain financial ratios which include:

- a) maintenance of a total debt to total shareholders' equity ratio not exceeding 2:1
- b) maintenance of a total debt to EBITDA ratio not exceeding 5:1
- c) maintenance of minimum free liquidity of USD 100,000 per vessel
- d) maintenance of debt service coverage ratio of at least 1.1:1

During the year 2010, a local subsidiary had drawn down Baht 768.08 million from the facility from the local commercial banks and the entire loan has been converted to a dollar loan of USD 23.75 million with the said local commercial banks in order to hedge the foreign exchange rate exposure associated with the loans. The swap period and

payments correspond to the drawdown and loan repayment schedule. A swap fee is payable at a fixed rate per annum based on the market rates as and when the loan drawdowns are made and converted into US Dollar.

On 31 January 2011, the Company executed the amendment of the Secured Loan Facility Agreement (to fund the acquisition of second-hand vessels) with Krung Thai Bank PCL and two other local Banks to (i) convert the unutilised portion of the Tranche A Facility at the end of the Tranche A Availability Period into a USD facility in the amount of USD 200 million, (ii) extend the availability period of the Facility upto 29 December 2011, (iii) expand the scope of the utilisation of the Hedging Facility to allow for interest rate swaps and extend the Hedging Availability Period.

During the year 2011, 4 local subsidiaries had drawn down USD 92.00 million from this facility and the undrawn facility was reduced to USD 108.00 million.

The availability period of this facility for purchasing of vessels expired on 29 December 2011. The Company is in discussions with the Lenders to extend USD 50.00 million out of the undrawn facility of USD 108.00 million and the balance of USD 58.00 million will therefore be automatically cancelled.

Facility 2

On 14 January 2010, the Company entered into a new Secured Term Loan Facility Agreement of USD 250.00 million with the Bangkok Branch of an international bank and 4 local banks to fund additional second-hand vessels which the Company may want to buy. The loan is carrying interest at LIBOR plus margin. The loan is to be used for purchase of vessels, to be drawn down within 30 June 2011 (availability period), and to be repaid in equal quarterly installments over a period of 8 years commencing from the end of the availability period.

The loan facility has to be secured by the mortgage of the shipowning subsidiaries' vessels, the pledge of the subsidiaries' shares, the assignment of the beneficiary rights under the insurance policies for the mortgaged vessels of the subsidiaries, and the assignment of the revenues earned from the mortgaged vessels of the subsidiaries to the lenders when the facility is drawn down.

The Loan Agreement contains covenants that, among other things, require the Company and subsidiaries to maintain certain financial ratios which include:

- a) maintenance of net funded debt to total shareholders' equity ratio not exceeding 2:1
- b) maintenance of net funded debt to EBITDA ratio not exceeding 5:1
- c) maintenance of minimum free cash balance of USD 100,000 per vessel
- d) maintenance of debt service coverage ratio of at least 1.1:1

The availability period of facility 2 for purchasing of vessels expired on 30 June 2011. Subsequently, on 18 July 2011, the Company has executed the amending and restating agreement of the Secured Term Loan Facility Agreement (originally) up to USD 250.00 million to fund the acquisition of additional second-hand vessels with the lending Banks for the extension of the availability period of the Facility upto 30 June 2012 and for the withdrawal of one local Bank as one of the original Lenders, thereby reducing the amount of the total loan facility to USD 200.00 million.

As at 31 December 2011, the Company, subsidiaries and jointly controlled entity have long-term loan facilities which have not yet been drawn as summarised below.

(Unit: Million USD)

Facility	Maximum facility amount per loan agreement	Undrawn loan balance as at 31 December 2011
Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)		
Facility 1	296.00	204.00
Facility 2	22.80	11.40
Facility 3	84.96	84.96
Loan facilities for purchasing of vessels		
Facility 1	200.00	108.00
Facility 2	200.00	200.00

The undrawn loan balance of loan facility for financing the construction and acquisition of new vessels facility 2 as at 31 December 2011 is USD 11.40 million. Since the Company holds 50% of the total shareholding in the SPC subsidiary (through the ABC Company), the maximum facility amount per contract and the undrawn loan balance as at 31 December 2011 of the Company's portion is 50% of the aggregate amount, which is USD 5.70 million.

27. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011, which is compensation payable on employees' retirement, is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 5)	57,408	51,551
Current service cost	3,849	3,721
Interest cost	2,082	2,016
Translation adjustment	(316)	(287)
Balance at end of year	<u>63,023</u>	<u>57,001</u>

Long-term employee benefit expenses included in the profit or loss for the year ended 31 December 2011 amounted to Baht 5.93 million in the consolidated financial statements and Baht 5.74 million in the separate financial statements.

Principle actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.7%	4.7%	4.7%	4.7%
Average future salary increase rate	6.5%	6.5%	6.5%	6.5%
Staff turnover rate	2.0% - 5.0%	2.0% - 5.0%	2.0% - 5.0%	2.0% - 5.0%

28. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

According to Section 1202 of the Thai Civil and Commercial Code, a subsidiary (incorporated under Thai Laws) is required to set aside a statutory reserve equal to at least 5% of its profit each time the company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

29. Corporate social responsibility (CSR) reserve

The Company has earmarked 0.5% of its profit for the year as a reserve towards CSR activities. The Company expects to earmark amounts based on the same percentage of profit annually on a cumulative basis, but subject to a minimum of Baht 1.75 million and a maximum of Baht 25.00 million per year. The reserve was approved by a meeting of the Board of Directors of the Company on 14 August 2008.

During the year 2011, the Company set aside Baht 3.59 million (2010: Baht 4.52 million) to a reserve for CSR activities and reversed Baht 2.60 million (2010: Baht 27.97 million) from the reserve when the Company made related payments against the reserve.

30. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Salary, wages and other benefits of employees and crews	745,205	780,205	202,341	228,335
Rental expenses from operating lease agreements	5,321	5,101	3,887	3,704

31. Corporate income tax

No corporate income tax was payable for the years 2011 and 2010, since the Company had tax losses brought forward from previous years.

Corporate income tax of the local subsidiaries has been calculated at the rate of 30% on the profit from the non-exempt activities, after adding back certain provisions and expenses which are disallowed for tax computation purposes.

In accordance with the Director - General's Notification on Income Tax No. 72 dated 1 January 1998, the local subsidiaries are exempted from the payment of income tax on their marine transportation income. In addition, the subsidiaries are exempted from the payment of income tax on their marine transportation business under the provisions of the Investment Promotion Act B.E. 2520. Income tax on income from sales of vessels of local subsidiaries can be exempted subject to certain imposed

conditions as stipulated in the Royal Decree issued under the Revenue Code No. 299 on reduction of or exemption from income taxes, dated 21 September 1996. The conditions include the purchase of vessels to replace sold vessels and registration of the vessel under the Thai flag, within one year of the sale. The replacement vessel must also have a useful life no shorter and a capacity no smaller than the sold vessel. If income from sales of vessels is qualified for exemption, the remaining cost of the sold vessel may not be treated as an expense in determining net income for tax purposes.

Corporate income tax of the overseas subsidiaries has been calculated by applying the applicable statutory rates of the relevant countries.

As at 31 December 2011, the Company and subsidiaries has unused tax losses of Baht 1,193.41 million (2010: Baht 1,276.98 million) (The Company only: Baht 1,009.47 million (2010: Baht 1,166.28 million)). Deferred tax assets have not been recognised in respect of those losses as they may not be used to offset future taxable profits.

32. Promotional privileges

The Company has been granted promotional privileges under the Investment Promotion Act, as approved by the Board of Investment under BOI certificate No. 1405/2550 dated 23 March 2007. Subject to certain imposed conditions, the significant privileges are the rights to employ skilled foreigners to work within the scope of duties approved by the Board of Investment and for the period for which they are permitted to stay in Thailand, permission to own land in an amount considered appropriate by the Board of Investment, and permission to transfer funds in or out of Thailand in foreign currencies.

Under the provisions of the Investment Promotion Act B.E. 2520, the subsidiaries were granted certain promotional privileges for their marine transportation. The promotional privileges include, among other things, exemption from the payment of income tax for a period of 8 years commencing as from the date of first earning operating income on the condition that the vessels owned by the subsidiaries are registered in Thailand. As at 31 December 2011, the subsidiaries have registered their 11 vessels (2010: 11 vessels) under the Thai flag.

Revenues and expenses for 2011 and 2010 (before eliminating related transactions), classified between promoted and non-promoted operations can be summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations				Total	
			Operations exempted from corporate income tax in accordance with the Director-General's Notification on Income Tax No. 72		Operations not eligible for corporate income tax exemption			
	2011	2010	2011	2010	2011	2010	2011	2010
		(Restated)		(Restated)		(Restated)		(Restated)
Revenues	1,557,487	1,893,213	1,310,063	1,206,702	1,522,956	1,984,274	4,390,506	5,084,189
Costs and expenses	(1,056,272)	(966,354)	(960,607)	(634,184)	(984,530)	(826,344)	(3,001,409)	(2,426,882)

33. Basic earnings per share

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

34. Segment information

The Company and its subsidiaries' operations involve the business of owning and internationally operating (chartering) small handy sized and supramax dry bulk vessels, on a tramp shipping basis without any set routes. This is the only industry segment in which the Company and its subsidiaries mainly operate and almost entire revenues are generated from this segment. As such, no segmental bifurcation is applicable since the operations are mainly limited to only one aforesaid segment.

The business activity in the segment, i.e. the chartering of the vessels, is undertaken in two ways, viz., Time charter and Voyage charter. Under Time charter, the charterer (customer) pays charter hire (at an agreed daily rate, almost always in US Dollars) to operate the vessel for an agreed time period. In this case, the charterer bears all voyage expenses including port disbursements and costs of bunker fuel. Under Voyage charter, the charterer pays freight on a per ton basis (almost always in US Dollars) to transport a particular cargo between two or more designated ports. In this case, the Company (or subsidiary) 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 Company's and subsidiaries' control. As such, reporting by

geographical segments would not be practical or meaningful, and could in fact be misleading.

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

(Unit: Thousand Baht)

	Consolidated financial statements									
	Time charter		Voyage charter		Total		Elimination		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Hire income	2,147,190	2,786,691	-	-	2,147,190	2,786,691	(44,540)	(40,738)	2,102,650	2,745,953
Freight income	-	-	1,133,442	185,132	1,133,442	185,132	(157,177)	(2,794)	976,265	182,338
Total vessel operating income	2,147,190	2,786,691	1,133,442	185,132	3,280,632	2,971,823	(201,717)	(43,532)	3,078,915	2,928,291
Voyage disbursements	-	-	(333,022)	(69,967)	(333,022)	(69,967)	201,717	43,532	(131,305)	(26,435)
Bunker consumption	-	-	(327,084)	(5,169)	(327,084)	(5,169)	-	-	(327,084)	(5,169)
Total voyage expenses	-	-	(660,106)	(75,136)	(660,106)	(75,136)	201,717	43,532	(458,389)	(31,604)
Net vessel operating income/time charter equivalent income	2,147,190	2,786,691	473,336	109,996	2,620,526	2,896,687	-	-	2,620,526	2,896,687

35. Provident fund

The Company and subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company/the subsidiaries contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Kasikornbank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2011, the Company and subsidiaries contributed Baht 2.66 million (2010: Baht 2.64 million) to the provident fund (Separate financial statements: Baht 2.41 million, 2010: Baht 2.40 million).

36. Dividends paid

The dividends were approved for paying to the Company’s ordinary shareholders as at the closing date of the share register, after deduction of the shares held by the registrar (Thailand Securities Depository Co., Ltd. for Depositors who are both Thai and Foreign shareholders), which are disqualified from receiving dividend, from the total number of shares outstanding (1,039,520,600 shares).

Details of dividends declared and payments in the year 2011 consist of the following:

	Approved by	Qualified ordinary share (shares)	Shares held by the registrar (shares)	Dividend per share (Baht)	Dividend paid (Million Baht)	Paid date
a) Interim dividend based on the retained earnings as of 30 September 2011	Board of Directors' meeting on 3 November 2011	1,039,379,450	141,150	0.15	155.90	1 December 2011
b) Interim dividend based on the retained earnings as of 30 June 2011	Board of Directors' meeting on 4 August 2011	1,039,376,100	144,500	0.15	155.91	2 September 2011
c) Interim dividend based on the retained earnings as of 31 March 2011	Board of Directors' meeting on 12 May 2011	1,039,373,000	147,600	0.10	103.94	8 June 2011
d) Final dividend based on the retained earnings as of 31 December 2010	Annual General Meeting of the shareholders on 14 March 2011	1,039,378,200	142,400	0.22	228.66	25 March 2011
Total				<u>0.62</u>	<u>644.41</u>	

Details of dividends declared and payments in the year 2010 consist of the following:

	Approved by	Qualified ordinary share (shares)	Shares held by the registrar (shares)	Dividend per share (Baht)	Dividend paid (Million Baht)	Paid date
a) Interim dividend based on the retained earnings as of 30 September 2010	Board of Directors' meeting on 3 November 2010	1,039,380,600	140,000	0.20	207.88	30 November 2010
b) Interim dividend based on the retained earnings as of 30 June 2010	Board of Directors' meeting on 5 August 2010	1,039,260,900	259,700	0.20	207.85	2 September 2010
c) Interim dividend based on the retained earnings as of 31 March 2010	Board of Directors' meeting on 6 May 2010	1,039,378,400	142,200	0.25	259.84	4 June 2010
d) Final dividend based on the retained earnings as of 31 December 2009	Annual General Meeting of the shareholders on 17 March 2010	1,039,371,120	149,480	0.60	623.62	29 March 2010
Total				<u>1.25</u>	<u>1,299.19</u>	

37. Commitments and contingent liabilities

37.1 Vessel building contracts commitments

As at 31 December 2011 and 2010 the Company, subsidiaries and jointly controlled entity had future minimum payment commitments under vessel building contracts as detailed below.

	2011		2010	
	(Million USD)	(Equivalent to Million Baht)	(Million USD)	(Equivalent to Million Baht)
The Company	268.40	8,505.92	357.20	10,770.05
Subsidiaries	53.90	1,708.15	68.60	2,068.38
Jointly controlled entity - proportion with the Company's shareholding (50%)	28.50	903.20	31.35	945.24
Total	350.80	11,117.27	457.15	13,783.67

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

As at 31 December 2011, the Company and subsidiaries had obligations in respect of the charges for management of the undrawn portion of loan facilities, which can be summarised as follows:

Facility	Commitment fees payable by Company	Undrawn loan balance as at 31 December 2011 (Million USD)	Terms of payment of commitment fees	Payable upto
Loan facilities for financing the construction and acquisition of new vessels (Newbuildings)				
Facility 1	0.35% per annum of undrawn loan balance	204.00	Every three months until the end of the drawdown period	Upon delivery of each vessel
Facility 2	1.20% per annum of undrawn loan balance	11.40	Every three months until the end of the drawdown period	Upon delivery of the vessel
Facility 3	1.15% per annum of undrawn loan balance	84.96	Every three months until the end of the drawdown period	Upon delivery of the vessel
Loan facilities for purchasing of vessels				
Facility 1	1.00% per annum of undrawn loan balance	108.00	Every three months until the end of the drawdown period	29 December 2011
Facility 2	0.70% per annum of undrawn loan balance	200.00	Every three months until the end of the drawdown period	30 June 2012

Loan facility for financing the construction and acquisition of new vessels (Facility 2) the maximum facility amount per contract is USD 22.80 million and the undrawn loan balance as at 31 December 2011 is USD 11.40 million. Since the Company holds 50% of the total shareholding in the SPC subsidiary (through the ABC Company), the

maximum facility amount per contract and the undrawn loan balance as at 31 December 2011 of the Company's portion is 50% of the aggregate amount, which is USD 11.40 million and USD 5.70 million, respectively.

Availability period of Facility 1 for purchasing of vessels expired on 29 December 2011. As such, the obligation in respect of commitment fees stated above for the facility is no longer valid but shall be replaced by new obligation after the facility is extended.

37.3 Uncalled portion of other long-term investment

As at 31 December 2011, the Company has a commitment of Baht 10.13 million in respect of the uncalled portion of other long-term investment (2010: Baht 10.13 million).

37.4 Long-term time charter commitments

Pursuant to a Memorandum of Understanding signed in October 2009, on 2 December 2009, the Company signed Long-Term Time Charter Contracts with a company incorporated in India (the charterer) for 4 (3 definite vessels, plus an additional vessel at Charterer's option to be declared within 30 April 2011 as extended now upto 25 February 2012) new cement carriers. The charter periods under the contracts are 15 years, with a fixed charter rate per day as stipulated in the contracts. There is an option to extend the charter period twice by blocks of 5 years, with reduced charter rates as stipulated in the contracts. The vessels are new custom-built cement carriers, which have to be delivered to the charterer as per the committed schedule during 2011 to 2014. If the vessels are not delivered to the charterer within the agreed schedule, there is a fine payable of USD 4,250 per vessel per day.

As at 31 December 2011, the Company has nominated the 3 Long-Term Charter Contracts (3 definite vessels) to each SPC subsidiary of the jointly controlled entity. Since the Company holds 50% of the total shareholding in each SPC subsidiary (through the jointly controlled entity), the Company's portion is 50% of the commitments.

As at 31 December 2011, ABC One Pte. Limited (a SPC subsidiary of the jointly controlled entity) has paid the fine payable to the charterer due to the delay of vessel delivery amounting to USD 0.65 million or approximately Baht 20.60 million. The Company's portion is 50% of the amount, which is USD 0.33 million or approximately Baht 10.30 million included in other non-current assets in the consolidated statement of financial position. This amount will be deducted from the final payment to the shipbuilder, as stipulated in the shipbuilding agreement ordered by ABC One Pte. Limited (a SPC subsidiary of the jointly controlled entity).

37.5 Vessel purchase contract commitment

As of 31 December 2011, a local subsidiary has commitment according to a Memorandum of Agreement with an overseas company, as described in Note 20, to purchase one second-hand vessel amounting to USD 7.00 million or approximately Baht 221.84 million. Subsequently, on 12 January 2012 the local subsidiary made the final balance payment and took the delivery of the vessel.

38. Financial instruments

38.1 Financial risk management

The Company and subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, investments, trade accounts payable and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The Company and subsidiaries manage the risk by adopting a credit policy whereby they evaluate the creditworthiness of charterers and other parties and restrict dealings to financially sound parties, and strictly attend to the preparation and completeness of documentation and therefore do not expect to incur material financial losses. In addition, the Company and subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

The Company and subsidiaries' exposure to interest rate risk relates primarily to its cash at banks and long-term loans. However, since most of the Company and subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2011 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

	Fixed interest rate with			Total	Interest rate (% p.a.)			
	Maturity date within 1 year	Floating interest rate	Non-interest bearing		Fixed		Floating	
					USD	EUR	USD	Baht
Financial assets								
Cash and cash equivalents	3,971,729	349,898	53,084	4,374,711	0.20% - 1.30%	1.37%, 2.25%	0.10% - 0.50%	0.75%
Trade and other receivables	-	-	125,094	125,094	-	-	-	-
Total	3,971,729	349,898	178,178	4,499,805				
Financial liabilities								
Trade and other payables	-	-	33,150	33,150	-	-	-	-
Long-term loans	-	7,026,375	-	7,026,375	-	-	1.42% - 3.31%	6.50%
Total	-	7,026,375	33,150	7,059,525				

Foreign currency risk

Almost all revenues and expenditures of the Company and subsidiaries are denominated in US Dollars, which provide a natural hedge against the currency risk associated with transactions in US Dollars. Consequently, the Company and subsidiaries are exposed to a currency risk in respect of financial instruments denominated in other currencies. However, the Company and subsidiaries' management has decided to maintain an open position with regard to this exposure, but endeavors to limit this exposure to the minimum possible amounts by not holding significant amounts of financial instruments denominated in other currencies or use derivative instruments, as and when it considers appropriate, to manage such risks.

The Company and its subsidiaries do not use foreign currency forward contracts or purchased currency options for trading purposes.

The subsidiaries have the following significant financial assets and liabilities denominated in foreign currencies (currencies other than US Dollars which is the Group's functional currency) as at 31 December 2011.

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 December 2011
	(Million)	(Million)	(USD per 1 foreign currency unit)
Baht loan	-	1,345.85	0.0314
Euro fixed deposit	7.45	-	1.2905

Foreign currency swap contracts outstanding at 31 December 2011 are summarised below.

Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
		Bought	Sold	
		(USD per 1 foreign currency unit)		
Baht 1,345.85 million	USD 41.12 million	0.0302, 0.0309	-	Quarterly corresponding to the loan repayment schedule upto September 2022
USD 10.06 million	EUR 7.51 million	-	1.3313, 1.3503	February 2012 and March 2012 corresponding to the fixed deposit maturity dates

38.2 Fair values of financial instruments

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instruments.

Since the majority of the Company and subsidiaries' financial assets and liabilities are short-term in nature or bear floating interest rates and long-term loans bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

39. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Company manages its capital position with reference to its debt-to-equity ratio also to comply with a condition in the long-term loan agreements, which require the Company to maintain a consolidated debt-to-equity ratio of not more than 2:1.

As at 31 December 2011, the Group's debt-to-equity ratio was 0.49:1 (2010: 0.37:1) and the Company's was 0.47:1 (2010: 0.53:1) which is calculated from USD functional currency financial statements.

40. Events after the reporting period

40.1 On 19 January 2012, the Company has executed the Third Supplemental Deed to the loan facility for financing the construction and acquisition of new vessels (Facility 1) to prepay the loan drawn against the new Shipbuilding Contract of Vessel Hull No. 315 and to cancel the undrawn balance loan facility against the aforesaid vessel. The Company prepaid the loan drawn of USD 7,599,999 on 25 January 2012.

40.2 On 24 January 2012, a local subsidiary entered into a Purchase Agreement termed as Memorandum of Agreement with an overseas company to purchase a second-hand vessel for a total of USD 17.70 million. The local subsidiary paid deposit of USD 1.77 million or approximately Baht 56.09 million (10% of the purchase price of the vessel) and the remaining balance is to be paid on delivery of the vessel.

40.3 On 25 January 2012, the Company has signed 1 Novation Agreement with Global Bulk Carriers Pte. Ltd. (the "New Buyer"), for disposal of 1 new Shipbuilding Contract for Vessel Hull No. 315, signed between the Company and ABG Shipyard Ltd., India. Since the estimated revised Delivery Date under the terms of the existing Shipbuilding Contract was not suitable for the Company, the Company opted to dispose of the Contract because the disposal in this manner and on these terms will allow the Company to fully recover all installments paid to the Builder plus Interest at 7.50% per annum from the dates of payment of the respective installments plus an additional amount of USD 100,000 per Shipbuilding Contract. Detail of the new Shipbuilding Contract disposal is as follows:

Vessel Hull No.	DWT	Shipbuilding Contract Date	Contract Amount (USD)	Installments paid to the Builder by the Company (USD)
315	54,000	14 September 2007	37,999,998	22,799,998

The New Buyer shall pay to the Company as follows:

If the payment is made on Initial Payment Date (10 July 2012)	If the payment is made during the Extended Payment Period (11-26 July 2012)
An amount equal to USD 28,158,052	Aforesaid amount (USD 28,158,052) plus interest accrued on an amount of USD 22,799,998 (installments paid to the Builder) at a rate of 7.5% per annum from 10 July 2012 to the date of such payment. Therefore, if the payment is made on the last date of the Extended Payment Period above on 26 July 2012, the maximum Total Amount will be USD 28,233,011

40.4 On 3 February 2012, the Company's Board of Directors' meeting passed a resolution to propose to the Annual General Meeting of shareholders to be held in March 2012 to adopt a resolution to pay a dividend of Baht 0.15 per share, or a total of Baht 155.93 million, to the shareholders in respect of the 2011 profit.

Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

41. Reclassifications

Certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, following the adoption of presentation of the financial statements in accordance with the stipulations of the Notification of the Department of Business Development described in Note 2 to the financial statements, and the adoption of new and revised accounting standards described in Note 3 and Note 5 to the financial statements.

42. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2011 and 2010 and statements of income for the years ended 31 December 2011 and 2010 are as follows.

Precious Shipping Public Company Limited and subsidiaries
Statements of financial position
As at 31 December 2011 and 2010

(Unit: Thousand USD)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
Assets				
Current assets				
Cash and cash equivalents	138,042	140,074	85,813	67,703
Current investment	-	-	-	-
Trade and other receivables	3,947	1,128	24,358	9,565
Short-term loans to subsidiary	-	-	71,800	63,800
Current portion of advances for vessel constructions	41,882	-	41,882	-
Bunker oil	2,176	190	-	-
Other current assets				
Advances to vessel masters	1,997	1,395	-	-
Claim recoverables	591	295	-	-
Others	1,372	1,134	438	559
Total other current assets	3,960	2,824	438	559
Total current assets	190,007	144,216	224,291	141,627
Non-current assets				
Investments in subsidiaries	-	-	189,445	189,445
Investment in joint venture	-	-	-	-
Investment in associate held by a subsidiary	3,524	4,123	-	-
Other long-term investment	260	260	260	260
Long-term loan to jointly controlled entity	-	-	8,550	8,550
Receivables from cross currency swap contracts	1,538	4,081	-	-
Property, plant and equipment	298,049	212,274	213	360
Intangible assets	719	1,007	717	1,007
Other non-current assets				
Claim recoverables - maritime claim	1,312	1,579	-	-
Advances for vessel purchase	12,500	-	-	-
Advances for vessel constructions - net of current portion	207,373	283,507	141,608	235,900
Deferred financial fees	6,684	10,913	5,306	10,772
Others	419	97	76	80
Total other non-current assets	228,288	296,096	146,990	246,752
Total non-current assets	532,378	517,841	346,175	446,374
Total assets	722,385	662,057	570,466	588,001

Precious Shipping Public Company Limited and subsidiaries
Statements of financial position (continued)
As at 31 December 2011 and 2010

(Unit: Thousand USD)

	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	1,046	365	108,267	83,830
Advances received from charterers	2,721	1,574	-	-
Current portion of long-term loans	22,673	4,889	9,055	796
Income tax payable	16	131	-	-
Other current liabilities				
Accrued crew accounts	1,504	1,343	-	-
Current portion of accrued employee bonus	2,107	4,526	1,942	4,159
Accrued expenses	1,882	1,079	171	292
Withholding tax payable	448	133	403	80
Others	648	557	306	316
Total other current liabilities	6,589	7,638	2,822	4,847
Total current liabilities	33,045	14,597	120,144	89,473
Non-current liabilities				
Accrued employee bonus - net of current portion	1,704	2,530	1,572	2,323
Provision for maritime claims	2,040	2,230	-	-
Long-term loans - net of current portion	199,040	158,079	58,586	111,829
Provision for long-term employee benefits	1,989	-	1,799	-
Total non-current liabilities	204,773	162,839	61,957	114,152
Total liabilities	237,818	177,436	182,101	203,625
Shareholders' equity				
Share capital				
Registered share capital	35,308	35,308	35,308	35,308
Issued and paid-up share capital	35,308	35,308	35,308	35,308
Paid-in capital				
Premium on ordinary shares	16,135	16,135	16,135	16,135
Premium on treasury stock	4,819	4,819	4,819	4,819
Retained earnings				
Appropriated				
Statutory reserve - the Company	2,802	2,802	2,802	2,802
- subsidiaries	14,285	14,285	-	-
Corporate social responsibility reserve	473	429	473	429
Unappropriated	410,813	410,250	328,828	324,883
Other components of shareholders' equity	(1,113)	(378)	-	-
Equity attributable to owner of the Company	483,522	483,650	388,365	384,376
Non-controlling interests of the subsidiaries	1,045	971	-	-
Total shareholders' equity	484,567	484,621	388,365	384,376
Total liabilities and shareholders' equity	722,385	662,057	570,466	588,001

Precious Shipping Public Company Limited and subsidiaries

Income statements

For the years ended 31 December 2011 and 2010

(Unit: Thousand USD)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
Revenues				
Vessel operating income				
Hire income	68,661	86,654	-	-
Freight income	31,854	5,740	-	-
Total vessel operating income	100,515	92,394	-	-
Service income	158	329	1,705	2,232
Gains on sales of vessels and equipment	59	13,372	46	-
Gains on sales of new shipbuildings under				
Novation Agreements	10,525	-	10,525	-
Interest income	848	819	786	656
Exchange gains	-	-	25	-
Other income	72	13	-	-
Dividend received	17	-	32,278	47,856
Total revenues	<u>112,194</u>	<u>106,927</u>	<u>45,365</u>	<u>50,744</u>
Expenses				
Vessel operating costs				
Vessel running expenses	28,550	26,516	-	-
Voyage disbursements	4,287	834	-	-
Bunker consumption	10,650	161	-	-
Total vessel operating costs	43,487	27,511	-	-
Depreciation	21,102	21,406	158	234
Cost of services	183	153	-	-
Administrative expenses	6,056	6,452	5,092	5,610
Management remuneration including perquisites	3,246	3,562	3,069	3,335
Bad debts and doubtful accounts	4	481	-	-
Exchange losses	174	183	-	425
Total expenses	<u>74,252</u>	<u>59,748</u>	<u>8,319</u>	<u>9,604</u>
Profit before share of income from investment in associate, finance cost and corporate income tax	37,942	47,179	37,046	41,140
Share of income from investment in associate held by a subsidiary	248	604	-	-
Profit before finance cost and corporate income tax	38,190	47,783	37,046	41,140
Finance cost	(14,354)	(9,405)	(10,214)	(6,932)
Profit before corporate income tax	23,836	38,378	26,832	34,208
Corporate income tax	(119)	(2,541)	-	-
Profit for the year	<u>23,717</u>	<u>35,837</u>	<u>26,832</u>	<u>34,208</u>

Precious Shipping Public Company Limited and subsidiaries
Income statements (continued)
For the years ended 31 December 2011 and 2010

	Consolidated financial		Separate financial	
	statements		statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
		(Restated)		(Restated)
Profit attributable to:				
Equity holders of the Company	23,643	35,523	26,832	34,208
Non-controlling interests of the subsidiaries	<u>74</u>	<u>314</u>	<u>-</u>	<u>-</u>
Profit for the year	<u><u>23,717</u></u>	<u><u>35,837</u></u>	<u><u>26,832</u></u>	<u><u>34,208</u></u>
				(Unit: USD)
Basic earnings per share				
Profit attributable to equity holders of the Company	<u><u>0.0227</u></u>	<u><u>0.0342</u></u>	<u><u>0.0258</u></u>	<u><u>0.0329</u></u>

43. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 3 February 2012.