

Ref. : 2009-041

27 October 2009

To : Director and Manager of The Stock Exchange of Thailand

Subject : Submitting the Interim Consolidated Financial Statements for the three months and nine months period ended 30 September 2009 and 2008.

We hereby report the Interim Consolidated Financial Statements of Precious Shipping Public Company Limited and Subsidiaries for the three months and nine months period ended 30 September 2009 and 2008 together with the summarized operating results (Form 45-3). The reasons for changes in the operating results are explained below.

For the three months period ended 30 September 2009, the Company and subsidiaries ("the Company") have earned a consolidated net income of Baht 703.11 million as compared to net income of Baht 1,462.85 million earned during the same period in 2008. The main reasons for changes are as follows:

1. The Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the third quarter of 2009 has decreased by about 50 percent over the Net Vessel Operating Income for the same period of 2008 mainly due to the decrease in average earnings per day per Vessel from USD 17,611 in the third quarter of 2008 to USD 13,110 in this quarter and also because of the lower number of vessels operated during this quarter, due to the sales of the older vessels of the fleet. The lower average daily earnings could be attributed to the fact that some vessels whose long term charters expired during the quarter had to be chartered at current rates which are lower than that prevailing in the same period of year 2008. The income has been earned from an average of 29 vessels during the third quarter of 2009 as against an average of 44 vessels in the same period of 2008. Seventeen(17) out of the 20 vessels sold so far have been delivered during the nine months of 2009. The fleet size as on 30 September 2009 was 27 vessels.

2. For the third quarter of 2009, the absolute Vessel running expenses are lower by 32 percent as compared to the same period of 2008 mainly due to the reduction in the average number of vessels operated during the period as explained above. However, the average Vessel operating (running) expenses per day per Vessel are USD 5,008 in the third quarter of 2009 as compared to USD 4,909 in the same period of 2008 (including depreciation/amortisation of the Drydocking/Special Survey expenses in both years.)

3. The Company recorded gain on sale of vessels and equipment of Baht 221.90 million in the third quarter of 2009. This represents the gain on the sale of 4 vessels, which were delivered in the third quarter of 2009.

For the nine months period ended 30 September 2009, the Company has earned a consolidated net income of Baht 2,630.42 million as compared to net income of Baht 3,711.48 million incurred during the same period in 2008. The main reasons for changes are as follows:

1. The Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the nine months of 2009 has decreased by about 29 percent over the Net Vessel Operating Income for the same period of 2008 mainly due to the decrease in average earnings per day per Vessel from USD 16,546 for the nine months of 2008 to USD 13,727 for the nine months of this year due to the reason explained in 1 above and also because of the lower number of vessels operated during this year. The income has been earned from an average of 35 vessels during the nine months of 2009 as against an average of 44 vessels in the same period of 2008.

2. For the nine months of 2009, the absolute Vessel running expenses are lower by 9 percent as compared to the same period of 2008. However, the average Vessel operating (running) expenses per day per Vessel are USD 5,114 for the nine months of 2009 as compared to USD 4,767 in the same period of 2008. (including depreciation/amortisation of the Drydocking/Special Survey expenses in both years.) This increase of about 7 percent can be attributed mainly due to one-time increase in insurance costs.

3. The Company recorded gain on sale of vessels and equipment of Baht 593.41 million for the nine months of 2009. This represents the net gain on the sale of 17 vessels, which were delivered in the nine months of 2009.

4. Administrative expenses and management remuneration for the nine months of 2009 have decreased by Baht 117.75 million as compared to the same period of 2008 due to the lower provisions for staff bonus as compared to the same period of 2008.

5. The interest and financial costs for the nine months of 2009 have increased by Baht 161.36 million as compared to the same period of 2008 mainly due to the extension fees paid for maintaining the 2 undrawn secured debt facilities and the commitment fees paid for the three loan facilities available to the Company. The interest paid on loans for newbuilding ships ordered by the Company has been capitalised and therefore, the interest on this account has not affected profitability

We trust you will find the above in order.

Yours sincerely,  
For : Precious Shipping Public Company Limited

(Khalid Moinuddin Hashim)  
Managing Director

(Khushroo Kali Wadia)  
Director