

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2002

Report of Independent Auditor

To The Board of Directors and Shareholders of
Precious Shipping Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Precious Shipping Public Company Limited and subsidiaries as at 31 March 2002, and the related consolidated statements of earnings, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2002 and 2001, 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 issue a report on these financial statements based on my reviews. I did not review the interim financial statements of seven subsidiaries incorporated overseas which are included in these consolidated financial statements. The assets and revenues of these subsidiaries as included in the consolidated financial statements constitute 10.2% of consolidated total assets as at 31 March 2002 and 31% of the consolidated total revenues for the three-month period then ended. In addition, the Company's financial statements included investments in these subsidiaries as at 31 March 2002 of Baht 573.3 million, stated under the equity method, and share of loss from these subsidiaries for the three-month period then ended of Baht 31.7 million. The interim financial statements of these subsidiaries were reviewed by other auditors, whose reports have been furnished to me, and my report, insofar as it relates to the amounts included for those subsidiaries in the consolidated financial statements and the Company's financial statements, is based solely on the reports of these other auditors.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews and the reports of the other auditors, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated financial statements of Precious Shipping Public Company Limited and subsidiaries and the separate financial statements of Precious Shipping Public Company Limited for the year ended 31 December 2001, were audited in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 15 February 2002. The balance sheet as at 31 December 2001, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

Ruth Chaowanagawi

Certified Public Accountant (Thailand) No. 3247

Ernst & Young Office Limited

Bangkok : 8 May 2002