

(UNAUDITED BUT REVIEWED)

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED
31 MARCH 2004 AND 2003

1. GENERAL INFORMATION

1.1 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, additional line items are presented in the balance sheets, and the related statements of earnings, changes in shareholders’ equity and cash flows, as in the annual financial statements.

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

1.2 Basis of consolidation

These consolidated financial statements include the financial statements of Precious Shipping Public Company Limited and subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2003. There have been no changes in the composition of the Group during the current period.

1.3 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2003.

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Basic earnings per share for the three-month period ended 31 March 2003 has been redetermined by adjusting the number of ordinary shares in issue in proportion to the change in the number of shares as a result of the change in the par value of the ordinary share from Baht 10 to Baht 1 per share during the year 2003.

2 TRADE ACCOUNTS RECEIVABLE

The balances of trade accounts receivable are classified by aging as follows:

	CONSOLIDATED		THE COMPANY ONLY	
	31 March	31 December	31 March	31 December
	2004	2003	2004	2003
Less than 3 months	26,113	62,016	-	-
3 - 6 months	2,472	1,111	-	-
6 - 12 months	4,713	6,292	-	-
More than 12 months	89,783	89,759	1,841	1,849
Total	123,081	159,178	1,841	1,849
Less: Allowance for doubtful accounts	(89,019)	(88,992)	(1,841)	(1,849)
Trade accounts receivable - net	<u>34,062</u>	<u>70,186</u>	<u>-</u>	<u>-</u>

3 RELATED PARTY TRANSACTIONS

During the periods, the Company had significant business transactions with its subsidiaries, associated and related companies (related by way of common shareholders and/or directors). Such transactions, have been concluded on the terms and basis as stipulated in the agreements between the Company and those companies. The transactions included advances to Nedtex Limited and Precious Storage Terminals Limited charging interest at a rate of 8% per annum and advances to/from subsidiaries and other related companies on which no interest is charged. The transactions are summarised below:

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	For the three-month periods ended 31 March			
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<u>Transactions with subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Interest income	-	-	-	642
Administrative expenses	-	-	2,480	1,653
<u>Transactions with related companies</u>				
Rental and related expenses	336	357	168	168
Air ticket expenses	5,052	2,706	1,119	511

The outstanding balances of the above transactions have been separately shown in the balance sheets. Details of balances are as follows:

(Unit: Thousand Baht)

	THE COMPANY ONLY			
	31 December			31 March
	<u>2003</u>	<u>Increase</u>	<u>Decrease</u>	<u>2004</u>
<u>Receivable from and advances to subsidiaries</u>				
Great Circle Shipping Agency Limited	117,108	6,741	(6,386)	117,463
Precious Seas Limited	89,858	18,066	(67,986)	39,938
Precious Resorts Limited	58,667	12,758	(15,267)	56,158
Precious Shipping (Mauritius) Limited	91,518	533	(518)	91,533
Precious Stars Limited	62,504	14,922	(14,858)	62,568
Precious Lands Limited	-	30,191	(21,316)	8,875
Precious Rubies Limited	-	29,688	(26,220)	3,468
Precious Opals Limited	-	27,927	(23,845)	4,082
Precious Storage Terminals Limited	-	2	-	2
Precious Ornaments Limited	-	20,354	(8)	20,346
Precious Comets Limited	-	21,138	(9)	21,129

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

THE COMPANY ONLY

	31 December			31 March
	2003	Increase	Decrease	2004
Precious Cliffs Limited	122,708	15,131	(45,008)	92,831
Precious Shipping (Panama) S.A.	27,879	876,306	(398,958)	505,227
Precious Shipping (UK) Limited	28,107	-	(28,107)	-
Precious Mountains Limited	-	11,351	(6,430)	4,921
Total	598,349	1,085,108	(654,916)	1,028,541
<u>Receivable from and advances to other related companies</u>				
International Seaports Pte. Limited	440	-	-	440
<u>Payable to and advances from subsidiaries</u>				
Precious Shipping (Singapore) Pte. Limited	495,475	62,306	(59,431)	498,350
Precious Wishes Limited	270,449	29,645	(59,444)	240,650
Precious Metals Limited	249,164	76,353	(59,856)	265,661
Precious Minerals Limited	83,763	129,071	(10,129)	202,705
Precious Cities Limited	8,304	174,329	(5,273)	177,360
Precious Stones Shipping Limited	57,939	763,982	(769,124)	52,797
Precious Flowers Limited	77,873	42,772	(45,967)	74,678
Precious Forests Limited	69,964	60,307	(47,189)	83,082
Precious Planets Limited	134,761	51,363	(47,696)	138,428
Precious Diamonds Limited	92,516	57,314	(26,918)	122,912
Precious Lagoons Limited	50,755	55,542	(14,179)	92,118
Precious Opals Limited	23,845	-	(23,845)	-
Precious Lands Limited	21,291	-	(21,291)	-
Precious Rubies Limited	26,219	-	(26,219)	-
Precious Sapphires Limited	133,415	38,129	(15,696)	155,848
Precious Pearls Limited	75,966	60,064	(44,163)	91,867
Precious Garnets Limited	58,638	16,882	(64,846)	10,674
Precious Ornaments Limited	8	-	(8)	-
Precious Oceans Limited	130,754	11,295	(12,072)	129,977
Precious Rivers Limited	48,775	72,312	(106,864)	14,223

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

THE COMPANY ONLY

	31 December 2003	Increase	Decrease	31 March 2004
Precious Emeralds Limited	57,991	31,350	(61,195)	28,146
Precious Mountains Limited	5,750	-	(5,750)	-
Precious Ventures Limited	129,059	104,300	(21,329)	212,030
Regidor Pte. Limited	16	-	(7)	9
Thebes Pte. Limited	16	-	(7)	9
Precious Shipping (UK) Limited	-	53,604	(50,105)	3,499
Nedtex Limited	4,767	-	(1)	4,766
Precious Orchids Limited	11,858	34,080	(15,064)	30,874
Precious Hills Limited	5,672	27,073	(8,420)	24,325
Precious Comets Limited	8	-	(8)	-
Geepee Corporation Limited	9,203	1,837	(437)	10,603
Precious Lakes Limited	39,122	60,226	(9,418)	89,930
Precious Trees Limited	67,842	50,756	(48,284)	70,314
Precious Ponds Limited	29,883	38,912	(52,877)	15,918
Precious Capitals Limited	1,714	126,874	(32,107)	96,481
Precious Jasmines Limited	59,743	76,362	(33,774)	102,331
Total	<u>2,532,518</u>	<u>2,307,040</u>	<u>(1,798,993)</u>	<u>3,040,565</u>

(Unit: Thousand Baht)

CONSOLIDATED

	31 December 2003	Increase	Decrease	31 March 2004
<u>Receivable from and advances to other related companies</u>				
International Seaports Pte. Limited	440	-	-	440
Kakinada Seaports Limited	1,859	-	-	1,859
Total	<u>2,299</u>	<u>-</u>	<u>-</u>	<u>2,299</u>

The outstanding balances of the amounts receivable from/payable to subsidiaries/other related companies represents current accounts between the Company and those companies. The Company's management believes that no allowance for doubtful accounts is necessary.

(UNAUDITED BUT REVIEWED)

Details of subordinated interest-free loans from subsidiaries, which are repayable within 2006, are as follows:

	(Unit: Thousand Baht)	
	THE COMPANY ONLY	
	31 March 2004	31 December 2003
Precious Cliffs Limited	143,000	143,000
Precious Capitals Limited	143,000	143,000
Precious Jasmines Limited	100,750	100,750
Precious Stars Limited	96,525	96,525
Precious Seas Limited	95,693	95,693
Precious Orchids Limited	57,850	57,850
Precious Ponds Limited	21,450	21,450
Precious Lakes Limited	4,550	4,550
Total	662,818	662,818

4 INVESTMENTS

These represent investments in the following subsidiaries, associated and other companies:

	(Unit: Thousand Baht)					
	Percentage of ownership		Cost method		THE COMPANY ONLY Equity method	
	31 March 2004	31 December 2003	31 March 2004	31 December 2003	31 March 2004	31 December 2003
<u><i>Investments accounted for under equity method</i></u>						
<u><i>Subsidiaries</i></u>						
Precious Shipping (Singapore) Pte. Limited	100.00	100.00	363,338	363,338	638,346	631,413
Precious Metals Limited	99.99	99.99	250,000	250,000	298,448	282,056
Precious Wishes Limited	99.99	99.99	229,999	229,999	275,015	257,356
Precious Capitals Limited	99.99	99.99	199,999	199,999	338,003	269,727
Precious Oceans Limited	99.99	99.99	175,000	175,000	216,287	204,418
Precious Minerals Limited	99.99	99.99	140,000	140,000	188,669	161,156
Precious Stones Shipping Limited	99.99	99.99	140,000	140,000	104,651	137,026
Precious Mountains Limited	99.99	99.99	139,999	139,999	186,112	166,608

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Percentage of		Cost method		THE COMPANY ONLY	
	ownership		31 March	31 December	Equity method	
	31 March	31 December			31 March	31 December
	2004	2003			2004	2003
Precious Hills Limited	99.99	99.99	139,999	139,999	179,260	166,685
Precious Resorts Limited	99.99	99.99	139,999	139,999	183,965	165,275
Precious Lagoons Limited	99.99	99.99	139,999	139,999	196,438	168,277
Precious Cities Limited	99.99	99.99	169,999	169,999	169,437	168,342
Precious Cliffs Limited	99.99	99.99	139,999	139,999	162,012	138,638
Great Circle Shipping Agency Limited	99.99	99.99	121,995	121,995	(69,006)	(64,617)
Precious Stars Limited	99.99	99.99	105,000	105,000	146,752	135,996
Precious Seas Limited	99.99	99.99	100,000	100,000	163,819	131,312
Precious Planets Limited	99.99	99.99	100,000	100,000	160,526	129,611
Precious Jasmines Limited	99.99	99.99	97,999	97,999	229,334	174,434
Precious Ventures Limited	99.99	99.99	79,999	79,999	207,584	140,697
Precious Diamonds Limited	99.99	99.99	55,000	55,000	118,731	94,285
Precious Orchids Limited	99.99	99.99	51,999	51,999	116,422	89,708
Precious Rivers Limited	99.99	99.99	44,000	44,000	83,551	58,634
Precious Forests Limited	99.99	99.99	39,999	39,999	91,808	57,088
Precious Trees Limited	99.99	99.99	39,999	39,999	90,661	61,803
Precious Flowers Limited	99.99	99.99	38,999	38,999	93,729	65,949
Precious Pearls Limited	99.99	99.99	38,999	38,999	110,847	66,227
Precious Emeralds Limited	99.99	99.99	32,000	32,000	73,222	52,028
Precious Ponds Limited	99.99	99.99	31,999	31,999	81,820	61,206
Precious Garnets Limited	99.99	99.99	30,999	30,999	55,971	54,520
Precious Rubies Limited	99.99	99.99	24,000	24,000	19,743	26,390
Precious Lands Limited	99.99	99.99	24,000	24,000	14,489	21,250
Precious Opals Limited	99.99	99.99	24,000	24,000	17,619	23,872
Precious Lakes Limited	99.99	99.99	99,000	99,000	90,467	70,977
Precious Sapphires Limited	99.99	99.99	143,999	143,999	149,499	127,659
Geepee Corporation Limited	99.88	99.88	5,874	5,874	(10,715)	(9,204)
Precious Storage Terminals Limited	69.99	69.99	4,199	4,199	26	26
Nedtex Limited	69.99	69.99	648	648	(4,781)	(4,783)

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Percentage of		Cost method		THE COMPANY ONLY	
	ownership				Equity method	
	31 March	31 December	31 March	31	31 March	31 December
	2004	2003	2004	December 2003	2004	2003
Precious Shipping (UK) Limited	99.99	99.99	250	250	5,932	6,690
Precious Shipping (Panama) S.A.	99.99	99.99	250	250	458	(2,338)
Precious Shipping (Mauritius) Limited	99.99	99.99	250	250	(173,673)	(173,236)
Precious Comets Limited	99.40	99.40	99	99	(6,131)	(95)
Precious Ornaments Limited	99.40	99.40	99	99	(5,908)	(96)
Thebes Pte. Limited	100.00	100.00	0.0365	0.0365	(624)	(615)
Regidor Pte. Limited	100.00	100.00	0.0503	0.0503	(686)	(678)
Total net investments in subsidiaries			<u>3,703,984</u>	<u>3,703,984</u>	<u>4,988,129</u>	<u>4,311,677</u>
Investments accounted for under equity method					5,259,653	4,567,339
Share of losses over investments					<u>(271,524)</u>	<u>(255,662)</u>
Total net investments in subsidiaries					<u>4,988,129</u>	<u>4,311,677</u>

The Company has presented share of losses from subsidiaries over investments by net off the amounts receivable from/payable to subsidiaries in the balance sheets.

As at 31 March 2004, the Company has pledged the shares of 30 subsidiaries amounting to Baht 4,494.0 million (31 December 2003: 27 subsidiaries amounting to Baht 3,416.7 million), stated under the equity method, with a bank to secure the long-term loans referred to in Note 7.

During the first quarter of 2004, an overseas subsidiary (Precious Shipping (Singapore) Pte. Limited) has received a dividend amounting to SGD 1.7 million from an overseas subsidiary (PSL Thun Shipping Pte. Limited).

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(Unit: Thousand Baht)

	Percentage of ownership		Cost method		CONSOLIDATED		THE COMPANY ONLY	
					Equity method		Equity method	
	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December
	2004	2003	2004	2003	2004	2003	2004	2003
<i>Other investments</i>								
International Seaports Pte. Limited	34.30	34.30	19,501	19,501	25,231	25,231	25,231	25,231
Dhamra Port Company Private Limited	33.33	33.33	96,889	96,889	96,889	96,889	-	-
Southern LPG Limited	47.99	47.99	31,716	31,716	19,365	19,365	-	-
Kakinada Seaports Limited	16.65	16.65	22,144	22,144	22,144	22,144	-	-
International Seaports (Haldia) Private Limited	17.92	17.92	87,701	87,701	87,701	87,701	-	-
Total			<u>257,951</u>	<u>257,951</u>	<u>251,330</u>	<u>251,330</u>	<u>25,231</u>	<u>25,231</u>
Less: Allowance for possible loss on investments					<u>(163,629)</u>	<u>(163,629)</u>	<u>(25,231)</u>	<u>(25,231)</u>
					<u>87,701</u>	<u>87,701</u>	<u>-</u>	<u>-</u>
Net other investments					-	-	-	-
Net current investments					<u>87,701</u>	<u>87,701</u>	<u>-</u>	<u>-</u>
Net long-term investments					<u>87,701</u>	<u>87,701</u>	<u>-</u>	<u>-</u>
Total net other investments					<u>87,701</u>	<u>87,701</u>	<u>-</u>	<u>-</u>

The Company and subsidiaries have recorded investments in 3 overseas associated companies under the equity method upto 31 December 2000 since the management of the Company and the subsidiaries are making efforts to sell these investments and the investment in other company. Therefore, the above investments have been reclassified to current investments in current assets. However, the Company and subsidiaries set up the provision for possible loss on other investments of Baht 163.6 million (The Company Only: Baht 25.2 million).

5. VESSELS, CONDOMINIUM AND EQUIPMENT

During the first quarter of 2004, subsidiaries have purchased 3 second-hand vessels of USD 38.5 million (During the year 2003: 2 second-hand vessels of USD 15.6 million).

As at 31 March 2004, the subsidiaries have mortgaged 33 vessels with net book value of Baht 5,598.0 million (31 December 2003: 30 vessels amounting to Baht 4,217.4 million) and condominium units with net book value of Baht 101.7 million (31 December 2003: Baht 104.1 million) with banks to secure long-term loans as referred to in Note 7.

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6. PREPAYMENT FOR VESSEL PURCHASES

During the first quarter of 2004, the subsidiaries entered into Memoranda of Agreement with 2 overseas companies to purchase 16 second - hand vessels for a total of USD 115.2 million. The subsidiaries have paid deposits amounting to USD 11.5 million (10 percent of the purchase price of each of the vessels) to those companies.

7. LONG-TERM LOANS

The outstanding balances of long-term loans as at 31 March 2004 and 31 December 2003 were as follows:

	(Unit: Thousand Baht)			
	CONSOLIDATED		THE COMPANY ONLY	
	31 March 2004	31 December 2003	31 March 2004	31 December 2003
Other loan	25,969	34,367	-	-
New loans	4,649,080	3,387,984	-	242,582
Total	4,675,049	3,422,351	-	242,582
Less: Current portion	(1,126,115)	(938,579)	-	(242,582)
Long-term portion	<u>3,548,934</u>	<u>2,483,772</u>	<u>-</u>	<u>-</u>

Other loan

Other loan represents a loan to an overseas subsidiary on which interest is charged at a rate of LIBOR plus a margin per annum and which is payable in semi-annual installments until 2005.

As at 31 March 2004, the outstanding balance of other loan was USD 0.7 million (31 December 2003: USD 0.9 million), with the subsidiary repaying approximately USD 0.2 million in the first quarter of 2004 (during the year 2003: USD 0.4 million). The loan is secured by the mortgage of the subsidiary's vessel and the assignment of the beneficiary rights under the insurance policy for the vessel to a creditor (Note 5).

New loans

On 16 June 2003, the Company and subsidiaries entered into an agreement with Krung Thai Bank Public Company Limited to obtain credit facilities of USD 100 million for the following purposes:

- a) A facility of USD 65 million to be used to refinance all outstanding loans of the Company and subsidiaries. Such facility is to be drawn down within 12 months from the date of the agreement.
- b) A facility of USD 35 million to be used to pay for purchases of vessels and/or to fund the redemption of the Bonds. Such facility can be drawn down until the end of 2005.

In addition, on 18 March 2004 the Company and subsidiaries entered into an amendment and restatement agreement with Krung Thai Bank Public Company Limited to obtain the following additional credit facilities:

- c) A facility of USD 170 million to be used to pay for purchases of vessels. Such facility is to be drawn down by 31 December 2004.
- d) Credit facilities for use as working capital consisting of:
 - an overdraft facility up to an aggregate amount not exceeding Baht 10 million.
 - a letter of guarantee facility up to an aggregate amount not exceeding Baht 105 million.
 - a foreign currency exchange facility up to an aggregate amount not exceeding USD 20 million.

As at 31 March 2004, no draw down of this facility d) has been made.

Facilities a) and b) carry interest at the rate of LIBOR plus a margin per annum. They are payable in quarterly installments over a period of 7.5 years, in accordance with the proportionate amounts stipulated in the agreement, with a one year grace period.

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Facility c) carries interest at the rate of LIBOR plus a margin per annum and is payable in quarterly installments of the proportionate amounts stipulated in the agreement, over a period of 9 years.

As at 31 March 2004, USD 63.6 million, USD 35.0 million and USD 19.0 million have been drawn down against facilities a), b) and c), respectively, by 29 subsidiaries. In addition, during the first quarter of 2004, the Company repaid loans amounting to USD 6.1 million.

As at 31 March 2004, these loans are secured by the following:

- a) The mortgage of 32 vessels and condominium units belonging to subsidiaries (Note 5).
- b) The pledge of the shares of 30 subsidiaries (Note 4).
- c) The assignment of the beneficiary rights under insurance policies for the subsidiaries' vessels and condominium units.
- d) The assignment of the revenues from vessels and deposit accounts of the Company and subsidiaries if they breach the conditions in the loan agreements.

The Company and subsidiaries have to comply with certain conditions and restrictions provided in the loan agreement such as:

- a) Maintenance of a debt service coverage ratio of at least 1 : 1.
- b) Maintenance of a debt to equity ratio of not exceeding 2 : 1.
- c) Maintenance of available liquid reserves of no less than USD 100,000 per vessel.

8 ADVANCE RECEIPT FOR SALE OF INVESTMENTS

On 24 November 2003 the Company received an advance from an overseas company in relation to its offer to sell its investments in overseas associated companies.

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9. EXCHANGE GAINS (LOSSES)

Exchange gains (losses) for the three-month periods ended 31 March 2004 and 2003 were summarised below:

	(Unit: Thousand Baht)			
	CONSOLIDATED		THE COMPANY ONLY	
	For the three-month periods ended 31 March			
	2004	2003	2004	2003
Realised exchange gains (losses)	(1,279)	2,609	8,596	(1,195)
Unrealised exchange gains (losses)	(2,569)	9,252	33	3,895
Exchange gains (losses) - net	(3,848)	11,861	8,629	2,700

10. CORPORATE INCOME TAX

The Company does not have corporate income tax liabilities on its net earnings for the three-month periods ended 31 March 2004 and 2003 because tax losses brought forward exceed the net earnings.

In accordance with the Director - General's Notification on Income Tax No. 72 dated 1 January 1998, the subsidiaries have received an exemption from the payment of income tax for their marine transportation income. In addition, the subsidiaries have received an exemption from the payment of income tax under the provisions of the Investment Promotion Act B.E. 2520 for their marine transportation business.

11. COMMITMENTS AND CONTINGENT LIABILITIES

11.1 As at 31 March 2004, the subsidiaries have commitments of USD 119.5 million as a result of the acquisition of 17 second-hand vessels (31 December 2003: 3 vessels amounting to USD 36.5 million).

11.2 As at 31 March 2004, the Company and subsidiaries are defendants against maritime claims whereby total liabilities may aggregate up to USD 0.7 million (31 December 2003: USD 0.8 million). The ultimate outcome of these claims cannot be determined at this time, but management anticipates that no material liability will arise. Accordingly, no provision has been provided in the accounts.

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12. FINANCIAL INSTRUMENTS

12.1 Foreign Currency Risk

Almost all revenues and expenditures of the Company and subsidiaries are denominated in U.S. dollars, which provides a natural hedge against the currency risk associated with transactions in U.S. dollars. Consequently, the Company and subsidiaries are exposed to a currency risk in respect of its financial instruments denominated in other currencies. However, the Company's management has decided to maintain an open position of this exposure.

Exchange rate applied for translation of foreign currency liabilities as at 31 March 2004 was USD 1: Baht 39.5485 (31 December 2003: Baht 39.7378).

12.2 Interest Rate Risk

As at 31 March 2004 the Company and subsidiaries had the following financial assets and financial liabilities exposed to interest rate risk:

(Unit: Thousand Baht)

	Amounts of assets/liabilities			Average interest rate (% p.a.) USD currency
	Floating interest rate	Non-interest bearing	Total	
Financial assets:				
Cash and cash equivalents	996,742	12,835	1,009,577	0.25
Trade accounts receivable - net	-	34,062	34,062	-
Receivable from and advances to related parties				
- other related companies	-	2,299	2,299	-
Total	<u>996,742</u>	<u>49,196</u>	<u>1,045,938</u>	
Financial liabilities:				
Trade accounts payable	-	83,896	83,896	-
Long-term loans	4,675,049	-	4,675,049	3.56
Total	<u>4,675,049</u>	<u>83,896</u>	<u>4,758,945</u>	

12.3 Credit Risk

The Company has established a credit policy of evaluating the creditworthiness of its charterers and other parties and restricts its dealings to only sound parties along with tight and adequate documentation to minimize the risk of financial loss from default. The Company's management believes that the maximum exposure to credit risk is limited to the carrying amount of receivables less allowance for doubtful debts as stated in the balance sheets.

12.4 Fair Value

Since the majority of financial assets are short-term and loans carry interest at rates close to current market rates, the management believes that the fair value of the Company's and subsidiaries' financial assets and liabilities do not materially differ from their carrying value.

13. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' activities predominantly involve the shipping businesses and carries cargo operations to various locations worldwide. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain mainly to the aforementioned industry segment and geographic area.

14. THE SHARE REPURCHASE PROGRAM

On 26 March 2004, the Board of Directors Meeting of the Company approved a share repurchase scheme for the purpose of the financial management of the Company's surplus liquidity and to increase both earnings per share and book value per share. The details are as follows:

- a) The maximum budget for the share repurchase plan is Baht 1,000 million.
- b) The number of shares to be repurchased is not to exceed 26 million shares at par value of Baht 1 per share, equal to 5 percent of the total issued shares.
- c) The period for the share repurchase is 10 April 2004 to 9 October 2004.

(UNAUDITED BUT REVIEWED)

- d) The period for disposal of the repurchased shares is 10 April 2005 to 8 October 2007 (6 months after the date the share repurchase scheme is completed but not exceed 3 years). In the event, the Company does not or is unable to dispose of repurchased shares within such period, the Company will reduce its capital by cancelling such remaining unsold shares.

15. SUBSEQUENT EVENTS

- a) On 12 April 2004, a subsidiary has entered into the Memorandum of Agreement to purchase 1 second-hand vessel for USD 15.8 million. A deposit of 10% was to be paid within 3 days after signature and the remaining balance is to be paid when shipment is made.
- b) On 30 April 2004, the Annual General Meeting of the Company's shareholders approved the payment of a dividend of 520 million shares of Baht 0.75 per share from its earnings for the year 2003, to the Company's shareholders, a total of Baht 390 million.
- c) During April 2004, the Company has exercised the right discussed in Note 14 to repurchase 2,334,400 of its shares for a total of Baht 87.0 million.

16. PRESENTATION

Certain amounts in the financial statements for comparative purpose have been reclassified to conform to the current period's classification, with no effect on the net earnings or shareholders' equity previously reported.

17. APPROVAL OF FINANCIAL STATEMENTS

These interim financial statements have been approved by the Company's directors.