

Precious Shipping Public Company Limited and subsidiaries

Notes to interim financial statements

For the three-month periods ended 31 March 2010 and 2009

1. General information

1.1 Corporate information

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

1.2 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2007) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, the statements of income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

These interim 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 2009 except the changes in the composition of the Group during the period from the investment in jointly controlled entity in January 2010 with 50% equity interest in the jointly controlled entity as mentioned in Note 7 to the financial statements.

1.4 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 2009, with the following additional accounting policies.

Investments

- a) Investment in jointly controlled entity is accounted for in the consolidated financial statements using the proportionate shares of the assets, liabilities, revenues and expenses method.
- b) Investment in jointly controlled entity is accounted for in the separate financial statements using the cost method.

2. Current investment

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	31 March 2010	31 December 2009
<u>Investment in debt securities</u>		
Bill of exchange	-	27,500

As at 31 December 2009, investment in debt securities of the Company amounting to Baht 27.5 million was bill of exchange in Baht currency and due within January 2010, bearing interest at the rate of 1.22% per annum.

(Unit: Thousand Baht)

	Consolidated financial statements							
	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009	31 March 2010	31 December 2009	31 March 2010	31 December 2009
	Thousand INR	Thousand INR	%	%				
<u>Investment in associate held by a subsidiary</u>								
Southern LPG Limited	64,592	64,592	50.00	50.00	31,716	31,716	19,365	19,365
Less: Allowance for loss on investment							(19,365)	(19,365)
Current investment - net							-	-

(Unaudited but reviewed)

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. Currently, the associated company is still in the process of liquidation being arranged by the relevant entity in India.

3. Trade accounts receivable

The outstanding balances of trade accounts receivable are aged, based on invoice date, as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2010	31 December 2009
<u>Age of receivables</u>		
Not over 3 months	28,328	29,378
3 - 6 months	447	1,528
6 - 12 months	3,058	15,422
Over 12 months	18,674	8,944
Total	50,507	55,272
Less: Allowance for doubtful accounts	(18,674)	(13,194)
Trade accounts receivable - net	31,833	42,078

4. Related party transactions

During the periods, the Company and its subsidiaries 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 and bases agreed upon between the Company and those related parties.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	For the three-month periods ended 31 March				
	2010	2009	2010	2009	Pricing policy
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	11,592	22,374	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Service income - commission from vessel sales	-	-	19,224	15,757	3% of vessel's selling price
Service income - commission from compensation from cancellation of vessel hire contracts	-	-	-	7,878	5% of the compensation from cancellation of vessel hire contracts
Dividend received	-	-	563,919	1,268,308	As declared
Interest income	-	-	1,564	-	At interest rate of 0.30% per annum
Condominium rental expenses	-	-	2,333	2,315	Market price
<u>Transactions with related companies</u>					
Air ticket expenses	2,155	4,748	861	379	Market price
Rental and service expenses	1,807	1,424	1,636	1,283	Market price

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2010 and 31 December 2009 between the Company and those subsidiaries are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	31			31
	December			March
	2009	Increase	Decrease	2010
<u>Receivables from and advances to subsidiaries</u>				
Precious Minerals Limited	9,509	-	9,509	-
Precious Garnets Limited	-	75,810	65,005	10,805
Nedtex Limited	182	-	-	182
Precious Storage Terminals Limited	108	-	-	108
Thebes Pte. Limited	1,059	30	-	1,089
Precious Shipping (Panama) S.A.	7,151	23,090	12,596	17,645
Precious Shipping (Mauritius) Limited	120,756	528	-	121,284
Precious Shipping (UK) Limited	15,810	212	-	16,022
Great Circle Shipping Agency Limited	127,746	110,491	91,741	146,496
Precious Projects Pte. Ltd.	360	31	-	391
Associated Bulk Carriers Pte. Ltd.	-	379	49	330
Total	282,681	210,571	178,900	314,352
<u>Payable to and advances from subsidiaries</u>				
Precious Metals Limited	301,948	34,319	53,572	282,695
Precious Wishes Limited	124,193	242,680	168,343	198,530
Precious Stones Shipping Limited	35,847	39,795	37,876	37,766
Precious Minerals Limited	-	53,145	24,012	29,133
Precious Lands Limited	90,827	-	2,822	88,005
Precious Rivers Limited	5,355	44,542	10,858	39,039
Precious Lakes Limited	57,538	279,220	103,043	233,715
Precious Seas Limited	31,044	44,140	21,081	54,103
Precious Stars Limited	38,514	118,645	94,351	62,808
Precious Oceans Limited	68,285	25,801	15,582	78,504
Precious Planets Limited	114,825	98	258	114,665
Precious Diamonds Limited	35,396	38,486	31,251	42,631
Precious Sapphires Limited	43,963	52,836	21,619	75,180
Precious Emeralds Limited	44,393	43,334	65,868	21,859
Precious Rubies Limited	94,010	10	135	93,885
Precious Opals Limited	92,388	68	96	92,360
Precious Garnets Limited	35,815	-	35,815	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	31		31	
	December		March	
	2009	Increase	Decrease	2010
Precious Pearls Limited	88,189	-	515	87,674
Precious Flowers Limited	93,455	194	730	92,919
Precious Forests Limited	107,660	281	173	107,768
Precious Trees Limited	78,886	-	123	78,763
Precious Ponds Limited	28,668	171,018	59,425	140,261
Precious Ventures Limited	88,232	23	663	87,592
Precious Capitals Limited	59,411	50,777	24,058	86,130
Precious Jasmines Limited	76,292	174,823	67,145	183,970
Precious Orchids Limited	9,779	36,041	43,433	2,387
Precious Lagoons Limited	28,591	19,884	18,194	30,281
Precious Cliffs Limited	25,764	35,466	22,777	38,453
Precious Hills Limited	32,658	49,685	37,983	44,360
Precious Mountains Limited	23,636	54,238	45,045	32,829
Precious Resorts Limited	40,152	28,905	40,717	28,340
Precious Cities Limited	30,540	66,287	15,914	80,913
Precious Comets Limited	42,601	135,157	22,232	155,526
Precious Ornaments Limited	69,476	9,134	9,298	69,312
Precious Shipping (Singapore) Pte. Limited	45,541	127,228	25,584	147,185
Total	2,183,872	1,976,260	1,120,591	3,039,541

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

5. Short-term loans to subsidiary

Short-term loans to wholly owned subsidiary are in the form of promissory notes in US Dollar, which carry interest at the rate of 0.30% per annum, and are due at call. Movements in the balance of the loans during the period were as follows:

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	31 December		Unrealised	31 March
	2009	Increase	loss on exchange	2010
<u>Short-term loans to subsidiary</u>				
Precious Shipping (Singapore)				
Pte. Limited	2,119,481	-	(63,864)	2,055,617

6. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Shareholding				Cost		Dividend received	
	Paid-up capital		percentage					
	31	31	31	31	31	31	For the three-month periods	
	March	December	March	December	March	December	ended 31 March	
	2010	2009	2010	2009	2010	2009	2010	2009
			%	%				
Precious Metals Limited	250,000	250,000	99.99	99.99	250,000	250,000	45,000	65,000
Precious Wishes Limited	230,000	230,000	99.99	99.99	230,000	230,000	69,000	87,400
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	260,000	260,000	26,000	13,000
Precious Minerals Limited	230,000	230,000	99.99	99.99	230,000	230,000	-	92,000
Precious Lands Limited	84,000	84,000	99.99	99.99	84,000	84,000	-	58,800
Precious Rivers Limited	234,000	234,000	99.99	99.99	234,000	234,000	-	23,400
Precious Lakes Limited	99,000	99,000	99.99	99.99	99,000	99,000	59,399	89,099
Precious Seas Limited	100,000	100,000	99.99	99.99	100,000	100,000	-	60,000
Precious Stars Limited	105,000	105,000	99.99	99.99	105,000	105,000	-	10,500
Precious Oceans Limited	175,000	175,000	99.99	99.99	175,000	175,000	-	17,500
Precious Planets Limited	100,000	100,000	99.99	99.99	100,000	100,000	-	10,000
Precious Diamonds Limited	205,000	205,000	99.99	99.99	205,000	205,000	20,500	20,500
Precious Sapphires Limited	144,000	144,000	99.99	99.99	144,000	144,000	-	7,200
Precious Emeralds Limited	366,000	366,000	99.99	99.99	366,000	366,000	54,900	36,600
Precious Rubies Limited	84,000	84,000	99.99	99.99	84,000	84,000	-	4,200
Precious Opals Limited	74,000	74,000	99.99	99.99	74,000	74,000	-	70,299
Precious Garnets Limited	379,000	379,000	99.99	99.99	379,000	379,000	56,850	18,950
Precious Pearls Limited	73,000	73,000	99.99	99.99	73,000	73,000	-	58,400
Precious Flowers Limited	76,000	76,000	99.99	99.99	76,000	76,000	-	60,800
Precious Forests Limited	96,000	96,000	99.99	99.99	96,000	96,000	-	9,600
Precious Trees Limited	80,000	80,000	99.99	99.99	80,000	80,000	-	68,000
Precious Ponds Limited	84,000	84,000	99.99	99.99	84,000	84,000	50,400	16,800
Precious Ventures Limited	80,000	80,000	99.99	99.99	80,000	80,000	-	16,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements							
Company's name	Paid-up capital		Shareholding		Cost		Dividend received	
			percentage				For the three-month periods	
	31	31	31	31	31	31	ended 31 March	
	March	December	March	December	March	December		
	2010	2009	2010	2009	2010	2009	2010	2009
			%	%				
Precious Capitals Limited	200,000	200,000	99.99	99.99	200,000	200,000	-	40,000
Precious Jasmines Limited	147,000	98,000	99.99	99.99	147,000	98,000	44,100	78,400
Precious Orchids Limited	217,000	217,000	99.99	99.99	217,000	217,000	32,550	86,800
Precious Lagoons Limited	140,000	140,000	99.99	99.99	139,999	139,999	-	14,000
Precious Cliffs Limited	140,000	140,000	99.99	99.99	139,999	139,999	-	14,000
Precious Hills Limited	140,000	140,000	99.99	99.99	139,999	139,999	28,000	14,000
Precious Mountains Limited	140,000	140,000	99.99	99.99	139,999	139,999	35,000	7,000
Precious Resorts Limited	140,000	140,000	99.99	99.99	139,999	139,999	28,000	7,000
Precious Cities Limited	170,000	170,000	99.99	99.99	170,000	170,000	-	51,000
Precious Comets Limited	71,100	71,100	99.99	99.99	71,100	71,100	14,220	28,440
Precious Ornaments Limited	68,100	68,100	99.99	99.99	68,099	68,099	-	13,620
Nedtex Limited	2,500	2,500	69.99	69.99	648	648	-	-
Precious Storage Terminals Limited	6,000	6,000	69.99	69.99	4,199	4,199	-	-
Thebes Pte. Limited	0.0365	0.0365	100.00	100.00	0.0365	0.0365	-	-
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	250	250	-	-
Precious Shipping (Mauritius) Limited	250	250	100.00	100.00	250	250	-	-
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	363,338	363,338	-	-
Precious Shipping (UK) Limited	250	250	99.99	99.99	250	250	-	-
Great Circle Shipping Agency Limited	100,000	100,000	99.99	99.99	206,995	206,995	-	-
Precious Projects Pte. Limited	0.0345	0.0345	100.00	100.00	0.0345	0.0345	-	-
Total investments in subsidiaries					5,757,124	5,708,124	563,919	1,268,308
Less: Allowance for loss on investments in subsidiaries					(5,097)	(5,097)		
Total investments in subsidiaries - net					5,752,027	5,703,027		

The Company offset the dividend income against amounts receivable from/payable to subsidiaries in the balance sheets.

During the three-month period ended 31 March 2010, there have been the following changes in the investment in subsidiary.

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

(Unaudited but reviewed)

7. Investment in jointly controlled entity

The consolidated balance sheet as at 31 March 2010 and the income statement for the period ended 31 March 2010 include the proportion of the assets, liabilities, revenues and expenses of the jointly controlled entity, the balances of which were as follows:

(Unit: Thousand Baht)

	<u>31 March 2010</u>
Current assets	283
Current liabilities	344
Net assets	(61)

(Unit: Thousand Baht)

	<u>For the three-month period ended 31 March 2010</u>
Revenues	-
Cost of sales	-
Selling and administrative expenses	56

The separate financial statements, which presented investment in jointly controlled entity under the cost method, have been prepared solely for the benefit of the public.

(Unit: Baht)

<u>Separate financial statements as at 31 March 2010</u>					
<u>Jointly controlled entity</u>	<u>Nature of business</u>	<u>Shareholding percentage</u>	<u>Cost</u>	<u>Allowance for impairment of investments</u>	<u>Carrying amounts based on cost method - net</u>
		%			
Associated Bulk Carriers Pte. Ltd.	Holding company	50	33	-	33
			<u>33</u>	<u>-</u>	<u>33</u>

On 11 January 2010, the Company has entered into a joint venture agreement on equal sharing basis with PFS Shipping (Singapore) Pte. Limited ("PFS") which is a company incorporated under the laws of the Republic of Singapore and wholly owned by PFS Shipping (India) Ltd., which is part of the ABG Group from India for the purpose of execution and performance of the MOU and the Long-Term Time Charter Contracts (explained in Note 19.6 to the financial statements) as well as other similar business of owning and operating cement carriers in India. According to the agreement, a company has been set up in Singapore as the jointly controlled entity, named Associated Bulk Carriers Pte. Ltd., ("the ABC Company") and on 14 January 2010, the Company acquired a 50% equity interest in the jointly controlled entity by acquiring 1 share at par of USD 1.00. The jointly controlled entity has ordered 3 new ships (cement carriers) in April 2010, from ABG Shipyard Ltd., at the price of USD 28.50 million per ship, though wholly owned subsidiaries set up in Singapore for this purpose as explained in Note 20 to the financial statements. The jointly controlled entity may order one more ship (through another wholly owned subsidiary) if the charterer exercises the option to take one more ship on time charter. The total amount to be paid for acquiring 4 ships (if the option for the 4th ship is exercised) would be USD 114.00 million out of which the Company's share (50%) would be USD 57.00 million.

8. Investment in associate held by a subsidiary

8.1 Details of associate held by a subsidiary:

(Unit: Thousand Baht)

Consolidated financial statements									
Associate's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		
			31 March	31 December	31 March	31 December	31 March	31 December	
			2010	2009	2010	2009	2010	2009	
			%	%					
International Seaports (Haldia) Private Limited	Berth construction and development	India	22.40	22.40	87,701	87,701	152,233	143,219	

(Unaudited but reviewed)

(Unit: Thousand Baht)

Associate's name	Consolidated financial statements	
	Share of income from investment in associate held by a subsidiary for the three-month periods ended 31 March	
	2010	2009
	5,090	6,671

Shares of income from investment in associate held by a subsidiary for the three-month periods ended 31 March 2010 and 2009, included in the consolidated income statements, were recorded based on the financial statements for the three-month periods ended 31 December 2009 and 2008, respectively, prepared by the management of that company and not reviewed by auditor.

8.2 Summarised financial information of associate held by a subsidiary

Associate's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for		Net income	
	31 December		31 December		31 December		the three-month		for the three-month	
	2009		2009		2009		periods ended		periods ended	
	31 December		31 December		31 December		31 December		31 December	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Thousand INR Thousand INR										
International Seaports										
(Haldia) Private Limited	440,580	440,580	835,879	737,828	289,414	301,491	126,819	112,414	22,725	29,779

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 balance sheet. The appropriate government approvals have not been received but is expected to be completed in 2010. After the transaction is closed and the shares are acquired, such additional investment will raise the Company's stake in this company to 33.55%.

9. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2010	7,780,922	17,222
Acquisitions of equipment and payment of dry-dock and special survey expenses during period - at cost	33,314	15
Disposals during period - net book value at disposal date	(299,654)	-
Depreciation for period	(197,996)	(2,141)
Net book value as at 31 March 2010	<u>7,316,586</u>	<u>15,096</u>

10. Computer software

Movements of the computer software account during the three-month period ended 31 March 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements
Net book value as at 1 January 2010	46,912
Acquisitions - at cost	51
Amortisation for period	(2,681)
Net book value as at 31 March 2010	<u>44,282</u>

11. Advances for vessel purchase

During the current period, 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 23.75 million. The local subsidiary paid deposit of USD 2.38 million or approximately Baht 76.52 million (10% of the selling price of the vessel) and has made the final balance payment and taken the delivery of the vessel on 12 April 2010.

12. Advances for vessel constructions

Movements of the advances for vessel constructions account during the three-month period ended 31 March 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2010	7,809,282
Additions	199,099
Interest costs	14,438
Other costs	2,764
Balance as at 31 March 2010	<u>8,025,583</u>

During the current period, the Company made payment of installments to a shipbuilder, amounting to USD 6.00 million or approximately Baht 199.10 million. All of this has been financed by overseas and local commercial banks.

13. Deferred financial fees

Movements of the deferred financial fees account during the three-month period ended 31 March 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2010	291,253
Additions	104,382
Presented as a deduction from long-term loans	<u>(1,321)</u>
Balance as at 31 March 2010	<u>394,314</u>

As at 31 March 2010, deferred financial fee amounting to Baht 16.09 million was presented as a deduction against long-term loans in liabilities, in proportion to the drawdown amount, as discussed in Note 15 to the financial statements.

14. Advances received from vessel sale

During the current period, a local subsidiary entered into Sale Agreement termed as Memorandum of Agreement with an overseas company to sell the subsidiary's second-hand vessel for a total of USD 6.00 million. The buyer paid deposit of USD 1.20 million or approximately Baht 39.03 million (20% of the selling price of the vessel) and the balance was paid on delivery of the vessel on 22 April 2010.

(Unaudited but reviewed)

As at 31 March 2010, cash and cash equivalents included advance received amounting to USD 1.20 million or approximately Baht 39.03 million which was deposited in nominated joint bank account of the buyer and seller. Such advance received along with the balance of the sale price (80% of the selling price of the vessel) was subsequently transferred to the bank account of the subsidiary on 22 April 2010 and the vessel was delivered to the buyer, in accordance with the Memorandum of Agreement.

15. Long-term loan facilities

15.1 Loan facility for financing the construction and acquisition of new vessels

As at 31 March 2010 and 31 December 2009, long-term loans were presented below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	31 March 2010	31 December 2009
Long-term loans	3,682,033	3,593,000
Less: Deferred financial fees	(16,086)	(14,765)
Long-term loans - net	<u>3,665,947</u>	<u>3,578,235</u>

Movements in the long-term loans account during the three-month period ended 31 March 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2010	3,578,235
Add: Additional borrowings	199,099
Less: Unrealised exchange gains	(110,066)
Deferred financial fees	<u>(1,321)</u>
Balance as at 31 March 2010	<u>3,665,947</u>

As at 31 March 2010, the long-term loan facility which has not yet been drawn down amounted to USD 285.20 million (31 December 2009: USD 291.20 million).

15.2 Loan facilities for purchasing of vessels

During the current period, the Company and local subsidiaries entered into amended and restated agreements with banks. Details are as follows:

Facility 1

On 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 extend the availability period of the credit facility which is secured by Baht 8,750.00 million to 29 December 2010.

As at 31 March 2010 and 31 December 2009, long-term loans were presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2010	31 December 2009
Long-term loans	734,273	734,273
Less: Deferred financial fees	(20,809)	(20,809)
Long-term loans - net	713,464	713,464

In order to hedge the foreign exchange rate exposure associated with the above loan, a local subsidiary entered into the cross currency swap agreement with the local commercial banks to swap the loan of Baht 734.27 million to USD 22.15 million loan. 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.

As at 31 March 2010 and 31 December 2009, the term loan facility and swap facility that have not yet been drawn down amounted to Baht 8,015.73 million.

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 credit 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 credit facility 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

As at 31 March 2010 the Company and subsidiaries have not yet drawn down such long-term loan facility.

16. Corporate social responsibility (CSR) reserve

During the three-month period ended 31 March 2010, the Company set aside Baht 1.94 million (2009: Baht 4.22 million) to a reserve for corporate social responsibility activities and reversed Baht 23.82 million (2009: None) of such reserve when the Company made related donation payments.

17. Segment information

The Company and its subsidiaries' operations involve the business of owning and internationally operating (chartering) small handy sized dry bulk ships, 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 ships, 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 ship 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.

(Unaudited but reviewed)

In view of the above, segment information is limited to the bifurcation of the total vessel operating income (and voyage expenses in respect of Voyage charter) for the three-month periods ended 31 March 2010 and 2009 derived from Time charter and Voyage charter presented as "Hire income" and "Freight income" respectively, as under:

(Unit: Thousand Baht)

	Consolidated financial statements									
	For the three-month periods ended 31 March									
	Time charter		Voyage charter		Total		Elimination		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Hire income	794,593	1,794,884	-	-	794,593	1,794,884	(10,494)	(11,121)	784,099	1,783,763
Freight income	-	-	16,974	211,211	16,974	211,211	-	(33,263)	16,974	177,948
Total vessel operating income	794,593	1,794,884	16,974	211,211	811,567	2,006,095	(10,494)	(44,384)	801,073	1,961,711
Voyage disbursements	-	-	(17,853)	(101,044)	(17,853)	(101,044)	10,494	44,384	(7,359)	(56,660)
Bunker consumption	-	-	(2,954)	(53,235)	(2,954)	(53,235)	-	-	(2,954)	(53,235)
Total voyage expenses	-	-	(20,807)	(154,279)	(20,807)	(154,279)	10,494	44,384	(10,313)	(109,895)
Net vessel operating income/time charter equivalent income	794,593	1,794,884	(3,833)	56,932	790,760	1,851,816	-	-	790,760	1,851,816

18. Dividend paid

Dividend declared during the three-month period ended 31 March 2010 consists of the following:

	Approved by	Total dividend	Dividend per share
		(Million Baht)	(Baht)
Final dividend on 2009 income	Annual General Meeting of the shareholders on 17 March 2010	623.62	0.60

As at the closing date of the share register, 1,039,371,120 of the Company's ordinary shares were qualified to receive final dividend, after deduction of the 149,480 shares held by the registrar (Thailand Securities Depository Co., Ltd. for Depositors who are both Thai and Foreign shareholders), which are disqualified from receiving final dividend, from the total number of shares outstanding (1,039,520,600 shares). The total dividend paid was thus Baht 623.62 million and this was paid by the Company on 29 March 2010.

19. Commitments and contingent liabilities

19.1 Vessel building contracts commitments

As at 31 March 2010, the Company's future minimum payment commitments under vessel building contracts amounting to USD 357.20 million or approximately Baht 11,618.57 million (31 December 2009: USD 363.20 million or approximately Baht 12,173.30 million).

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

As at 31 March 2010, 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	Percentage of obligation	Currency	Maximum facility amount per contract	Undrawn loan balance as at 31 March 2010	Term of payment	Drawdown period ending
Loan facility for financing the construction and acquisition of new vessels						
Facility 1	0.35% per annum of undrawn loan balance	million USD	398.40	285.20	Every three months starting from 3 July 2008 until the end of the drawdown period	Upon delivery of each vessel
Loan facilities for purchasing of vessels						
Facility 1	1% per annum of undrawn loan balance	million Baht	8,750.00	8,015.73	Quarterly starting from 19 January 2009 until the end of the drawdown period	29 December 2010
Facility 2	0.70% per annum of undrawn loan balance	million USD	250.00	250.00	Quarterly starting from 31 March 2010 until the end of the drawdown period	30 June 2011

19.3 Uncalled portion of other long-term investment

As at 31 March 2010 and 31 December 2009, the Company has a commitment of Baht 10.13 million in respect of the uncalled portion of other long-term investment.

19.4 Vessel sale contract commitment

On 3 February 2010 a local subsidiary entered into a Memorandum of Agreement with an overseas company to sell the subsidiary's a second-hand vessel for USD 6.00 million, which is delivered on 22 April 2010.

19.5 Vessel purchase contract commitment

As of 31 March 2010, a local subsidiary has a commitment according to a Memorandum of Agreement dated 1 February 2010 with an overseas company to purchase a second-hand vessel and pay the balance amount due of USD 21.37 million. The local subsidiary has made the final payment and taken the delivery of the vessel on 12 April 2010. The local subsidiary has funded the acquisition of this vessel by drawing down Baht 768.08 million loan against Facility 1 as mentioned in Note 15.2 to the financial statements. The local subsidiary has entered into the cross currency swap agreement with the local commercial banks to swap the loan Baht 768.08 million to a dollar loan of USD 23.75 million.

19.6 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 ships, plus an additional ship at Charterer's option to be declared within 30 April 2011) 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 ships 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 ships are not delivered to the charterer within the agreed schedule, there is a fine payable of USD 4,250 per ship per day.

20. Subsequent events

On 12 April 2010, the ABC Company, the jointly controlled entity of the Company and PFS Shipping (Singapore) Pte. Limited, has formed the three wholly owned Special Purpose Vehicle subsidiaries (the "SPV Subsidiaries") named ABC One Pte. Ltd., ABC Two Pte. Ltd. and ABC Three Pte. Ltd. which are incorporated under the laws of the Republic of Singapore. Each SPV subsidiary has been incorporated to specifically order, own and operate one cement carrier vessel to perform the Long-Term Time Charter Contracts signed on 2 December 2009 by the Company with Ultratech Cement Limited, Mumbai, India for 3 ships. The initial registered capital of each SPV Subsidiary is US Dollar 1, fully paid-up, divided into 1 ordinary share with a par value of US Dollar 1.00 each held by the ABC Company.

On 22 April 2010, each of the three SPV Subsidiaries signed the respective shipbuilding contracts with the ABG Shipyard Limited, India (the “Builder”) to construct 1 vessels each classified as cement bulk carriers at price of USD 28.50 million per vessel or USD 85.50 million in aggregate for all the three vessels. Since the Company holds 50% of the total shareholding in each SPV Subsidiary (through the ABC Company), the Company’s interest in all the contracts is 50% of the aggregate contract price, which is USD 42.75 million. 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 favour of each SPV Subsidiary, guaranteeing the refund of each respective installment (with interest at 7.5% per annum) in case of a failure by the Builder to perform per the contract. The vessels are expected to be delivered in the years 2011 to 2013.

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company’s authorised directors on 27 April 2010.