

(UNAUDITED BUT REVIEWED)

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

1. GENERAL INFORMATION

1.1 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 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 Standards Pronouncement No. 41 “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and 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.

1.3 Adoption of new accounting standards during the period

The Federation of Accounting Professions (FAP) has issued Notification No. 9/2550 regarding Thai Accounting Standards (TAS), which was announced in the Royal Gazette. This Notification mandates the use of the following Thai Accounting Standards (Revised 2007) in place of the previous versions, which are cancelled.

TAS 25	Cash Flow Statements
TAS 33	Borrowing Costs
TAS 44	Consolidated Financial Statements and Separate Financial Statements
TAS 45	Investments in Associates
TAS 46	Interests in Joint Ventures
TAS 49	Construction Contracts

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a) Thai Accounting Standards effective for the current year

Thai Accounting Standards No. 44, 45 and 46 become effective for the financial statements for fiscal years beginning on or after 1 January 2007. During the first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary and associated companies in the separate financial statements in order to comply with the revised Thai Accounting Standards No. 44 and 45, as discussed in Note 2.

b) Thai Accounting Standards not effective for the current year

Thai Accounting Standards No. 25, 33 and 49 will become effective for the financial statements for fiscal years beginning on or after 1 January 2008. However, the management has assessed the effect of these revised accounting standards and believes that they will not significantly impact on the financial statements for the year in which they are initially applied.

1.4 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 2006. There have been no changes in the composition of the Group during the current period.

1.5 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 2006, with the following additions and changes in accounting policies.

- a) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. Premiums/discounts on debt securities are amortised by the effective rate method, with the amortised amount presented as an adjustment to the interest income.
- b) The change in the accounting policy for recording investments in subsidiary and associated companies in the separate financial statements from the equity method to the cost method, as described in Note 2.

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2. CHANGE IN ACCOUNTING POLICY FOR RECORDING INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES IN THE SEPARATE FINANCIAL STATEMENTS

During the first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary and associated companies in the separate financial statements from the equity method to the cost method, in compliance with Accounting Standard No. 44 (Revised 2007) regarding “Consolidated Financial Statements and Separate Financial Statements”, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method.

In this regard, the Company has restated the previous period’s separate financial statements as though the investments in the subsidiary and associated companies had originally been recorded using the cost method. The change has the effect of increasing net income in the separate income statements for the three-month period ended 30 June 2007 by Baht 212.9 million (Baht 0.20 per share) (2006: decreasing by Baht 450.8 million (Baht 0.44 per share)) and decreasing net income in the separate income statements for the six-month period ended 30 June 2007 by Baht 895.3 million (Baht 0.87 per share) (2006: decreasing by Baht 673.7 million (Baht 0.66 per share)). The cumulative effect of the change in accounting policy has been presented under the heading of “Cumulative effect of the change in accounting policy for investments in subsidiary and associated companies” in the separate statements of changes in shareholders’ equity.

Such change in accounting policy affects only the accounts related to investments in subsidiary and associated companies in the Company’s separate financial statements, with no effect to the consolidated financial statements.

3. CURRENT INVESTMENTS

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements
	30 June 2007
<u>Investments in debt securities to be held to maturity</u>	
Bonds - Bank of Thailand	<u>35,973</u>

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(Unit: Thousand Baht)

	Consolidated financial statements							
	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006	30 June 2007	31 December 2006	30 June 2007	31 December 2006
	Thousand INR	Thousand INR	Percent	Percent				
<i><u>Investment in associate held by a subsidiary</u></i>								
Southern LPG Limited	64,592	64,592	50.00	50.00	<u>31,716</u>	<u>31,716</u>	19,365	19,365
Less: Allowance for loss on investment							(19,365)	(19,365)
Current investment - net							-	-

A subsidiary recorded investment in an overseas associated company 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.

4. TRADE ACCOUNTS RECEIVABLE

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

(Unit: Thousand Baht)

Consolidated financial statements	
	30 June 2007
	31 December 2006
<u>Age of receivables</u>	
Not over 3 months	16,598
3 - 6 months	347
6 - 12 months	5,102
Over 12 months	38,509
Total	60,556
Less: Allowance for doubtful accounts	(38,389)
Trade accounts receivable - net	22,167

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5. RELATED PARTY TRANSACTIONS

During the periods, the Company and subsidiaries had significant business transactions with related parties which have been concluded on commercial terms and basis agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	For the three-month periods ended 30 June				Transfer
	2007	2006	2007	2006	pricing policy
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Service income	-	-	23,508	23,077	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Dividend received	-	-	1,181,533	352,923	As declared
Condominium rental expenses	-	-	2,388	2,672	Market price
<u>Transactions with related companies</u>					
Dividend received	-	8,339	-	-	As declared
Air ticket expenses	4,497	7,557	1,105	1,391	Market price
Rental and service expenses	1,161	718	679	638	Market price

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	For the six-month periods ended 30 June				Transfer
	2007	2006	2007	2006	pricing policy
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Service income	-	-	48,828	46,947	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Dividend received	-	-	2,282,172	1,061,363	As declared
Condominium rental expenses	-	-	4,775	5,347	Market price
<u>Transactions with related companies</u>					
Dividend received	-	8,339	-	-	As declared
Air ticket expenses	9,681	12,940	1,711	2,132	Market price
Rental and service expenses	3,005	1,120	1,824	860	Market price

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The balances of the accounts as at 30 June 2007 and 31 December 2006 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	31 December			30 June
	2006	Increase	Decrease	2007
<u>Receivable from and advances to subsidiaries</u>				
Precious Wishes Limited	-	252,647	188,666	63,981
Precious Stones Shipping Limited	184,648	24,010	85,986	122,672
Precious Minerals Limited	96,574	69,856	141,751	24,679
Precious Lands Limited	1,206	-	1,206	-
Precious Rivers Limited	98,251	387,970	288,504	197,717
Precious Lakes Limited	2,081	80,486	56,045	26,522
Precious Seas Limited	1,942	100,555	77,832	24,665
Precious Stars Limited	1,368	114,860	88,145	28,083
Precious Oceans Limited	-	208,053	156,524	51,529
Precious Planets Limited	2,418	180,856	153,735	29,539
Precious Diamonds Limited	125,440	739,889	839,330	25,999
Precious Sapphires Limited	55,487	50,245	78,864	26,868
Precious Emeralds Limited	350,626	208,357	296,079	262,904
Precious Rubies Limited	2,777	-	2,777	-
Precious Garnets Limited	317,703	213,249	307,654	223,298
Precious Pearls Limited	2,958	367,990	295,217	75,731
Precious Flowers Limited	1,667	361,764	315,262	48,169
Precious Forests Limited	1,867	318,055	295,284	24,638
Precious Trees Limited	1,772	144,094	119,883	25,983
Precious Ponds Limited	1,868	299,175	275,070	25,973
Precious Ventures Limited	-	387,988	361,384	26,604
Precious Capitals Limited	-	171,380	146,164	25,216
Precious Orchids Limited	2,630	199,587	175,403	26,814
Precious Lagoons Limited	12,313	58,460	41,938	28,835
Precious Cliffs Limited	1,143	81,623	53,458	29,308

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(Unit: Thousand Baht)

	Separate financial statements			
	31 December			30 June
	2006	Increase	Decrease	2007
Precious Hills Limited	1,904	79,800	55,055	26,649
Precious Mountains Limited	585	87,040	59,082	28,543
Precious Resorts Limited	32,468	48,253	51,270	29,451
Precious Cities Limited	17,676	103,010	94,214	26,472
Precious Comets Limited	1,013	92,953	90,973	2,993
Precious Ornaments Limited	188	90,439	79,530	11,097
Nedtex Limited	86	11	-	97
Precious Storage Terminals Limited	42	11	-	53
Thebes Pte. Limited	845	20	-	865
Precious Shipping (Panama) S.A.	-	180,278	43,466	136,812
Precious Shipping (Mauritius) Limited	135,612	782	8,105	128,289
Precious Shipping (UK) Limited	101,338	8	8,003	93,343
Great Circle Shipping Agency Limited	199,436	14,072	1,735	211,773
Total	1,757,932	5,717,826	5,333,594	2,142,164
<i>Payable to and advances from subsidiaries</i>				
Precious Metals Limited	38,393	167,684	131,334	74,743
Precious Wishes Limited	21,292	-	21,292	-
Precious Lands Limited	-	172,696	162,766	9,930
Precious Oceans Limited	67,793	-	67,793	-
Precious Rubies Limited	-	86,593	85,644	949
Precious Opals Limited	39,472	106,883	100,791	45,564
Precious Ventures Limited	57,718	-	57,718	-
Precious Capitals Limited	13,037	-	13,037	-
Precious Jasmines Limited	36,272	163,341	136,601	63,012
Precious Shipping (Panama) S.A.	14,103	-	14,103	-
Precious Shipping (Singapore) Pte. Limited	291,062	140,020	107,486	323,596
Total	579,142	837,217	898,565	517,794

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

6. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE HELD BY A SUBSIDIARY

These represent investments in ordinary shares in the following subsidiaries and associate held by a subsidiary:

(Unit: Thousand Baht)

	Separate financial statements							
	Shareholding				Cost		Dividend received	
	Paid-up capital		percentage					
	30 June 2007	31 December 2006	30 June 2007	31 December 2006	30 June 2007	31 December 2006	For the six-month periods ended 30 June	
			Percent	Percent			2007	2006
<u>Investments in subsidiaries</u>								
Precious Metals Limited	250,000	250,000	99.99	99.99	250,000	250,000	63,750	106,250
Precious Wishes Limited	230,000	230,000	99.99	99.99	229,999	229,999	-	64,400
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	260,000	260,000	-	-
Precious Minerals Limited	230,000	230,000	99.99	99.99	230,000	230,000	46,000	-
Precious Lands Limited	84,000	84,000	99.99	99.99	84,000	84,000	49,140	22,680
Precious Rivers Limited	234,000	234,000	99.99	99.99	234,000	234,000	156,779	-
Precious Lakes Limited	99,000	99,000	99.99	99.99	99,000	99,000	64,349	14,850
Precious Seas Limited	100,000	100,000	99.99	99.99	100,000	100,000	89,999	16,000
Precious Stars Limited	105,000	105,000	99.99	99.99	105,000	105,000	94,499	-
Precious Oceans Limited	175,000	175,000	99.99	99.99	175,000	175,000	-	97,999
Precious Planets Limited	100,000	100,000	99.99	99.99	100,000	100,000	137,999	30,000
Precious Diamonds Limited	205,000	205,000	99.99	99.99	205,000	205,000	32,800	71,750
Precious Sapphires Limited	144,000	144,000	99.99	99.99	143,999	143,999	38,880	-
Precious Emeralds Limited	366,000	366,000	99.99	99.99	366,000	366,000	-	-
Precious Rubies Limited	84,000	84,000	99.99	99.99	84,000	84,000	50,400	12,600
Precious Opals Limited	74,000	74,000	99.99	99.99	74,000	74,000	29,970	53,649
Precious Garnets Limited	379,000	379,000	99.99	99.99	378,999	378,999	-	-
Precious Pearls Limited	73,000	73,000	99.99	99.99	72,999	72,999	81,029	18,250
Precious Flowers Limited	76,000	76,000	99.99	99.99	75,999	75,999	129,199	83,219
Precious Forests Limited	96,000	96,000	99.99	99.99	95,999	95,999	48,000	62,399
Precious Trees Limited	80,000	80,000	99.99	99.99	79,999	79,999	117,599	-
Precious Ponds Limited	84,000	84,000	99.99	99.99	83,999	83,999	62,999	25,200
Precious Ventures Limited	80,000	80,000	99.99	99.99	79,999	79,999	184,799	59,999
Precious Capitals Limited	200,000	200,000	99.99	99.99	199,999	199,999	90,000	100,000
Precious Jasmines Limited	98,000	98,000	99.99	99.99	97,999	97,999	105,349	31,360
Precious Orchids Limited	217,000	217,000	99.99	99.99	216,999	216,999	167,089	-
Precious Lagoons Limited	140,000	140,000	99.99	99.99	139,999	139,999	46,200	21,000
Precious Cliffs Limited	140,000	140,000	99.99	99.99	139,999	139,999	63,000	-

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Separate financial statements							
	Shareholding				Cost		Dividend received	
	Paid-up capital		percentage					
	30	31	30	31	30	31	For the six-month	
	June	December	June	December	June	December	periods ended 30 June	
	2007	2006	2007	2006	2007	2006	2007	2006
			Percent	Percent				
Precious Hills Limited	140,000	140,000	99.99	99.99	139,999	139,999	65,800	49,000
Precious Mountains Limited	140,000	140,000	99.99	99.99	139,999	139,999	67,200	14,000
Precious Resorts Limited	140,000	140,000	99.99	99.99	139,999	139,999	35,000	-
Precious Cities Limited	170,000	170,000	99.99	99.99	169,999	169,999	85,000	27,200
Precious Comets Limited	71,100	71,100	99.99	99.99	71,099	71,099	40,527	53,680
Precious Ornaments Limited	68,100	68,100	99.99	99.99	68,099	68,099	38,817	25,878
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	15,000	15,000	99.99	99.99	121,995	121,995	-	-
Total investments in subsidiaries					5,623,110	5,623,110	2,282,172	1,061,363
Less: Allowance for loss on investments in subsidiaries					(5,097)	(5,097)		
Total investments in subsidiaries - net					5,618,013	5,618,013		

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

During the current period, an overseas subsidiary (Precious Shipping (Singapore) Pte. Limited) received dividend amounting to SGD 0.3 million from its subsidiary (PSL Thun Shipping Pte. Limited).

(Unit: Thousand Baht)

	Consolidated financial statements									
	Shareholding				Carrying amounts based on equity				Dividend received	
	Paid-up capital		percentage		Cost		method			
	30	31	30	31	30	31	30	31	For the six-month	
	June	December	June	December	June	December	June	December	periods ended 30 June	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	Thousand INR	Thousand INR	Percent	Percent						
<i>Investment in associate held by a subsidiary</i>										
International Seaports (Haldia)										
Private Limited	440,580	440,580	22.40	22.40	87,701	87,701	124,800	119,768	-	8,339

(UNAUDITED BUT REVIEWED)

Share of income from investment in associate held by a subsidiary included in the consolidated income statements for the three-month and six-month periods ended 30 June 2007, amounting to Baht 8.1 million and Baht 5.0 million, respectively (2006: share of income amounting to Baht 3.6 million and share of loss amounting to Baht 0.5 million, respectively), included in the consolidated income statements were calculated based on the audited financial statements for the years ended 31 March 2007 and 2006, respectively.

7. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the six-month period ended 30 June 2007 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2007	11,023,852	60,339
Acquisitions of equipment and payment of dry-dock and special survey expenses during period - at cost	345,187	10,474
Disposals during period - net book value at disposal date	(421,189)	-
Depreciation for period	(912,809)	(3,559)
Net book value as at 30 June 2007	<u>10,035,041</u>	<u>67,254</u>

In 2006 a subsidiary arranged for an independent professional valuer to appraise the value of its land and condominium, using the Fair Market Approach. Had the land and condominium been carried in the financial statements based on historical cost, their net book value as of 30 June 2007 and 31 December 2006 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June 2007	31 December 2006
Land and condominium	<u>42,021</u>	<u>44,520</u>

As at 31 December 2006, the subsidiaries were in the process of releasing the mortgages on 24 vessels with net book values totaling Baht 4,713.7 million. During the current period, the process of releasing the mortgages of the vessels has been completed.

8. LONG-TERM LOANS

On 18 January and 21 May 2007, the Company and local subsidiaries entered into agreements with local commercial banks to obtain credit facilities, as detailed below.

- a) A term loan of USD 300 million carrying interest at LIBOR plus 2.2 percent per annum. The loan is to be used to pay for purchases of vessels and is to be drawn down within 12 months from the date of the agreement, and is to be repaid in 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), in accordance with the proportionate amounts stipulated in the agreement.
- b) A foreign currency exchange facility of USD 5 million.

The credit facilities have to be 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 when the facility is drawn down.

The credit facility agreements contain covenants that, among other things, require the Company and subsidiaries to maintain certain financial ratios such as:

- 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 a debt service coverage ratio of at least 1:1.

As at 30 June 2007, no drawn down has been made from the facilities.

During the current period, the Company paid front end fees to the lenders and advisory fees to advisors totaling Baht 298.0 million which has been recorded in the "Deferred financial fees account" in non-current assets in the balance sheet. The Company will reimburse such fees from its subsidiaries based on the portion of loan to be drawn down by subsidiaries.

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9. SHARE CAPITAL AND STOCK DIVIDEND

On 24 April 2007, the Annual General Meeting of shareholders passed the following resolutions.

- a) Approval to increase the registered share capital from Baht 520 million to Baht 1,040 million, through the issue of 520 million shares with a par value of Baht 1 each, to support the payment of a stock dividend. The Company registered the increase in its share capital with the Ministry of Commerce on 27 April 2007.
- b) Approval of the distribution of a stock dividend in respect of the 2006 income, with Baht 520 million to be transferred from retained earnings for allocation as a stock dividend with a par value of Baht 1 each to be distributed for every existing share held, totaling 520 million shares. As at the closing date of the share register, 519,520,600 of the Company's ordinary shares were qualified to receive stock dividend, after deduction of 479,400 shares disqualified to receive this stock dividend by the registrar (Thailand Securities Depository Co., Ltd.) from the total number of shares outstanding (520,000,000 shares). The total stock dividend paid was thus Baht 519.5 million. In addition, the Company applied to the Stock Exchange of Thailand to register the additional 519,520,600 shares as listed securities and the approval was granted to the Company on 3 May 2007.

10. TREASURY STOCK

Details of treasury stock are as follows:

	Consolidated financial statements / Separate financial statements	
	30 June 2007	31 December 2006
Value of treasury stock (Baht)	-	414,918,176
Number of treasury shares (Shares)	-	12,318,600
Average cost per share (Baht)	-	33.6823
The percentage of number of treasury shares to the share capital issued by the Company	-	2.37

During the current period, the Company disposed 12.3 million treasury shares with cost of Baht 414.9 million at total price of Baht 566.2 million. The resale of the treasury shares was done on the Stock Market at prevailing market prices at the time of sale. The Company realised Baht 151.3 million as a gain on the aforesaid shares which has been presented as "Premium on treasury stock" in the shareholders' equity, and reversed treasury stock reserve to unappropriated retained earnings.

11. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the period by the weighted average number of ordinary shares held by outside shareholders in issue during the period net of treasury stock held by the Company and adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the distribution of stock dividend, as discussed in Note 9. The number of ordinary shares of the prior period has been adjusted as if the stock dividend had been distributed at the beginning of the earliest period reported.

12. SEGMENT INFORMATION

The Company and 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 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 oil. 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.

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 and six-month periods ended 30 June 2007 and 2006 derived from Time charter and Voyage charter presented as "Hire income" and "Freight income" respectively, as under:

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

Consolidated financial statements										
For the three-month periods ended 30 June										
	Time charter		Voyage charter		Total		Elimination		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Hire income	1,618,817	1,514,848	-	-	1,618,817	1,514,848	-	-	1,618,817	1,514,848
Freight income	-	-	66,698	874,016	66,698	874,016	(19,451)	(245,053)	47,247	628,963
Total vessel operating income	1,618,817	1,514,848	66,698	874,016	1,685,515	2,388,864	(19,451)	(245,053)	1,666,064	2,143,811
Voyage disbursements	-	-	(19,975)	(351,394)	(19,975)	(351,394)	19,451	245,053	(524)	(106,341)
Bunker consumption	-	-	(10,223)	(152,081)	(10,223)	(152,081)	-	-	(10,223)	(152,081)
Total voyage expenses	-	-	(30,198)	(503,475)	(30,198)	(503,475)	19,451	245,053	(10,747)	(258,422)
Net vessel operating income/time charter equivalent income	1,618,817	1,514,848	36,500	370,541	1,655,317	1,885,389	-	-	1,655,317	1,885,389

(Unit: Thousand Baht)

Consolidated financial statements										
For the six-month periods ended 30 June										
	Time charter		Voyage charter		Total		Elimination		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Hire income	3,392,889	3,213,893	-	-	3,392,889	3,213,893	-	-	3,392,889	3,213,893
Freight income	-	-	288,884	1,492,821	288,884	1,492,821	(63,124)	(411,395)	225,760	1,081,426
Total vessel operating income	3,392,889	3,213,893	288,884	1,492,821	3,681,773	4,706,714	(63,124)	(411,395)	3,618,649	4,295,319
Voyage disbursements	-	-	(89,524)	(609,764)	(89,524)	(609,764)	63,124	411,395	(26,400)	(198,369)
Bunker consumption	-	-	(47,396)	(272,037)	(47,396)	(272,037)	-	-	(47,396)	(272,037)
Total voyage expenses	-	-	(136,920)	(881,801)	(136,920)	(881,801)	63,124	411,395	(73,796)	(470,406)
Net vessel operating income/time charter equivalent income	3,392,889	3,213,893	151,964	611,020	3,544,853	3,824,913	-	-	3,544,853	3,824,913

13. CASH DIVIDENDS

Dividends declared in the six-month period ended of 30 June 2007 consist of the following:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
a) Final dividends of 2006 income	Annual General Meeting of the shareholders on 24 April 2007	1,096.2	2.11

(UNAUDITED BUT REVIEWED)

As at the closing date of the share register, 519,520,600 of the Company's ordinary shares were qualified to receive dividend, after deduction of 479,400 shares disqualified to receive this dividend by the registrar (Thailand Securities Depository Co., Ltd.) from the total number of shares outstanding (520,000,000 shares). The total dividend paid was thus Baht 1,096.2 million.

	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht)
b) Interim dividends on operating	Board of Directors'		
results for the three-month	meeting on 7 May 2007		
period ended 31 March 2007		<u>519.5</u>	<u>0.50</u>

As at the closing date of the share register, 1,039,040,700 of the Company's ordinary shares were qualified to receive dividend, after deduction of 479,900 shares disqualified to receive this dividend by the registrar (Thailand Securities Depository Co., Ltd.) from the total number of shares outstanding (1,039,520,600 shares). The total dividend paid was thus Baht 519.5 million.

Dividends declared in the six-month period ended 30 June 2006 consist of the following:

	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht)
c) Final dividends of 2005 income	Annual General Meeting		
	of the shareholders on		
	20 April 2006	<u>784.5</u>	<u>1.55</u>

As at the closing date of the share register, 506,131,700 of the Company's ordinary shares were qualified to receive dividend, after deduction of 13,386,300 shares held by the Company as treasury stock and 482,000 shares disqualified to receive this dividend by the registrar (Thailand Securities Depository Co., Ltd.) from the total number of shares outstanding (520,000,000 shares). The total dividend paid was thus Baht 784.5 million.

14. UNCALLED PORTION OF OTHER LONG-TERM INVESTMENT

As at 30 June 2007, the Company has a commitment of Baht 10.1 million in respect of the uncalled portion of other long-term investment (31 December 2006: Baht 10.1 million).

15. SUBSEQUENT EVENTS

- a) On 6 July 2007, the Extraordinary General Meeting of shareholders passed the following resolutions.
- Approval for the Company or a newly established subsidiary of the Company to issue debentures in an amount not exceeding USD 1,000 million or the equivalent in another currency to foreign investors, and to empower the Board of Directors to subsequently determine details of the debenture issue and disposal such as the nature of the debentures, the value of the offering, the currency, the interest rate, the maturity, the redemption period, the selling method, the subscription period, the allocation method and others.
 - Approval to decrease the registered share capital from Baht 1,040,000,000 to Baht 1,039,520,600 by means of cancelling 479,400 authorised but unissued shares with a par value of Baht 1 each which the Company had not been able to allocate because it could not identify the eligible shareholders.

The issue of the debentures (if any) and decrease in the registered share capital transactions will be reflected in the financial statements of the third quarter of 2007.

- b) On 20 July 2007, the Company entered into 12 contracts agreements with a builder to construct 12 vessels classified as bulk carriers at an aggregate price of approximately USD 360 million (or approximately USD 30 million per vessel). The contract price will be paid in 5 installments of 20 percent each and the vessels are expected to be delivered in the years 2010 to 2013.

16. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's authorised directors on 2 August 2007.