

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2003 AND 2002

Report of Independent Auditor

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

I have audited the accompanying consolidated balance sheet of Precious Shipping Public Company Limited and subsidiaries as at 31 December 2003, the related consolidated statements of earnings, changes in shareholders' equity and cash flows for the year then ended, and the separate financial statements of Precious Shipping Public Company Limited for the same period. These financial statements are the responsibility of the management of the Company and subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements of seven subsidiaries incorporated overseas which are included in these consolidated financial statements. The assets and revenues of these subsidiaries as included in the consolidated financial statements constitute 7.4% of the consolidated total assets as at 31 December 2003, and 3.4% of the consolidated total revenues for the year then ended. In addition, the Company's financial statements included investments in these subsidiaries as at 31 December 2003 of Baht 638.1 million, stated under the equity method, and share of gain from these subsidiaries for the year then ended of Baht 25.4 million. The financial statements of these subsidiaries were audited by other auditors, whose reports have been furnished to me, and my opinion, insofar as it relates to the amounts included for those subsidiaries in the consolidated financial statements and the Company's financial statements, is based solely on the reports of these other auditors. The consolidated financial statements and the separate financial statements of the Company for the year ended 31 December 2002, were audited by another auditor of our firm whose report dated 10 February 2003, expressed an unqualified opinion on those statements.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit and the

reports of other auditors as referred to in the first paragraph, provide a reasonable basis for my opinion.

In my opinion, based on my audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Precious Shipping Public Company Limited and subsidiaries and of Precious Shipping Public Company Limited as at 31 December 2003, and the results of their operations and their cash flows for the year then ended, in accordance with generally accepted accounting principles.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited
Bangkok: 11 February 2004