

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2003 AND 2002

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2003	2002	2003	2002
ASSETS					
Current assets					
Cash and cash equivalents		897,269,959	329,715,200	282,671,551	6,538,138
Trade accounts receivable - net	4	70,185,983	142,019,006	-	-
Receivable from and advances to related parties					
Subsidiaries	5	-	-	598,349,626	950,160,075
Other related companies	5	2,299,440	25,983,399	439,741	439,741
Bunker oil		20,612,060	47,066,795	-	-
Advances to vessel masters		41,952,688	39,524,421	-	-
Other current assets		41,215,594	44,986,219	7,298,984	8,951,837
Total current assets		<u>1,073,535,724</u>	<u>629,295,040</u>	<u>888,759,902</u>	<u>966,089,791</u>
Non-current assets					
Investments accounted for under equity method	6	-	-	4,567,338,616	5,297,114,582
Other long-term investments - net	6	87,700,531	35,555,856	-	-
Vessels, condominium and equipment - net	7	4,617,999,254	4,427,064,530	2,720,955	4,197,008
Prepayment for vessel purchases		77,585,550	-	-	-
Goodwill - net		8,136,920	8,815,000	-	-
Other non-current assets		2,962,436	3,106,073	423,248	471,166
Total non-current assets		<u>4,794,384,691</u>	<u>4,474,541,459</u>	<u>4,570,482,819</u>	<u>5,301,782,756</u>
Total assets		<u><u>5,867,920,415</u></u>	<u><u>5,103,836,499</u></u>	<u><u>5,459,242,721</u></u>	<u><u>6,267,872,547</u></u>

The accompanying notes are an integral part of the financial statements.

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2003 AND 2002

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2003	2002	2003	2002
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade accounts payable		52,290,655	100,232,355	3,596,851	10,024,159
Payable to and advances from subsidiaries	5	-	-	2,532,517,944	2,430,759,380
Current portion of long-term loans	8	938,579,124	393,385,757	242,582,284	-
Advances received from charterers		108,893,669	74,038,616	1,311,834	1,429,559
Accrued crew accounts		69,601,789	79,681,091	-	-
Accrued guarantee obligation	5	-	21,060,600	-	21,060,600
Withholding tax payable		34,577,673	2,092,737	33,763,593	1,253,664
Advance receipt for sale of investments	9	70,161,560	-	70,161,560	-
Other current liabilities		152,178,339	125,626,789	11,539,947	1,848,784
Total current liabilities		<u>1,426,282,809</u>	<u>796,117,945</u>	<u>2,895,474,013</u>	<u>2,466,376,146</u>
Non-current liabilities					
Redeemable convertible debentures	10	-	886,736,531	-	886,736,531
Subordinated loans from subsidiaries	5	-	-	662,818,000	662,818,000
Long-term loans	8	2,483,771,798	2,744,396,287	-	1,618,368,101
Total non-current liabilities		<u>2,483,771,798</u>	<u>3,631,132,818</u>	<u>662,818,000</u>	<u>3,167,922,632</u>
Total liabilities		<u>3,910,054,607</u>	<u>4,427,250,763</u>	<u>3,558,292,013</u>	<u>5,634,298,778</u>

The accompanying notes are an integral part of the financial statements.

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2003 AND 2002

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2003	2002	2003	2002
Shareholders' equity					
Share capital					
Authorised share capital					
520,000,000 ordinary shares of Baht 1 each					
(2002: 197,300,000 ordinary shares					
of Baht 10 each)	11	520,000,000	1,973,000,000	520,000,000	1,973,000,000
Issued and paid-up share capital					
520,000,000 ordinary shares of Baht 1 each					
(2002: 52,000,000 ordinary shares of Baht 10 each)		520,000,000	520,000,000	520,000,000	520,000,000
Premium on ordinary shares	11	411,429,745	926,054,829	411,429,745	926,054,829
Translation adjustment		159,706,393	168,888,751	159,706,393	168,888,751
Retained earnings					
Appropriated					
Statutory reserve - the Company	11, 12	52,000,000	60,500,000	52,000,000	60,500,000
- subsidiaries	12	169,995,000	77,466,000	-	-
General reserve in subsidiaries		24,181,905	24,181,905	-	-
Unappropriated (Deficit)		563,637,665	(1,143,517,716)	757,814,570	(1,041,869,811)
Total equity attributable to Company's shareholders		1,900,950,708	633,573,769	1,900,950,708	633,573,769
Minority interest - Equity attributable to minority shareholders of subsidiaries		56,915,100	43,011,967	-	-
Total shareholders' equity		1,957,865,808	676,585,736	1,900,950,708	633,573,769
Total liabilities and shareholders' equity		5,867,920,415	5,103,836,499	5,459,242,721	6,267,872,547
		0	0	0	0

The accompanying notes are an integral part of the financial statements.

DIRECTORS

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF EARNINGS
FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2003	2002	2003	2002
Revenues					
Vessel operating income		3,796,875,589	3,290,904,183	-	-
Service income		6,259,661	7,580,380	-	-
Interest income		1,261,148	3,255,056	286,996	770,405
Gains on disposals of fixed assets	7	177,035	23,662,343	-	237,296
Exchange gains	13	184,190,660	73,120,913	22,259,875	17,099,206
Other income		1,760,637	3,865,964	61,187	1,611,425
Share of profit from investments accounted for under equity method		-	-	1,688,819,220	706,643,900
Total revenues		<u>3,990,524,730</u>	<u>3,402,388,839</u>	<u>1,711,427,278</u>	<u>726,362,232</u>
Expenses					
Vessel operating costs					
Vessel running expenses		957,395,362	1,030,909,341	-	-
Voyage disbursements		306,807,237	382,177,575	-	-
Bunker consumption		266,620,343	345,037,438	-	-
Total vessel operating costs		1,530,822,942	1,758,124,354	-	-
Cost of services		13,243,470	11,422,526	-	-
Administrative expenses		177,572,647	156,940,127	164,814,134	136,836,743
Bad debt and allowance for doubtful accounts		6,705,262	33,552,025	32,970,383	4,044,813
Depreciation	7	601,964,978	634,970,791	1,614,542	2,181,882
Guarantee obligation	5	-	31,589,725	-	31,589,725
Allowance for possible loss on other investments	6	-	161,353,402	-	22,955,307
Directors' remuneration	14	2,442,500	1,252,500	2,442,500	1,252,500
Share of loss from investments accounted for under equity method		-	433,572	-	-
Loss on sales of investments		-	379,725	-	-
Total expenses		<u>2,332,751,799</u>	<u>2,790,018,747</u>	<u>201,841,559</u>	<u>198,860,970</u>
Earnings before interest and financial costs and income tax		<u>1,657,772,931</u>	<u>612,370,092</u>	<u>1,509,585,719</u>	<u>527,501,262</u>
Interest and financial costs		(254,923,424)	(201,132,020)	(120,639,345)	(115,829,843)
Corporate income tax	15	-	-	-	-
Earnings before minority interest and extraordinary item		<u>1,402,849,507</u>	<u>411,238,072</u>	<u>1,388,946,374</u>	<u>411,671,419</u>
Net loss (earnings) of minority interest		(13,903,133)	433,347	-	-
Earnings from normal items		<u>1,388,946,374</u>	<u>411,671,419</u>	<u>1,388,946,374</u>	<u>411,671,419</u>
Extraordinary items					
Gain on redemption of bonds and redeemable convertible debentures	10	147,612,923	90,762,259	147,612,923	90,762,259
Net earnings for the year		<u><u>1,536,559,297</u></u>	<u><u>502,433,678</u></u>	<u><u>1,536,559,297</u></u>	<u><u>502,433,678</u></u>

The accompanying notes are an integral part of the financial statements.

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF EARNINGS (Continued)
 FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2003	2002	2003	2002
Basic earnings per share				
Earnings from normal items	2.67	0.79	2.67	0.79
Extraordinary item	0.28	0.18	0.28	0.18
Net earnings	2.95	0.97	2.95	0.97
Weighted average number of ordinary shares (shares)	520,000,000	520,000,000	520,000,000	520,000,000

The accompanying notes are an integral part of the financial statements.

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Cash flows from (used in) operating activities				
Net earnings	1,536,559,297	502,433,678	1,536,559,297	502,433,678
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:				
Depreciation and amortisation	602,643,058	635,648,871	1,614,542	2,181,882
Bad debt and allowance for doubtful accounts	6,705,262	33,552,025	32,970,383	4,044,813
Unrealised exchange gains	(161,037,212)	(40,396,838)	(7,495,859)	(14,030,386)
Share of (profit) loss from investments accounted for under equity method	-	433,572	(1,688,819,220)	(706,643,900)
Gain on disposals of fixed assets	(177,035)	(23,662,343)	-	(237,296)
Loss on sales of investments	-	379,725	-	-
Allowance for possible loss on other investments	-	161,353,402	-	22,955,307
Increase in minority interest	13,903,133	3,504,723	-	-
	<u>1,998,596,503</u>	<u>1,273,246,815</u>	<u>(125,170,857)</u>	<u>(189,295,902)</u>
Operating assets (increase) decrease				
Trade accounts receivable	60,590,103	(34,093,958)	-	-
Receivable from and advances to related parties	23,683,960	(16,636,010)	2,953,252,895	60,097,620
Bunker oil	26,454,735	14,561,952	-	-
Other current assets	1,342,358	77,601,017	1,652,853	1,182,346
Other non-current assets	143,637	1,770,387	47,918	(140,808)
Operating liabilities increase (decrease)				
Trade accounts payable	(48,103,858)	(20,552,747)	(6,167,716)	6,431,926
Payable to and advances from subsidiaries	-	-	101,758,564	470,472,342
Advances received from charterers	35,585,195	(878,789)	-	-
Withholding tax payable	32,484,936	(4,793,871)	32,509,929	(3,900,239)
Advance receipt for sale of investments	70,161,560	-	70,161,560	-
Other current liabilities	(4,588,352)	(4,825,102)	(11,369,438)	17,458,315
Net cash from operating activities	<u>2,196,350,777</u>	<u>1,285,399,694</u>	<u>3,016,675,708</u>	<u>362,305,600</u>

The accompanying notes are an integral part of the financial statements.

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Cash flows from (used in) investing activities				
Decrease in deposits at banks with maturity of more than 3 months and amount pledged	-	14,964,636	-	13,744,636
Sales of other investments	-	708,312	-	-
Increase in investments accounted for under equity metho	-	-	(225,000,000)	-
Increase in long-term investments	(52,144,675)	(49,071,977)	-	-
Acquisitions of fixed assets	(792,898,845)	(183,265,650)	(138,489)	(1,602,565)
Disposals of fixed assets	176,177	131,164,634	-	237,300
Prepayment for vessel purchases	(77,585,550)	-	-	-
Net cash from (used in) investing activities	<u>(922,452,893)</u>	<u>(85,500,045)</u>	<u>(225,138,489)</u>	<u>12,379,371</u>
Cash flows from (used in) financing activities				
Cash received from new loans	3,552,990,822	-	249,700,826	-
Cash paid for long-term loans	(3,103,415,058)	(929,657,885)	(1,618,368,101)	(144,039,140)
Cash paid on redemption of bonds and redeemable convertible debentures	(739,123,608)	(137,167,460)	(739,123,608)	(137,167,460)
Dividend paid	(260,000,000)	-	(260,000,000)	-
Net cash used in financing activities before extraordinary items	<u>(549,547,844)</u>	<u>(1,066,825,345)</u>	<u>(2,367,790,883)</u>	<u>(281,206,600)</u>
Extraordinary item - gains on redemption of bonds and redeemable convertible debentures	(147,612,923)	(90,762,259)	(147,612,923)	(90,762,259)
Net cash used in financing activities	<u>(697,160,767)</u>	<u>(1,157,587,604)</u>	<u>(2,515,403,806)</u>	<u>(371,968,859)</u>
Increase (decrease) in translation adjustment	<u>(9,182,358)</u>	<u>25,812,634</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	567,554,759	68,124,679	276,133,413	2,716,112
Cash and cash equivalents at beginning of year	<u>329,715,200</u>	<u>261,590,521</u>	<u>6,538,138</u>	<u>3,822,026</u>
Cash and cash equivalents at end of year	<u><u>897,269,959</u></u>	<u><u>329,715,200</u></u>	<u><u>282,671,551</u></u>	<u><u>6,538,138</u></u>
Supplemental cash flow information				
Cash paid during the year for				
Interest expenses	164,740,081	200,909,307	96,778,203	116,123,964
Corporate income tax	-	369,951	-	-
Non-cash transactions				
Decrease in redeemable convertible debentures due to redemption at discount	-	(227,929,718)	-	(227,929,718)
Increase in redeemable convertible debentures from the change in proportion of liabilities element as at the balance sheet date	-	329,203,639	-	329,203,639
Decrease in unrealised gain on redeemable convertible debentures from the change in proportion of equity element as at the balance sheet date	-	(329,203,639)	-	(329,203,639)
Dividend income from subsidiaries offset against payable to and advances from subsidiaries	-	-	2,637,762,695	-

The accompanying notes are an integral part of the financial statements.