

**Precious Shipping Public Company Limited and subsidiaries**

**Balance sheets**

**As at 31 December 2008 and 2007**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	17	3,350,024,741	1,470,244,256	914,837,752	194,974,853
Current investment - net	7	-	-	-	-
Trade accounts receivable - net	8	46,765,842	34,638,681	-	-
Receivable from and advances to subsidiaries	9	-	-	1,279,232,384	998,556,335
Bunker oil		6,667,192	5,636,525	-	-
Other current assets					
Advances to vessel masters		102,137,723	100,196,046	-	-
Claim recoverable		89,737,672	100,254,008	-	184,290
Others		42,589,372	51,927,935	20,632,606	28,981,929
Total other current assets		234,464,767	252,377,989	20,632,606	29,166,219
<b>Total current assets</b>		<b>3,637,922,542</b>	<b>1,762,897,451</b>	<b>2,214,702,742</b>	<b>1,222,697,407</b>
<b>Non-current assets</b>					
Investments in subsidiaries - net	10	-	-	5,663,012,341	5,618,012,341
Investment in associate held by a subsidiary	11	122,566,201	134,282,332	-	-
Other long-term investment	12	10,130,430	10,130,430	10,130,430	10,130,430
Property, plant and equipment - net	13	9,080,505,371	9,525,658,693	26,282,292	24,767,763
Other non-current assets					
Computer software - net	14	54,825,388	43,495,617	54,825,388	43,495,617
Advances for vessel construction	15	4,720,520,133	3,239,547,115	4,720,520,133	3,239,547,115
Deferred financial fees	16	330,740,492	298,101,974	330,740,492	298,101,974
Others		3,322,306	4,024,453	2,615,865	3,396,159
Total other non-current assets		5,109,408,319	3,585,169,159	5,108,701,878	3,584,540,865
<b>Total non-current assets</b>		<b>14,322,610,321</b>	<b>13,255,240,614</b>	<b>10,808,126,941</b>	<b>9,237,451,399</b>
<b>Total assets</b>		<b>17,960,532,863</b>	<b>15,018,138,065</b>	<b>13,022,829,683</b>	<b>10,460,148,806</b>

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 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade accounts payable		96,213,245	66,544,366	1,209,938	1,546,830
Payable to and advances from subsidiaries	9	-	-	1,618,831,861	1,360,441,634
Advances received from vessel sales	17	21,891,418	-	-	-
Advances received from charterers		211,642,085	171,470,255	-	-
Other current liabilities					
Accrued crew accounts		101,031,624	96,522,767	-	-
Current portion of accrued employee benefits	18	147,794,957	58,447,242	135,676,932	53,808,471
Accrued expenses		112,153,882	112,930,522	8,419,749	426,733
Provision for income tax		11,082,386	216,229,956	-	-
Withholding tax payable		54,438,912	38,021,854	53,084,164	36,461,519
Others		21,383,258	28,141,060	5,150,796	11,585,010
Total other current liabilities		447,885,019	550,293,401	202,331,641	102,281,733
<b>Total current liabilities</b>		<b>777,631,767</b>	<b>788,308,022</b>	<b>1,822,373,440</b>	<b>1,464,270,197</b>
<b>Non-current liabilities</b>					
Accrued employee benefits - net of current portion	18	217,850,070	95,947,000	199,435,375	88,598,533
Provisions for maritime claims		48,106,741	68,951,739	-	-
Long-term loans - net	16, 19	739,495,539	-	739,495,539	-
<b>Total non-current liabilities</b>		<b>1,005,452,350</b>	<b>164,898,739</b>	<b>938,930,914</b>	<b>88,598,533</b>
<b>Total liabilities</b>		<b>1,783,084,117</b>	<b>953,206,761</b>	<b>2,761,304,354</b>	<b>1,552,868,730</b>

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 2008 and 2007**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Shareholders' equity</b>					
Share capital					
Registered share capital					
1,039,520,600 ordinary shares					
of Baht 1 each	21	1,039,520,600	1,039,520,600	1,039,520,600	1,039,520,600
Issued and paid-up share capital					
1,039,520,600 ordinary shares					
of Baht 1 each	21	1,039,520,600	1,039,520,600	1,039,520,600	1,039,520,600
Paid-in capital					
Premium on ordinary shares		411,429,745	411,429,745	411,429,745	411,429,745
Premium on treasury stock	25	172,445,812	172,445,812	172,445,812	172,445,812
Revaluation surplus on assets of subsidiary	22	103,711,800	123,965,882	-	-
Translation adjustment		120,183,371	86,324,046	-	-
Retained earnings					
Appropriated					
Statutory reserve - the Company	23	103,952,060	103,952,060	103,952,060	103,952,060
- subsidiaries	23	496,020,000	467,720,000	-	-
Corporate social responsibility reserve	26	24,692,961	-	24,692,961	-
Unappropriated		13,694,533,528	11,646,881,980	8,509,484,151	7,179,931,859
Total equity attributable to Company's shareholders		16,166,489,877	14,052,240,125	10,261,525,329	8,907,280,076
Minority interest - equity attributable to minority shareholders of subsidiaries		10,958,869	12,691,179	-	-
<b>Total shareholders' equity</b>		<b>16,177,448,746</b>	<b>14,064,931,304</b>	<b>10,261,525,329</b>	<b>8,907,280,076</b>
<b>Total liabilities and shareholders' equity</b>		<b>17,960,532,863</b>	<b>15,018,138,065</b>	<b>13,022,829,683</b>	<b>10,460,148,806</b>
		0	0	0	0

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

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Directors  
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**Precious Shipping Public Company Limited and subsidiaries**

**Income statements**

**For the years ended 31 December 2008 and 2007**

(Unit: Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Revenues</b>					
Vessel operating income					
Hire income		8,337,105,438	6,969,502,482	-	-
Freight income		198,694,145	318,867,103	-	-
Total vessel operating income		8,535,799,583	7,288,369,585	-	-
Service income	9	2,831,834	8,974,530	94,428,000	154,750,779
Gains on sales of vessels and equipment		-	1,558,219,821	-	1,537,369
Interest income		49,565,052	142,124,906	14,587,830	36,942,982
Exchange gains		61,130,752	-	33,925,762	-
Other income		319,174	1,222,118	27,687	3,147,653
Dividend received	9	-	-	4,700,417,749	4,453,244,722
Share of income from investment in associate held by a subsidiary	11	10,167,494	34,126,828	-	-
<b>Total revenues</b>		<b>8,659,813,889</b>	<b>9,033,037,788</b>	<b>4,843,387,028</b>	<b>4,649,623,505</b>
<b>Expenses</b>					
Vessel operating costs					
Vessel running expenses		1,855,744,943	1,758,125,442	-	-
Voyage disbursements		32,696,621	54,026,838	-	-
Bunker consumption		37,805,454	60,213,076	-	-
Total vessel operating costs		1,926,247,018	1,872,365,356	-	-
Depreciation	13	1,085,164,801	1,824,365,929	9,545,256	7,511,517
Cost of services		39,788,613	29,494,469	-	-
Administrative expenses	9	508,598,322	381,785,480	489,994,758	357,776,174
Bad debts and allowance for doubtful accounts		11,131,965	4,747,387	1,477,044	1,550
Losses on derivative contracts	28	-	241,969,452	-	-
Exchange losses		-	175,167,588	-	45,404,564
<b>Total expenses</b>		<b>3,570,930,719</b>	<b>4,529,895,661</b>	<b>501,017,058</b>	<b>410,693,805</b>
<b>Income before finance cost and corporate income tax</b>		<b>5,088,883,170</b>	<b>4,503,142,127</b>	<b>4,342,369,970</b>	<b>4,238,929,700</b>
Finance cost		(130,644,868)	(126,755,592)	(129,918,973)	(78,787,758)
<b>Income before corporate income tax</b>		<b>4,958,238,302</b>	<b>4,376,386,535</b>	<b>4,212,450,997</b>	<b>4,160,141,942</b>
Corporate income tax	29	(21,374,441)	(215,570,735)	-	-
<b>Net income for the year</b>		<b>4,936,863,861</b>	<b>4,160,815,800</b>	<b>4,212,450,997</b>	<b>4,160,141,942</b>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		4,938,592,249	4,156,160,222	4,212,450,997	4,160,141,942
Minority interests of the subsidiaries		(1,728,388)	4,655,578	-	-
<b>Net income for the year</b>		<b>4,936,863,861</b>	<b>4,160,815,800</b>	<b>4,212,450,997</b>	<b>4,160,141,942</b>
<b>Basic earnings per share</b>					
Net income attributable to equity holders of the parent	31	4.75	4.01	4.05	4.01
Weighted average number of ordinary shares (shares)		1,039,520,600	1,037,259,517	1,039,520,600	1,037,259,517

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

**Precious Shipping Public Company Limited and subsidiaries**

**Cash flow statements**

**For the years ended 31 December 2008 and 2007**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Cash flows from operating activities</b>				
Income before corporate income tax	4,958,238,302	4,376,386,535	4,212,450,997	4,160,141,942
Adjustments to reconcile income before corporate income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,085,862,357	1,824,575,209	10,242,812	7,720,797
Bad debt and allowance for doubtful accounts	11,131,965	4,747,387	1,477,044	1,550
Loss (gain) on sales of vessels and equipment	400,495	(1,558,219,821)	15,338	(1,537,369)
Amortisation of discount on investments in debt securities	(4,196,977)	(3,665,798)	(4,196,977)	(3,665,798)
Share of income from investment in associate held by a subsidiary	(10,167,494)	(34,126,828)	-	-
Write-off deferred financial fees	50,669,413	-	50,669,413	-
Provisions for maritime claims (reversal)	(20,844,998)	68,951,739	-	-
Unrealised exchange losses (gains)	17,360,454	3,764,015	17,805,239	(5,637)
Interest income	(22,309,161)	(108,820,130)	(9,008,244)	(24,038,100)
Income from operating activities before changes in operating assets and liabilities	6,066,144,356	4,573,592,308	4,279,455,622	4,138,617,385
Operating assets (increase) decrease				
Trade accounts receivable	(19,347,427)	57,295,687	-	-
Receivable from and advances to subsidiaries	-	-	(280,676,049)	759,375,925
Bunker oil	(1,030,667)	(23,831,394)	-	-
Other current assets	22,160,705	(55,905,114)	10,033,529	(6,903,492)
Other non-current assets	702,147	(2,594,747)	780,294	(2,733,448)
Operating liabilities increase (decrease)				
Trade accounts payable	27,821,702	(16,072,956)	(225,048)	856,994
Payable to and advances from subsidiaries	-	-	258,390,227	781,300,044
Advances received from charterers	40,147,963	(4,242,322)	-	-
Other current liabilities	94,444,843	34,260,100	93,309,732	12,411,147
Non-current liabilities	121,903,070	95,947,000	110,836,842	88,598,533
Cash flows from operating activities	6,352,946,692	4,658,448,562	4,471,905,149	5,771,523,088
Cash paid for corporate income tax	(230,699,349)	(7,085,741)	(2,976,959)	(4,978,483)
<b>Net cash flows from operating activities</b>	<b>6,122,247,343</b>	<b>4,651,362,821</b>	<b>4,468,928,190</b>	<b>5,766,544,605</b>

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

**Precious Shipping Public Company Limited and subsidiaries**

**Cash flow statements (continued)**

**For the years ended 31 December 2008 and 2007**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Cash flows from investing activities</b>				
Acquisitions of current investments	(1,957,368,497)	(1,988,563,709)	(1,957,368,497)	(1,988,563,709)
Proceeds from sales of current investments	1,961,565,474	1,992,229,507	1,961,565,474	1,992,229,507
Dividend received from associate held by a subsidiary	10,653,816	12,806,153	-	-
Acquisitions of equipment and payment of dry-dock and special survey expenses	(640,549,919)	(785,443,274)	(11,075,123)	(10,022,203)
Acquisitions of computer software	(12,027,328)	(5,623,262)	(12,027,328)	(5,623,262)
Cash paid for advances for vessel construction	(1,473,937,448)	(3,239,547,115)	(1,473,937,448)	(3,239,547,115)
Proceeds from sales of vessels and equipment	137,944	1,890,515,572	-	1,537,383
Increase in investment in a subsidiary	-	-	(45,000,000)	(35)
Advances received from vessel sales	21,891,418	-	-	-
Interest income	22,309,161	108,820,130	9,008,244	24,038,100
<b>Net cash flows used in investing activities</b>	<b>(2,067,325,379)</b>	<b>(2,014,805,998)</b>	<b>(1,528,834,678)</b>	<b>(3,225,951,334)</b>
<b>Cash flows from financing activities</b>				
Cash paid for deferred financial fees	(87,933,966)	(298,101,974)	(87,933,966)	(298,101,974)
Cash received from long-term loans	725,909,097	-	725,909,097	-
Cash received from disposals of treasury stock	-	566,249,004	-	566,249,004
Cash dividend paid to the Company's shareholders	(2,858,205,744)	(2,655,047,466)	(2,858,205,744)	(2,655,047,466)
Cash dividend paid to minority interest	-	(4,427,031)	-	-
<b>Net cash flows used in financing activities</b>	<b>(2,220,230,613)</b>	<b>(2,391,327,467)</b>	<b>(2,220,230,613)</b>	<b>(2,386,900,436)</b>
Increase (decrease) in translation adjustment	45,089,134	(33,559,677)	-	-
<b>Net increase in cash and cash equivalents</b>	<b>1,879,780,485</b>	<b>211,669,679</b>	<b>719,862,899</b>	<b>153,692,835</b>
Cash and cash equivalents at beginning of year	1,470,244,256	1,258,574,577	194,974,853	41,282,018
<b>Cash and cash equivalents at end of year</b>	<b>3,350,024,741</b>	<b>1,470,244,256</b>	<b>914,837,752</b>	<b>194,974,853</b>
	0	0	0	0
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Dividend income from subsidiaries offset against receivable from/payable to subsidiaries	-	-	4,700,417,749	4,453,244,722
Stock dividend paid	-	519,520,600	-	519,520,600
Amortisation of revaluation surplus on assets of subsidiary - the Company's interest	20,254,082	20,312,694	-	-
Amortisation of revaluation surplus on assets of subsidiary - minority interest	3,922	813	-	-
Transfer of deferred financial fees to advances for vessel construction	374,800	-	374,800	-
Transfer of interest expenses to advances for vessel construction	6,660,769	-	6,660,769	-
Deferred financial fees present as a deduction from long-term loans	4,251,235	-	4,251,235	-

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