

Precious Shipping Public Company Limited and subsidiaries
Notes to consolidated financial statements
For the years ended 31 December 2008 and 2007

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 Economic crisis

The financial crisis experienced by the United States over the past year has had a far reaching adverse effect on the global economy as evidenced by sharp falls in share prices worldwide, a tight squeeze on credit including interbank lending, failures of large financial institutions and reduced consumer confidence. The crisis has substantially affected the business and financial plans of Thailand enterprises and asset value. Despite efforts made by governments of many countries to contain the crisis, it remains uncertain as to when the global economy will return to normalcy. These financial statements have been prepared on the basis of facts currently known to the Company and subsidiaries, and on estimates and assumptions currently considered appropriate. However, these could be adversely affected by an array of future events.

2. Basis of preparation

2.1 The financial statements in Thai language have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 14 September 2001, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Precious Shipping Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the years ended 31 December	
			2008	2007	2008	2007	2008	2007
			%	%	%	%	%	%
<u>Subsidiaries held by the Company</u>								
1. Precious Metals Limited	Shipowner	Thailand	99.99	99.99	1.21	1.54	4.32	3.51
2. Precious Wishes Limited	Shipowner	Thailand	99.99	99.99	0.94	1.50	4.63	4.23
3. Precious Stones Shipping Limited	Shipowner	Thailand	99.99	99.99	3.68	4.25	1.24	2.04
4. Precious Minerals Limited	Shipowner	Thailand	99.99	99.99	3.15	3.74	4.73	3.57
5. Precious Lands Limited	Shipowner	Thailand	99.99	99.99	0.47	0.65	2.96	2.29
6. Precious Rivers Limited	Shipowner	Thailand	99.99	99.99	3.01	3.67	1.76	3.60
7. Precious Lakes Limited	Shipowner	Thailand	99.99	99.99	0.91	0.92	3.00	1.47
8. Precious Seas Limited	Shipowner	Thailand	99.99	99.99	1.33	1.43	4.02	1.58
9. Precious Stars Limited	Shipowner	Thailand	99.99	99.99	1.02	1.34	1.95	1.84
10. Precious Oceans Limited	Shipowner	Thailand	99.99	99.99	1.05	0.94	1.61	1.84
11. Precious Planets Limited	Shipowner	Thailand	99.99	99.99	1.44	1.89	6.75	4.62
12. Precious Diamonds Limited	Shipowner	Thailand	99.99	99.99	2.43	3.36	3.53	3.31
13. Precious Sapphires Limited	Shipowner	Thailand	99.99	99.99	2.04	2.41	1.63	1.86
14. Precious Emeralds Limited	Shipowner	Thailand	99.99	99.99	4.88	7.15	2.79	4.18
15. Precious Rubies Limited	Shipowner	Thailand	99.99	99.99	0.58	0.64	2.76	2.51
16. Precious Opals Limited	Shipowner	Thailand	99.99	99.99	0.39	0.50	3.46	2.25
17. Precious Garnets Limited	Shipowner	Thailand	99.99	99.99	5.24	6.15	2.45	4.62
18. Precious Pearls Limited	Shipowner	Thailand	99.99	99.99	0.39	0.53	3.14	3.79
19. Precious Flowers Limited	Shipowner	Thailand	99.99	99.99	0.68	0.83	4.26	5.21
20. Precious Forests Limited	Shipowner	Thailand	99.99	99.99	0.70	0.91	1.40	3.75
21. Precious Trees Limited	Shipowner	Thailand	99.99	99.99	0.92	0.81	3.48	4.85
22. Precious Ponds Limited	Shipowner	Thailand	99.99	99.99	0.95	1.13	2.44	2.95
23. Precious Ventures Limited	Shipowner	Thailand	99.99	99.99	0.43	0.70	2.86	3.85
24. Precious Capitals Limited	Shipowner	Thailand	99.99	99.99	1.11	1.40	2.79	3.92
25. Precious Jasmines Limited	Shipowner	Thailand	99.99	99.99	0.94	0.87	5.98	4.10
26. Precious Orchids Limited	Shipowner	Thailand	99.99	99.99	3.70	5.06	5.16	3.68
27. Precious Lagoons Limited	Shipowner	Thailand	99.99	99.99	1.17	1.57	1.32	1.32
28. Precious Cliffs Limited	Shipowner	Thailand	99.99	99.99	1.34	1.64	1.41	1.36
29. Precious Hills Limited	Shipowner	Thailand	99.99	99.99	1.47	1.85	1.43	1.25
30. Precious Mountains Limited	Shipowner	Thailand	99.99	99.99	1.48	1.95	1.40	1.42
31. Precious Resorts Limited	Shipowner	Thailand	99.99	99.99	1.77	2.26	1.40	1.36
32. Precious Cities Limited	Shipowner	Thailand	99.99	99.99	2.00	2.67	1.83	1.81
33. Precious Comets Limited	Shipowner	Thailand	99.99	99.99	0.39	0.66	1.43	1.29
34. Precious Ornaments Limited	Shipowner	Thailand	99.99	99.99	0.64	0.64	2.46	2.04

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the years ended 31 December		
			2008	2007	2008	2007	2008	2007	
			%	%	%	%	%	%	
35. Nedtex Limited	Bulk storage barges*	Thailand	69.99	69.99	-	-	-	-	
36. Precious Storage Terminals Limited	Bulk storage barges*	Thailand	69.99	69.99	-	-	-	-	
37. Thebes Pte. Limited	Investment holding company*	Singapore	100.00	100.00	-	-	-	-	
38. Precious Shipping (Panama) S.A.	Shipowner/ Chartering	Panama	99.99	99.99	1.86	1.89	0.21	0.20	
39. Precious Shipping (Mauritius) Limited	Holding company*	Mauritius	100.00	100.00	-	-	-	-	
40. Precious Shipping (Singapore) Pte. Limited	Holding company/ Chartering	Singapore	100.00	100.00	7.81	2.29	0.16	0.19	
41. Precious Shipping (UK) Limited	Chartering	England	99.99	99.99	0.04	0.01	(0.09)	0.04	
42. Great Circle Shipping Agency Limited	Technical manager of ships	Thailand	99.99	99.99	0.95	1.33	0.04	0.10	
43. Precious Projects Pte. Limited	Investment holding company	Singapore	100.00	100.00	-	-	-	-	
<u>Subsidiaries held by subsidiaries</u>									
44. Rapid Port Leasing Company Pte. Limited	Holding company*	Singapore	100.00	100.00	-	-	-	-	
45. PSL Bulk Terminal Company Limited	Holding company*	Mauritius	100.00	100.00	-	-	-	-	
46. PSL Investments Limited	Holding company*	Mauritius	100.00	100.00	-	-	-	-	
47. International Lighterage Limited	Holding company	Mauritius	100.00	100.00	0.75	0.92	0.12	0.38	
48. PSL Thun Shipping Pte. Limited	Chartering	Singapore	64.06	64.06	0.89	0.43	1.24	1.38	
49. Regidor Pte. Limited	Holding company*	Singapore	100.00	100.00	-	-	-	-	

*Currently suspended their businesses

- b) Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.
- c) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.
- The financial statements of the associated company are prepared for a reporting date that differs from that of the Company by no more than three months. In this respect, the accounting periods and differences are consistent and the financial statements are prepared using the same significant accounting policies.
- d) The financial statements of overseas subsidiary and associated companies are translated into Thai Baht at the closing exchange rate in respect of assets and liabilities, and at monthly average exchange rates in respect of revenues and expenses. The resultant differences have been shown under the caption of "Translation adjustment" in shareholders' equity.

- e) Material balances and transactions between the Company and subsidiaries, and investments in subsidiaries by the Company and shareholders' equity of the subsidiaries have been eliminated from the consolidated financial statements.
 - f) Minority interests represent the portion of income or loss and net assets that is not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.
- 2.3 The separate financial statements, which present investments in subsidiaries presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

3.1 Accounting standards which are effective for the current year

The Federation of Accounting Professions (FAP) has issued Notifications No. 9/2550, 38/2550 and 62/2550 regarding Accounting Standards. The notifications mandate the use of the following new accounting standards.

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these accounting standards and believes that TAS 29 (revised 2007), TAS 43 (revised 2007) and TAS 49 (revised 2007) are not relevant to the business of the Company and subsidiaries, whereas TAS 25 (revised 2007), TAS 31 (revised 2007), TAS 33 (revised 2007), TAS 35 (revised 2007), TAS 39 (revised 2007), TAS 41 (revised 2007) and TAS 51 do not have any significant impact on the financial statements for the current year.

3.2 Accounting standards which are not effective for the current year

The Federation of Accounting Professions (FAP) has issued Notification No. 86/2551 regarding Accounting Standards. The notification mandates the use of the following new accounting standards.

TAS 36 (revised 2007)	Impairment of Assets
TAS 54 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

4. Change in accounting estimate

On 1 January 2008, the Group changed the estimated residual value of its vessels by increasing the assumed steel price to USD 400 per tonne from USD 135 per tonne (residual value is calculated by multiplying steel weight of the vessel (Light Displacement Tonnage) with assumed steel price per tonne). This change in estimation was made in line with prevailing steel prices in the market which had significantly increased from previous estimation. However, there was no change made in estimated useful life of vessels. This change in estimation has resulted in increase of net income for the year ended 31 December 2008 by Baht 642.2 million (Baht 0.62 per share), in the Group's consolidated income statements and the net book value of its vessels increased by the same amount.

The review and adjustment of the estimates of the residual value of vessels is in line with IAS 16 Property, Plant and Equipment, and is a normal practice in the marine transportation industry. In addition, draft TAS 32 (revised), which has been concurred by the committee of the Federation of Accounting Professions (FAP) but is still to be announced in the Royal Gazette, states that the residual value of an asset shall be reviewed at least at each financial year-end, if such residual value differs from the previous estimates.

5. Significant accounting policies

5.1 Revenue and expense recognition

Vessel operating income

Vessel operating income (consisting of Hire income from Time charter and Freight income from Voyage charter) and related expenses are recognised on an accrual basis.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised as interest accrues based on the effective rate method.

Dividend received

Dividend received are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is based on collection experiences and analysis of debtor aging.

5.4 Bunker oil

Bunker oil is valued at the lower of cost (first-in, first-out method) and net realisable value and is charged to vessel operating costs whenever consumed.

5.5 Investments

- 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) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- c) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

5.6 Property, plant and equipment

Land is stated at cost/revalued amount. Vessels, condominium and equipment are stated at cost/revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land and condominium are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the balance sheet date.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the subsidiary's assets, the increase is credited directly to equity under the heading of "Revaluation surplus on assets of subsidiary". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the subsidiary's assets, the decrease is recognised as an expense in the income statement. However, a revaluation decrease is to be charged directly against the related "Revaluation surplus on assets of subsidiary" to the extent that the decrease does not exceed the amount held in the "Revaluation surplus on assets of subsidiary" in respect of those same assets. Any excess amount is to be recognised as an expense in the income statement.

5.7 Depreciation

Depreciation of vessels, condominium and equipment is calculated by reference to their costs or the revalued amounts, after deducting residual value, on the straight-line basis over the following estimated useful lives:

Vessels and equipment	3 - 25 years
Dry-dock and special survey expenses	2 years and 4 years respectively
Condominium	20 years
Leasehold improvement	5 years
Others	5 years

Depreciation is included in determining income.

No depreciation is provided on land and work in progress.

5.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are treated as expenses in the period these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.9 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. The amortisation expense is recognised in the income statement as an expense.

A summary of the useful lives of intangible assets with finite useful lives is as follows.

Computer software	5 years and 10 years
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No amortisation is provided on computer software under development.

5.10 Deferred financial fees

Financial fees related to borrowings typically incurred on or before signing of facility agreements and before actual drawdown of the loans are recorded as deferred financial expenses and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in determining borrowing costs.

5.11 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

5.12 Foreign currencies

Foreign currency transactions during a particular month are translated into Baht at the average exchange rates ruling during the previous transaction month. Assets and liabilities denominated in foreign currencies outstanding at the balance sheet date are translated into Baht at the exchange rates ruling on the balance sheet date. Gains and losses on exchange are included in determining income.

5.13 Impairment of assets

The Company and subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company and subsidiaries estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that based on information available, reflects the amount that the Company and subsidiaries could obtain at the balance sheet date, from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

Impairment losses are generally recognised in the income statement. However in cases where property was previously revalued and the revaluation was taken to equity, the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company and subsidiaries estimate the asset's recoverable amount in which case an impairment loss recognised in prior periods for an asset other than goodwill shall be reversed.

5.14 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

5.15 Provisions

Provisions are recognised when the Company and subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions for maritime claims

Provisions for maritime claims are recorded by the subsidiaries upon receipt of the claim advices from the charterers, based on the maximum liabilities of the subsidiaries which may arise after considering amounts recoverable from insurances as stipulated in the relevant policies.

5.16 Income tax

Income tax of the Company and subsidiaries in Thailand is provided for in the accounts based on the taxable income determined in accordance with tax legislation.

Overseas subsidiaries calculate corporate income tax in accordance with the tax rates stipulated by tax laws in those countries.

5.17 Derivatives

Treasury Rate Lock Agreements

The net amount of interest to be received from or paid to the counterparty under the Treasury Rate Lock Agreements is recognised as income or expenses, based on the change in the fair value of the derivatives.

5.18 Treasury stock

Treasury stock is stated at cost and presented as a deduction from shareholders' equity. Gains on disposal of treasury stock are determined by reference to the carrying amount and are presented as premium on treasury stock. Losses on disposal of treasury stock are determined by reference to the carrying amount and are presented in premium on treasury stock and retained earnings, consecutively.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercises judgment, using a variety of valuation techniques. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and long-term volatility of financial instruments.

Property plant and equipment/Depreciation

In calculating depreciation on vessels, condominium and equipment, the management estimates useful lives and salvage values of the Company's and subsidiaries' vessels, condominium and equipment and reviews estimated useful lives and salvage values if there are any changes.

A subsidiary measures land and condominium at revalued amounts. Fair value from revaluation is determined by independent valuation specialists using market approach. Management determined the assumptions and estimates for independent valuation specialists to use in determining fair value.

Intangible assets

Intangible assets are systematically amortised over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired. The initial recognition and measurement of intangible assets, and subsequent impairment analysis, requires management to make subjective judgments concerning estimates of how the acquired asset will perform in the future using a discounted cash flow analysis. Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

7. Current investment

(Unit: Thousand Baht)

Consolidated financial statements								
Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method		
2008	2007	2008	2007	2008	2007	2008	2007	
Thousand	Thousand	%	%					
INR	INR							
<u>Investment in associate held by a subsidiary</u>								
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							<u>(19,365)</u>	<u>(19,365)</u>
Current investment - net							<u>-</u>	<u>-</u>

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.

8. Trade accounts receivable

The outstanding balances of trade accounts receivable as at 31 December 2008 and 2007 are aged, based on invoice date, as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2008	2007
	2008	2007
<u>Age of receivables</u>		
Not over 3 months	61,271	33,268
3 - 6 months	3,203	531
6 - 12 months	190	723
Over 12 months	8,000	34,037
Total	72,664	68,559
Less: Allowance for doubtful accounts	(25,898)	(33,920)
Trade accounts receivable - net	46,766	34,639

9. Related party transactions

During the years, 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 business between the Company and those companies. Below is a summary of those transactions.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2008	2007	2008	2007	
	2008	2007	2008	2007	
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	94,428	96,300	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Service income - commission from vessel sales	-	-	-	58,451	3% of vessels' selling price
Dividend received	-	-	4,700,418	4,453,245	As declared
Condominium rental expenses	-	-	9,249	9,549	Market price

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2008	2007	2008	2007	
<u>Transactions with related companies</u>					
Dividend received	10,654	12,806	-	-	As declared
Air ticket expenses	15,801	16,061	3,806	3,350	Market price
Rental and service expenses	8,310	7,323	4,882	3,813	Market price

The balances of the accounts as at 31 December 2008 and 2007 between the Company and those subsidiary companies are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	2007	Increase	Decrease	2008
<u>Receivable from and advances to subsidiaries</u>				
Precious Stones Shipping Limited	41,146	85,935	105,636	21,445
Precious Rivers Limited	72,120	-	72,120	-
Precious Lakes Limited	1,948	-	1,948	-
Precious Planets Limited	814	-	814	-
Precious Sapphires Limited	-	244,388	210,798	33,590
Precious Emeralds Limited	181,426	292,725	461,683	12,468
Precious Garnets Limited	4,089	-	4,089	-
Precious Ponds Limited	4,203	-	4,203	-
Precious Orchids Limited	40,302	-	40,302	-
Precious Hills Limited	5,881	-	5,881	-
Precious Cities Limited	3,624	-	3,624	-
Nedtex Limited	108	52	-	160
Precious Storage Terminals Limited	64	22	-	86
Thebes Pte. Limited	904	170	84	990
Precious Shipping (Panama) S.A.	304,682	173,465	178,013	300,134
Precious Shipping (Mauritius) Limited	120,834	30,210	31,644	119,400
Precious Shipping (Singapore) Pte. Limited	-	1,422,369	807,716	614,653
Precious Shipping (UK) Limited	-	129,130	115,477	13,653
Great Circle Shipping Agency Limited	216,410	26,593	80,641	162,362
Precious Projects Pte. Ltd.	1	396	106	291
Total	998,556	2,405,455	2,124,779	1,279,232

(Unit: Thousand Baht)

	Separate financial statements			
	2007	Increase	Decrease	2008
<u>Payable to and advances from subsidiaries</u>				
Precious Metals Limited	113,395	813,101	786,862	139,634
Precious Wishes Limited	103,181	468,234	377,849	193,566
Precious Minerals Limited	16,682	424,970	360,341	81,311
Precious Lands Limited	26,702	278,167	221,607	83,262
Precious Rivers Limited	-	150,995	146,948	4,047
Precious Lakes Limited	-	284,805	212,883	71,922
Precious Seas Limited	28,834	437,172	424,866	41,140
Precious Stars Limited	32,287	189,470	193,590	28,167
Precious Oceans Limited	87,260	197,432	235,140	49,552
Precious Planets Limited	-	693,914	678,464	15,450
Precious Diamonds Limited	24,408	404,955	378,126	51,237
Precious Sapphires Limited	32,517	-	32,517	-
Precious Rubies Limited	43,267	284,532	319,542	8,257
Precious Opals Limited	54,435	332,911	296,951	90,395
Precious Garnets Limited	-	310,286	307,172	3,114
Precious Pearls Limited	45,358	322,163	280,248	87,273
Precious Flowers Limited	29,573	413,087	382,051	60,609
Precious Forests Limited	34,592	153,240	179,664	8,168
Precious Trees Limited	21,576	294,510	295,387	20,699
Precious Ponds Limited	-	282,394	246,274	36,120
Precious Ventures Limited	43,502	296,866	290,662	49,706
Precious Capitals Limited	36,325	293,607	255,189	74,743
Precious Jasmines Limited	86,241	576,796	553,361	109,676
Precious Orchids Limited	-	573,254	501,203	72,051
Precious Lagoons Limited	5,566	167,996	145,785	27,777
Precious Cliffs Limited	2,922	154,489	151,957	5,454
Precious Hills Limited	-	157,193	131,965	25,228
Precious Mountains Limited	5,629	160,974	148,392	18,211
Precious Resorts Limited	356	148,366	127,455	21,267
Precious Cities Limited	-	183,087	140,237	42,850
Precious Comets Limited	9,280	631,487	592,551	48,216
Precious Ornaments Limited	9,397	566,696	526,363	49,730
Precious Shipping (Singapore) Pte. Limited	467,082	-	467,082	-
Precious Shipping (UK) Limited	75	-	75	-
Total	1,360,442	10,647,149	10,388,759	1,618,832

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

Directors and management's remuneration

In 2008 and 2007, the Company and subsidiaries paid salaries, bonuses, personal income tax, house rental, contributions to provident fund, other allowances, and meeting allowances to their directors and management. Details of directors and management's remuneration included in administrative expenses can be summarised as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Directors	8,050	7,112	8,050	7,112
Management	159,800	138,581	140,953	122,961
Total	167,850	145,693	149,003	130,073

10. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries:

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding		Cost		Dividend received for the years ended	
	2008	2007	2008	2007	2008	2007	31 December	
			%	%			2008	2007
Precious Metals Limited	250,000	250,000	99.99	99.99	250,000	250,000	217,499	126,250
Precious Wishes Limited	230,000	230,000	99.99	99.99	229,999	229,999	227,699	160,999
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	218,499	94,300
Precious Lands Limited	84,000	84,000	99.99	99.99	84,000	84,000	150,359	86,939
Precious Rivers Limited	234,000	234,000	99.99	99.99	234,000	234,000	-	156,780
Precious Lakes Limited	99,000	99,000	99.99	99.99	99,000	99,000	100,979	93,059
Precious Seas Limited	100,000	100,000	99.99	99.99	100,000	100,000	261,998	89,999
Precious Stars Limited	105,000	105,000	99.99	99.99	105,000	105,000	124,949	94,499
Precious Oceans Limited	175,000	175,000	99.99	99.99	175,000	175,000	68,250	92,750
Precious Planets Limited	100,000	100,000	99.99	99.99	100,000	100,000	431,997	230,999
Precious Diamonds Limited	205,000	205,000	99.99	99.99	205,000	205,000	174,249	32,800

(Unit: Thousand Baht)

Separate financial statements

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received for the years ended 31 December	
	2008	2007	2008	2007	2008	2007	2008	2007
			%	%				
Precious Sapphires Limited	144,000	144,000	99.99	99.99	143,999	143,999	136,799	38,880
Precious Emeralds Limited	366,000	366,000	99.99	99.99	366,000	366,000	73,200	-
Precious Rubies Limited	84,000	84,000	99.99	99.99	84,000	84,000	168,839	102,479
Precious Opals Limited	74,000	74,000	99.99	99.99	74,000	74,000	205,718	112,849
Precious Garnets Limited	379,000	379,000	99.99	99.99	378,999	378,999	37,900	56,850
Precious Pearls Limited	73,000	73,000	99.99	99.99	72,999	72,999	148,919	270,828
Precious Flowers Limited	76,000	76,000	99.99	99.99	75,999	75,999	278,918	281,198
Precious Forests Limited	96,000	96,000	99.99	99.99	95,999	95,999	43,200	225,598
Precious Trees Limited	80,000	80,000	99.99	99.99	79,999	79,999	185,599	375,197
Precious Ponds Limited	84,000	84,000	99.99	99.99	83,999	83,999	50,400	230,998
Precious Ventures Limited	80,000	80,000	99.99	99.99	79,999	79,999	187,999	286,398
Precious Capitals Limited	200,000	200,000	99.99	99.99	199,999	199,999	145,000	301,999
Precious Jasmines Limited	98,000	98,000	99.99	99.99	97,999	97,999	327,318	229,809
Precious Orchids Limited	217,000	217,000	99.99	99.99	216,999	216,999	249,549	167,089
Precious Lagoons Limited	140,000	140,000	99.99	99.99	139,999	139,999	56,000	46,200
Precious Cliffs Limited	140,000	140,000	99.99	99.99	139,999	139,999	60,200	63,000
Precious Hills Limited	140,000	140,000	99.99	99.99	139,999	139,999	44,800	65,800
Precious Mountains Limited	140,000	140,000	99.99	99.99	139,999	139,999	67,200	67,200
Precious Resorts Limited	140,000	140,000	99.99	99.99	139,999	139,999	49,000	35,000
Precious Cities Limited	170,000	170,000	99.99	99.99	169,999	169,999	68,000	105,400
Precious Comets Limited	71,100	71,100	99.99	99.99	71,099	71,099	27,018	40,527
Precious Ornaments Limited	68,100	68,100	99.99	99.99	68,099	68,099	112,364	90,572
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	60,000	15,000	99.99	99.99	166,995	121,995	-	-
Precious Projects Pte. Limited	0.0345	0.0345	100.00	100.00	0.0345	0.0345	-	-
Total investments in subsidiaries					5,668,110	5,623,110	4,700,418	4,453,245
Less: Allowance for loss on investments in subsidiaries					(5,097)	(5,097)		
Total investments in subsidiaries - net					5,663,013	5,618,013		

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

On 22 January 2008, a local subsidiary (Great Circle Shipping Agency Limited) issued new ordinary shares, to the Company at par value, for a total value of Baht 45 million.

During the year 2007, there had been the following changes in the investments in subsidiaries:

- a) In February 2007, an overseas subsidiary (Precious Shipping (Singapore) Pte. Limited) received dividend amounting to SGD 0.3 million from its subsidiary (PSL Thun Shipping Pte. Limited).
- b) In July 2007, the Company acquired a 100% equity interest in Precious Projects Pte. Limited, a company registered in Singapore, at a cost of USD 1. The Company is principally engaged as investment holding company.

11. Investment in associate held by a subsidiary

11.1 Details of associate held by a subsidiary:

(Unit: Thousand Baht)

Consolidated financial statements								
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2008	2007	2008	2007	2008	2007
			%	%				
International Seaports (Haldia) Private Limited	Design, construction, development and operation of a berth	India	22.40	22.40	87,701	87,701	122,566	134,282

(Unit: Thousand Baht)

Consolidated financial statements				
Company's name	Dividend received from associate held by a subsidiary for the years ended 31 December		Share of income from investment in associate held by a subsidiary for the years ended 31 December	
	2008	2007	2008	2007
International Seaports (Haldia) Private Limited	10,654	12,806	10,167	34,127

Shares of income from investment in associate held by a subsidiary for the year ended 31 December 2008, included in the consolidated income statement, was recorded based on the audited financial statements of that associate as at 30 September 2008.

11.2 Summarised financial information of associate held by a subsidiary

(Unit: Thousand Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues		Net income	
	30 September		30 September		30 September		for the years ended		for the years ended	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	Thousand INR	Thousand INR								
International Seaports										
(Haldia) Private Limited	440,580	440,580	790,178	1,008,471	336,002	486,893	489,526	564,440	45,391	152,352

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 the existing shareholder. This transaction will be affected only upon receipt of appropriate approval from the relevant government agency in the associate's country; therefore, the Company has not recorded this investment purchase transaction in the current year. The Company expects the transaction to be completed in 2009 and such additional investment will raise the Company's stake in this company to 33.55%.

12. Other long-term investment

The Company acquired 2,026,086 ordinary shares in TMN Company Limited with a par value of Baht 10 each, representing a 3% equity interest. The Company has paid up Baht 5 per share, or a total of Baht 10.1 million.

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements								
	Revaluation basis	Cost basis							
	Land and condominium	Vessels and equipment			Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Work in progress	Total
		Vessels and equipment	Dry-dock and special survey expenses	Total					
Cost/Revaluation amount									
31 December 2007	325,978	16,261,193	1,424,363	17,685,556	46,818	20,568	12,999	1,030	18,092,949
Acquisitions	230	-	626,199	626,199	11,434	-	2,687	-	640,550
Disposals	-	-	(346,978)	(346,978)	(4,078)	-	(2,024)	-	(353,080)
Transfer in (out)	-	-	-	-	1,030	-	-	(1,030)	-
31 December 2008	326,208	16,261,193	1,703,584	17,964,777	55,204	20,568	13,662	-	18,380,419
Accumulated depreciation									
31 December 2007	137,727	7,791,111	588,820	8,379,931	34,357	8,941	6,334	-	8,567,290
Depreciation for the year	9,483	498,689	544,998	1,043,687	5,753	3,563	2,421	-	1,064,907
Depreciation for revaluation surplus	20,258	-	-	-	-	-	-	-	20,258
Reversal for disposals	-	-	(346,978)	(346,978)	(4,062)	-	(1,501)	-	(352,541)
31 December 2008	167,468	8,289,800	786,840	9,076,640	36,048	12,504	7,254	-	9,299,914
Net book value									
31 December 2007	188,251	8,470,082	835,543	9,305,625	12,461	11,627	6,665	1,030	9,525,659
31 December 2008	158,740	7,971,393	916,744	8,888,137	19,156	8,064	6,408	-	9,080,505
Depreciation for the year									
2007									1,824,366
2008									1,085,165

(Unit: Thousand Baht)

Separate financial statements

	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Work in progress	Total
Cost					
31 December 2007	18,543	19,392	7,634	1,030	46,599
Acquisitions	8,388	-	2,687	-	11,075
Disposals	(56)	-	-	-	(56)
Transfer in (out)	1,030	-	-	(1,030)	-
31 December 2008	27,905	19,392	10,321	-	57,618
Accumulated depreciation					
31 December 2007	10,568	7,765	3,498	-	21,831
Depreciation for the year	4,226	3,563	1,757	-	9,546
Reversal for disposals	(41)	-	-	-	(41)
31 December 2008	14,753	11,328	5,255	-	31,336
Net book value					
31 December 2007	7,975	11,627	4,136	1,030	24,768
31 December 2008	13,152	8,064	5,066	-	26,282
Depreciation for the year					
2007					7,512
2008					9,546

In 2006 a subsidiary arranged for an independent professional valuer to appraise the value of its land and condominium, using the market approach. Had the land and condominium been carried in the financial statements based on historical cost, their net book value as of 31 December 2008 and 2007 would have been as follows:

(Unit: Thousand Baht)

Consolidated

financial statements

	2008	2007
Land and condominium	34,799	39,481

As at 31 December 2008, certain equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 4,151.1 million (2007: Baht 1,037.8 million) in the consolidated financial statements and approximately Baht 6.1 million (2007: Baht 6.0 million) in the separate financial statements.

14. Computer software

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2008	2007
Computer software	44,269	38,646
Additions	12,027	5,623
Accumulated amortisation	(1,471)	(774)
Net	<u>54,825</u>	<u>43,495</u>
Amortisation expenses included in the income statements for the year	<u>697</u>	<u>209</u>

15. Advances for vessel construction

On 20 July 2007, 14 September 2007 and 11 February 2008, the Company entered into 18 contracts with a builder to construct 18 vessels (12 handysize vessels and 6 supramax vessels) classified as bulk carriers at an aggregate price of approximately USD 588 million (or approximately USD 30 million per handysize vessel and USD 38 million per supramax vessel). The contract price will be paid in 5 installments of 20% each, with each installment (except the fifth) paid only on the submission of a bank guarantee in favour of the Company, guaranteeing the refund of each 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 2010 to 2013. However, if the builder can deliver the vessels earlier, the Company has to pay an aggregate sum of incentive amount not exceeding USD 18.5 million to the builder for all the 18 vessels.

As at 31 December 2008 and 2007, advances for vessel construction presented below.

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2008	2007
Balance at beginning of year	3,239,547	-
Additions	1,468,444	3,239,191
Interest costs	6,956	-
Other costs	5,573	356
Balance at end of year	<u>4,720,520</u>	<u>3,239,547</u>

During the year 2008, the Company made payment of installments to a shipbuilder, amounting to USD 44.0 million or approximately Baht 1,468.4 million (2007: USD 94.8 million or approximately Baht 3,239.2 million). Out of this, USD 21.2 million or approximately Baht 725.9 million being the second installment of three vessels has been financed by overseas and local commercial banks and the amount of borrowing costs capitalised during the year ended 31 December 2008 is approximately Baht 7.0 million. The weighted average rate or the effective rate used to determine the amount of borrowing costs eligible for capitalisation is 4.74% - 5.14%.

16. Deferred financial fees

As at 31 December 2008 and 2007, deferred financial fees presented below.

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2008	2007
Balance at beginning of year	298,102	-
Additions	87,934	298,102
Amortisation	(50,670)	-
Transfer to advances for vessel construction	(375)	-
Present as a deduction from long-term loans	(4,251)	-
Balance at end of year	<u>330,740</u>	<u>298,102</u>

During the year 2008, the Company has written off Baht 50.7 million being a part of the deferred financial fees paid in earlier years for credit facilities described in Notes 19.1 and 19.2, the availability periods of which are expected to be extended by one year, but, for reduced amounts. However, the Company has not yet signed any agreements with the lenders for the extension of the availability periods of both the facilities. The amount of write-off has been estimated on a pro-rata basis to the expected amount of reduction of the facilities based on discussions with the lenders which are presently ongoing.

Deferred financial fee amounting to Baht 4.3 million was presented as a deduction against long-term loans in liabilities, in proportion to the drawdown amount, as discussed in Note 19.3.

17. Advances received from vessel sales

During the year 2008, a local subsidiary entered into a Sale Agreement termed as Memorandum of Agreement with an overseas company to sell its second-hand vessel for a total of USD 3.1 million. The buyer paid deposit amounting to USD 0.6 million (approximately Baht 21.9 million) (20% of the selling price of the vessel) and the remaining balance is to be paid on delivery of the vessel.

As at 31 December 2008, cash and cash equivalents included advance received amounting to USD 0.6 million (approximately Baht 21.9 million) which was deposited in nominated joint bank account of the buyer and seller. Such advance received alongwith the balance of the sale price (80% of the selling price of the vessel) will be subsequently transferred to the bank account of the subsidiary at the beginning of 2009 as and when respective vessel is delivered to the buyer, in accordance with the respective Memorandum of Agreement.

18. Accrued employee benefits

As at 31 December 2008 and 2007, accrued employee benefits can be separated based on the year payment is to be made to employees, as follows:

(Unit: Baht)

Payable within	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
1 year	147,794,957	58,447,242	135,676,932	53,808,471
2 - 3 years	217,850,070	95,947,000	199,435,375	88,598,533
Total	365,645,027	154,394,242	335,112,307	142,407,004

19. Long-term loan facilities

19.1 On 22 August 2005, 28 December 2006 and 6 March 2008, the Company and local subsidiaries entered into a main secured revolving loan facility agreement and an amended and restated agreement, to extend the availability period of the facility to 31 December 2008, with overseas banks to obtain credit facilities of USD 200 million carrying interest at the rate of LIBOR plus 1.00% to 1.40% per annum, the margin which is based on the USD Restated Financial Statements of the Company and subsidiaries of each quarter. Details are as follows:

- A Revolving Acquisition Facility (RAF) was to be used for purchasing of vessels. Such facility was to be drawn down by 31 December 2008 and was automatically to be converted to a Revolving Reducing Credit Facility (RRCF) as at 31 December 2008, or earlier if mutually agreed between the borrowers and the lenders.
- The Revolving Reducing Credit Facility (RRCF) was to be repaid in 32 quarterly installments, per the proportions stipulated in the agreement, from March 2009 or three months after conversion of the RAF to RRCF if earlier.

The loan is secured by the mortgage of the subsidiaries' vessels, 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.

The loan agreement includes certain covenants and restrictions pertaining to, among other things, non-payment of dividend in an event of default, the pledge/mortgage of assets, the provision of guarantees for liabilities, conditions on the disposal of certain vessels, and the maintenance of financial ratios such as:

- a) Maintenance of a funded debt to total shareholders' equity ratio not exceeding 2:1.
- b) Maintenance of a funded debt to EBITDA not exceeding 5:1.
- c) Maintenance of minimum free liquidity of USD 100,000 per vessel.

The Company and subsidiaries have not drawn any amount against the above facility as on 31 December 2008 and are presently in discussions with the lenders to extend the availability period of the facility by a further period of 1 year upto 31 December 2009. The Company and subsidiaries expect to sign the extension agreements with the lenders shortly, but, it is expected that there could be changes in certain conditions including, inter alia, the total amount of loan facility and margin/fees payable on the loan.

19.2 On 18 January, 21 May and 29 October 2007, the Company and local subsidiaries entered into a main agreement and amended and restated agreements, respectively 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% per annum. The loan was to be used to pay for purchases of vessels and to be drawn down within 18 January 2009 (availability period), and was 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 drawdown.

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 1.1:1.

The covenants a), c) and d) above were applicable from 18 January 2007 whereas covenant b) is applicable from the first draw down date.

The Company and subsidiaries have not drawn any amount against the above facility as on 31 December 2008 and are presently in discussions with the lenders to extend the availability period of the facility by a further period of 1 year upto 18 January 2010. The Company and subsidiaries expect to sign the extension agreements with the lenders shortly, but, it is expected that there could be changes in certain conditions including, inter alia, the total amount of loan facility, currency and margin/fees payable on the loan.

19.3 On 3 July 2008, the Company entered into a secured loan agreement with overseas and local commercial banks to obtain a loan facility of USD 398.4 million carrying interest at LIBOR plus margin. The loan is to be used to finance the construction and acquisition of 15 new vessels (9 handysizes and 6 supramaxes) out of the 18 new vessels already ordered by the Company and the total loan amount is equivalent to 80% of the aggregate contract prices of the 15 vessels. The drawing, final maturity, repayment and security of the loan are summarised as follows:

Facility / Description	Pre-delivery facility	Post-delivery facility
Drawing	As per milestones in the shipbuilding contracts whereby the aggregate of all drawings per vessel would be equivalent to 60% of the contracted price of each vessel	100% of the post-delivery facility amount equivalent to 80% of the contracted price of each vessel is to be drawn upon delivery of the respective vessel out of which the entire pre-delivery facility amount of each vessel will be repaid
Final maturity	Delivery of each vessel	10 years from delivery of the first vessel
Repayment	To be repaid in one lump sum upon delivery of the respective vessel	Each tranche (aggregate drawings in respect of each vessel) is to be amortised (repaid) in quarterly installments, each equivalent to 1/60th of the post-delivery facility amount, and in a balloon amount equal to the balance under such tranche on final maturity. The first quarterly repayment of each tranche shall commence 3 months after delivery of each respective vessel
Security	<ul style="list-style-type: none"> a) Corporate guarantee from the Company if the Company is not a joint borrower b) 1st priority assignment of the shipbuilding contracts c) 1st priority assignment of the refund guarantees by the refund guarantors given in relation to the shipbuilding contracts with the Company 	<ul style="list-style-type: none"> a) 1st priority mortgage over the vessels b) Pledge of the vessel-owning subsidiaries' shares c) Corporate guarantee from the Company if the Company is not a joint borrower d) 1st priority assignment of requisition compensation in respect of the vessels e) 1st priority assignment of all insurance proceeds f) 1st priority assignment of the earnings of the vessels and pledge over the earnings and retention account of each vessel

The credit facility agreement contains covenants that, among other things, require the Company to maintain certain financial ratios such as:

- a) Maintenance of a funded debt to total shareholders' equity ratio not exceeding 2:1.
- b) Maintenance of a funded debt to EBITDA ratio not exceeding 5:1.
- c) Maintenance of minimum free liquidity of USD 100,000 per vessel.

As at 31 December 2008 and 2007, long-term loans presented below.

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2008	2007
Long-term loans	743,747	-
Less: Deferred financial fees	(4,251)	-
Long-term loans - net	<u>739,496</u>	<u>-</u>

As at 31 December 2008, the long-term loan facility no. 19.3 which has not yet been drawn down amounted to USD 377.2 million.

20. Debentures offering plan

On 6 July 2007, the Extraordinary General Meeting of shareholders passed a resolution to approve 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 offering such as the nature of the debentures, the value, the currency, the interest rate, the maturity, the redemption period, the selling method, the subscription period, the allocation method and others. As at 31 December 2008, the debentures have yet to be issued by either the Company or the subsidiary.

21. Share capital and stock dividend

21.1 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.

21.2 On 6 July 2007, the Extraordinary General Meeting of shareholders passed a resolution to approve the decrease of 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 Company already registered the decrease in its capital with the Ministry of Commerce on 13 July 2007.

22. Revaluation surplus on assets of subsidiary

This represents surplus arising from revaluation of land and condominium. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2008	2007
Balance - beginning of year	123,966	144,279
Less: Amortisation	(20,254)	(20,313)
Balance - end of year	103,712	123,966

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

According to Section 1202 of the Thai Civil and Commercial Code, a subsidiary (incorporated under Thai Laws) is required to set aside a statutory reserve equal to at least 5% of its income each time the company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

24. Treasury stock reserve

Under the notification of the Office of the Securities and Exchange Commission No. Gor. Lor. Tor. Chor. Sor. (Wor.) 2/2548 and the notification of the Federation of Accounting Professions No. Sor. Sor. Wor. Bor. Chor. 016/2548 public companies buying back their own shares (treasury shares) must have retained earnings in an amount not less than the outstanding balance of the treasury shares, and if retained earnings are appropriated for dividend payment, the balance of retained earnings remaining after such payment must likewise be no less than the balance of the treasury shares. The Company proceeded in accordance with these guidelines and appropriated an amount of retained earnings to the treasury stock reserve equal to the amount paid to acquire the shares.

25. Treasury stock

During the year 2007, 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.

26. Corporate social responsibility (CSR) reserve

The Company has earmarked 0.5% of its net income every year as a reserve towards CSR activities. The Company expects to earmark amounts based on the same percentage of net income annually on a cumulative basis, but subject to a minimum of Baht 1.75 million and a maximum of Baht 25 million per year. The reserve was approved by a meeting of the Board of Directors of the Company on 14 August 2008.

27. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2008	2007	2008	2007
Salary and wages and other				
benefits of employees and crews	1,580,625	1,325,844	453,474	322,612
Rental expenses	3,012	3,751	2,235	2,413

28. Losses on derivative contracts

Treasury Rate Lock Agreements

A Treasury Lock is a type of financial instrument executed with a bank, for a forward sale of a U.S. Treasury note or bond which is settled for an amount based on the difference between an agreed Treasury rate (referred to as the lock rate) and the prevailing Treasury rates at the time of settlement. If, at the contract's settlement date, the prevailing rate is higher than the agreed upon rate, the bank will pay an amount based upon the difference in the two rates. However, if the prevailing Treasury rate is lower than the lock rate, the bank will receive the difference. The Treasury Lock is generally used as a hedging tool by companies to "lock in" the Treasury rate which is expected to serve as the basis for the pricing of a public or private debt issue.

For the proposed issue of Debentures which was recently approved by the shareholders of the Company, with the intention of locking in the Treasury rate, which would have been the basis of pricing of the Debentures, 2 local subsidiaries entered into Treasury Lock Contracts with a branch of a foreign bank for an aggregate principal amount of USD 200 million. The contracts were for a period of not over 3 months, maturing on 25 October 2007 (maturity date) and guaranteed by the Company. As at the settlement date, the subsidiaries were required to pay an amount to the bank based on the lock rate stipulated in the contracts of 5.03%.

On different dates in October 2007 the subsidiaries gradually unwound the Treasury Lock Contracts, aggregating USD 200 million, prior to their maturity. Resulting loss on these derivative contracts, amounting to USD 7.1 million (approximately Baht 242.0 million), had been recorded under the caption of "Losses on derivative contracts" in the income statement.

29. Corporate income tax

No corporate income tax was payable for the years 2008 and 2007, since the Company had tax losses brought forward from previous years.

In accordance with the Director - General's Notification on Income Tax No. 72 dated 1 January 1998, the subsidiaries are exempted from the payment of income tax on their marine transportation income. In addition, the subsidiaries are exempted from the payment of income tax on their marine transportation business under the provisions of the Investment Promotion Act B.E. 2520.

Corporate income tax of the local subsidiaries has been calculated at the rate of 30% on the income from the non-exempt activities, after adding back certain provisions and expenses which are disallowable for tax computation purposes.

Corporate income tax of the overseas subsidiaries has been calculated by applying the applicable statutory rates of the relevant countries.

30. Promotional privileges

The Company has been granted promotional privileges under the Investment Promotion Act, as approved by the Board of Investment under BOI certificate No. 1405/2550 dated 23 March 2007. Subject to certain imposed conditions, the significant privileges are the rights to employ skilled foreigners to work within the scope of duties approved by the Board of Investment and for the period for which they are permitted to stay in Thailand, permission to own land in an amount considered appropriate by the Board of Investment, and permission to transfer funds in or out of Thailand in foreign currencies.

Under the provisions of the Investment Promotion Act B.E. 2520, the subsidiaries were granted certain promotional privileges for their marine transportation. The promotional privileges include, among other things, exemption from the payment of income tax for a period of 8 years commencing as from the date of first earning operating income on the condition that the vessels owned by the subsidiaries are registered in Thailand. As at 31 December 2008 and 2007, the 34 subsidiaries have registered their 43 vessels under the Thai flag.

Revenues and expenses for 2008 and 2007 (before eliminating related transactions), classified between promoted and non-promoted operations can be summarised below.

(Unit: Thousand Baht)

	Non-promoted operations								
	Promoted operations		Operations exempted from corporate income tax in accordance with the Director-General's Notification on Income Tax No. 72				Operations not eligible for corporate income tax exemption		Total
			2008		2007		2008		
	2008	2007	2008	2007	2008	2007	2008	2007	
Revenues	4,889,451	4,318,407	3,576,784	2,912,534	5,118,303	6,542,008	13,584,538	13,772,949	
Costs and expenses	(1,901,146)	(2,557,028)	(1,151,634)	(1,256,902)	(905,871)	(1,282,392)	(3,958,651)	(5,096,322)	
Net income	<u>2,988,305</u>	<u>1,761,379</u>	<u>2,425,150</u>	<u>1,655,632</u>	<u>4,212,432</u>	<u>5,259,616</u>	<u>9,625,887</u>	<u>8,676,627</u>	

31. Basic earnings per share

Basic earnings per share for the year 2008 is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year.

Basic earnings per share for the year 2007 was calculated by dividing the net income for the year by the weighted average number of ordinary shares held by outside shareholders in issue during the year 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 21.

32. 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.

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) derived from Time charter and Voyage charter presented as "Hire income" and "Freight income" respectively, as under:

(Unit: Thousand Baht)

	Consolidated financial statements									
	Time charter		Voyage charter		Total		Elimination		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Hire income	8,372,920	6,969,502	-	-	8,372,920	6,969,502	(35,815)	-	8,337,105	6,969,502
Freight income	-	-	251,430	372,933	251,430	372,933	(52,735)	(54,066)	198,695	318,867
Total vessel operating income	8,372,920	6,969,502	251,430	372,933	8,624,350	7,342,435	(88,550)	(54,066)	8,535,800	7,288,369
Voyage disbursements	-	-	(121,246)	(108,093)	(121,246)	(108,093)	88,550	54,066	(32,696)	(54,027)
Bunker consumption	-	-	(37,805)	(60,213)	(37,805)	(60,213)	-	-	(37,805)	(60,213)
Total voyage expenses	-	-	(159,051)	(168,306)	(159,051)	(168,306)	88,550	54,066	(70,501)	(114,240)
Net vessel operating income/time charter equivalent income	8,372,920	6,969,502	92,379	204,627	8,465,299	7,174,129	-	-	8,465,299	7,174,129

During the year 2008, compensation from cancellation of vessel hire contracts amounting to approximately Baht 31.3 million has been recorded in "Hire income" account in the income statement.

33. Provident fund

The Company and subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company/the subsidiaries contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Bangkok Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2008, the Company and subsidiaries contributed Baht 2.5 million (2007: Baht 2.1 million) to the provident fund (Separate financial statements: Baht 2.2 million, 2007: Baht 1.8 million).

34. Cash dividends

Dividends declared in the year 2008 consist of the following:

	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht)
a) Interim dividends on operating results for the nine-month period ended 30 September 2008	Board of Directors' meeting on 13 November 2008	<u>779.5</u>	<u>0.75</u>

As at the closing date of the share register, 1,039,379,300 of the Company's ordinary shares were qualified to receive dividend, after deduction of 141,300 shares disqualified to receive this dividend held by the registrar (Thailand Securities Depository Co., Ltd. for Depositors both Thai and Foreign shareholders) from the total number of shares outstanding (1,039,520,600 shares). The total dividend paid was thus Baht 779.5 million.

	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht)
b) Interim dividends on operating results for the six-month period ended 30 June 2008	Board of Directors' meeting on 14 August 2008	<u>779.5</u>	<u>0.75</u>

As at the closing date of the share register, 1,039,380,300 of the Company's ordinary shares were qualified to receive dividend, after deduction of 140,300 shares disqualified to receive this dividend held by the registrar (Thailand Securities Depository Co., Ltd. for Depositors both Thai and Foreign shareholders) from the total number of shares outstanding (1,039,520,600 shares). The total dividend paid was thus Baht 779.5 million.

	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht)
c) Interim dividends on operating results for the three-month period ended 31 March 2008	Board of Directors' meeting on 22 May 2008	<u>519.7</u>	<u>0.50</u>

As at the closing date of the share register, 1,039,304,995 of the Company's ordinary shares were qualified to receive dividend, after deduction of 215,605 shares disqualified to receive this dividend held by the registrar (Thailand Securities Depository Co., Ltd. for Depositors both Thai and Foreign shareholders) from the total number of shares outstanding (1,039,520,600 shares). The total dividend paid was thus Baht 519.7 million.

	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht)
d) Final dividends of 2007 income	Annual General Meeting of the shareholders on 27 March 2008	<u>779.5</u>	<u>0.75</u>

As at the closing date of the share register, 1,039,311,395 of the Company's ordinary shares were qualified to receive final dividend, after deduction of 209,205 shares disqualified to receive this final dividend held by the registrar (Thailand Securities Depository Co., Ltd. for Depositors both Thai and Foreign shareholders) from the total number of shares outstanding (1,039,520,600 shares). The total final dividend paid was thus Baht 779.5 million.

Dividends declared in the year 2007 consist of the following:

	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht)
a) Interim dividends on operating results for the nine-month period ended 30 September 2007	Board of Directors' meeting on 15 November 2007	<u>519.7</u>	<u>0.50</u>

As at the closing date of the share register, 1,039,307,700 of the Company's ordinary shares were qualified to receive dividend, after deduction of 212,900 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 519.7million.

	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht)
b) Interim dividends on operating results for the six-month period ended 30 June 2007	Board of Directors' meeting on 8 August 2007	<u>519.7</u>	<u>0.50</u>

As at the closing date of the share register, 1,039,369,600 of the Company's ordinary shares were qualified to receive dividend, after deduction of 151,000 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 519.7 million.

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

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

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.

35. Commitments

35.1 Vessel building contracts commitments

As at 31 December 2008, the Company's future minimum payment commitments under vessel building contracts amount to USD 449.2 million or approximately Baht 15,759.0 million (2007: USD 379.2 million or approximately Baht 12,849.2 million).

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

As at 31 December 2008, 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	Maximum facility amount per contract (million USD)	Undrawn loan balance as at 31 December 2008 (million USD)	Term of payment	Drawdown period ending
Facility 1	30% of the applicable margin per annum on the difference between the facility outstanding and the applicable maximum facility amount	200	200	Every three months starting from 22 August 2005 until the end of the drawdown period	31 December 2008
Facility 2	0.375% per annum of undrawn loan balance	300	300	Quarterly starting from 18 January 2007 until the end of the drawdown period	18 January 2009
Facility 3	0.35% per annum of undrawn loan balance	398.4	377.2	Every three months starting from 3 July 2008 until the end of the drawdown period	Upon delivery of each vessel

Availability period of Facility 1 and Facility 2 expired on 31 December 2008 and 18 January 2009 respectively. As such, the obligations in respect of commitment fees stated above for the 2 facilities are no longer valid but shall be replaced by new obligations which are presently being discussed with the respective lenders as explained in Notes 19.1 and 19.2.

35.3 Uncalled portion of other long-term investment

As at 31 December 2008, the Company has a commitment of Baht 10.1 million in respect of the uncalled portion of other long-term investment (2007: Baht 10.1 million).

36. Financial instruments

36.1 Financial risk management

The Company and subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, investments, trade accounts payable and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The Company and subsidiaries manage the risk by adopting a credit policy whereby they evaluate the creditworthiness of charterers and other parties and restrict dealings to financially sound parties, and strictly attend to the preparation and completeness of documentation and therefore do not expect to incur material financial losses. In addition, the Company and subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the balance sheets.

Interest rate risk

The Company and subsidiaries' exposure to interest rate risk relates primarily to its cash at banks. However, since most of the Company and subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2008 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

	Fixed			Total	Interest rate	
	interest rate within 1 year	Floating interest rate	Non-interest bearing		(% p.a.)	
					Fixed	Floating
					USD currency	USD currency
Financial assets						
Cash and cash equivalents	950,208	2,395,596	4,221	3,350,025	2.6334	0.9495
Trade accounts receivable	-	-	46,766	46,766	-	-
Total	950,208	2,395,596	50,987	3,396,791		
Financial liabilities						
Trade accounts payable	-	-	96,213	96,213	-	-
Long-term loans	-	739,496	-	739,496	-	4.7413
Total	-	739,496	96,213	835,709		

Foreign currency risk

Almost all revenues and expenditures of the Company and subsidiaries are denominated in U.S. dollars, which provide a natural hedge against the currency risk associated with transactions in U.S. dollars. Consequently, the Company and subsidiaries are exposed to a currency risk in respect of financial instruments denominated in other currencies. However, the Company and subsidiaries' management has decided to maintain an open position with regard to this exposure, but endeavors to limit this exposure to least possible amounts by not holding significant financial instruments denominated in other currencies.

36.2 Fair values of financial instruments

Since the majority of the Company and subsidiaries' financial assets and liabilities are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instruments.

37. Capital management

The primary objectives of the Company and subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure.

As at 31 December 2008, debt to equity ratio in the consolidated financial statements is 0.11:1.00 (the separate financial statements: debt to equity ratio is 0.27:1.00).

38. Subsequent events

- a) On 5 January 2009, the Company purchased 4 more shares in each of 37 local subsidiaries from the minority shareholders at par value, in order to comply with the Act Amending the Civil and Commercial Code (No. 18) B.E. 2551. However, these share purchases did not affect the Company's shareholding in these subsidiaries.
- b) On 7 January 2009, the Company has drawn down USD 21.2 million from long-term loan facility, as discussed in Note 19.3, to use in the payment of the second installment to the shipbuilder for the construction of 3 new vessels.

- c) On 29 January 2009, a local subsidiary (Great Circle Shipping Agency Limited) issued new ordinary shares, which the Company purchased in proportion to its shareholding at that date, at par value, for a total of Baht 40 million.
- d) In January 2009, 2 local subsidiaries separately entered into Memorandum of Agreements with 2 overseas companies to sell the 2 subsidiaries' respective second-hand vessels for USD 3.30 million and USD 3.45 million, respectively, both of which are to be delivered in the first quarter of 2009.
- e) On 4 February 2009, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in March 2009 to adopt a resolution to pay a dividend of Baht 0.80 per share, or a total of Baht 831.6 million, to the shareholders in respect of the 2008 income.

Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

39. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2007 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
		Increase	Previously		Increase	Previously
	Reclassified	(Decrease)	reported	Reclassified	(Decrease)	reported
Property, plant and equipment	9,525,658,693	(43,852,045)	9,569,510,738	24,767,763	(43,852,045)	68,619,808
Computer software	43,495,617	43,495,617	-	43,495,617	43,495,617	-
Advances for vessel construction	3,239,547,115	356,428	3,239,190,687	3,239,547,115	356,428	3,239,190,687
Depreciation	1,824,365,929	(209,280)	1,824,575,209	7,511,517	(209,280)	7,720,797
Administrative expenses	381,785,480	209,280	381,576,200	357,776,174	209,280	357,566,894

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 4 February 2009.