

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2001

Report of the Independent Auditor

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

I have reviewed the accompanying consolidated balance sheet of Precious Shipping Public Company Limited and subsidiaries as at 31 March 2001, the related consolidated statements of earnings, changes in shareholders' equity, retained earnings and cash flows for the three-month period ended 31 March 2001, and the separate financial statements of Precious Shipping Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review. I did not review the interim financial statements of five subsidiaries incorporated in overseas which are included in these consolidated financial statements. The assets and net earnings of these subsidiaries as included in the consolidated financial statements constitute 12% of consolidated total assets as at 31 March 2001 and 10% of the consolidated earnings for the three-month period ended 31 March 2001, respectively, and the share of their profit constitutes 10% of the net earnings of the Company for the three-month period ended 31 March 2001. The figures are based on the interim financial statements of these subsidiaries which were reviewed by other auditors, whose reports have been furnished to me, and my report, insofar as it relates to the amounts included for those subsidiaries, is based solely on the reports of these other auditors.

I conducted my review in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my review and the reports of the other auditors, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated financial statements of Precious Shipping Public Company Limited and subsidiaries and the separate financial statements of Precious Shipping Public Company Limited for the year ended 31 December 2000, were audited in accordance with generally accepted auditing standards by another auditor who, under her report dated 22 February 2001, expressed an unqualified opinion on those financial statements but drew attention to the change in accounting policy for depreciation of revalued assets in accordance with the amendment to the Accounting Standard No. 32 “Property, Plant and Equipment” and the effects of the economic crisis which might result in going concern issues for the Company and subsidiaries. The balance sheet as at 31 December 2000, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated statements of earnings, changes in shareholders’ equity, retained earnings and cash flows of Precious Shipping Public Company Limited and subsidiaries for the three-month period ended 31 March 2000 and the separate financial statements of Precious Shipping Public Company Limited, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who, under her report dated 3 May 2000 stated that nothing has come to her attention that causes her to believe that the interim financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles. However, she drew attention to the effect of the economic crisis, which might result in going concern issues for the Company and subsidiaries.

Ruth Chaowanagawi

Certified Public Accountant (Thailand) No. 3247

Ernst & Young Office Limited

Bangkok : 8 May 2001

(UNAUDITED BUT REVIEWED)

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Going concern issue

Although the economic crisis in Thailand and other countries in South East Asia has eased to a certain extent in the current period, its remaining adverse effects are expected to continue to impact on business environment. However, the financial statements under report have been prepared on the going concern basis assuming that the realisation of assets and settlement of liabilities and obligations will occur in the ordinary course of the businesses of the Company and subsidiaries.

1.2 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, additional line items are presented in the balance sheets, and the related statements of earnings, changes in shareholders’ equity, retained earnings, and cash flows, as in the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Precious Shipping Public Company Limited and subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2000. There have been no changes in the composition of the Group during the current period.

(UNAUDITED BUT REVIEWED)

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2000.

Change in accounting policy

The Company and subsidiaries have changed in accounting policy regarding depreciation of revaluation surplus which were charged to earnings statement in accordance with the amendment of Thai Accounting Standard No. 32 in relation to “Property, Plant and Equipment” in the financial statements for the year ended 31 December 2000. However, in the financial statements for the three-month period ended 31 March 2000, the Company and subsidiaries had still recorded depreciation on revaluation surplus as a deduction item against retained earnings. This was due to the Accounting Standard had not yet revised during that period. This accounting change, which has been accounted for retroactively in the financial statements for the three-month period ended 31 March 2000 as presented herein for comparative purposes, has the effect of decreasing net earnings for the three-month period ended 31 March 2000 by approximately Baht 2.9 million (Baht 0.06 per share).

2. CASH ON HAND AND AT BANKS

Included in fixed deposits as at 31 March 2001, were deposits of Baht 1.9 million and USD 0.36 million (31 December 2000 : Baht 2.6 million and USD 0.36 million) which were pledged at banks to secure letters of guarantee issued by the banks in favor of charterers, local government authorities and service providers required in the normal course of business by the Company and subsidiaries.

(UNAUDITED BUT REVIEWED)

3. TRADE ACCOUNTS RECEIVABLE

The balances of trade accounts receivable are classified by aging as follows :-

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	31 March 2001	31 December 2000	31 March 2001	31 December 2000
Less than 3 months	143,916	77,915	-	-
3 - 6 months	11,758	2,510	-	-
6 - 12 months	9,239	10,950	-	162
More than 12 months	97,006	71,743	2,087	1,854
Total	261,919	163,118	2,087	2,016
Less : Allowance for doubtful accounts	(60,355)	(58,399)	(1,635)	(1,579)
Trade accounts receivable - net	<u>201,564</u>	<u>104,719</u>	<u>452</u>	<u>437</u>

4. RELATED PARTY TRANSACTIONS

During the periods the Company had significant business transactions with its subsidiaries, associated and related companies (related by way of shareholding, common shareholders and/or directors). Such transactions, have been concluded on the terms and basis as determined between the Company and those companies, and were in the normal course of business, except for loans to Nedtex Ltd. and Precious Storage Terminals Ltd. with interest at rate of 8% per annum and advances from/to subsidiaries and associated companies on which no interest is charged. The transactions are summarised below :-

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	FOR THE THREE-MONTH PERIODS ENDED 31 MARCH			
	CONSOLIDATED		THE COMPANY ONLY	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
<u>Transactions with subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Vessel operating income	-	-	-	7,843
Interest income	-	-	390	358
Administrative expenses	-	-	1,581	943
Interest expenses	-	-	-	30,499
<u>Transactions with related companies</u>				
Rental and related expenses	467	406	233	209
Air ticket expenses	3,218	3,250	574	493

The outstanding balances of the above transactions have been separately shown in the balance sheets. Details of balances due from/to its subsidiaries are as follows :-

(Unit : Thousand Baht)

	THE COMPANY ONLY	
	31 March	31 December
	<u>2001</u>	<u>2000</u>
<u>Amounts due from subsidiaries</u>		
Precious Hills Limited	173,445	183,817
Great Circle Shipping Agency Limited	160,370	181,837
Precious Capitals Limited	156,186	151,159
Precious Jasmines Limited	167,912	147,987
Precious Orchids Limited	88,185	86,826
Precious Seas Limited	75,816	72,318
Precious Resorts Limited	75,607	65,775
Precious Shipping (Mauritius) Limited	76,751	76,028
Precious Trees Limited	51,531	62,340
Precious Stars Limited	60,985	55,689
Precious Ponds Limited	35,215	48,812

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	THE COMPANY ONLY	
	31 March	31 December
	2001	2000
Precious Cliffs Limited	51,170	46,415
Geepee Corporation Limited	32,804	32,764
Precious Oceans Limited	10,562	29,205
Precious Shipping (Panama) S.A.	-	18,888
Precious Storage Terminals Limited	14,765	14,675
Precious Emeralds Limited	10,761	14,432
Nedtex Limited	12,771	12,944
Precious Ventures Limited	3,338	10,191
Precious Rivers Limited	5,073	5,337
Precious Lakes Limited	4,096	4,122
Precious Shipping (UK) Limited	13,157	3,141
Regidor Pte. Limited	54	180
Thebes Pte. Limited	116	167
Precious Mountains Limited	2,042	-
Total	1,282,712	1,325,049
<u>Amounts due to subsidiaries</u>		
Precious Shipping (Singapore) Pte. Limited	291,285	271,938
Precious Wishes Limited	249,266	237,490
Precious Metals Limited	188,907	173,332
Precious Minerals Limited	139,976	139,976
Precious Cities Limited	139,516	139,516
Precious Stones Shipping Limited	137,700	137,700
Precious Flowers Limited	97,365	82,521
Precious Forests Limited	86,689	81,139
Precious Planets Limited	75,978	71,470
Precious Diamonds Limited	52,477	43,844
Precious Lagoons Limited	29,679	43,559
Precious Opals Limited	23,747	23,747

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	THE COMPANY ONLY	
	31 March	31 December
	2001	2000
Precious Lands Limited	21,362	21,362
Precious Rubies Limited	27,960	21,334
Precious Sapphires Limited	11,316	18,352
Precious Pearls Limited	10,122	6,451
Precious Garnets Limited	22,494	5,370
Precious Mountains Limited	-	4,288
Precious Comets Limited	14	11
Precious Ornaments Limited	14	11
Precious Shipping (Panama) S.A.	6,988	-
Total	<u>1,612,855</u>	<u>1,523,411</u>

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

Details of subordinated interest-free loans from subsidiaries, which are repayable within 2006, were as follows :-

(Unit : Thousand Baht)

	THE COMPANY ONLY	
	31 March	31 December
	2001	2000
Precious Cliffs Limited	143,000	143,000
Precious Capitals Limited	143,000	143,000
Precious Jasmines Limited	100,750	100,750
Precious Stars Limited	96,525	96,525
Precious Seas Limited	95,693	95,693
Precious Orchids Limited	57,850	57,850
Precious Ponds Limited	21,450	21,450
Precious Lakes Limited	4,550	4,550
Total	<u>662,818</u>	<u>662,818</u>

(UNAUDITED BUT REVIEWED)

5. OTHER RECEIVABLE

On 26 August 1999, the Company entered into sale and purchase of shares agreement with a foreign company (“the purchaser”) to sell its investment in common shares of a foreign company of 1,250,000 shares (par value SGD 1 per share) at a selling price of SGD 2,210,000. The purchaser will pay to the Company in 29 monthly installments (comprising of principal plus interest thereon at 12% per annum) commencing on 30 September 1999.

On 6 September 1999 the Company entered into a shares pledge agreement with the purchaser. According to the agreement, the purchaser pledged the above common shares to the Company as collateral security for the due and punctual payment and performance by the purchaser in connection with the sale and purchase of shares agreement.

The purchaser has defaulted in debt repayment for a certain period. The Company has therefore set up a full provision of Baht 59 million during the current period.

6. INVESTMENTS

These represent investments in the following subsidiaries and associated companies :-

		(Unit : Thousand Baht)			
		CONSOLIDATED		THE COMPANY ONLY	
Percentage of Ownership	Cost Method	Equity Method		Equity Method	
		31 March 2001	31 December 2000	31 March 2001	31 December 2000
2001/2000	2001/2000	2001	2000	2001	2000
<u>Investments in subsidiaries</u>					
Precious Shipping (Singapore)					
Pte. Limited	100.00	363,338		536,698	527,760
Precious Metals Limited	99.99	250,000		286,390	278,707
Precious Wishes Limited	99.99	229,999		258,884	260,821
Precious Capitals Limited	99.99	199,999		101,546	86,361
Precious Oceans Limited	99.99	175,000		256,515	240,964
Precious Minerals Limited	99.99	140,000		137,636	137,536
Precious Stones Shipping Limited	99.99	140,000		137,788	137,801
Precious Mountains Limited	99.99	139,999		138,034	141,970
Precious Hills Limited	99.99	139,999		210,462	199,814

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Percentage of Ownership	Cost Method	CONSOLIDATED		THE COMPANY ONLY	
			Equity Method		Equity Method	
			31 March	31 December	31 March	31 December
			2001	2000	2001	2000
Precious Resorts Limited	99.99	139,999			126,830	131,533
Precious Lagoons Limited	99.99	139,999			133,160	135,704
Precious Cities Limited	99.99	139,999			139,497	139,500
Precious Cliffs Limited	99.99	139,999			44,486	48,393
Great Circle Shipping Agency Limited	99.99	121,995			(22,647)	(18,639)
Precious Stars Limited	99.99	105,000			48,530	54,019
Precious Seas Limited	99.99	100,000			96,523	84,795
Precious Planets Limited	99.99	100,000			123,159	124,150
Precious Jasmines Limited	99.99	97,999			162,216	142,110
Precious Ventures Limited	99.99	79,999			74,851	67,492
Precious Diamonds Limited	99.99	55,000			101,279	86,959
Precious Orchids Limited	99.99	51,999			74,453	71,430
Precious Rivers Limited	99.99	44,000			23,938	24,492
Precious Forests Limited	99.99	39,999			39,673	41,752
Precious Trees Limited	99.99	39,999			9,745	1,948
Precious Flowers Limited	99.99	38,999			90,703	75,506
Precious Pearls Limited	99.99	38,999			75,333	65,571
Precious Emeralds Limited	99.99	32,000			53,669	48,799
Precious Ponds Limited	99.99	31,999			31,831	21,178
Precious Garnets Limited	99.99	30,999			76,007	65,639
Precious Rubies Limited	99.99	24,000			53,420	45,200
Precious Lands Limited	99.99	24,000			21,261	21,279
Precious Opals Limited	99.99	24,000			23,963	23,966
Precious Lakes Limited	99.99	24,000			(3,420)	(3,391)
Precious Sapphires Limited	99.99	23,999			(14,921)	(15,987)
Geepee Corporation Limited	99.88	5,874			26,591	34,287
Precious Storage Terminals Limited	69.99	4,199			(12,604)	(12,051)
Nedtex Limited	69.99	648			(11,717)	(10,778)
Precious Shipping (UK) Limited	99.99	250			8,265	4,472
Precious Shipping (Panama) S.A.	99.99	250			(579)	(239)

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Percentage of Ownership	Cost Method	CONSOLIDATED		THE COMPANY ONLY	
			Equity Method		Equity Method	
			31 March	31 December	31 March	31 December
	2001/2000	2001/2000	2001	2000	2001	2000
Precious Shipping (Mauritius) Limited	99.99	250			537	891
Precious Comets Limited	99.40	99			(10)	(7)
Precious Ornaments Limited	99.40	99			(11)	(7)
Thebes Pte. Limited	100.00	0.0365			(82)	33
Regidor Pte. Limited	100.00	0.0503			(176)	(9)
Total net investments in subsidiaries		<u>3,478,984</u>			<u>3,657,706</u>	<u>3,511,724</u>
Investments in subsidiaries					3,723,873	3,572,832
Share of losses over investments					(66,167)	(61,108)
Total net investments in subsidiaries					<u>3,657,706</u>	<u>3,511,724</u>
<u>Investments in associated companies :-</u>						
International Seaports Pte. Limited	33.33	17,225	17,225	17,225	17,225	17,225
Dhamra Port Company Private Ltd.	26.37	109,334	109,334	105,775	-	-
Southern LPG Ltd.	39.96	43,549	29,062	28,117	-	-
Cocanada Port Company Private Ltd.	33.33	18,468	18,468	17,868	-	-
Total investments in associated companies		<u>188,576</u>	<u>174,089</u>	<u>168,985</u>	<u>17,225</u>	<u>17,225</u>

The Company has presented share of losses from subsidiaries over investments by net off the amounts due from/to subsidiaries in the balance sheets.

As at 31 March 2001 the Company has pledged the shares of twenty subsidiaries amounting to Baht 2,190 million with banks to secure the long-term loans referred to in Note 8.

As at 31 March 2001, the Company and subsidiaries have investments amounting to Baht 145 million (the Company only : Baht 17.2 million) in three overseas associated companies which are not accounted for using the equity method since the Company and subsidiaries are making efforts to sell these investments. This is to comply with the conditions of the debt restructuring agreement. In addition, the management of a subsidiary is also making effort to sell investment in another associated company which equity amount was Baht 29 million.

(UNAUDITED BUT REVIEWED)

7. VESSELS, CONDOMINIUM AND EQUIPMENT

The subsidiaries have mortgaged thirty-five vessels and certain condominium units to secure long-term loans as referred to in Note 8.

8. LONG-TERM LOANS

These long-term loans are the loans resulting from the restructuring of debts under the debt restructuring agreement dated 6 July 2000 and 10 July 2000.

The outstanding balances of loans as at 31 March 2001 and 31 December 2000 were as follows:

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	31 March 2001	31 December 2000	31 March 2001	31 December 2000
Original loans	3,228,381	3,405,284	147,474	160,406
Commercial loans	1,736,292	1,744,415	1,736,292	1,744,415
Less : Current portion	(778,611)	(817,346)	(49,010)	(45,351)
Long-term portion	<u>4,186,062</u>	<u>4,332,353</u>	<u>1,834,756</u>	<u>1,859,470</u>

Original loans

As at 31 March 2001, the Company and twenty-five of its subsidiaries had outstanding original loans from various banks and financial institutions aggregating approximately USD 64.04 million, Baht 2,071.91 million and INR 15 million (31 December 2000 : USD 69.87 million, Baht 2,099.68 million and INR 15 million) on which interest is charged at fixed and floating rates specified in the agreements. According to the new repayment schedule, the loans will be repaid in quarterly installments commencing 31 March 2000 until the end of 2005. During the current period, the Company and certain subsidiaries paid back loans of approximately Baht 27.77 million and USD 5.83 million (For the year ended 31 December 2000 : Baht 188.74 million and USD 21.58 million).

(UNAUDITED BUT REVIEWED)

These loans are secured by the following :-

- a) The mortgage of thirty-four vessels belonging to subsidiaries and the condominium units of a subsidiary.
- b) The pledge of the shares of twenty subsidiaries.
- c) The guarantees of twenty-five subsidiaries by Precious Shipping Public Company Limited.
- d) The assignment of the insurance policies for thirty of the subsidiaries' vessels.

Commercial loans

These are Thai Baht loans which the Company shall, by no later than each of the repayment dates specified below, repay an aggregate principal amount of at least equal to the amounts specified below :-

<u>Repayment Date</u>	<u>Equivalent to Million US dollar</u>
31 December 2001	7.0
25 July 2004	40.0

The commercial loans carry interest at fixed rates per annum. If the Company fails to repay at the applicable repayment dates, interest rate will be increased by 1% from those dates. The loans are finally due for repayment on 17 July 2005. During the current period, Baht 8 million was repaid to lenders. These loans are secured by the mortgage of one vessel of a subsidiary. The Company has to comply with certain conditions and restrictions provided in the above loan agreements such as :-

- a) The debt service coverage ratio of at least 1.25 : 1 and debt to equity ratio of not exceeding 2 : 1 and funded debt ratio not exceeding 4 : 1.
- b) Certain amounts of cash flow surplus shall be used for loans repayment.
- c) Not create or permit to subsist any security interest on the whole or any part of its present or future assets, except for permitted security interest.
- d) Limit the acquisition of assets and investments at the amount as defined in the agreements.

(UNAUDITED BUT REVIEWED)

- e) Not permit the reduction of the Company's share capital.

9. REDEEMABLE CONVERTIBLE DEBENTURES

These redeemable convertible debentures (RCDs) were issued under the terms of the debt restructuring agreement dated 17 July 2000.

On 17 July 2000, the Company issued USD 20,936,297 and Thai Baht 589,503,000 of zero coupon RCDs. Under the terms and conditions of the Thai Baht's and US dollar's RCDs, the Company has an option to redeem the debentures within a period of thirty months from the issue date. In the first six months from the issue date, the redemption amount payable by the Company is 41.67% of the face value of the RCDs. In the next quarter such redemption amount is increased to 53.34% of the face value and it is increased by 5.83% per quarter thereafter. This is a call option (pre-redeemable call option at discount) granted to the Company and is not the obligation of the Company.

If the RCDs are not redeemed by the Company during the above redemption period, the RCD holders have the option to convert them to equity shares of the Company at 95% of the average closing market price of the Company's shares during the month immediately preceding the conversion. If the Thai Baht RCD holders do not exercise the option to convert them within a fixed conversion period, the Company has the obligation to redeem the RCDs through a payment of 0.01% of the face value of the RCDs. The USD RCD holders have no such redemption right.

Recognition and Fair Valuation of RCDs

The Company recognises the RCDs as compound instruments containing both a liability and an equity element. The fair value of the straight debt component of RCDs is recorded as a liability (which will increase in line with their conversion value and fall in accordance with their pre-redeemable call option value) and the difference between the straight debt value and the face value of the RCDs is recognised as a part of equity under the heading "Unrealised gain on redeemable convertible debentures".

The liability element of the RCDs as at 31 March 2001 has been computed as 53.34% of the par value of the RCDs (31 December 2000 : 41.67%) and can be summarised as follows :-

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	CONSOLIDATED / THE COMPANY ONLY	
	31 March 2001	31 December 2000
Redeemable convertible debentures - zero coupon		
- US dollar - USD 20,936,297		909,465
- USD 20,732,213	931,343	
- Thai Baht	512,703	589,503
Less : Unrealised gain on redeemable convertible debentures	(673,792)	(874,348)
Redeemable convertible debentures - liability element	<u>770,254</u>	<u>624,620</u>

In respect of the issuance of the RCDs as referred to above, the Company increased its authorised share capital by 136,800,000 shares in order to reserve the shares for the exercise of conversion of RCDs.

During the current quarter, the USD RCDs of USD 204,084 was redeemed at the amount of USD 75,000 and THB RCDs of Baht 76.8 million was redeemed at the amount of Baht 27.2 million. The redemption was resulted in a total gain of Baht 55 million which was recorded as an extraordinary item in the earnings statement.

10. EXCHANGE (GAINS) LOSSES

Exchange (gains) losses for the three-month periods ended 31 March 2001 and 2000 were below :-

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2001	2000	2001	2000
Realised exchange gains	(13,322)	(8,133)	(2,301)	(7,153)
Unrealised exchange losses	<u>124,327</u>	<u>36,481</u>	<u>36,052</u>	<u>21,937</u>
Exchange losses - net	<u>111,005</u>	<u>28,348</u>	<u>33,751</u>	<u>14,784</u>

(UNAUDITED BUT REVIEWED)

11. STATEMENTS OF CASH FLOWS

For the purposes of the statements of cash flows, cash and cash equivalents include cash on hand and deposits at financial institutions with an original maturity of 3 months or less and not subject to restriction.

Cash and cash equivalents as reflected in the statements of cash flows for three-month periods ended 31 March 2001 and 2000 consist of the following :-

		(Unit : Thousand Baht)			
		CONSOLIDATED		THE COMPANY ONLY	
		2001	2000	2001	2000
Cash on hand and at banks		195,249	140,666	21,242	23,577
Less : Amounts with maturity of more					
than 3 months and amounts pledged		(29,405)	(26,533)	(13,839)	(12,516)
Cash and cash equivalents		<u>165,844</u>	<u>114,133</u>	<u>7,403</u>	<u>11,061</u>

12. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' activities predominantly involve the shipping businesses and carriage cargo operations to various locations worldwide. As a result, all of the revenues, operating profits (losses) and assets as reflected in these financial statements pertain mainly to the aforementioned industry segment and geographic area.

13. CONTINGENT LIABILITIES

- As at 31 March 2001, the Company is contingently liable as guarantor for the payment of subsidiaries' loans totalling approximately USD 60.76 million and Baht 335.61 million (31 December 2000 : USD 66.17 million and Baht 355.26 million)
- As at 31 March 2001, the Company is contingently liable as guarantor for the payment of related companies' loans totalling approximately INR 51.60 million and USD 6.58 million (31 December 2000 : INR 51.60 million and USD 6.86 million).

(UNAUDITED BUT REVIEWED)

- c) As at 31 March 2001, the Company and subsidiaries are defendants against maritime claims whereby total liabilities may aggregate up to USD 0.8 million. The ultimate outcome of these claims cannot be determined at this time, but management anticipate that no material liability will arise. Accordingly, no provision has been provided in the accounts.

14. FINANCIAL INSTRUMENTS

The Company and subsidiaries do not hold or issue derivative instruments for speculative or trading purposes.

14.1 Foreign Currency Risk

Almost all revenues and expenditures of the Company and subsidiaries are denominated in U.S. dollars, which provides 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 its financial instruments denominated in other currencies. The Company and subsidiaries has certain secured/unsecured baht loans which are not hedged. Therefore, the Company and subsidiaries remain exposure to risk from the appreciation of the Thai Baht against the US dollar. However, the Company's management has decided to maintain an open position consideration of this exposure.

The Company is not exposed to any currency risk from the US dollar redeemable convertible debentures, as these are wholly denominated in US dollar. The Company has issued Thai Baht redeemable convertible debentures. However as there is no repayment obligation under these RCDs, the currency risk is applicable only on the call option value.

14.2 Interest Rate Risk

Since the redeemable convertible debentures are zero coupon, there is no interest rate risk associated with these financial instruments.

As at 31 March 2001 the Company and subsidiaries had the following financial assets and financial liabilities exposed to interest rate risk :-

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Floating	Fixed interest maturing in		Non-interest	Total	Average interest rate (%)					
	interest	1 year	Over			bearing	Floating		Fixed		
		rate	or less				1 year	THB		USD	
Financial assets :-											
Cash at banks	162,431	29,405	-	3,413	195,249	-	3.0-4.8	2.0	5.11		
Trade accounts receivable	-	-	-	201,564	201,564	-	-	-	-		
Total	162,431	29,405	-	204,977	396,813						
Financial liabilities :-											
Long-term loans	2,901,181	-	2,063,492	-	4,964,673	8.5	6.35	6.5	-		
Trade accounts payable											
- Related companies	-	-	-	158,891	158,891	-	-	-	-		
- Other	-	-	-	13,338	13,338	-	-	-	-		
Redeemable convertible											
debentures	-	-	-	770,254	770,254	-	-	-	-		
Total	2,901,181	-	2,063,492	942,483	5,907,156						

14.3 Credit Risk

The Company has established a credit policy of evaluating the creditworthiness of its charterers and other parties and restricts its dealings to only sound parties along with tight and adequate documentation to minimize the risk of financial loss from default. The Company's management believes that the maximum exposure to credit risk is limited to the carrying amount of receivables less allowance for doubtful debts as stated in the balance sheets.

14.4 Fair Value

Since the majority of financial assets are short-term and loans carry interest at rates close to current market rates, the management believes that the fair value of the Company's and subsidiaries' financial assets and liabilities do not materially differ from their carrying value.

15. SUBSEQUENT EVENTS

As at 2 April 2001, the Company has redeemed USD 1,360,560 redeemable convertible debentures for an amount of USD 566,945.

(UNAUDITED BUT REVIEWED)

16. RECLASSIFICATION

Certain amounts in the financial statements for the year ended 31 December 2000 and the three-month periods ended 31 March 2000 have been reclassified to conform to the current period classifications, with no effect on previously reported net earnings or shareholders' equity, except for the effect of the change in accounting policy as referred to in Note 1.4.

17. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved by the Company's directors.