

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
REPORT AND INTERIM FINANCIAL STATEMENTS
31 MARCH 2003 AND 2002

Report of 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 2003, and the related consolidated statements of earnings, changes in shareholders' equity and cash flows for the three-month period then ended, and the separate financial statements of Precious Shipping Public Company Limited for the same period. These financial statements are the responsibility of the 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 seven subsidiaries incorporated overseas which are included in these consolidated financial statements. The assets and revenues of these subsidiaries as included in the consolidated financial statements constitute 7.8% of consolidated total assets as at 31 March 2003 and 14.6% of the consolidated total revenues for the three-month period then ended. In addition, the Company's financial statements included investments in these subsidiaries as at 31 March 2003 of Baht 625 million, stated under the equity method, and share of profit from these subsidiaries for the three-month period then ended of Baht 8.5 million. The interim financial statements of these subsidiaries 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 in the consolidated financial statements and the Company's financial statements, 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 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 2002, were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those statements under his report dated 10 February 2003. The balance sheet as at 31 December 2002, 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 and cash flows of Precious Shipping Public Company Limited and subsidiaries for the three-month period ended 31 March 2002 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 his report dated 8 May 2002 stated that nothing had come to his attention that caused him to believe that the interim financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited
Bangkok : 2 May 2003