

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 30 September 2001, the related consolidated statements of earnings for the three-month and nine-month periods ended 30 September 2001, and the consolidated statements of changes in shareholders' equity, retained earnings and cash flows for the nine-month period ended 30 September 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 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 11.5% of consolidated total assets as at 30 September 2001 and 35.9% and 30.6% of the consolidated total revenues for the three-month and nine-month periods then ended, respectively. In addition, the Company's financial statements included investments in these subsidiaries as at 30 September 2001 of Baht 554 million, stated under the equity method, and share of loss from these subsidiaries for the three-month and nine-month periods then ended of Baht 36.3 million and Baht 30.6 million, respectively. 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 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 that the effects of the economic crisis 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 for the three-month and nine-month periods ended 30 September 2000, and the consolidated statements of changes in shareholders’ equity, retained earnings and cash flows for the nine-month period ended 30 September 2000 of Precious Shipping Public Company Limited and subsidiaries 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 7 November 2000 stated that nothing had come to her attention that caused her to believe that the interim financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles. However, she drew attention to the effects 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 : 1 November 2001