

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2002 AND 2001

(Unit : Baht)

| | | CONSOLIDATED | | THE COMPANY ONLY | |
|---|------|---------------|---------------|------------------|---------------|
| | Note | 2002 | 2001 | 2002 | 2001 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 329,715,200 | 261,590,521 | 6,538,138 | 3,822,026 |
| Current investments | | | | | |
| Time deposits | 4 | - | 14,964,636 | - | 13,744,636 |
| Other investments | 7 | - | 149,358,890 | - | 22,955,307 |
| Trade accounts receivable - net | 5 | 142,019,006 | 120,818,703 | - | - |
| Receivable from and advances to related parties | | | | | |
| Subsidiaries | 6 | - | - | 950,160,075 | 1,176,487,300 |
| Other related companies | | 25,983,399 | 9,347,389 | 439,741 | 1,284,400 |
| Bunker oil | | 47,066,795 | 61,628,749 | - | - |
| Advances to vessel masters | | 39,524,421 | 37,296,435 | - | - |
| Other advances | | 1,442,295 | 56,217,825 | - | - |
| Other current assets | | 43,543,924 | 91,103,502 | 8,951,837 | 14,178,994 |
| Total current assets | | 629,295,040 | 802,326,650 | 966,089,791 | 1,232,472,663 |
| Non-current assets | | | | | |
| Investments accounted for under equity method | 7 | - | - | 5,297,114,582 | 4,397,583,785 |
| Other long-term investments | 7 | 35,555,856 | - | - | - |
| Vessels, condominium and equipment - net | 8 | 4,207,699,287 | 4,765,597,042 | 4,197,008 | 4,776,330 |
| Intangible assets | | | | | |
| Deferred charges - net | 9 | 219,365,243 | 221,982,433 | - | - |
| Goodwill - net | | 8,815,000 | 9,493,080 | - | - |
| Other non-current assets | | 3,106,073 | 3,568,943 | 471,166 | 330,359 |
| Total non-current assets | | 4,474,541,459 | 5,000,641,498 | 5,301,782,756 | 4,402,690,474 |
| Total assets | | 5,103,836,499 | 5,802,968,148 | 6,267,872,547 | 5,635,163,137 |

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

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2002 AND 2001

(Unit : Baht)

| | | CONSOLIDATED | | THE COMPANY ONLY | |
|---|------|---------------|---------------|------------------|---------------|
| | Note | 2002 | 2001 | 2002 | 2001 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Current liabilities | | | | | |
| Trade accounts payable | | 100,232,355 | 119,260,727 | 10,024,159 | 3,684,801 |
| Current portion of long-term loans | 10 | 393,385,757 | 590,107,337 | - | 54,651,150 |
| Payable to and advances from subsidiaries | 6 | - | - | 2,430,759,380 | 1,960,287,038 |
| Advances received from charterers | | 74,038,616 | 75,000,660 | 1,429,559 | 1,464,413 |
| Interest payable | | 1,010,115 | 6,649,366 | - | 348,905 |
| Accrued crew accounts | | 79,681,091 | 98,680,825 | - | - |
| Accrued guarantee obligation | 6 | 21,060,600 | - | 21,060,600 | - |
| Other current liabilities | | 126,709,411 | 132,749,860 | 3,102,448 | 10,256,069 |
| Total current liabilities | | 796,117,945 | 1,022,448,775 | 2,466,376,146 | 2,030,692,376 |
| Non-current liabilities | | | | | |
| Redeemable convertible debentures | 11 | 886,736,531 | 799,365,574 | 886,736,531 | 799,365,574 |
| Subordinated loans from subsidiaries | 6 | - | - | 662,818,000 | 662,818,000 |
| Long-term loans | 10 | 2,744,396,287 | 3,507,115,459 | 1,618,368,101 | 1,707,756,091 |
| Total non-current liabilities | | 3,631,132,818 | 4,306,481,033 | 3,167,922,632 | 3,169,939,665 |
| Total liabilities | | 4,427,250,763 | 5,328,929,808 | 5,634,298,778 | 5,200,632,041 |

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

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2002 AND 2001

(Unit : Baht)

| | Note | CONSOLIDATED | | THE COMPANY ONLY | |
|--|------|-----------------|-----------------|------------------|-----------------|
| | | 2002 | 2001 | 2002 | 2001 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Authorised share capital | | | | | |
| 197,300,000 ordinary shares of Baht 10 each | | 1,973,000,000 | 1,973,000,000 | 1,973,000,000 | 1,973,000,000 |
| Issued and paid up | | | | | |
| 52,000,000 ordinary shares of Baht 10 each | | 520,000,000 | 520,000,000 | 520,000,000 | 520,000,000 |
| Premium on ordinary shares | | 926,054,829 | 926,054,829 | 926,054,829 | 926,054,829 |
| Unrealised gain on redeemable convertible debt 11 | | - | 329,203,639 | - | 329,203,639 |
| Translation adjustment | | 168,888,751 | 143,076,117 | 168,888,751 | 143,076,117 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Statutory reserve - the Company 12 | | 60,500,000 | 60,500,000 | 60,500,000 | 60,500,000 |
| - Subsidiaries 12 | | 77,466,000 | 77,466,000 | - | - |
| General reserve in subsidiaries | | 24,181,905 | 24,181,905 | - | - |
| Unappropriated (Deficit) | | (1,143,517,716) | (1,645,951,394) | (1,041,869,811) | (1,544,303,489) |
| Total equity attributable to Company's shareholders | | 633,573,769 | 434,531,096 | 633,573,769 | 434,531,096 |
| Minority interest - Equity attributable to minority shareholders of subsidiaries | | 43,011,967 | 39,507,244 | - | - |
| Total shareholders' equity | | 676,585,736 | 474,038,340 | 633,573,769 | 434,531,096 |
| Total liabilities and shareholders' equity | | 5,103,836,499 | 5,802,968,148 | 6,267,872,547 | 5,635,163,137 |
| | | 0 | 0 | 0 | 0 |

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

DIRECTORS

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF EARNINGS
FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001

(Unit : Baht)

| | | CONSOLIDATED | | THE COMPANY ONLY | |
|---|-------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | <u>Note</u> | <u>2002</u> | <u>2001</u> | <u>2002</u> | <u>2001</u> |
| Revenues | | | | | |
| Vessel operating income | | 3,290,904,183 | 4,010,630,227 | - | - |
| Service income | | 7,580,380 | 27,002,998 | - | - |
| Interest income | | 3,255,056 | 9,166,474 | 770,405 | 1,975,320 |
| Gain on disposals of fixed assets | 8 | 23,662,343 | - | 237,296 | - |
| Exchange gains | 13 | 73,120,913 | - | 17,099,206 | - |
| Other income | | 3,865,964 | 3,482,007 | 1,611,425 | 753,482 |
| Share of profit from investments under equity method | | - | 5,729,663 | 706,643,900 | 803,929,594 |
| Total revenues | | <u>3,402,388,839</u> | <u>4,056,011,369</u> | <u>726,362,232</u> | <u>806,658,396</u> |
| Expenses | | | | | |
| Vessel operating costs | | 1,913,295,253 | 2,362,638,643 | - | - |
| Cost of services | | 11,422,526 | 39,586,503 | - | - |
| Administrative expenses | | 156,940,127 | 177,613,040 | 136,836,743 | 146,264,844 |
| Bad debt and allowance for doubtful accounts | | 33,552,025 | 108,965,144 | 4,044,813 | 72,903,832 |
| Depreciation | 8 | 479,799,892 | 544,048,209 | 2,181,882 | 2,758,794 |
| Exchange losses | 13 | - | 75,462,529 | - | 24,501,352 |
| Loss on disposals of fixed assets | 8 | - | 14,695,732 | - | 553,173 |
| Guarantee obligation | 6 | 31,589,725 | - | 31,589,725 | - |
| Provision for possible loss on other investments | 7 | 161,353,402 | - | 22,955,307 | - |
| Directors' remuneration | 14 | 1,252,500 | 1,302,500 | 1,252,500 | 1,302,500 |
| Share of loss from investments under equity method | | 433,572 | - | - | - |
| Loss on sales of investments | | 379,725 | - | - | - |
| Total expenses | | <u>2,790,018,747</u> | <u>3,324,312,300</u> | <u>198,860,970</u> | <u>248,284,495</u> |
| Earnings before interest and financial costs and income tax | | <u>612,370,092</u> | <u>731,699,069</u> | <u>527,501,262</u> | <u>558,373,901</u> |
| Interest and financial costs | | (201,132,020) | (310,267,937) | (115,829,843) | (118,124,450) |
| Corporate income tax | | - | (2,961,112) | - | - |
| Earnings before minority interest and extraordinary item | | <u>411,238,072</u> | <u>418,470,020</u> | <u>411,671,419</u> | <u>440,249,451</u> |
| Net loss of minority interest | | <u>433,347</u> | <u>21,779,431</u> | <u>-</u> | <u>-</u> |
| Earnings from normal items | | <u>411,671,419</u> | <u>440,249,451</u> | <u>411,671,419</u> | <u>440,249,451</u> |
| Extraordinary items | | | | | |
| Gain on redemption of redeemable convertible debentures | 11 | 90,762,259 | 233,068,407 | 90,762,259 | 233,068,407 |
| Net earnings for the year | | <u><u>502,433,678</u></u> | <u><u>673,317,858</u></u> | <u><u>502,433,678</u></u> | <u><u>673,317,858</u></u> |

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

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF EARNINGS
FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001

(Unit : Baht)

| | <u>Note</u> | CONSOLIDATED | | THE COMPANY ONLY | |
|---|-------------|---------------------|-------------------|-------------------------|-------------------|
| | | <u>2002</u> | <u>2001</u> | <u>2002</u> | <u>2001</u> |
| Basic earnings per share | <i>3.10</i> | | | | |
| Earnings before extraordinary item | | 7.91 | 8.47 | 7.91 | 8.47 |
| Extraordinary item | | 1.75 | 4.48 | 1.75 | 4.48 |
| Net earnings | | <u>9.66</u> | <u>12.95</u> | <u>9.66</u> | <u>12.95</u> |
| Weighted average number of ordinary shares (shares) | | <u>52,000,000</u> | <u>52,000,000</u> | <u>52,000,000</u> | <u>52,000,000</u> |

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

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001

(Unit : Baht)

| | CONSOLIDATED | | THE COMPANY ONLY | |
|--|----------------------|----------------------|-------------------------|---------------------|
| | <u>2002</u> | <u>2001</u> | <u>2002</u> | <u>2001</u> |
| Cash flows from (used in) operating activities | | | | |
| Net earnings | 502,433,678 | 673,317,858 | 502,433,678 | 673,317,858 |
| Adjustments to reconcile net earnings to net cash provided by (used in) operating activities :- | | | | |
| Depreciation | 479,799,892 | 544,048,209 | 2,181,882 | 2,758,794 |
| Amortisation | 155,848,979 | 167,425,479 | - | - |
| Bad debt and allowance for doubtful accounts | 33,552,025 | 108,965,144 | 4,044,813 | 72,903,832 |
| Unrealised exchange (gains) losses | (40,396,838) | 52,282,661 | (14,030,386) | 14,843,637 |
| Share of (profit) loss from investments under equity m | 433,572 | (5,729,663) | (706,643,900) | (803,929,594) |
| (Gain) loss on disposals of fixed assets | (23,662,343) | 14,695,732 | (237,296) | 553,173 |
| Loss on sales of investments | 379,725 | - | - | - |
| Provision for possible loss on other investments | 161,353,402 | - | 22,955,307 | - |
| Increase (decrease) in minority interest | 3,504,723 | (21,779,431) | - | - |
| | <u>1,273,246,815</u> | <u>1,533,225,989</u> | <u>(189,295,902)</u> | <u>(39,552,300)</u> |
| Operating assets (increase) decrease | | | | |
| Trade accounts receivable | (34,093,958) | (47,969,579) | - | - |
| Receivable and advances to related parties | (16,636,010) | (28,864,888) | 60,097,620 | 69,318,839 |
| Bunker oil | 14,561,952 | 25,372,103 | - | - |
| Other current assets | 77,601,017 | 80,015,140 | 1,182,346 | 13,573,874 |
| Intangible and other non-current assets | (179,721,210) | (134,693,150) | (140,808) | 2,000 |
| Operating liabilities increase (decrease) | | | | |
| Trade accounts payable | (20,552,747) | (91,457,029) | 6,431,926 | (2,634,687) |
| Payable and advances from subsidiaries | - | - | 470,472,342 | 490,704,147 |
| Advances received from charterers | (878,789) | (23,450,508) | - | - |
| Other current liabilities | (9,618,973) | 15,821,452 | 13,558,076 | (1,666,613) |
| Net cash from operating activities | <u>1,103,908,097</u> | <u>1,327,999,530</u> | <u>362,305,600</u> | <u>529,745,260</u> |

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

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001

(Unit : Baht)

| | CONSOLIDATED | | THE COMPANY ONLY | |
|---|---------------------------|---------------------------|-------------------------|-------------------------|
| | <u>2002</u> | <u>2001</u> | <u>2002</u> | <u>2001</u> |
| Cash flows from (used in) investing activities | | | | |
| Decrease (increase) in deposits at banks with maturity of more than 3 months and amount pledged | 14,964,636 | 14,189,049 | 13,744,636 | (270,411) |
| Sales of other investments | 708,312 | - | - | - |
| Increase in investments in associated and other companies | (49,071,977) | - | - | - |
| Acquisition of fixed assets | (1,774,053) | (1,387,015) | (1,602,565) | (440,400) |
| Disposal of fixed assets | 131,164,634 | 142,565,417 | 237,300 | 37,400 |
| Net cash from (used in) investing activities | <u>95,991,552</u> | <u>155,367,451</u> | <u>12,379,371</u> | <u>(673,411)</u> |
| Cash flows from (used in) financing activities | | | | |
| Cash paid for long-term loans | (929,657,885) | (1,094,046,778) | (144,039,140) | (143,672,673) |
| Cash paid on redemption of redeemable convertible debentures | (137,167,460) | (150,788,412) | (137,167,460) | (150,788,412) |
| Net cash used in financing activities before extraordinary items | (1,066,825,345) | (1,244,835,190) | (281,206,600) | (294,461,085) |
| Gain on redemption of redeemable convertible debentures | (90,762,259) | (233,068,407) | (90,762,259) | (233,068,407) |
| Net cash used in financing activities | <u>(1,157,587,604)</u> | <u>(1,477,903,597)</u> | <u>(371,968,859)</u> | <u>(527,529,492)</u> |
| Increase in translation adjustment | <u>25,812,634</u> | <u>27,792,730</u> | - | - |
| Net increase in cash and cash equivalents | 68,124,679 | 33,256,114 | 2,716,112 | 1,542,357 |
| Cash and cash equivalents at beginning of year | <u>261,590,521</u> | <u>228,334,407</u> | <u>3,822,026</u> | <u>2,279,669</u> |
| Cash and cash equivalents at end of year | <u><u>329,715,200</u></u> | <u><u>261,590,521</u></u> | <u><u>6,538,138</u></u> | <u><u>3,822,026</u></u> |
| Supplemental cash flow information | | | | |
| Cash paid during the year for | | | | |
| Interest expenses | 200,909,307 | 304,236,231 | 116,123,964 | 115,336,071 |
| Corporate income tax | 369,951 | 2,274,944 | - | - |
| Non-cash transactions | | | | |
| Decrease in redeemable convertible debentures due to redemption at discount | (227,929,718) | (383,856,819) | (227,929,718) | (383,856,819) |
| Increase in redeemable convertible debentures from the change in proportion of liabilities element as at the balance sheet date | 329,203,639 | 545,144,033 | 329,203,639 | 545,144,033 |
| Decrease in unrealised gain on redeemable convertible debentures from the change in proportion of equity element as at the balance sheet date | (329,203,639) | (545,144,033) | (329,203,639) | (545,144,033) |

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