

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2004 AND 2003

(Unit: Baht)

		CONSOLIDATED		THE COMPANY ONLY	
	<u>Note</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
ASSETS					
Current assets					
Cash and cash equivalents		1,525,115,985	897,269,959	13,669,084	282,671,551
Current investments - net	6	-	-	-	-
Trade accounts receivable - net	4	31,469,215	70,185,983	-	-
Receivable from and advances to related parties					
Subsidiaries	5	-	-	1,090,713,797	598,349,626
Other related companies	5	-	2,299,440	-	439,741
Bunker oil		6,520,222	20,612,060	-	-
Advances to vessel masters		83,812,962	41,952,688	-	-
Claim recoverable		75,790,474	7,631,278	-	-
Other current assets		36,818,846	33,584,316	10,326,665	7,298,984
Total current assets		1,759,527,704	1,073,535,724	1,114,709,546	888,759,902
Non-current assets					
Investments accounted for under equity					
method	6	95,045,100	87,700,531	7,144,160,451	4,567,338,616
Vessels, condominium and equipment - net	7	11,517,589,494	4,617,999,254	35,133,349	2,720,955
Prepayment for vessel purchases		-	77,585,550	-	-
Goodwill - net		-	8,136,920	-	-
Other non-current assets		3,617,040	2,962,436	658,211	423,248
Total non-current assets		11,616,251,634	4,794,384,691	7,179,952,011	4,570,482,819
Total assets		13,375,779,338	5,867,920,415	8,294,661,557	5,459,242,721

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 2004 AND 2003

(Unit: Baht)

		CONSOLIDATED		THE COMPANY ONLY	
	<u>Note</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade accounts payable		94,408,016	52,290,655	2,810,845	3,596,851
Payable to and advances from subsidiaries	5	-	-	2,329,913,508	2,532,517,944
Current portion of long-term loans	8	1,127,542,415	938,579,124	-	242,582,284
Advances received from charterers		206,666,758	108,893,669	1,294,162	1,311,834
Accrued crew accounts		105,582,018	69,601,789	-	-
Withholding tax payable		8,773,757	34,577,673	8,445,695	33,763,593
Advance receipt for sale of investments	6	-	70,161,560	-	70,161,560
Other current liabilities		106,665,606	152,178,339	13,387,723	11,539,947
Total current liabilities		1,649,638,570	1,426,282,809	2,355,851,933	2,895,474,013
Non-current liabilities					
Subordinated loans from subsidiaries	5	-	-	662,818,000	662,818,000
Long-term loans	8	6,433,629,623	2,483,771,798	-	-
Total non-current liabilities		6,433,629,623	2,483,771,798	662,818,000	662,818,000
Total liabilities		8,083,268,193	3,910,054,607	3,018,669,933	3,558,292,013

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 2004 AND 2003

(Unit: Baht)

	<u>Note</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
		<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Shareholders' equity					
Share capital					
Authorised share capital					
520,000,000 ordinary shares of Baht 1 each		<u>520,000,000</u>	<u>520,000,000</u>	<u>520,000,000</u>	<u>520,000,000</u>
Issued and paid-up share capital					
520,000,000 ordinary shares of Baht 1 each		520,000,000	520,000,000	520,000,000	520,000,000
Premium on ordinary shares		411,429,745	411,429,745	411,429,745	411,429,745
Translation adjustment		130,819,670	159,706,393	130,819,670	159,706,393
Retained earnings					
Appropriated					
Statutory reserve - the Company	9	52,000,000	52,000,000	52,000,000	52,000,000
- subsidiaries	9	292,100,000	169,995,000	-	-
General reserve in subsidiaries	6	-	24,181,905	-	-
Treasury stock reserve	10	450,880,716	-	450,880,716	-
Unappropriated		<u>3,869,642,209</u>	<u>563,637,665</u>	<u>4,161,742,209</u>	<u>757,814,570</u>
Total equity attributable to Company's shareholders		<u>5,726,872,340</u>	<u>1,900,950,708</u>	<u>5,726,872,340</u>	<u>1,900,950,708</u>
Less: Treasury stock	11	<u>(450,880,716)</u>	<u>-</u>	<u>(450,880,716)</u>	<u>-</u>
Equity attributable to the Company's shareholders - net		5,275,991,624	1,900,950,708	5,275,991,624	1,900,950,708
Minority interest - Equity attributable to minority shareholders of subsidiaries		<u>16,519,521</u>	<u>56,915,100</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>5,292,511,145</u>	<u>1,957,865,808</u>	<u>5,275,991,624</u>	<u>1,900,950,708</u>
Total liabilities and shareholders' equity		<u>13,375,779,338</u>	<u>5,867,920,415</u>	<u>8,294,661,557</u>	<u>5,459,242,721</u>
		0	0	0	0

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

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DIRECTORS

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PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR THE YEARS ENDED 31 DECEMBER 2004 AND 2003

(Unit: Baht)

		CONSOLIDATED		THE COMPANY ONLY	
	Note	2004	2003	2004	2003
Revenues					
Vessel operating income		8,540,256,075	3,796,875,589	-	-
Service income		18,934,195	6,259,661	-	-
Interest income		13,598,921	1,261,148	2,052,252	286,996
Gains on sale of investment in subsidiaries	6	33,526,580	-	33,526,580	-
Exchange gains	12	56,139,449	184,190,660	15,442,973	22,259,875
Bad debt recovery	6	55,963,180	-	55,963,180	-
Other income		2,354,406	1,937,672	419,170	61,187
Share of profit from investments accounted for under equity method		7,344,569	-	4,846,823,585	1,688,819,220
Total revenues		8,728,117,375	3,990,524,730	4,954,227,740	1,711,427,278
Expenses					
Vessel operating costs					
Vessel running expenses		1,612,521,328	957,395,362	-	-
Voyage disbursements		128,413,341	306,807,237	-	-
Bunker consumption		103,357,219	266,620,343	-	-
Total vessel operating costs		1,844,291,888	1,530,822,942	-	-
Cost of services		15,082,144	13,243,470	-	-
Administrative expenses		243,902,484	177,572,647	185,922,427	164,814,134
Bad debt and provision for doubtful accounts		5,522,540	6,705,262	-	32,970,383
Loss on impairment of goodwill		8,136,920	-	-	-
Allowance for possible loss on current investments	6	1,859,699	-	-	-
Depreciation	7	1,383,295,082	601,964,978	2,076,090	1,614,542
Directors' remuneration	13	3,131,250	2,442,500	3,131,250	2,442,500
Total expenses		3,505,222,007	2,332,751,799	191,129,767	201,841,559
Earnings before interest and financial costs		5,222,895,368	1,657,772,931	4,763,097,973	1,509,585,719
Interest and financial costs		(464,540,218)	(254,923,424)	(13,326,718)	(120,639,345)
Earnings before minority interest and extraordinary item		4,758,355,150	1,402,849,507	4,749,771,255	1,388,946,374
Net earnings of minority interest		(8,583,895)	(13,903,133)	-	-
Earnings from normal items		4,749,771,255	1,388,946,374	4,749,771,255	1,388,946,374
Extraordinary item					
Gain on redemption of bonds and redeemable convertible debentures		-	147,612,923	-	147,612,923
Net earnings for the year	14	4,749,771,255	1,536,559,297	4,749,771,255	1,536,559,297

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

PRECIOUS SHIPPING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF EARNINGS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2004 AND 2003

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Basic earnings per share				
Earnings from normal items	9.26	2.67	9.26	2.67
Extraordinary item	-	0.28	-	0.28
Net earnings	<u>9.26</u>	<u>2.95</u>	<u>9.26</u>	<u>2.95</u>
Weighted average number of ordinary shares (shares)	<u>512,727,294</u>	<u>520,000,000</u>	<u>512,727,294</u>	<u>520,000,000</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 2004 AND 2003

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Cash flows from operating activities				
Net earnings for the year	4,749,771,255	1,536,559,297	4,749,771,255	1,536,559,297
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities: -				
Depreciation and amortisation	1,383,295,082	602,643,058	2,076,090	1,614,542
Loss on impairment of goodwill	8,136,920	-	-	-
Allowance for possible loss on current investments	1,859,699	-	-	-
Bad debt recovery	(55,963,180)	-	(55,963,180)	-
Bad debt and provision for doubtful accounts	5,522,540	6,705,262	-	32,970,383
Gain on sales of investment in subsidiaries	(33,526,580)	-	(33,526,580)	-
Unrealised exchange gains	(85,621,150)	(161,037,212)	(67,417)	(7,495,859)
Share of profit from investments accounted for under equity method	(7,344,569)	-	(4,846,823,585)	(1,688,819,220)
Gain on disposals of fixed assets	(378,703)	(177,035)	(378,703)	-
Increase in minority interest	8,583,895	13,903,133	-	-
Earnings (losses) from operating activities before changes in operating assets and liabilities	5,974,335,209	1,998,596,503	(184,912,120)	(125,170,857)
Operating assets (increase) decrease				
Trade accounts receivable	31,328,583	60,590,103	-	-
Receivable from and advances to related parties	439,741	23,683,960	3,113,908,848	2,953,252,895
Bunker oil	14,091,838	26,454,735	-	-
Other current assets	(113,339,453)	1,342,358	(3,027,681)	1,652,853
Other non-current assets	(681,100)	143,637	(234,963)	47,918
Operating liabilities increase (decrease)				
Trade accounts payable	43,952,804	(48,103,858)	(736,260)	(6,167,716)
Payable to and advances from subsidiaries	-	-	(202,604,436)	101,758,564
Advances received from charterers	103,210,753	35,585,195	-	-
Withholding tax payable	(25,803,916)	32,484,936	(25,317,898)	32,509,929
Advance receipt for sale of investments	-	70,161,560	-	70,161,560
Other current liabilities	25,422,916	(4,588,352)	1,457,724	(11,369,438)
Net cash from operating activities	6,052,957,375	2,196,350,777	2,698,533,214	3,016,675,708

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 2004 AND 2003

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Cash flows from investing activities				
Cash and cash equivalents of divested subsidiaries	(182,001)	-	-	-
Increase in investments accounted for under equity method	-	(52,144,675)	(1,345,000,000)	(225,000,000)
Acquisitions of fixed assets	(8,232,385,353)	(792,898,845)	(34,621,381)	(138,489)
Cash received from disposals of fixed assets	511,600	176,177	511,600	-
Prepayment for vessel purchases	-	(77,585,550)	-	-
Net cash used in investing activities	(8,232,055,754)	(922,452,893)	(1,379,109,781)	(225,138,489)
Cash flows from financing activities				
Cash received from new loans	7,252,848,008	3,552,990,822	-	249,700,826
Cash paid for long-term loans	(3,033,842,191)	(3,103,415,058)	(242,582,284)	(1,618,368,101)
Cash paid for treasury stock	(450,880,716)	-	(450,880,716)	-
Cash paid on redemption of bonds and redeemable convertible debentures	-	(739,123,608)	-	(739,123,608)
Dividend paid	(894,962,900)	(260,000,000)	(894,962,900)	(260,000,000)
Dividend paid to minority interest	(44,698,321)	-	-	-
Net cash from (used in) financing activities before extraordinary items	2,828,463,880	(549,547,844)	(1,588,425,900)	(2,367,790,883)
Extraordinary item - gains on redemption of bonds and redeemable convertible debentures	-	(147,612,923)	-	(147,612,923)
Net cash from (used in) financing activities	2,828,463,880	(697,160,767)	(1,588,425,900)	(2,515,403,806)
Decrease in translation adjustment	(21,519,475)	(9,182,358)	-	-
Net increase (decrease) in cash and cash equivalents	627,846,026	567,554,759	(269,002,467)	276,133,413
Cash and cash equivalents at beginning of year	897,269,959	329,715,200	282,671,551	6,538,138
Cash and cash equivalents at end of year	1,525,115,985	897,269,959	13,669,084	282,671,551
Supplemental cash flow information				
Cash paid during the year for				
Interest expense	318,741,686	164,740,081	711,792	96,778,203
Non-cash transactions				
Dividend income from subsidiaries offset against receivable from/payable to subsidiaries	-	-	3,610,363,585	2,637,762,695
Sales of investment in subsidiaries and bad debt recovery being offset against advance receipt for sales of investment	70,161,560	-	70,161,560	-

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