

Ref. : 2007-007

16 February 2007

**To: Director and Manager of the Stock Exchange of Thailand**

**Subject: Restated US Dollar Financial Statements of Precious Shipping Public Company Limited and subsidiaries for the year ended 31 December 2006 and 2005**

We, Precious Shipping Public Company Limited (the “**Company**”) attach herewith the Restated USD Financial Statements of Precious Shipping Public Company Limited and subsidiaries for the year ended 31 December 2006 and 2005 and Policy of Restatement from THB to USD currency for your information. (file psle1, below the auditor report)  
We summarize the key figures for your ready reference as follows:

**(Figures in: Thousand US Dollars)**

<b>Balance Sheet</b>	<b>As at 31 December 2006</b>	<b>As at 31 December 2005</b>
Total assets	356,918	379,982
Total liabilities	19,852	93,138
Total shareholders' equity	337,066	286,844
<b>Income Statement</b>	<b>For the year ended 31 December 2006</b>	<b>For the year ended 31 December 2005</b>
Total revenues	238,708	277,093
Total expenses	142,201	112,858
Income before interest, finance cost and income tax	96,507	164,235
Interest and finance costs	3,707	9,754
Net income before minority interest	92,800	154,481
Net income	92,631	154,218

Background : The restatement has been done on the basis of the Baht Financial Statements as audited by our Auditors and the subsequent restatement into US Dollars has been reviewed by the Independent accountants - BAKER TILLY CORPORATE ADVISORY SERVICES (THAILAND) LIMITED. We feel it is necessary to provide the restated USD Financial Statements to the investors, since these would give a more accurate financial position of the Company since our shipping assets are bought and sold in U.S. Dollars and so also all our shipping revenues are derived in USD. These constitute almost 98% of our total assets and revenues. Similarly, all of our liabilities and most of our expenses are incurred in US Dollars. This leads to a mismatch in our Baht Denominated Balance Sheet where some of the fixed assets(vessels acquired before 1<sup>st</sup> July 1997) are expressed in Thai Baht at the original exchange rates (at the conversion of about Baht 25-26 per USD 1), but the liabilities are expressed in Thai Baht at the closing exchange rates of the year (at the conversion of about Baht 36.23 per USD 1) resulting in an understatement of the value of the fixed assets in Baht terms, since the exchange rate for the conversion of the Fixed Assets(Vessels) from US Dollars to Thai Baht remains at the rate applied at the time of purchase of the Vessels.

Since almost all the fixed assets are in US Dollars, fixed assets are now restated in US Dollars at the original US Dollars value and the restatement thus removes the mismatch between asset and liability values.

Moreover, in recognition of the above, as a part of our credit facility agreements, it is the Company's obligation to additionally provide the restated USD Financial Statements to the Lenders and also to compute the Financial Covenants based on these restated Financial Statements. Accordingly, these are being provided to all interested investors also.

Please be informed accordingly.

Yours sincerely,  
For : **Precious Shipping Public Company Limited**

(Khalid Moinuddin Hashim)  
Managing Director

(Khushroo Kali Wadia )  
Director