

**Precious Shipping Public Company Limited and subsidiaries**

**Notes to interim financial statements**

**For the three-month and six-month periods ended 30 June 2010 and 2009**

**1. General information**

**1.1 Corporate information**

Precious Shipping Public Company Limited ("the Company") is a public limited company incorporated and domiciled in Thailand. The Company is principally engaged as a holding company for investment in the marine transportation business and its registered address is Cathay House, 7th Floor, 8 North Sathorn Road, Silom, Bangrak, Bangkok 10500.

**1.2 Basis for the preparation of the interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2007) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, the statements of income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

**1.3 Adoption of new accounting standards**

The Federation of Accounting Professions has issued Notification No. 17/2553, regarding new accounting standards and financial reporting standards. These are not effective for the current year, except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective.

|   |  | <u>Effective date</u> |
|---|--|-----------------------|
| Framework for Preparation and Presentation of Financial Statements (revised 2009) |  | Immediately           |
| TAS 1 (revised 2009)  | Presentation of Financial Statements                                     | 1 January 2011        |
| TAS 2 (revised 2009)  | Inventories  | 1 January 2011        |
| TAS 7 (revised 2009)  | Statement of Cash Flows  | 1 January 2011        |
| TAS 8 (revised 2009)  | Accounting Policies, Changes in Accounting Estimates and Errors          | 1 January 2011        |
| TAS 10 (revised 2009)   | Events After the Reporting Period  | 1 January 2011        |
| TAS 11 (revised 2009)   | Construction Contracts   | 1 January 2011        |
| TAS 12  | Income Taxes   | 1 January 2013        |
| TAS 17 (revised 2009)   | Leases   | 1 January 2011        |
| TAS 20 (revised 2009)   | Accounting for Government Grants and Disclosure of Government Assistance | 1 January 2013        |
| TAS 23 (revised 2009)   | Borrowing Costs  | 1 January 2011        |
| TAS 24 (revised 2009)   | Related Party Disclosures  | 1 January 2011        |
| TAS 27 (revised 2009)   | Consolidated and Separate Financial Statements                           | 1 January 2011        |
| TAS 28 (revised 2009)   | Investments in Associates  | 1 January 2011        |
| TAS 29  | Financial Reporting in Hyperinflationary Economies                       | 1 January 2011        |
| TAS 31 (revised 2009)   | Interests in Joint Venture   | 1 January 2011        |
| TAS 33 (revised 2009)   | Earnings per Share   | 1 January 2011        |
| TAS 34 (revised 2009)   | Interim Financial Reporting  | 1 January 2011        |
| TAS 36 (revised 2009)   | Impairment of Assets   | 1 January 2011        |
| TAS 37 (revised 2009)   | Provisions, Contingent Liabilities and Contingent Assets                 | 1 January 2011        |
| TAS 38 (revised 2009)   | Intangible Assets  | 1 January 2011        |
| TAS 40 (revised 2009)   | Investment Property  | 1 January 2011        |
| TFRS5 (revised 2009)  | Non-current Assets Held for Sale and Discontinued Operations             | 1 January 2011        |
| TFRS6   | Exploration for and Evaluation of Mineral Resources                      | 1 January 2011        |

(Unaudited but reviewed)

The management of the Company has assessed the effect of the accounting standards and believes that these standards will not have any significant impact on the financial statements for the year in which they are initially applied.

#### 1.4 Basis of consolidation

These interim consolidated financial statements include the financial statements of Precious Shipping Public Company Limited and subsidiaries (the Group) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2009 except the changes in the composition of the Group during the current period from the investment in jointly controlled entity in January 2010 with 50% equity interest in the jointly controlled entity as mentioned in Note 7 to the financial statements.

#### 1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2009, with the following additional accounting policies.

##### Investments

- a) Investment in jointly controlled entity is accounted for in the consolidated financial statements using the proportionate shares of the assets, liabilities, revenues and expenses method.
- b) Investment in jointly controlled entity is accounted for in the separate financial statements using the cost method.

#### 2. Current investment

(Unit: Thousand Baht)

|                                      | Consolidated financial statements /<br>Separate financial statements |                  |
|--------------------------------------|--|------------------|
|                                      | 30 June 2010   | 31 December 2009 |
| <u>Investment in debt securities</u> |  |                  |
| Bill of exchange                     | -  | 27,500           |

As at 31 December 2009, investment in debt securities of the Company amounting to Baht 27.50 million was bill of exchange in Baht currency and due within January 2010, bearing interest at the rate of 1.22% per annum.

(Unaudited but reviewed)

(Unit: Thousand Baht)

| Consolidated financial statements                          |                  |                         |                  |              |                  |   |                  |          |
|--|------------------|-------------------------|------------------|--------------|------------------|---|------------------|----------|
| Paid-up capital  |                  | Shareholding percentage |                  |              |                  | Carrying amounts based on equity method |                  |          |
| 30 June 2010   | 31 December 2009 | 30 June 2010            | 31 December 2009 | 30 June 2010 | 31 December 2009 | 30 June 2010                            | 31 December 2009 |          |
| Thousand INR   | Thousand INR     | %                       | %                |              |                  |   |                  |          |
| <b><u>Investment in associate held by a subsidiary</u></b> |                  |                         |                  |              |                  |   |                  |          |
| Southern LPG Limited                                       | 64,592           | 64,592                  | 50.00            | 50.00        | 31,716           | 31,716                                  | 19,365           | 19,365   |
| Less: Allowance for loss on investment                     |                  |                         |                  |              |                  |   | (19,365)         | (19,365) |
| Current investment - net                                   |                  |                         |                  |              |                  |   | -                | -        |

A subsidiary (Precious Shipping (Mauritius) Limited) recorded investment in an associated company incorporated in India under equity method only until 31 December 2000, since the Company's management is making efforts to sell this investment. The investment has therefore been classified as current investment, under current assets, and provision for loss on investment in full has been set up. Currently, the associated company is still in the process of liquidation being arranged by the relevant entity in India.

### 3. Trade accounts receivable

The outstanding balances of trade accounts receivable are aged, based on invoice date, as follows:

(Unit: Thousand Baht)

|                                       | Consolidated financial statements |                  |
|---------------------------------------|-----------------------------------|------------------|
|                                       | 30 June 2010                      | 31 December 2009 |
| <b><u>Age of receivables</u></b>      |                                   |                  |
| Not over 3 months                     | 8,070                             | 29,378           |
| 3 - 6 months                          | 430                               | 1,528            |
| 6 - 12 months                         | 1,322                             | 15,422           |
| Over 12 months                        | 20,465                            | 8,944            |
| Total                                 | 30,287                            | 55,272           |
| Less: Allowance for doubtful accounts | (20,465)                          | (13,194)         |
| Trade accounts receivable - net       | 9,822                             | 42,078           |

(Unaudited but reviewed)

**4. Related party transactions**

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

|  | Consolidated                              |       | Separate             |           |  |
|--|---|-------|----------------------|-----------|--|
|  | financial statements                      |       | financial statements |           |  |
|  | For the three-month periods ended 30 June |       |                      |           | Transfer   |
|  | 2010                                      | 2009  | 2010                 | 2009      | pricing policy   |
| <b><u>Transactions with subsidiaries</u></b>   |   |       |                      |           |  |
| (Eliminated from consolidated financial statements)                                      |   |       |                      |           |  |
| Service income - management fees   | -   | -     | 10,986               | 18,534    | Fixed rate per vessel per day set with reference to the administrative cost of the Company |
| Service income - commission from vessel sales  | -   | -     | 5,768                | 26,319    | 3% of vessels' selling price   |
| Service income - commission from compensation from cancellation of vessel hire contracts | -   | -     | -                    | 1,487     | 5% of the compensation from cancellation of vessel hire contracts                          |
| Dividend received  | -   | -     | 350,949              | 1,250,098 | As declared  |
| Interest income  | -   | -     | 1,565                | -         | At interest rate of 0.30% per annum  |
| Condominium rental expenses  | -   | -     | 2,333                | 2,316     | Market price   |
| <b><u>Transactions with related companies</u></b>  |   |       |                      |           |  |
| Air ticket expenses  | 2,173                                     | 3,904 | 1,024                | 783       | Market price   |
| Rental and service expenses  | 1,987                                     | 2,676 | 1,501                | 2,130     | Market price   |

(Unit: Thousand Baht)

|   | Consolidated<br>financial statements    |      | Separate<br>Financial statements |        |  |
|---|---|------|----------------------------------|--------|--|
|   | For the six-month periods ended 30 June |      |                                  |        |  |
|   | 2010                                    | 2009 | 2010                             | 2009   | Pricing policy   |
| <b><u>Transactions with subsidiaries</u></b>        |   |      |                                  |        |  |
| (Eliminated from consolidated financial statements) |   |      |                                  |        |  |
| Service income - management fees                    | -                                       | -    | 22,578                           | 40,908 | Fixed rate per vessel per day set with reference to the administrative cost of the Company |

(Unaudited but reviewed)

(Unit: Thousand Baht)

|  | Consolidated                            |       | Separate             |           |   |
|--|---|-------|----------------------|-----------|---|
|  | financial statements                    |       | Financial statements |           |   |
|  | For the six-month periods ended 30 June |       |                      |           |   |
|  | 2010                                    | 2009  | 2010                 | 2009      | Pricing policy  |
| Service income - commission from vessel sales  | -                                       | -     | 24,992               | 42,076    | 3% of vessel's selling price                                      |
| Service income - commission from compensation from cancellation of vessel hire contracts | -                                       | -     | -                    | 9,365     | 5% of the compensation from cancellation of vessel hire contracts |
| Dividend received  | -                                       | -     | 914,869              | 2,518,406 | As declared   |
| Interest income  | -                                       | -     | 3,128                | -         | At interest rate of 0.30% per annum                               |
| Condominium rental expenses  | -                                       | -     | 4,667                | 4,631     | Market price  |
| <b><u>Transactions with related companies</u></b>  |   |       |                      |           |   |
| Air ticket expenses  | 4,328                                   | 8,652 | 1,885                | 1,162     | Market price  |
| Rental and service expenses  | 3,794                                   | 4,100 | 3,137                | 3,413     | Market price  |

The balances of the accounts as at 30 June 2010 and 31 December 2009 between the Company and those subsidiaries are as follows:

(Unit: Thousand Baht)

|   | Separate financial statements |          |          |                    |
|---|-------------------------------|----------|----------|--------------------|
|   | 31<br>December<br>2009        | Increase | Decrease | 30<br>June<br>2010 |
|   |                               |          |          |                    |
| <b><u>Receivables from and advances to subsidiaries</u></b> |                               |          |          |                    |
| Precious Minerals Limited                                   | 9,509                         | -        | 9,509    | -                  |
| Precious Garnets Limited                                    | -                             | 91,636   | 87,645   | 3,991              |
| Precious Orchids Limited                                    | -                             | 78,658   | 65,590   | 13,068             |
| Nedtex Limited  | 182                           | 10       | -        | 192                |
| Precious Storage Terminals Limited                          | 108                           | 11       | -        | 119                |
| Thebes Pte. Limited   | 1,059                         | 49       | -        | 1,108              |
| Precious Shipping (Panama) S.A.                             | 7,151                         | 33,505   | 23,000   | 17,656             |
| Precious Shipping (Mauritius) Limited                       | 120,756                       | 1,399    | -        | 122,155            |
| Precious Shipping (UK) Limited                              | 15,810                        | 310      | 921      | 15,199             |
| Great Circle Shipping Agency Limited                        | 127,746                       | 190,657  | 186,328  | 132,075            |
| Precious Projects Pte. Ltd.                                 | 360                           | 185      | -        | 545                |
| Total   | 282,681                       | 396,420  | 372,993  | 306,108            |

(Unaudited but reviewed)

(Unit: Thousand Baht)

|   | Separate financial statements |          |          |         |
|---|-------------------------------|----------|----------|---------|
|   | 31                            |          |          | 30      |
|   | December                      |          |          | June    |
|   | 2009                          | Increase | Decrease | 2010    |
| <b><u>Payable to and advances from subsidiaries</u></b> |                               |          |          |         |
| Precious Metals Limited                                 | 301,948                       | 34,319   | 79,444   | 256,823 |
| Precious Wishes Limited                                 | 124,193                       | 492,866  | 340,521  | 276,538 |
| Precious Stones Shipping Limited                        | 35,847                        | 39,795   | 55,540   | 20,102  |
| Precious Minerals Limited                               | -                             | 85,397   | 36,760   | 48,637  |
| Precious Lands Limited                                  | 90,827                        | 15       | 22,369   | 68,473  |
| Precious Rivers Limited                                 | 5,355                         | 84,666   | 22,314   | 67,707  |
| Precious Lakes Limited                                  | 57,538                        | 281,245  | 203,629  | 135,154 |
| Precious Seas Limited                                   | 31,044                        | 78,666   | 35,474   | 74,236  |
| Precious Stars Limited                                  | 38,514                        | 151,779  | 109,958  | 80,335  |
| Precious Oceans Limited                                 | 68,285                        | 58,729   | 27,948   | 99,066  |
| Precious Planets Limited                                | 114,825                       | 105      | 430      | 114,500 |
| Precious Diamonds Limited                               | 35,396                        | 101,076  | 52,362   | 84,110  |
| Precious Sapphires Limited                              | 43,963                        | 83,592   | 52,727   | 74,828  |
| Precious Emeralds Limited                               | 44,393                        | 62,675   | 77,494   | 29,574  |
| Precious Rubies Limited                                 | 94,010                        | 10       | 228      | 93,792  |
| Precious Opals Limited                                  | 92,388                        | 68       | 202      | 92,254  |
| Precious Garnets Limited                                | 35,815                        | -        | 35,815   | -       |
| Precious Pearls Limited                                 | 88,189                        | -        | 2,443    | 85,746  |
| Precious Flowers Limited                                | 93,455                        | 195      | 855      | 92,795  |
| Precious Forests Limited                                | 107,660                       | 1,676    | 258      | 109,078 |
| Precious Trees Limited                                  | 78,886                        | -        | 196      | 78,690  |
| Precious Ponds Limited                                  | 28,668                        | 181,270  | 110,003  | 99,935  |
| Precious Ventures Limited                               | 88,232                        | 80       | 12,778   | 75,534  |
| Precious Capitals Limited                               | 59,411                        | 78,225   | 33,934   | 103,702 |
| Precious Jasmines Limited                               | 76,292                        | 187,476  | 142,454  | 121,314 |
| Precious Orchids Limited                                | 9,779                         | -        | 9,779    | -       |
| Precious Lagoons Limited                                | 28,591                        | 42,885   | 30,954   | 40,522  |
| Precious Cliffs Limited                                 | 25,764                        | 47,329   | 33,404   | 39,689  |
| Precious Hills Limited                                  | 32,658                        | 59,366   | 60,591   | 31,433  |
| Precious Mountains Limited                              | 23,636                        | 82,923   | 57,599   | 48,960  |
| Precious Resorts Limited                                | 40,152                        | 62,253   | 53,751   | 48,654  |
| Precious Cities Limited                                 | 30,540                        | 99,773   | 25,366   | 104,947 |
| Precious Comets Limited                                 | 42,601                        | 150,567  | 58,695   | 134,473 |

(Unaudited but reviewed)

(Unit: Thousand Baht)

|   | Separate financial statements |                  |                  |                  |
|---|-------------------------------|------------------|------------------|------------------|
|   | 31                            |                  |                  | 30               |
|   | December                      |                  |                  | June             |
|   | 2009                          | Increase         | Decrease         | 2010             |
| Precious Ornaments Limited                    | 69,476                        | 11,131           | 11,401           | 69,206           |
| Precious Shipping (Singapore)<br>Pte. Limited | 45,541                        | 172,411          | 126,149          | 91,803           |
| Total   | <u>2,183,872</u>              | <u>2,732,563</u> | <u>1,923,825</u> | <u>2,992,610</u> |

The outstanding balances of the amounts due from/to subsidiaries represent current accounts between the Company and those subsidiaries. The Company's management believes that no allowance for doubtful accounts is necessary. No interest was charged on advances to/from subsidiaries.

The balances of the accounts as at 30 June 2010 and 31 December 2009 between the Company and it's jointly control entity are as follows:

(Unit: Thousand Baht)

|  | Separate financial statements |            |           |            |
|--|-------------------------------|------------|-----------|------------|
|  | 31                            |            |           | 30         |
|  | December                      |            |           | June       |
|  | 2009                          | Increase   | Decrease  | 2010       |
| <b><u>Receivables from and advances to jointly controlled entity</u></b> |                               |            |           |            |
| Associated Bulk Carriers Pte. Ltd.                                       | <u>-</u>                      | <u>349</u> | <u>19</u> | <u>330</u> |

The Company's management believes that no allowance for doubtful accounts is necessary. No interest was charged on advances to jointly controlled entity.

## 5. Short-term loans to subsidiary

Short-term loans to wholly owned subsidiary are in the form of promissory notes in US Dollar, which carry interest at the rate of 0.30% per annum, and are due at call. Movements in the balance of the loans during the period were as follows:



(Unaudited but reviewed)

(Unit: Thousand Baht)

|  | Separate financial statements |          |            |           |
|--|-------------------------------|----------|------------|-----------|
|  | 31 December                   |          | Unrealised | 30 June   |
|  | 2009                          |          | loss on    | 2010      |
|  |                               | Increase | exchange   |           |
| <b><u>Short-term loans to subsidiary</u></b> |                               |          |            |           |
| Precious Shipping (Singapore)                |                               |          |            |           |
| Pte. Limited                                 | 2,119,481                     | -        | (58,639)   | 2,060,842 |

## 6. Investments in subsidiaries

These represent investments in ordinary shares in the following subsidiaries.

(Unit: Thousand Baht)

| Company's name                   | Separate financial statements |          |            |          |         |          |                           |         |
|----------------------------------|-------------------------------|----------|------------|----------|---------|----------|---------------------------|---------|
|                                  | Shareholding                  |          |            |          | Cost    |          | Dividend received         |         |
|                                  | Paid-up capital               |          | percentage |          |         |          |                           |         |
|                                  | 30                            | 31       | 30         | 31       | 30      | 31       | For the six-month periods |         |
|                                  | June                          | December | June       | December | June    | December | ended 30 June             |         |
|                                  | 2010                          | 2009     | 2010       | 2009     | 2010    | 2009     | 2010                      | 2009    |
|                                  |                               |          | %          | %        |         |          |                           |         |
| Precious Metals Limited          | 250,000                       | 250,000  | 99.99      | 99.99    | 250,000 | 250,000  | 45,000                    | 130,000 |
| Precious Wishes Limited          | 230,000                       | 230,000  | 99.99      | 99.99    | 230,000 | 230,000  | 184,000                   | 140,300 |
| Precious Stones Shipping Limited | 260,000                       | 260,000  | 99.99      | 99.99    | 260,000 | 260,000  | 26,000                    | 39,000  |
| Precious Minerals Limited        | 230,000                       | 230,000  | 99.99      | 99.99    | 230,000 | 230,000  | -                         | 253,000 |
| Precious Lands Limited           | 84,000                        | 84,000   | 99.99      | 99.99    | 84,000  | 84,000   | -                         | 142,799 |
| Precious Rivers Limited          | 234,000                       | 234,000  | 99.99      | 99.99    | 234,000 | 234,000  | -                         | 46,800  |
| Precious Lakes Limited           | 99,000                        | 99,000   | 99.99      | 99.99    | 99,000  | 99,000   | 158,399                   | 163,349 |
| Precious Seas Limited            | 100,000                       | 100,000  | 99.99      | 99.99    | 100,000 | 100,000  | -                         | 120,000 |
| Precious Stars Limited           | 105,000                       | 105,000  | 99.99      | 99.99    | 105,000 | 105,000  | -                         | 10,500  |
| Precious Oceans Limited          | 175,000                       | 175,000  | 99.99      | 99.99    | 175,000 | 175,000  | -                         | 17,500  |
| Precious Planets Limited         | 100,000                       | 100,000  | 99.99      | 99.99    | 100,000 | 100,000  | -                         | 55,000  |
| Precious Diamonds Limited        | 205,000                       | 205,000  | 99.99      | 99.99    | 205,000 | 205,000  | 20,500                    | 71,750  |
| Precious Sapphires Limited       | 144,000                       | 144,000  | 99.99      | 99.99    | 144,000 | 144,000  | 21,600                    | 7,200   |
| Precious Emeralds Limited        | 366,000                       | 366,000  | 99.99      | 99.99    | 366,000 | 366,000  | 54,900                    | 36,600  |
| Precious Rubies Limited          | 84,000                        | 84,000   | 99.99      | 99.99    | 84,000  | 84,000   | -                         | 4,200   |
| Precious Opals Limited           | 74,000                        | 74,000   | 99.99      | 99.99    | 74,000  | 74,000   | -                         | 107,300 |
| Precious Garnets Limited         | 379,000                       | 379,000  | 99.99      | 99.99    | 379,000 | 379,000  | 56,850                    | 18,950  |
| Precious Pearls Limited          | 73,000                        | 73,000   | 99.99      | 99.99    | 73,000  | 73,000   | -                         | 94,900  |
| Precious Flowers Limited         | 76,000                        | 76,000   | 99.99      | 99.99    | 76,000  | 76,000   | -                         | 110,200 |
| Precious Forests Limited         | 96,000                        | 96,000   | 99.99      | 99.99    | 96,000  | 96,000   | -                         | 33,600  |
| Precious Trees Limited           | 80,000                        | 80,000   | 99.99      | 99.99    | 80,000  | 80,000   | -                         | 68,000  |
| Precious Ponds Limited           | 84,000                        | 84,000   | 99.99      | 99.99    | 84,000  | 84,000   | 100,800                   | 125,999 |
| Precious Ventures Limited        | 80,000                        | 80,000   | 99.99      | 99.99    | 80,000  | 80,000   | -                         | 76,000  |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| Company's name  | Separate financial statements |          |            |          |           |           |                           |           |
|---|-------------------------------|----------|------------|----------|-----------|-----------|---------------------------|-----------|
|   | Shareholding                  |          |            |          |           |           |                           |           |
|   | Paid-up capital               |          | percentage |          | Cost      |           | Dividend received         |           |
|   | 30                            | 31       | 30         | 31       | 30        | 31        | For the six-month periods |           |
|   | June                          | December | June       | December | June      | December  | ended 30 June             |           |
|   | 2010                          | 2009     | 2010       | 2009     | 2010      | 2009      | 2010                      | 2009      |
|   |                               |          | %          | %        |           |           |                           |           |
| Precious Capitals Limited                               | 200,000                       | 200,000  | 99.99      | 99.99    | 200,000   | 200,000   | -                         | 40,000    |
| Precious Jasmines Limited                               | 147,000                       | 98,000   | 99.99      | 99.99    | 147,000   | 98,000    | 73,500                    | 195,999   |
| Precious Orchids Limited                                | 217,000                       | 217,000  | 99.99      | 99.99    | 217,000   | 217,000   | 32,550                    | 260,400   |
| Precious Lagoons Limited                                | 140,000                       | 140,000  | 99.99      | 99.99    | 139,999   | 139,999   | -                         | 14,000    |
| Precious Cliffs Limited                                 | 140,000                       | 140,000  | 99.99      | 99.99    | 139,999   | 139,999   | -                         | 14,000    |
| Precious Hills Limited                                  | 140,000                       | 140,000  | 99.99      | 99.99    | 139,999   | 139,999   | 28,000                    | 14,000    |
| Precious Mountains Limited                              | 140,000                       | 140,000  | 99.99      | 99.99    | 139,999   | 139,999   | 35,000                    | 7,000     |
| Precious Resorts Limited                                | 140,000                       | 140,000  | 99.99      | 99.99    | 139,999   | 139,999   | 28,000                    | 7,000     |
| Precious Cities Limited                                 | 170,000                       | 170,000  | 99.99      | 99.99    | 170,000   | 170,000   | -                         | 51,000    |
| Precious Comets Limited                                 | 71,100                        | 71,100   | 99.99      | 99.99    | 71,100    | 71,100    | 49,770                    | 28,440    |
| Precious Ornaments Limited                              | 68,100                        | 68,100   | 99.99      | 99.99    | 68,099    | 68,099    | -                         | 13,620    |
| Nedtex Limited  | 2,500                         | 2,500    | 69.99      | 69.99    | 648       | 648       | -                         | -         |
| Precious Storage Terminals Limited                      | 6,000                         | 6,000    | 69.99      | 69.99    | 4,199     | 4,199     | -                         | -         |
| Thebes Pte. Limited                                     | 0.0365                        | 0.0365   | 100.00     | 100.00   | 0.0365    | 0.0365    | -                         | -         |
| Precious Shipping (Panama) S.A.                         | 250                           | 250      | 99.99      | 99.99    | 250       | 250       | -                         | -         |
| Precious Shipping (Mauritius) Limited                   | 250                           | 250      | 100.00     | 100.00   | 250       | 250       | -                         | -         |
| Precious Shipping (Singapore) Pte. Limited              | 363,338                       | 363,338  | 100.00     | 100.00   | 363,338   | 363,338   | -                         | -         |
| Precious Shipping (UK) Limited                          | 250                           | 250      | 99.99      | 99.99    | 250       | 250       | -                         | -         |
| Great Circle Shipping Agency Limited                    | 100,000                       | 100,000  | 99.99      | 99.99    | 206,995   | 206,995   | -                         | -         |
| Precious Projects Pte. Limited                          | 0.0345                        | 0.0345   | 100.00     | 100.00   | 0.0345    | 0.0345    | -                         | -         |
| Total investments in subsidiaries                       |                               |          |            |          | 5,757,124 | 5,708,124 | 914,869                   | 2,518,406 |
| Less: Allowance for loss on investments in subsidiaries |                               |          |            |          | (5,097)   | (5,097)   |                           |           |
| Total investments in subsidiaries - net                 |                               |          |            |          | 5,752,027 | 5,703,027 |                           |           |

The Company offset the dividend income against amounts receivable from/payable to subsidiaries in the balance sheets.

During the current period, there have been the following changes in the investment in subsidiary.

On 10 February 2010, a local subsidiary (Precious Jasmines Limited) issued new ordinary shares, which the Company purchased at that date, at par value, for a total value of Baht 49.00 million.

(Unaudited but reviewed)

## 7. Investment in jointly controlled entity

The consolidated balance sheet as at 30 June 2010 and the income statement for the three-month and six-month periods ended 30 June 2010 include the proportion of the assets, liabilities, revenues and expenses of the jointly controlled entity, the balances of which were as follows:

|                     | (Unit: Thousand Baht) |
|---------------------|-----------------------|
|                     | <u>30 June 2010</u>   |
| Current assets      | 152                   |
| Current liabilities | 116                   |
| Net assets          | 36                    |

|                         | (Unit: Thousand Baht)                               |   |
|-------------------------|---|---|
|                         | For the three-month<br>period ended<br>30 June 2010 | For the six-month<br>period ended<br>30 June 2010 |
| Revenues                | -   | -   |
| Cost of sales           | -   | -   |
| Administrative expenses | 232   | 288   |
| Net loss                | (235)   | (291)   |

The separate financial statements, which presented investment in jointly controlled entity under the cost method, have been prepared solely for the benefit of the public.

| (Unit: Baht)                                     |                       |                                 |      |   |   |
|--|-----------------------|---------------------------------|------|---|---|
| Separate financial statements as at 30 June 2010 |                       |                                 |      |   |   |
| Jointly controlled<br>entity                     | Nature of<br>business | Shareholding<br>percentage<br>% | Cost | Allowance for<br>impairment of<br>investments | Carrying amounts<br>based on cost<br>method - net |
| Associated Bulk<br>Carriers Pte. Ltd.            | Holding<br>company    | 50                              | 33   | -   | 33  |
|  |                       |                                 | 33   | -   | 33  |

On 11 January 2010, the Company has entered into a joint venture agreement on equal sharing basis with PFS Shipping (Singapore) Pte. Limited ("PFS") which is a company incorporated under the laws of the Republic of Singapore and wholly owned by PFS Shipping (India) Ltd., which is part of the ABG Group from India for the purpose of execution and performance of the MOU and the Long-Term Time Charter Contracts (explained in Note 17.4 to the financial statements) as well as other similar business of owning and operating cement carriers in India. According to the agreement, a company has been set up in Singapore as the jointly controlled entity,

named Associated Bulk Carriers Pte. Ltd., ("the ABC Company"). On 14 January 2010, the Company acquired a 50% equity interest in the jointly controlled entity by acquiring 1 share at par of USD 1.

On 12 April 2010, the ABC Company, the jointly controlled entity of the Company and PFS Shipping (Singapore) Pte. Limited, has formed the three wholly owned Special Purpose Vehicle subsidiaries (the "SPV Subsidiaries") named ABC One Pte. Ltd., ABC Two Pte. Ltd. and ABC Three Pte. Ltd. which are incorporated under the laws of the Republic of Singapore. Each SPV subsidiary has been incorporated to specifically order, own and operate one cement carrier vessel to perform the Long-Term Time Charter Contracts signed on 2 December 2009 by the Company with Ultratech Cement Limited, Mumbai, India for 3 ships. The initial registered capital of each SPV Subsidiary is US Dollar 1, fully paid-up, divided into 1 ordinary share with a par value of US Dollar 1.00 each held by the ABC Company.

On 22 April 2010, each of the three SPV Subsidiaries signed the respective shipbuilding contracts with the ABG Shipyard Limited, India (the "Builder") to construct 1 vessels each classified as cement bulk carriers at price of USD 28.50 million per vessel or USD 85.50 million in aggregate for all the three vessels. Since the Company holds 50% of the total shareholding in each SPV Subsidiary (through the ABC Company), the Company's interest in all the contracts is 50% of the aggregate contract price, which is USD 42.75 million. The contract price will be paid in 5 installments of 20% each, with each installment (except the last installment which would be payable on delivery) paid only on the submission of a bank guarantee in favour of each SPV Subsidiary, guaranteeing the refund of each respective installment (with interest at 7.5% per annum) in case of a failure by the Builder to perform per the contract. The vessels are expected to be delivered in the years 2011 to 2013.

The jointly controlled entity may order one more ship (through another wholly owned subsidiary) if the charterer exercises the option to take one more ship on time charter. The total amount to be paid for acquiring 4 ships (if the option for the 4th ship is exercised) would be USD 114.00 million out of which the Company's share (50%) would be USD 57.00 million.

(Unaudited but reviewed)

## 8. Investment in associate held by a subsidiary

### 8.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

| Consolidated financial statements               |                                    |                          |                         |             |         |             |   |             |  |
|---|------------------------------------|--------------------------|-------------------------|-------------|---------|-------------|---|-------------|--|
| Associate's name                                | Nature of business                 | Country of incorporation | Shareholding percentage |             | Cost    |             | Carrying amounts based on equity method |             |  |
|   |                                    |                          | 30 June                 | 31 December | 30 June | 31 December | 30 June                                 | 31 December |  |
|   |                                    |                          | 2010                    | 2009        | 2010    | 2009        | 2010                                    | 2009        |  |
|   |                                    |                          | %                       | %           |         |             |   |             |  |
| International Seaports (Haldia) Private Limited | Berth construction and development | India                    | 22.40                   | 22.40       | 87,701  | 87,701      | 145,747                                 | 143,219     |  |

(Unit: Thousand Baht)

| Consolidated financial statements  |   |       |   |       |
|--|---|-------|---|-------|
| Share of income (loss) from investment in associate held by a subsidiary |   |       |   |       |
| Associate's name   | For the three-month periods ended 30 June |       | For the six-month periods ended 30 June |       |
|  | 2010                                      | 2009  | 2010                                    | 2009  |
|  |   |       |   |       |
| International Seaports (Haldia) Private Limited                          | (2,687)                                   | (759) | 2,403                                   | 5,912 |

Shares of income (loss) from investment in associate held by a subsidiary for the three-month and six-month periods ended 30 June 2010, included in the consolidated income statements, were recorded based on the financial statements for the year ended 31 March 2010 prepared by the management of that company and not reviewed by auditor.

Shares of income (loss) from investment in associate held by a subsidiary for the three-month and six-month periods ended 30 June 2009, included in the consolidated income statements, were recorded based on the audited financial statements for the year ended 31 March 2009.

(Unaudited but reviewed)

**8.2 Summarised financial information of associate held by a subsidiary**

(Unit: Thousand Baht)

| Associate's name         | Paid-up capital as at |              | Total assets as at |         | Total liabilities as at |         | Total revenues for |         | Net income        |        |
|--------------------------|-----------------------|--------------|--------------------|---------|-------------------------|---------|--------------------|---------|-------------------|--------|
|                          | 31 March              |              | 31 March           |         | 31 March                |         | the six-month      |         | for the six-month |        |
|                          | 2010                  |              | 2010               |         | 2010                    |         | periods ended      |         | periods ended     |        |
|                          | 31 March              |              | 31 March           |         | 31 March                |         | 31 March           |         | 31 March          |        |
|                          | 2010                  | 2009         | 2010               | 2009    | 2010                    | 2009    | 2010               | 2009    | 2010              | 2009   |
|                          | Thousand INR          | Thousand INR |                    |         |                         |         |                    |         |                   |        |
| International Seaports   |                       |              |                    |         |                         |         |                    |         |                   |        |
| (Haldia) Private Limited | 440,580               | 440,580      | 768,290            | 732,528 | 249,345                 | 289,833 | 242,241            | 178,828 | 10,727            | 26,393 |

On 30 December 2008, International Lighterage Limited, a subsidiary of the Company (shareholding is through Precious Shipping (Mauritius) Limited), signed an agreement to buy 4.92 million shares of International Seaports (Haldia) Private Limited for a price of INR 110.46 million, from an existing shareholder. This transaction was to be effective only upon receipt of the appropriate approval from the relevant government agency in the associate's country. During the year 2009, in accordance with the agreement, the subsidiary made an advance payment for the share acquisition to the existing shareholder, amounting to INR 15.93 million or approximately Baht 11.54 million. This amount was recorded as advance for share acquisition in associate held by a subsidiary, under other non-current assets in the balance sheet. The appropriate government approvals have not been received but is expected to be completed in 2010. After the transaction is closed and the shares are acquired, such additional investment will raise the Company's stake in this company to 33.55%.

**9. Property, plant and equipment**

Movements of the property, plant and equipment account during the six-month period ended 30 June 2010 are summarised below.

(Unit: Thousand Baht)

|  | Consolidated<br>financial statements | Separate<br>financial statements |
|--|--------------------------------------|----------------------------------|
| Net book value as at 1 January 2010  | 7,780,922                            | 17,222                           |
| Acquisitions of equipment and payment of dry-dock<br>and special survey expenses during period - at cost | 853,111                              | 359                              |
| Disposals during period - net book value<br>at disposal date   | (426,729)                            | -                                |
| Depreciation for period  | (397,106)                            | (4,297)                          |
| Net book value as at 30 June 2010  | <u>7,810,198</u>                     | <u>13,284</u>                    |

**10. Computer software**

Movements of the computer software account during the six-month period ended 30 June 2010 are summarised below.

(Unit: Thousand Baht)

|                                     | Consolidated financial statements/<br>Separate financial statements |
|-------------------------------------|---|
| Net book value as at 1 January 2010 | 46,912  |
| Acquisitions - at cost              | 51  |
| Amortisation for period             | (5,391)   |
| Net book value as at 30 June 2010   | <u>41,572</u>   |

**11. Advances for vessel constructions**

Movements of the advances for vessel constructions account during the six-month period ended 30 June 2010 are summarised below.

(Unit: Thousand Baht)

|                                       | Consolidated financial statements/<br>Separate financial statements |
|---------------------------------------|---|
| Balance as at 1 January 2010          | 7,809,282   |
| Additions                             | 199,099   |
| Interest costs                        | 29,198  |
| Transfer from deferred financial fees | 1,601   |
| Adjustment                            | (6,202)   |
| Other costs                           | 5,694   |
| Balance as at 30 June 2010            | <u>8,038,672</u>  |

During the current period, the Company made payment of installments to a shipbuilder, amounting to USD 6.00 million or approximately Baht 199.10 million. All of this has been financed by overseas and local commercial banks.

During the current period, the amount of borrowing costs capitalised was approximately Baht 29.20 million. The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 1.45% - 1.74%

**12. Deferred financial fees**

Movements of the deferred financial fees account during the six-month period ended 30 June 2010 are summarised below.

|   | (Unit: Thousand Baht)                   |                                     |
|---|---|-------------------------------------|
|   | Consolidated<br>financial<br>statements | Separate<br>financial<br>statements |
| Balance as at 1 January 2010                  | 291,253                                 | 291,253                             |
| Additions                                     | 104,381                                 | 104,381                             |
| Transfer to advances for vessel constructions | (1,601)                                 | (1,601)                             |
| Transfer to interest expenses                 | (2,692)                                 | -                                   |
| Transfer to subsidiary as a borrower          | -                                       | (21,767)                            |
| Adjustment                                    | 6,202                                   | 6,202                               |
| Presented as a deduction from long-term loans | (24,996)                                | (5,921)                             |
| Balance as at 30 June 2010                    | <u>372,547</u>                          | <u>372,547</u>                      |

As at 30 June 2010, deferred financial fee amounting to Baht 25.00 million was presented as a deduction against long-term loans in liabilities in the consolidated balance sheet and amounting to Baht 5.92 million in the separate balance sheet, in proportion to the drawdown amount, as discussed in Note 13 to the financial statements.

**13. Long-term loan facilities****13.1 Loan facility for financing the construction and acquisition of new vessels**

As at 30 June 2010 and 31 December 2009, long-term loans were presented below.

|  | (Unit: Thousand Baht)   |                     |
|--|---|---------------------|
|  | Consolidated financial statements/<br>Separate financial statements |                     |
|  | 30 June<br>2010   | 31 December<br>2009 |
| Long-term loans                          | 3,688,780   | 3,593,000           |
| Less: Deferred financial fees            | (20,686)  | (14,765)            |
| Total                                    | 3,668,094   | 3,578,235           |
| Less: Current portion of long-term loans | (19,442)  | -                   |
| Long-term loans - net of current portion | <u>3,648,652</u>  | <u>3,578,235</u>    |



(Unaudited but reviewed)

Movements in the long-term loan account during the six-month period ended 30 June 2010 are summarised below.

|                                 | (Unit: Thousand Baht)   |
|---------------------------------|---|
|                                 | Consolidated financial statements/<br>Separate financial statements |
| Balance as at 1 January 2010    | 3,578,235   |
| Add: Additional borrowings      | 199,099   |
| Less: Unrealised exchange gains | (103,319)   |
| Deferred financial fees         | (5,921)   |
| Balance as at 30 June 2010      | <u>3,668,094</u>  |

As at 30 June 2010, the long-term loan facility which has not yet been drawn down amounted to USD 285.20 million (31 December 2009: USD 291.20 million).

### 13.2 Loan facilities for purchasing of vessels

During the current period, the Company and local subsidiaries entered into amended and restated agreements with banks. Details are as follows:

#### Facility 1

On 5 February 2010, the Company and local subsidiaries entered into an amended and restated agreement (of the main agreement dated 18 January 2007) with local commercial banks, to extend the availability period of the credit facility which is secured by Baht 8,750.00 million to 29 December 2010.

As at 30 June 2010 and 31 December 2009, long-term loans were presented below.

|  | (Unit: Thousand Baht)                |                     |
|--|--------------------------------------|---------------------|
|  | Consolidated<br>financial statements |                     |
|  | 30 June<br>2010                      | 31 December<br>2009 |
| Long-term loans                          | 1,502,348                            | 734,273             |
| Less: Deferred financial fees            | (39,884)                             | (20,809)            |
| Total                                    | 1,462,464                            | 713,464             |
| Less: Current portion of long-term loans | (91,404)                             | (14,864)            |
| Long-term loans - net of current portion | 1,371,060                            | 698,600             |

Movements in the long-term loan account during the six-month period ended 30 June 2010 are summarised below.

(Unit: Thousand Baht)

|                               | Consolidated<br>financial<br>statements |
|-------------------------------|---|
| Balance as at 1 January 2010  | 713,464                                 |
| Add: Additional borrowings    | 768,075                                 |
| Less: Deferred financial fees | (19,075)                                |
| Balance as at 30 June 2010    | 1,462,464                               |

In order to hedge the foreign exchange rate exposure associated with the above loans, 2 local subsidiaries entered into the cross currency swap agreements with the local commercial banks to swap the loan of Baht 734.27 million and Baht 768.08 million to USD 22.15 million and USD 23.75 million loans, respectively. The swap period and payments correspond to the drawdown and loan repayment schedule. A swap fee is payable at a fixed rate per annum based on the market rates as and when the loan drawdowns are made and converted into US Dollar.

As at 30 June 2010, the term loan facility and swap facility that have not yet been drawn down amounted to Baht 7,247.65 million (31 December 2009: Baht 8,015.73 million).

#### Facility 2

On 14 January 2010, the Company entered into a new Secured Term Loan Facility Agreement of USD 250.00 million with the Bangkok Branch of an international bank and 4 local banks to fund additional second-hand vessels which the Company may want to buy. The loan is carrying interest at LIBOR plus margin. The loan is to be used for purchase of vessels, to be drawn down within 30 June 2011 (availability period), and to be repaid in equal quarterly installments over a period of 8 years commencing from the end of the availability period.

The credit facility has to be secured by the mortgage of the shipowning subsidiaries' vessels, the pledge of the subsidiaries' shares, the assignment of the beneficiary rights under the insurance policies for the mortgaged vessels of the subsidiaries, and the assignment of the revenues earned from the mortgaged vessels of the subsidiaries to the lenders when the facility is drawn down.

The credit facility agreement contains covenants that, among other things, require the Company and subsidiaries to maintain certain financial ratios which include:

- a) maintenance of net funded debt to total shareholders' equity ratio not exceeding 2:1
- b) maintenance of net funded debt to EBITDA ratio not exceeding 5:1
- c) maintenance of minimum free cash balance of USD 100,000 per vessel
- d) maintenance of debt service coverage ratio of at least 1.1:1

As at 30 June 2010, the Company and subsidiaries have not yet drawn down such long-term loan facility.

#### **14. Corporate social responsibility (CSR) reserve**

During the current period, the Company set aside Baht 2.73 million (2009: Baht 9.64 million) to a reserve for corporate social responsibility activities and reversed Baht 24.45 million (2009: none) of such reserve when the Company made related donation payments.

#### **15. Segment information**

The Company and its subsidiaries' operations involve the business of owning and internationally operating (chartering) small handy sized dry bulk ships, on a tramp shipping basis without any set routes. This is the only industry segment in which the Company and its subsidiaries mainly operate and almost entire revenues are generated from this segment. As such, no segmental bifurcation is applicable since the operations are mainly limited to only one aforesaid segment.

The business activity in the segment, i.e. the chartering of the ships, is undertaken in two ways, viz., Time charter and Voyage charter. Under Time charter, the charterer (customer) pays charter hire (at an agreed daily rate, almost always in US Dollars) to operate the vessel for an agreed time period. In this case, the charterer bears all voyage expenses including port disbursements and costs of bunker fuel. Under Voyage charter, the charterer pays freight on a per ton basis (almost always in US Dollars) to transport a particular cargo between two or more designated ports. In this case, the Company (or subsidiary) bears all the voyage expenses. The voyage expenses are presented in the financial statements as voyage disbursements and

(Unaudited but reviewed)

bunker consumption. Under Time charter, the ship routes are determined or controlled exclusively by the charterers and under Voyage charters, the route varies from time to time for each voyage, which is determined by a number of factors which are totally beyond the Company's and subsidiaries' control. As such, reporting by geographical segments would not be practical or meaningful, and could in fact be misleading.

In view of the above, segment information is limited to the bifurcation of the total vessel operating income (and voyage expenses in respect of Voyage charter) for the three-month and six-month periods ended 30 June 2010 and 2009 derived from Time charter and Voyage charter presented as "Hire income" and "Freight income" respectively, as under:

(Unit: Thousand Baht)

| Consolidated financial statements                          |              |           |                |           |          |           |             |          |         |           |
|--|--------------|-----------|----------------|-----------|----------|-----------|-------------|----------|---------|-----------|
| For the three-month periods ended 30 June                  |              |           |                |           |          |           |             |          |         |           |
|  | Time charter |           | Voyage charter |           | Total    |           | Elimination |          | Total   |           |
|  | 2010         | 2009      | 2010           | 2009      | 2010     | 2009      | 2010        | 2009     | 2010    | 2009      |
| Hire income  | 723,481      | 1,353,905 | -              | -         | 723,481  | 1,353,905 | (10,404)    | (11,329) | 713,077 | 1,342,576 |
| Freight income   | -            | -         | 1,052          | 208,313   | 1,052    | 208,313   | -           | (48,498) | 1,052   | 159,815   |
| Total vessel operating income                              | 723,481      | 1,353,905 | 1,052          | 208,313   | 724,533  | 1,562,218 | (10,404)    | (59,827) | 714,129 | 1,502,391 |
| Voyage disbursements                                       | -            | -         | (15,230)       | (85,150)  | (15,230) | (85,150)  | 10,404      | 59,827   | (4,826) | (25,323)  |
| Bunker consumption   | -            | -         | (946)          | (36,696)  | (946)    | (36,696)  | -           | -        | (946)   | (36,696)  |
| Total voyage expenses                                      | -            | -         | (16,176)       | (121,846) | (16,176) | (121,846) | 10,404      | 59,827   | (5,772) | (62,019)  |
| Net vessel operating income/time charter equivalent income | 723,481      | 1,353,905 | (15,124)       | 86,467    | 708,357  | 1,440,372 | -           | -        | 708,357 | 1,440,372 |

(Unit: Thousand Baht)

| Consolidated financial statements                          |              |           |                |           |           |           |             |           |           |           |
|--|--------------|-----------|----------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|
| For the six-month periods ended 30 June                    |              |           |                |           |           |           |             |           |           |           |
|  | Time charter |           | Voyage charter |           | Total     |           | Elimination |           | Total     |           |
|  | 2010         | 2009      | 2010           | 2009      | 2010      | 2009      | 2010        | 2009      | 2010      | 2009      |
| Hire income  | 1,518,074    | 3,148,789 | -              | -         | 1,518,074 | 3,148,789 | (20,898)    | (22,450)  | 1,497,176 | 3,126,339 |
| Freight income   | -            | -         | 18,026         | 419,524   | 18,026    | 419,524   | -           | (81,761)  | 18,026    | 337,763   |
| Total vessel operating income                              | 1,518,074    | 3,148,789 | 18,026         | 419,524   | 1,536,100 | 3,568,313 | (20,898)    | (104,211) | 1,515,202 | 3,464,102 |
| Voyage disbursements                                       | -            | -         | (33,082)       | (186,194) | (33,082)  | (186,194) | 20,898      | 104,211   | (12,184)  | (81,983)  |
| Bunker consumption   | -            | -         | (3,900)        | (89,931)  | (3,900)   | (89,931)  | -           | -         | (3,900)   | (89,931)  |
| Total voyage expenses                                      | -            | -         | (36,982)       | (276,125) | (36,982)  | (276,125) | 20,898      | 104,211   | (16,084)  | (171,914) |
| Net vessel operating income/time charter equivalent income | 1,518,074    | 3,148,789 | (18,956)       | 143,399   | 1,499,118 | 3,292,188 | -           | -         | 1,499,118 | 3,292,188 |

**16. Dividend paid**

Dividend declared during the current period consists of the following:

|   | Approved by                               | Total dividend<br>(Million Baht) | Dividend per share<br>(Baht) |
|---|---|----------------------------------|------------------------------|
| a) Interim dividend on operating results for the three-month period ended 31 March 2010 | Board of Directors' meeting on 6 May 2010 | 259.84                           | 0.25                         |

As at the closing date of the share register, 1,039,378,400 of the Company's ordinary shares were qualified to receive dividend, after deduction of 142,200 shares disqualified to receive this dividend held by the registrar (Thailand Securities Depository Co., Ltd. for Depositors both Thai and Foreign shareholders) from the total number of shares outstanding (1,039,520,600 shares). The total dividend paid was thus Baht 259.84 million. The Company paid dividend on 4 June 2010.

|                                  | Approved by   | Total dividend<br>(Million Baht) | Dividend per share<br>(Baht) |
|----------------------------------|---|----------------------------------|------------------------------|
| b) Final dividend on 2009 income | Annual General Meeting of the shareholders on 17 March 2010 | 623.62                           | 0.60                         |

As at the closing date of the share register, 1,039,371,120 of the Company's ordinary shares were qualified to receive final dividend, after deduction of the 149,480 shares held by the registrar (Thailand Securities Depository Co., Ltd. for Depositors who are both Thai and Foreign shareholders), which are disqualified from receiving final dividend, from the total number of shares outstanding (1,039,520,600 shares). The total dividend paid was thus Baht 623.62 million and this was paid by the Company on 29 March 2010.

**17. Commitments and contingent liabilities****17.1 Vessel building contracts commitments**

As at 30 June 2010, the Company and jointly controlled entity had future minimum payment commitments under vessel building contracts amounting to USD 399.95 million or approximately Baht 13,032.93 million (31 December 2009: USD 363.20 million or approximately Baht 12,173.30 million).

## 17.2 Obligations in respect of charges for management of the undrawn portion of loan facilities

As at 30 June 2010, the Company and subsidiaries had obligations in respect of the charges for management of the undrawn portion of loan facilities, which can be summarised as follows:

| Facility  | Percentage of obligation                | Currency     | Maximum facility amount per contract | Undrawn loan balance as at 30 June 2010 | Term of payment   | Drawdown period ending       |
|---|---|--------------|--------------------------------------|---|---|------------------------------|
| <b>Loan facility for financing the construction and acquisition of new vessel</b> |   |              |                                      |   |   |                              |
| Facility 1  | 0.35% per annum of undrawn loan balance | million USD  | 398.40                               | 285.20                                  | Every three months starting from 3 July 2008 until the end of the drawdown period | Upon delivery of each vessel |
| <b>Loan facilities for purchasing of vessels</b>                                  |   |              |                                      |   |   |                              |
| Facility 1  | 1.00% per annum of undrawn loan balance | million Baht | 8,750.00                             | 7,247.65                                | Quarterly starting from 19 January 2009 until the end of the drawdown period      | 29 December 2010             |
| Facility 2  | 0.70% per annum of undrawn loan balance | million USD  | 250.00                               | 250.00                                  | Quarterly starting from 31 March 2010 until the end of the drawdown period        | 30 June 2011                 |

## 17.3 Uncalled portion of other long-term investment

As at 30 June 2010 and 31 December 2009, the Company has a commitment of Baht 10.13 million in respect of the uncalled portion of other long-term investment.

## 17.4 Long-term time charter commitments

Pursuant to a Memorandum of Understanding signed in October 2009, on 2 December 2009, the Company signed Long-Term Time Charter Contracts with a company incorporated in India (the charterer) for 4 (3 definite ships, plus an additional ship at Charterer's option to be declared within 30 April 2011) new cement carriers. The charter periods under the contracts are 15 years, with a fixed charter rate per day as stipulated in the contracts. There is an option to extend the charter period twice by blocks of 5 years, with reduced charter rates as stipulated in the contracts. The ships are new custom-built cement carriers, which have to be delivered to the charterer as per the committed schedule during 2011 to 2014. If the ships are not delivered to the charterer within the agreed schedule, there is a fine payable of USD 4,250.00 per ship per day.

**18. Reclassifications**

Certain amounts in the financial statements for the year ended 31 December 2009 have been reclassified to conform to the current period's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

|  | Consolidated financial statements |                        |                 |
|--|-----------------------------------|------------------------|-----------------|
|  | As previously<br>reported         | Increase<br>(Decrease) | As reclassified |
| Current portion of long-term loans       | -                                 | 14,864                 | 14,864          |
| Long-term loans - net of current portion | 4,291,699                         | (14,864)               | 4,276,835       |

**19. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's authorised directors on 27 July 2010.