

Pacific Shipping Trust and its subsidiaries

**(Constituted in the Republic of Singapore
pursuant to a Trust Deed dated 25 April 2006
and supplemented by the First Supplemental
Deed dated 25 February 2008)**

Financial Information
Twelve-month period ended 31 December 2009



Statements of Financial Position

As at 31 December 2009

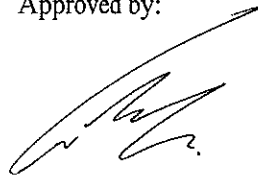
	Note	Group		Trust	
		31/12/2009 US\$'000	31/12/2008 US\$'000	31/12/2009 US\$'000	31/12/2008 US\$'000
Non-current assets					
Vessels	5	445,848	462,429	445,848	462,429
Subsidiaries	6	—	—	—	—
		<u>445,848</u>	<u>462,429</u>	<u>445,848</u>	<u>462,429</u>
Current assets					
Inventories		383	485	383	485
Other receivables		484	213	484	213
Cash and cash equivalents		17,875	13,812	17,875	13,812
		<u>18,742</u>	<u>14,510</u>	<u>18,742</u>	<u>14,510</u>
Total assets		<u>464,590</u>	<u>476,939</u>	<u>464,590</u>	<u>476,939</u>
Non-current liabilities					
Secured bank loans	7	195,574	212,896	195,574	212,896
Financial derivatives		11,081	19,224	11,081	19,224
		<u>206,655</u>	<u>232,120</u>	<u>206,655</u>	<u>232,120</u>
Current liabilities					
Trade payables		—	603	—	603
Charter income received in advance		1,016	1,258	1,016	1,258
Other payables		910	769	905	764
Secured bank loans	7	17,322	17,082	17,322	17,082
Financial derivatives		981	1,542	981	1,542
Current income tax payable		3	38	3	38
		<u>20,232</u>	<u>21,292</u>	<u>20,227</u>	<u>21,287</u>
Total liabilities		<u>226,887</u>	<u>253,412</u>	<u>226,882</u>	<u>253,407</u>
Net assets attributable to unitholders		<u>237,703</u>	<u>223,527</u>	<u>237,708</u>	<u>223,532</u>

The accompanying notes form an integral part of this Financial Information.



	Note	Group		Trust	
		31/12/2009 US\$'000	31/12/2008 US\$'000	31/12/2009 US\$'000	31/12/2008 US\$'000
Unitholders' funds					
Units in issue		237,033	237,033	237,033	237,033
Hedging reserve	8	(6,957)	(15,661)	(6,957)	(15,661)
Accumulated profits		7,627	2,155	7,632	2,160
		<u>237,703</u>	<u>223,527</u>	<u>237,708</u>	<u>223,532</u>
		US\$	US\$	US\$	US\$
Net asset value per unit	9	<u>0.40</u>	<u>0.38</u>	<u>0.40</u>	<u>0.38</u>

Approved by:



Teo Choo Wee
Director

20 January 2010

The accompanying notes form an integral part of this Financial Information.



Consolidated Income Statement

Twelve-month period ended 31 December 2009

	Note	Three-month period ended 31/12/2009 US\$'000	Three-month period ended 31/12/2008 US\$'000	Twelve-month period ended 31/12/2009 US\$'000	Twelve-month period ended 31/12/2008 US\$'000
Gross revenue		15,628	14,528	61,957	44,637
Depreciation		(4,145)	(3,894)	(16,581)	(12,393)
Fleet management expenses		(776)	(960)	(3,394)	(1,312)
Management fees		(625)	(581)	(2,476)	(1,775)
Trustee fees		(23)	(22)	(94)	(67)
Other expenses		(116)	(76)	(672)	(751)
Results from operating activities		<u>9,943</u>	<u>8,995</u>	<u>38,740</u>	<u>28,339</u>
Finance income		14	147	107	348
Finance expense		(2,825)	(2,773)	(11,442)	(10,315)
Net finance expense	10	<u>(2,811)</u>	<u>(2,626)</u>	<u>(11,335)</u>	<u>(9,967)</u>
Profit before income tax		7,132	6,369	27,405	18,372
Income tax expense		1	(22)	(5)	(37)
Profit after income tax		<u>7,133</u>	<u>6,347</u>	<u>27,400</u>	<u>18,335</u>
Income available for distribution for the current period	11	<u>7,010</u>	<u>6,277</u>	<u>27,074</u>	<u>18,498</u>
Income to be distributed for the current period	11	<u>4,877</u>	<u>5,485</u>	<u>21,319</u>	<u>16,134</u>
Earnings per unit (US cents)					
Basic	12	<u>1.21</u>	<u>1.08</u>	<u>4.65</u>	<u>4.57</u>
Diluted	12	<u>1.21</u>	<u>1.08</u>	<u>4.65</u>	<u>4.57</u>

The accompanying notes form an integral part of this Financial Information.



Consolidated Statement of Comprehensive Income

Twelve-month period ended 31 December 2009

	Three-month period ended 31/12/2009 US\$'000	Three-month period ended 31/12/2008 US\$'000	Twelve-month period ended 31/12/2009 US\$'000	Twelve-month period ended 31/12/2008 US\$'000
Profit after income tax	7,133	6,347	27,400	18,335
Other comprehensive income				
Cash flow hedges: net movement in hedging reserve	1,510	(15,661)	8,704	(15,661)
Total comprehensive income for the period	8,643	(9,314)	36,104	2,674

The accompanying notes form an integral part of this Financial Information.



Statement of Changes in Unitholders' Funds
Twelve-month period ended 31 December 2009

Group	Units in issue US\$'000	Hedging reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
At 1 January 2008	146,667	–	(1,825)	144,842
Units issued	92,254	–	–	92,254
Unit issue costs	(1,888)	–	–	(1,888)
Total comprehensive income for the period				
Profit	–	–	18,335	18,335
Other comprehensive income	–	(15,661)	–	(15,661)
Total comprehensive income for the period	–	(15,661)	18,335	2,674
Distributions to unitholders	–	–	(14,355)	(14,355)
At 31 December 2008	<u>237,033</u>	<u>(15,661)</u>	<u>2,155</u>	<u>223,527</u>
At 1 January 2009	237,033	(15,661)	2,155	223,527
Total comprehensive income for the period				
Profit	–	–	27,400	27,400
Other comprehensive income	–	8,704	–	8,704
Total comprehensive income for the period	–	8,704	27,400	36,104
Distributions to unitholders	–	–	(21,928)	(21,928)
At 31 December 2009	<u>237,033</u>	<u>(6,957)</u>	<u>7,627</u>	<u>237,703</u>

The accompanying notes form an integral part of this Financial Information.



	Units in issue US\$'000	Hedging reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
Trust				
At 1 January 2008	146,667	–	(1,825)	144,842
Units issued	92,254	–	–	92,254
Unit issue costs	(1,888)	–	–	(1,888)
Total comprehensive income for the period				
Profit	–	–	18,340	18,340
Other comprehensive income	–	(15,661)	–	(15,661)
Total comprehensive income for the period	–	(15,661)	18,340	2,679
Distributions to unitholders	–	–	(14,355)	(14,355)
At 31 December 2008	237,033	(15,661)	2,160	223,532
At 1 January 2009	237,033	(15,661)	2,160	223,532
Total comprehensive income for the period				
Profit	–	–	27,400	27,400
Other comprehensive income	–	8,704	–	8,704
Total comprehensive income for the period	–	8,704	27,400	36,104
Distributions to unitholders	–	–	(21,928)	(21,928)
At 31 December 2009	237,033	(6,957)	7,632	237,708

The accompanying notes form an integral part of this Financial Information.



Consolidated Statement of Cash Flows

Twelve-month period ended 31 December 2009

	Twelve-month period ended 31/12/2009 US\$'000	Twelve-month period ended 31/12/2008 US\$'000
Cash flows from operating activities		
Profit before income tax	27,405	18,372
Adjustments for:		
Amortisation of debt issuance cost	21	120
Depreciation	16,581	12,393
Fair value losses on interest rate swaps	–	980
Interest expense	11,421	9,215
Interest income	(107)	(348)
Operating income before working capital changes	55,321	40,732
Changes in working capital:		
Inventories	102	(485)
Other receivables	(284)	(163)
Charter income received in advance	(242)	(256)
Trade and other payables	(462)	982
Cash generated from operations	54,435	40,810
Income tax paid	(40)	(60)
Net cash from operating activities	54,395	40,750
Cash flows from investing activities		
Interest income received	120	361
Purchase of container vessels	–	(223,620)
Net cash from investing activities	120	(223,259)
Cash flows from financing activities		
Debt issuance cost paid	–	(280)
Distributions to unitholders	(21,928)	(14,355)
Interest expense paid	(11,421)	(9,215)
Proceeds from interest-bearing loans	–	203,300
Proceeds from issue of new units	–	92,254
Repayment of interest-bearing loans	(17,103)	(81,952)
Units issue cost paid	–	(1,888)
Net cash from financing activities	(50,452)	187,864
Net increase in cash and cash equivalents	4,063	5,355
Cash and cash equivalents at beginning of the period	13,812	8,457
Cash and cash equivalents at end of the period	17,875	13,812

The accompanying notes form an integral part of this Financial Information.



Notes to the Financial Information

These notes form an integral part of the Financial Information.

The Financial Information was authorised for issue by PST Management Pte. Ltd. (the Trustee-Manager) on 20 January 2010.

1 Domicile and activities

Pacific Shipping Trust (the Trust) is a Singapore-domiciled business trust established pursuant to the Trust Deed dated 25 April 2006 and supplemented by the First Supplemental Deed dated 25 February 2008 (the Trust Deed) with PST Management Pte. Ltd. (the Trustee-Manager). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee-Manager is under a duty to take into custody and hold the assets of the Trust in trust for the unitholders.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (SGX-ST) on 26 May 2006.

The principal activity of the Trust is to invest in vessels which are chartered out to vessel operators.

The Consolidated Financial Information relate to the Trust and its subsidiaries (together referred to as the Group).

The Trust has entered into several service agreements in relation to management of the Trust and its chartering operations. The fee structures of these services are as follows:

Management fees

Pursuant to the Trust Deed, the Trustee-Manager is entitled to receive a management fee of 4.0% per annum of the value of the charter income (being the income derived from the charter of vessels by the Trust as stipulated in the Trust Deed) in the relevant calendar year.

Any change in the structure of the management fee must be approved by an extraordinary resolution of a meeting of unitholders duly convened and held in accordance with the provisions of the Trust Deed.

The management fee payable to the Trustee-Manager is payable in the form of cash and/or units (as the Trustee-Manager may elect, such election will be irrevocable). Where the management fee is paid in cash, the amount is paid monthly, in arrears. Where the management fee is paid in the form of units, the amount is paid quarterly, in arrears.



Trustee fees

Pursuant to the Trust Deed, the Trustee-Manager is entitled to receive a trustee fee of 0.02% per annum of the value of the Trust Property (being all the assets of the Trust, as stipulated in the Trust Deed) (subject to a minimum fee of US\$10,000 in each calendar quarter). The trustee fee is payable out of the Trust Property of the Trust in cash on a quarterly basis. Each quarterly payment shall be determined based on the value of the Trust Property as at the last day of the immediately preceding quarter and as reflected in the quarterly financial statements of the Trust for that quarter. The Trustee-Manager is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Any change in the structure of the trustee fee must be approved by an extraordinary resolution of a meeting of unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Other fees

Pursuant to the Trust Deed, the Trustee-Manager is also entitled to the following:

- An acquisition fee amounting to 1.0% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the acquisition price of vessels acquired directly or indirectly by the Trust, pro-rated if applicable, to the proportion of the Trust's interest. The acquisition fee is payable in the form of cash and/or units (as the Trustee-Manager may elect, such election to be irrevocable and made before the payment of the acquisition fee).
- A disposal fee amounting to 0.5% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the sale price of vessels disposed, pro-rated if applicable, to the proportion of the Trust's interest. The disposal fee is payable in cash.

Any increase in the acquisition fee or disposal fee above the permitted limit or any change in the structure of such fees shall be approved by an extraordinary resolution passed at a meeting of unitholders duly convened and held in accordance with the provisions of the Trust Deed.

2 Statement of compliance

This Financial Information has been prepared in accordance with the recognition and measurement criteria of the Singapore Financing Reporting Standards. It does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Group as at and for the year ended 31 December 2008.



3 Significant accounting policies

The accounting policies applied by the Group in this Financial Information are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2008, except for the following:

(i) Presentation of financial statements

The Group applies revised FRS 1 *Presentation of Financial Statements* (2008), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(ii) Determination and presentation of operating segments

As of 1 January 2009, the Group determines and presents operating segments based on the information that is internally provided to the Management of the Trustee-Manager, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 108 *Operating Segments*. Previously operating segments were determined and presented in accordance with FRS 14 *Segment Reporting*. The new accounting policy in respect of operating segment disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Management of the Trustee-Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete Financial Information is available.

Segment results that are reported to the Management of the Trustee-Manager include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group has only one reportable segment. The segment information is presented in respect of the Group's major customers.

4 Seasonal operations

The business operations are not affected by material seasonal or cyclical factors.



5 Vessels

	Group and Trust US\$'000
Cost	
At 1 January 2009	494,620
Additions	—
At 31 December 2009	494,620
 Accumulated depreciation	
At 1 January 2009	32,191
Charge for the period	16,581
At 31 December 2009	48,772
 Carrying amount	
At 1 January 2009	462,429
At 31 December 2009	445,848

The Group has determined that the recoverable amounts of the vessels based on value-in-use are higher than their carrying amounts. The recoverable amount of each vessel is dependent upon the ability of its charterer to fulfil its contractual lease obligations on a timely basis. In determining the recoverable amount, the Trustee-Manager has assessed counterparty risk arising from its two charterers to be low based on known information.

The deterioration in global trades and shipping rates during the period has had a negative impact on the profitability and financial positions of shipping lines. In the event that a charterer is unable to fulfil its contractual lease obligations, the carrying amount of the vessel chartered by it may be impaired.

6 Subsidiaries

	Trust	
	31/12/2009	31/12/2008
	US\$'000	US\$'000
Equity investments, at cost	*	*

* Denotes cost of investment less than US\$1,000



Detail of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective equity held by the Group	
		31/12/2009 %	31/12/2008 %
PSTM Alpha Pte. Ltd.	Singapore	100	100
PSTM Beta Pte. Ltd.	Singapore	100	100

The Trust acquired the subsidiaries on 3 March 2008. The subsidiaries, PSTM Alpha Pte. Ltd. and PSTM Beta Pte. Ltd., had remained dormant since they were acquired.

7 Secured bank loans

	Group and Trust	
	31/12/2009 US\$'000	31/12/2008 US\$'000
Non-current liabilities		
Secured bank loans	195,692	213,035
Less: Unamortised debt issuance cost	(118)	(139)
	<u>195,574</u>	<u>212,896</u>
Current liabilities		
Secured bank loans	17,343	17,103
Less: Unamortised debt issuance cost	(21)	(21)
	<u>17,322</u>	<u>17,082</u>
Total loans and borrowings	<u>212,896</u>	<u>229,978</u>

Repayments of the term loans were made on a monthly basis.

As security for the banking facilities granted to the Trust, the Trust has granted in favour of the financial institutions extending the loans and interest rate swap facilities, the following:

- (i) a first priority mortgage over each vessel;
- (ii) a first priority assignment of the Trust's rights, title, interest and insurance to and for each vessel, including insurances for hull and machinery, protection and indemnity and war risks; and
- (iii) a first priority assignment of the Trust's rights, title and interest in and to the charter agreements and the charter income of each vessel.
- (iv) a second/third priority mortgage on certain vessels;
- (v) a second/third priority assignment of insurances on certain vessels;



- (vi) a second/third priority assignment of charter income on certain vessels; and
- (vii) a second/third priority assignment of charter agreement on certain vessels.

	Group and Trust	
	31/12/2009	31/12/2008
	US\$'000	US\$'000
Maturity of loans		
Within 1 year	17,322	17,082
After 1 year and within 5 years	73,295	71,824
After 5 years	122,279	141,072
	<u>212,896</u>	<u>229,978</u>

Effective interest rates and repricing analysis

The weighted average effective interest rate of the US dollar floating rate loans is 1.22% (31/12/2008: 2.54%) at the balance sheet date.

The Trustee-Manager entered into interest rate swaps to swap the floating interest rates on the US dollar loans of US\$213 million (31/12/2008: US\$230 million) for a weighted average effective fixed interest rate of 5.05% (31/12/2008: 5.08%) which will mature over the next 2 to 6 years.

8 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments until they are derecognised or impaired.

9 Net asset value per unit

Net asset value per unit is based on:

	Group		Trust	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	US\$'000	US\$'000	US\$'000	US\$'000
Net asset value	237,703	223,527	237,708	223,532
	Number of	Number of	Number of	Number of
	units	units	units	units
	'000	'000	'000	'000
Total units in issue	589,750	589,750	589,750	589,750



10 Finance income and expense

	Three-month period ended 31/12/2009 US\$'000	Three-month period ended 31/12/2008 US\$'000	Twelve-month period ended 31/12/2009 US\$'000	Twelve-month period ended 31/12/2008 US\$'000
Interest income:				
- bank deposits	14	147	107	348
Finance income	14	147	107	348
Interest expense:				
- bank loans	(687)	(1,908)	(3,008)	(6,412)
- interest rate swaps	(2,133)	(835)	(8,413)	(2,803)
Fair value losses on interest rate swaps	-	-	-	(980)
Amortisation of debt issuance cost	(5)	(30)	(21)	(120)
Finance expenses	(2,825)	(2,773)	(11,442)	(10,315)
Net finance expense	(2,811)	(2,626)	(11,335)	(9,967)

11 Income available for distribution

	Three-month period ended 31/12/2009 US\$'000	Three-month period ended 31/12/2008 US\$'000	Twelve-month period ended 31/12/2009 US\$'000	Twelve-month period ended 31/12/2008 US\$'000
Income available for distribution at the beginning of the period	4,888	3,769	5,549	3,770
Profit after income tax	7,133	6,347	27,400	18,335
Net tax adjustments (Note A)	4,174	3,935	16,777	13,714
Repayment of borrowings	(4,297)	(4,005)	(17,103)	(13,551)
Income available for distribution in the current period	7,010	6,277	27,074	18,498
Income from previous periods retained for working capital purposes	2,066	614	2,424	60
Income to be retained for working capital purposes	(4,199)	(1,406)	(8,179)	(2,424)
Income to be distributed for the current period	4,877	5,485	21,319	16,134
Balance carried forward	9,765	9,254	26,868	19,904



	Three-month period ended 31/12/2009 US\$'000	Three-month period ended 31/12/2008 US\$'000	Twelve-month period ended 31/12/2009 US\$'000	Twelve-month period ended 31/12/2008 US\$'000
Balance brought forward	9,765	9,254	26,868	19,904
Distributions to unitholders:				
For the period from 1/10/2007 to 30/09/2008				
- Distribution of 4.2353 cents per unit (tax-exempt income)	-	-	-	(14,288)
- Distribution of 0.0200 cents per unit (tax-exempt one-tier income)	-	-	-	(67)
For the period from 1/07/2008 to 30/09/2008				
- Distribution of 1.0953 cents per unit (tax-exempt income)	-	(3,705)	-	-
For the period from 1/07/2009 to 30/09/2009				
- Distribution of 0.8180 cents per unit (tax-exempt income)	(4,825)	-	-	-
For the period from 1/10/2008 to 30/09/2009				
- Distribution of 3.7180 cents per unit (tax-exempt income)	-	-	(21,928)	-
Income available for distribution in future periods	4,940	5,549	4,940	5,549



On 20 January 2010, the Trust declared a tax-exempt distribution of 0.827 cents per unit for the period from 1 October 2009 to 31 December 2009.

	Three-month period ended 31/12/2009 US\$'000	Three-month period ended 31/12/2008 US\$'000	Twelve-month period ended 31/12/2009 US\$'000	Twelve-month period ended 31/12/2008 US\$'000
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Note A

Net tax adjustments
comprise:

Non-tax deductible items:

- Depreciation	4,145	3,894	16,581	12,393
- Fair value losses on interest rate swaps	-	-	-	980
- Others	29	41	196	341
Net tax adjustments	4,174	3,935	16,777	13,714

12 Earnings per unit

The calculation of basic earnings per unit is based on weighted average number of units during the period and profit after income tax.

	Three-month period ended 31/12/2009 US\$'000	Three-month period ended 31/12/2008 US\$'000	Twelve-month period ended 31/12/2009 US\$'000	Twelve-month period ended 31/12/2008 US\$'000
Profit after income tax	7,133	6,347	27,400	18,335
	Number of units '000	Number of units '000	Number of units '000	Number of units '000
Weighted average number of units outstanding during the period	589,750	589,750	589,750	401,223

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the period.



13 Segment reporting

	Three-month period ended 31/12/2009 US\$'000	Three-month period ended 31/12/2008 US\$'000	Twelve-month period ended 31/12/2009 US\$'000	Twelve-month period ended 31/12/2008 US\$'000
<i>Pacific International Lines (Private) Limited (PIL)</i>				
Bareboat charterhire revenue	10,828	10,828	42,961	40,549
<i>Compania Sud Americana de Vapores (CSAV)</i>				
Time charterhire revenue	4,784	3,689	18,939	4,075
Other income	16	11	57	13
Total time charterhire revenue	4,800	3,700	18,996	4,088
	15,628	14,528	61,957	44,637

There is only one reportable segment. Segment information is presented in respect of the Group's major customers. No geographical segment information has been prepared as the Group's operations are located only in Singapore.

14 Accounting estimates and judgments

Estimates and judgments are continually, evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing Financial Information. The Group believes the accounting policies relating to the valuation of financial instruments and computation of recoverable amounts of vessels involve the most significant judgments and estimates used in the preparation of the Financial Information. The information on assessing the recoverable amounts of vessels have been included in Note 5.

Valuation of financial instruments

Derivative financial instruments are used to manage exposures to interest rate risks arising from financing and investment activities. Derivative financial instruments are not used for trading purposes. The fair value of interest rate swaps is based on valuation provided by banks. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.



15 Related parties

For the purposes of this Financial Information, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities. The Trustee-Manager is a wholly-owned subsidiary of Pacific International Lines (Private) Limited, the holding company of the Trust.

In the normal course of the operations of the Group, management fees and trustee fees have been paid or are payable to the Trustee-Manager.

During the financial period, other than those disclosed elsewhere in the Financial Information, there were the following significant related party transactions which were carried out in the normal course of business:

	Twelve-month period ended 31/12/2009 US\$'000	Twelve-month period ended 31/12/2008 US\$'000
Acquisition fees paid/payable to the Trustee-Manager	–	1,362
Charter hire income received/receivable from holding company	42,961	40,549
Management fees paid/payable to the Trustee-Manager	2,476	1,775
Purchase of vessels from a related corporation of the Trustee-Manager	–	222,200
Reimbursement of third party fleet management cost to holding company	3,116	647
Ship management fees paid/payable to holding company	180	39
Trustee fees paid/payable to the Trustee-Manager	94	67

16 Concentration risk

At the balance sheet date, 10 out of 12 vessels are chartered to a single customer, Pacific International Lines (Private) Limited (PIL). The ability of the Trust to continue its operations and service its financing obligations depend largely on PIL's ability to make payments as they fall due under the charter agreements.

The Trustee-Manager has assessed the concentration risk and considered it to be low as the Trustee-Manager is confident of PIL's positive intention and ability to continue with the charter agreements with the Trust.

17 Subsequent event

There was no material event subsequent to the end of period under review.



18 Effect of changes in composition of the Group

There was no change in the composition of the Group during the period under review.

19 Contingent assets/liabilities

There are no contingent assets or liabilities to be disclosed.

