



(A business trust constituted on 25 April 2006 under the laws of the Republic of Singapore)  
Managed by PST Management Pte. Ltd.

## PACIFIC SHIPPING TRUST

### **Financial Statements Announcement For The Financial Year Ended 31 December 2007**

The financial information set out in Item 1 (a), (b), (c), (d) of this announcement for the financial year ended 31 December 2007 have been extracted from the Interim Financial Information which have been reviewed by our auditors in accordance with SSRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

Pacific Shipping Trust ("PST") is a business trust constituted by the Trust Deed entered on 25 April 2006 by PST Management Pte. Ltd. as the trustee-manager of PST. PST was listed on the Singapore Exchange Securities Trading Limited ("SGX") on 26 May 2006.

As at 31 December 2007, PST owned eight container vessels which were chartered to Pacific International Lines (Private) Limited ("PIL") on bareboat basis for the tenures of 8 to 10 years.

Where appropriate, comparisons were made against actual figures from the period 1 October 2006 to 31 December 2006 for the year ended 31 December 2007.

Unless otherwise stated, all capitalized terms used in this announcement shall have the same meaning as set out in the Prospectus of PST dated 19 May 2006.

<b>DBS Bank is the financial adviser, underwriter and bookrunner for the initial public offering of Pacific Shipping Trust</b>
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**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

**1(a)(i) Income Statement for the Financial Year Ended 31 December 2007**

	4th Quarter			12 months to		
	2007 US\$'000	2006 US\$'000	Incr / (Decr) %	31-Dec-07 US\$'000	25/04/06 to 31/12/06 Note (a) US\$'000	Incr / (Decr) Note (a) %
<b>Gross revenue</b>	<b>8,703</b>	<b>8,703</b>	<b>0%</b>	<b>34,529</b>	<b>20,717</b>	<b>NM</b>
Depreciation	(2,421)	(3,219)	-25%	(12,079)	(7,719)	NM
Management fees	(348)	(348)	0%	(1,381)	(829)	NM
Trustees fees	(13)	(14)	-7%	(53)	(33)	NM
Other expenses	(184)	(107)	72%	(572)	(280)	NM
Finance income	110	333	-67%	542	366	NM
Finance expense	(4,183)	(1,898)	NM	(10,464)	(5,357)	NM
<b>Net profit before tax</b>	<b>1,664</b>	<b>3,450</b>	<b>NM</b>	<b>10,522</b>	<b>6,865</b>	<b>NM</b>
Income tax expense	(15)	(17)	-12%	(61)	(43)	NM
<b>Net profit after tax</b>	<b>1,649</b>	<b>3,433</b>	<b>NM</b>	<b>10,461</b>	<b>6,822</b>	<b>NM</b>

**Explanatory notes:**

- (a) Comparative income statement for full year 2006 has been presented based on the actual results for the period from 25 April 2006 to 31 December 2006 as PST was formed on 25 April 2006 (date of constitution) and chartering operations commenced on 26 May 2006. Hence full year 2006 reflected 219 operational days as against 365 operational days for full year 2007. Therefore, the variances are not meaningful for comparison.
- (b) Gross revenue consists of bareboat charter income from the existing eight container vessels.
- (c) The decrease in depreciation is due to a change in estimate on the residual values of the vessels.
- (d) Finance income and expense

	4th Quarter			12 months to		
	2007 US\$'000	2006 US\$'000	Incr / (Decr) %	31-Dec-07 US\$'000	25/04/06 to 31/12/06 Note (a) US\$'000	Incr / (Decr) Note (a) %
Interest income						
- Bank deposits	110	121	-9%	442	249	NM
- Interest rate swaps <sup>(1)</sup>	-	52	NM	100	117	NM
Fair value gains on interest rate swaps <sup>(3)</sup>	-	160	NM	-	-	NM
	<b>110</b>	<b>333</b>	<b>NM</b>	<b>542</b>	<b>366</b>	<b>NM</b>
Interest expense						
- Bank loans <sup>(2)</sup>	1,603	1,898	-16%	7,114	4,582	NM
- Interest rate swaps <sup>(1)</sup>	71	-	NM	-	-	NM
Fair value loss on interest rate swaps <sup>(3)</sup>	2,509	-	NM	3,350	775	NM
	<b>4,183</b>	<b>1,898</b>	<b>NM</b>	<b>10,464</b>	<b>5,357</b>	<b>NM</b>

<sup>(1)</sup> This relates to the net interest income and expenses arising from the interest rate swaps.

<sup>(2)</sup> This relates to interest expense on bank loans.

<sup>(3)</sup> This relates to the net change in fair value on the interest rate swaps for the period and does not impact the income to be distributed.

- (e) This relates to tax payable on the taxable interest income on bank deposits.

**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

**1(a)(ii) Distribution Statement**

4th Quarter			12 months to			
2007	2006	Incr / (Decr) %	31-Dec-07	25/04/06 to 31/12/06 Note (a)	Incr / (Decr) % Note (a)	
US\$'000	US\$'000	%	US\$'000	US\$'000	%	
<b>Net profit after tax</b>	<b>1,649</b>	<b>3,433</b>	<b>NM</b>	<b>10,461</b>	<b>6,822</b>	<b>NM</b>
Add: Non-tax deductible items	4,970	3,065	62%	15,502	8,523	NM
Less: Repayment of borrowings	(2,875)	(2,875)	0%	(11,501)	(6,869)	NM
<b>Income available for distribution</b>	<b>3,744</b>	<b>3,623</b>	<b>3%</b>	<b>14,462</b>	<b>8,476</b>	<b>NM</b>
Add: Income from previous quarters retained for working capital	-	-	NM	104	-	NM
Less: Income to be retained for working capital	(37)	(104)	NM	(60)	(104)	NM
<b>Income to be distributed</b>	<b>3,707</b>	<b>3,519</b>	<b>5%</b>	<b>14,506</b>	<b>8,372</b>	<b>NM</b>
(i) Tax-exempt income	3,649	3,519	4%	14,081	8,270	NM
(ii) Tax-exempt (one-tier) income	58	-	NM	425	102	NM
<b>Income to be distributed</b>	<b>3,707</b>	<b>3,519</b>	<b>5%</b>	<b>14,506</b>	<b>8,372</b>	<b>NM</b>

**Explanatory notes:**

- (a) Comparative income statement for full year 2006 has been presented based on the actual results for the period from 25 April 2006 to 31 December 2006 as PST was formed on 25 April 2006 (date of constitution) and chartering operations commenced on 26 May 2006. Hence full year 2006 reflected 219 operational days as against 365 operational days for full year 2007. Therefore, the variances are not meaningful for comparison.
- (b) Comprises non-deductible items added back, mainly depreciation, trustee fee, foreign currency loss/gain and the non-tax deductible fair value loss from interest rate swaps.
- (c) This relates to net taxable income of PST that was retained in the prior year.
- (d) This relates to the part of net taxable income of PST that is to be retained for future working capital.
- (e) This relates to interest income from bank deposits (net of tax) and is to be distributed for the current quarter.

**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

**1(b)(i) Balance sheet, together with a comparative statement as at the end of the immediately preceding year**

	Notes	31-Dec-07 US\$'000	31-Dec-06 US\$'000
<b>Non-current asset</b>			
Vessels	(a)	251,202	263,281
<b>Current assets</b>			
Other receivables		63	52
Cash and cash equivalents		8,457	8,648
		8,520	8,700
<b>Total assets</b>		<b>259,722</b>	<b>271,981</b>
<b>Non-current liability</b>			
Secured bank loans	1(b)(ii)	(97,289)	(108,790)
<b>Current liabilities</b>			
Charter income received in advance	(b)	(1,514)	(1,987)
Other payables		(390)	(249)
Secured bank loans	1(b)(ii)	(11,501)	(11,501)
Interest rate swaps	(c)	(4,125)	(775)
Current income tax payable		(61)	(43)
		(17,591)	(14,555)
<b>Total liabilities</b>		<b>(114,880)</b>	<b>(123,345)</b>
<b>Net assets attributable to unitholders</b>		<b>144,842</b>	<b>148,636</b>
<b>Unitholders' funds</b>			
Units in issue		151,650	151,650
Unit issue costs		(4,983)	(4,983)
Reserves		(1,825)	1,969
<b>Total unitholders' funds</b>		<b>144,842</b>	<b>148,636</b>

**Explanatory notes:**

- (a) The container vessels were acquired from PIL on 26 May 2006 which is the listing date on SGX.
- (b) Charter income is payable 30 days in advance according to the charter party of the container vessels.
- (c) This relates to the fair value of interest rate swaps transacted to manage the interest rate risk on the bank loans.

**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

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**1(b)(ii) Aggregate amount of borrowings**

**Secured bank loans**

Amount repayable within one year, or on demand  
 Amount repayable after one year

Notes  
(a)

31-Dec-07 US\$'000	31-Dec-06 US\$'000
11,501	11,501
97,289	108,790
<b>108,790</b>	<b>120,291</b>

**Explanatory notes:**

(a) PST has drawn down US\$127 million of its secured term loan facilities as at 26 May 2006. Monthly repayment of the term loans are made over 10 or 12 years. The term loans bear interest at floating rates.

PST has entered into interest rate swaps to fix the floating interest rates on the term loans at a weighted average rate of 5.97% per annum commencing 30 June 2006.

The term loans and interest rate swaps in relation to each relevant vessel are secured on the following:

- \* a first priority mortgage;
- \* a first priority assignment of insurances;
- \* a first priority assignment of the charter income; and
- \* a first priority assignment of the bareboat charter agreement.

The security for an interest rate swap facility granted by a financial institution in relation to a vessel Kota Rajin, is as follows:

- \* a second priority mortgage;
- \* a second priority assignment of insurances;
- \* a second priority assignment of the charter income; and
- \* a second priority assignment of the bareboat charter agreement.

**PACIFIC SHIPPING TRUST**
**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**
**1(c) Cash flow statement**

	4th Quarter		12 months to	
	2007	2006	31-Dec-07	31-Dec-06
	US\$'000	US\$'000	US\$'000	Note (a) US\$'000
<b>Operating activities</b>				
Net profit before tax	1,664	3,450	10,522	6,865
<b>Adjustment for</b>				
Interest income	(110)	(173)	(542)	(366)
Depreciation	2,421	3,219	12,079	7,719
Interest expenses	1,674	1,898	7,114	4,582
Fair value changes on derivatives	2,509	(160)	3,350	775
Operating profit before working capital changes	8,158	8,234	32,523	19,575
Changes in working capital				
Other receivables	11	241	(6)	(26)
Charter income received in advance	(189)	(189)	(473)	1,987
Other payables	63	(13)	141	249
Tax paid	-	-	(43)	-
<b>Cash flows from operating activities</b>	<b>8,043</b>	<b>8,273</b>	<b>32,142</b>	<b>21,785</b>
<b>Investing activities</b>				
Purchase of container vessels	-	-	-	(271,000)
Interest income received	116	184	537	340
<b>Cash flows from investing activities</b>	<b>116</b>	<b>184</b>	<b>537</b>	<b>(270,660)</b>
<b>Financing activities</b>				
Proceeds from bank loans	-	-	-	127,000
Repayment of bank loans	(2,875)	(2,875)	(11,501)	(6,709)
Interest expense paid	(1,674)	(1,898)	(7,114)	(4,582)
Proceeds from issuance of units	-	-	-	151,650
Unit issue costs paid	-	-	-	(4,983)
Distribution paid to Unitholders	(3,674)	(4,853)	(14,255)	(4,853)
<b>Cash flows from financing activities</b>	<b>(8,223)</b>	<b>(9,626)</b>	<b>(32,870)</b>	<b>257,523</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(64)</b>	<b>(1,169)</b>	<b>(191)</b>	<b>8,648</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>8,521</b>	<b>9,817</b>	<b>8,648</b>	<b>-</b>
<b>Cash and cash equivalents at end of the period</b>	<b>8,457</b>	<b>8,648</b>	<b>8,457</b>	<b>8,648</b>

**Explanatory notes:**

- (a) Comparative income statement for full year 2006 has been presented based on the actual results for the period from 25 April 2006 to 31 December 2006 as PST was formed on 25 April 2006 (date of constitution) and chartering operations commenced on 26 May 2006. Hence full year 2006 reflected 219 operational days as against 365 operational days for full year 2007. Therefore, the variances are not meaningful for comparison.

**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

**1(d)(i) Statement of movements in unitholders' funds**

	<b>Units in issue</b>	<b>Unit issue costs</b>	<b>Accumulated profits/ (losses)</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>Note (a)</b>	<b>US\$'000</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>2007</b>				
As at 1 January	151,650	(4,983)	1,969	148,636
Units issued	-	-	-	-
Units issue costs	-	-	-	-
Profit for the period/total recognised income and expenses for the period	-	-	8,812	8,812
Distributions to unitholders	-	-	(10,581)	(10,581)
<b>As at 30 September</b>	<b>151,650</b>	<b>(4,983)</b>	<b>200</b>	<b>146,867</b>
Units issued	-	-	-	-
Units issue costs	-	-	-	-
Profit for the period/total recognised income and expenses for the period	-	-	1,649	1,649
Distributions to unitholders	-	-	(3,674)	(3,674)
<b>As at 31 December</b>	<b>151,650</b>	<b>(4,983)</b>	<b>(1,825)</b>	<b>144,842</b>

	<b>Units in issue</b>	<b>Unit issue costs</b>	<b>Accumulated profits/ (losses)</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>Note (a)</b>	<b>US\$'000</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>2006</b>				
On date of constitution	-	-	-	-
Units issued	151,650	-	-	151,650
Units issue costs	-	(4,981)	-	(4,981)
Profit for the period/total recognised income and expenses for the period	-	-	3,389	3,389
Distributions to unitholders	-	-	-	-
<b>As at 30 September</b>	<b>151,650</b>	<b>(4,981)</b>	<b>3,389</b>	<b>150,058</b>
Units issued	-	-	-	-
Units issue costs	-	(2)	-	(2)
Profit for the period/total recognised income and expenses for the period	-	-	3,433	3,433
Distributions to unitholders	-	-	(4,853)	(4,853)
<b>As at 31 December</b>	<b>151,650</b>	<b>(4,983)</b>	<b>1,969</b>	<b>148,636</b>

**Explanatory notes:**

- (a) Comparative income statement for full year 2006 has been presented based on the actual results for the period from 25 April 2006 to 31 December 2006 as PST was formed on 25 April 2006 (date of constitution) and chartering operations commenced on 26 May 2006. Hence full year 2006 reflected 219 operational days as against 365 operational days for full year 2007. Therefore, the variances are not meaningful for comparison.

**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

**1(d)(ii) Details of any changes in the units**

	4th Quarter		12 months to	
	2007 Units	2006 Units	31-Dec-07 Units	31-Dec-06 Units
At the beginning of the period	337,000,000	337,000,000	337,000,000	-
Units issued during the period - Initial public offering	-	-	-	337,000,000
At end of the period	337,000,000	337,000,000	337,000,000	337,000,000

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding years**

	4th Quarter		12 months to	
	2007 Units	2006 Units	31-Dec-07 Units	31-Dec-06 Units
Number of units issued	337,000,000	337,000,000	337,000,000	337,000,000

**1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not Applicable

**2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The figures for the financial year ended 31 December 2007 have been extracted from the Interim Financial Information which have been reviewed by the auditors in accordance with the Singapore Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

**3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Please see the attached review report.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Yes.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

None.

**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

**6 Earnings per unit ("EPU") and distribution per unit ("DPU") for the financial period.**

<b>4th Quarter 1 October to 31 December</b>		
<b>Actual 2007</b>	Actual 2006	Prospectus Projection 31 Dec 2007 Note (a)
Weighted average number of units as at end of period	337,000,000	337,000,000
Earnings per unit for the period based on the weighted average number of units in issue (cents) - basic and diluted	<b>0.49</b>	1.01
Number of units issued at end of period	337,000,000	337,000,000
Distribution per unit for the period (cents)		
(i) Tax-exempt income	<b>1.08</b>	1.09
(ii) Tax-exempt (one-tier) income	<b>0.02</b>	0.00
<b>Total</b>	<b>1.10</b>	1.09

**Explanatory notes:**

(a) The figures shown are pro-rated from the Projection disclosed in the Prospectus.

**7 Net asset value ("NAV") per unit based on units issued at the end of the financial year**

<b>Note</b>	<b>31-Dec-07 US\$</b>	<b>31-Dec-06 US\$</b>
Net asset value per unit	(a) 0.43	0.44

**Explanatory notes:**

(a) The number of units used for computation of actual NAV per unit is 337,000,000 which is the number of units in issue as at 31 December 2007.

**8 Review of the performance**

Please refer to section 9(b) on the review of actual results against the prorated Projection disclosed in the Prospectus for the financial year ended 31 December 2007.

**PACIFIC SHIPPING TRUST**  
**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

**9(a)(i) Income and Distribution Statements**

**Income Statement**

	4th Quarter			12 months to		
	Actual 2007 US\$'000	Prospectus Projection 2007 Note (a) US\$'000	Incr / (Decr) %	Actual 31 Dec 07 US\$'000	Prospectus Projection 31 Dec 07 US\$'000	Incr / (Decr) %
<b>Gross revenue</b>	<b>8,703</b>	<b>8,703</b>	-	<b>34,529</b>	<b>34,529</b>	-
Depreciation	(2,421)	(3,106)	-22%	(12,079)	(12,323)	-2%
Management fees	(348)	(348)	0%	(1,381)	(1,381)	0%
Trustee fees	(13)	(13)	0%	(53)	(52)	2%
Other expenses	(184)	(127)	45%	(572)	(503)	14%
Finance income	110	-	NM	542	-	NM
Finance expense	(4,183)	(1,703)	NM	(10,464)	(6,757)	NM
<b>Net profit before tax</b>	<b>1,664</b>	<b>3,406</b>	<b>-51%</b>	<b>10,522</b>	<b>13,513</b>	<b>-22%</b>
Income tax expense	(15)	-	NM	(61)	-	NM
<b>Net profit after tax</b>	<b>1,649</b>	<b>3,406</b>	<b>-52%</b>	<b>10,461</b>	<b>13,513</b>	<b>-23%</b>

**Explanatory notes:**

NM - Not meaningful

- (a) The projection figures are derived by prorating the Projection disclosed in the Prospectus for the financial year ended 31 December 2007.
- (b) Consists of bareboat charter income from the existing eight container vessels.
- (c) The decrease in depreciation is due to a change in estimate on the residual values of the vessels.
- (d) Finance income and expense

	4th Quarter			12 months to		
	Actual 2007 US\$'000	Prospectus Projection 2007 Note (a) US\$'000	Incr / (Decr) %	Actual 31 Dec 07 US\$'000	Prospectus Projection 31 Dec 07 US\$'000	Incr / (Decr) %
Interest income						
- Bank deposits	110	-	NM	442	-	NM
- Interest rate swaps <sup>(1)</sup>	-	-	NM	100	-	NM
	<b>110</b>	<b>-</b>	<b>NM</b>	<b>542</b>	<b>-</b>	<b>NM</b>
Interest expense						
- Bank loans <sup>(2)</sup>	1,603	1,703	-6%	7,114	6,757	5%
- Interest rate swaps <sup>(1)</sup>	71	-	NM	-	-	NM
Fair value loss on interest rate swaps <sup>(3)</sup>	2,509	-	NM	3,350	-	NM
	<b>4,183</b>	<b>1,703</b>	<b>NM</b>	<b>10,464</b>	<b>6,757</b>	<b>NM</b>

<sup>(1)</sup> This relates to the net interest income and expenses arising from the interest rate swaps.

<sup>(2)</sup> This relates to interest expense on bank loans.

<sup>(3)</sup> This relates to the net change in fair value on the interest rate swaps for the period and does not impact the income to be distributed.

- (e) This relates to tax payable on the taxable interest income on bank deposits.

**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

**9(a)(ii) Distribution Statement**

		4th Quarter			12 months to		
Notes		Actual 2007 US\$'000	Prospectus Projection 2007 Note (a) US\$'000	Incr / (Decr) %	Actual 31 Dec 07 US\$'000	Prospectus Projection 31 Dec 07 US\$'000	Incr / (Decr) %
		1,649	3,406	-52%	10,461	13,513	-23%
		4,970	3,119	59%	15,502	12,375	25%
		(2,875)	(2,875)	0%	(11,501)	(11,501)	0%
		<b>3,744</b>	<b>3,650</b>	<b>3%</b>	<b>14,462</b>	<b>14,387</b>	<b>1%</b>
	(c)	-	-	NM	104	-	NM
	(d)	(37)	-	NM	(60)	-	NM
		<b>3,707</b>	<b>3,650</b>	<b>2%</b>	<b>14,506</b>	<b>14,387</b>	<b>1%</b>
	(i)	3,649	3,650	0%	14,081	14,387	-2%
	(ii)	58	-	NM	425	-	NM
		<b>3,707</b>	<b>3,650</b>	<b>2%</b>	<b>14,506</b>	<b>14,387</b>	<b>1%</b>

**Explanatory notes:**

- (a) The projection figures are derived by prorating the Projection disclosed in the Prospectus for the financial year ended 31 December 2007.
- (b) Comprises non-deductible items added back, mainly depreciation, trustee fee, foreign currency loss/gain and the non-tax deductible fair value loss from interest rate swaps.
- (c) This relates to net taxable income of PST that was retained in the prior year.
- (d) This relates to the part of net taxable income of PST that is to be retained for future working capital.

**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

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**9(b) Review of actual performance for the quarter ended 31 December 2007 ("Q4 2007") and the 12 months to 31 December 2007 ("FY2007") against the corresponding periods in 2006 and 2007 Projection.**

The Q4 2007 gross revenue at US\$8.7 million and FY2007 gross revenue at US\$34.5 million were consistent with the corresponding periods in 2006 when compared on the same number of operational days, and were spot on against Projection. This revenue were from bareboat charter income of the existing eight container vessels, which were contracted for up to an average of about 9 years in 2006.

Depreciation was lower by US\$0.8 million (or 25%) for Q4 2007 and US\$0.8 million (or 6%) for FY2007 against corresponding periods in 2006 when compared on the same number of operational days. Against 2007 Projection, depreciation was lower by US\$0.7 million (or 22%) for Q4 2007 and US\$0.2 million (or 2%) for FY2007. These differences were due mainly to a change in estimate on the residual values of the vessels and depreciation calculations in Projection based on remaining useful lives rounded to years.

Other trust expenses comprised mainly professional fees, regulatory fees, acquisition expenses, public relations, advertising, printing and administrative expenses. These were higher by US\$ 77k (or 72%) for Q4 2007 and US\$ 105k (or 23%) for FY 2007 against corresponding periods in 2006. Against Projection, Q4 2007 and FY2007 were higher by US\$57K (or 45%) and US\$68K (or 13%) respectively. These differences were mainly due to expense items related to the acquisition and charter of 2 X 4250 teu container vessels and 2 X 1800 teu container vessels announced previously.

Finance expenses included net fair value loss from interest rate swaps totaling US\$2.5 million for Q4 2007 and US\$3.4million for FY 2007 versus net fair value gain for the corresponding periods in 2006 due to changes in macro USD interest rate environment in 2H2007. These interest rate swap contracts were entered into in 2006 to fix PST's bank loan interest rate. The Projection had assumed no change in the fair value of the interest rate swaps as future market movement for derivatives is generally perceived to be unpredictable. These fair value changes will not impact the income to be distributed.

Interest expense on bank loans plus the net impact from interest income or expense arising from interest rate swap settlements resulted in an effective fixed borrowing rate of 5.97% p.a. for the bank loans.

Net profit after tax for FY2007 of US\$10.5 million was higher than FY2006 by US\$ 3.7 million due mainly to lesser operational days in 2006, lower depreciation charges in 2007 and lower interest expense in 2007, after netting off the higher fair value loss in interest rate swaps in 2007. When compared with FY2006 on the same number of operational days, FY2007 net profit after tax was lower than FY2006 by US\$0.9 million, due mainly to the higher fair value loss in 2007, after netting off the lower depreciation charges and lower interest expense in 2007.

Net profit after tax of US\$1.6 million for Q4 2007 was lower than Projection by 52% and lower than Q4 2006 by US\$1.8 million mainly due to fair value loss of US\$ 2.5 million which resulted in the net change in fair value of the interest rate swaps during the quarter, net off by the decrease in depreciation of US\$0.8 million as a result of a change in estimate on the residual values of the vessels. These fair value changes will not impact the income to be distributed.

**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

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**10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The global container ship fleet continued to operate close to full utilisation. At the end of 2007, there were a total of 3,169 fully cellular container vessels over 1000 teu in size with a total slot capacity of 10.231m teu, operating globally. Amongst these only 12 cellular ships, with a total slot capacity of 27,000 teu, were not employed due to various reasons, i.e. breakdown, repairs or awaiting employment. This is equivalent to 99.62% of the fleet (exceeding 1000 teu size) being fully employed.<sup>(1)</sup>

The seasonal year end slowdown in the Container charter market was evident as the charter rates levelled of and weakness in the sub 2000 teu sector caused rates to be pulled down.

The container ship charter index (BOXI) fell by 7 points or 4% in the 4th quarter.<sup>(2)</sup>

Nevertheless, the above factors will not have any impact on PST's income and distributions due to the long term charters it has in place for the next quarter and also the next 12 months.

Sources:

<sup>(1)</sup> Fleet Data: AXS-Alphaliner

<sup>(2)</sup> Braemar Container Shipping & Chartering – 4th Quarter report for 2007

**Outlook for the 2008**

The Trustee-Manager of PST believes that, with the delivery and commencement of charter of the two 1800 teu container vessels and the two 4520 teu container vessels (as announced in 4 May 2007, 14 September 2007 and 27 November 2007), PST should, barring unforeseen circumstances, deliver yield accretion to unitholders.

**PACIFIC SHIPPING TRUST**  
**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

**11 Distribution**

**(a) Current Financial Period Reported On <sup>(1)</sup>**

<b>Name of distribution</b>	<b>Tax-Exempt</b>	<b>Tax-Exempt (One-Tier)</b>	<b>Total</b>
Distribution type	Cash	Cash	Cash
Distribution per unit (cents)	1.08	0.02	1.10
Tax rate	Tax exempt <sup>(3)</sup>	Tax exempt <sup>(4)</sup>	Tax exempt

**(b) Corresponding period of the immediately preceding financial period <sup>(2)</sup>**

<b>Name of distribution</b>	<b>Tax-Exempt</b>	<b>Tax-Exempt (One-Tier)</b>	<b>Total</b>
Distribution type	Cash	Cash	Cash
Distribution per unit (cents)	1.04	0.00	1.04
Tax rate	Tax exempt <sup>(3)</sup>	Tax exempt <sup>(4)</sup>	Tax exempt

**Note:**

(1) Distribution for the period 1 October 2007 to 31 December 2007.

(2) Distribution for the period 1 October 2006 to 31 December 2006.

(3) These distributions are made out of PST's Net Tax-Exempt Income. All unitholders are exempt from Singapore income tax on the distributions made by PST out of its Net Tax-Exempt Income regardless of whether they are corporate unitholders or individuals.

(4) These distributions are made out of PST's Net Taxable Income. All unitholders are exempt from Singapore income tax on the distributions made by PST out of its Net Taxable Income regardless of whether they are corporate unitholders or individuals. The unitholders may not claim a corresponding tax credit/refund for the tax paid at PST's level on PST's Taxable Income less allowable expenses.

**(c) Date payable:** 29 February 2008

**(d) Books Closure Date:** The Transfer Books and Register of Unitholders of Pacific Shipping Trust ("PST") will be closed from 5.00 p.m. on 31 January 2008 for the purposes of determining unitholder's entitlement to the distribution of profits.

Unitholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares at 5.00 p.m. on 31 January 2008 will be entitled to the Distribution to be paid on 29 February 2008.

**12 If no distribution has been declared/(recommended), a statement to that effect**

Not applicable

**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

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**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**13 Segmented revenue and results for business or geographical segments (of the group)**

Not applicable

**14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable

**15 Breakdown of sales**

(a) Gross revenue reported for the first half year <sup>(1)</sup>

(b) Net profit after tax for the first half year <sup>(1)</sup>

(c) Gross revenue reported for the second half year

(d) Net profit after tax for the second half year

	<b>31-Dec-07</b> US\$'000	25/04/06 to 31/12/06 US\$'000	Incr / (Decr) %
(a) Gross revenue reported for the first half year <sup>(1)</sup>	17,123	3,311	NM
(b) Net profit after tax for the first half year <sup>(1)</sup>	8,223	3,358	NM
(c) Gross revenue reported for the second half year	17,406	17,406	0%
(d) Net profit after tax for the second half year	2,237	3,464	-35%

**Explanatory notes:**

(1) The amount disclosed for the first half year of 2006 were for the period from 25 April 2006 (date of constitution) to 30 June 2006.

**16 Breakdown of the total distribution for the latest full year and its previous full year.**

Annual distribution to unitholders

<b>31-Dec-07</b> US\$'000	25/04/06 to 31/12/06 <b>Note (a)</b> US\$'000
14,255	8,372

**Explanatory notes:**

(a) The annual distribution to unitholders for year 2006 was based on the actual results for the period from 25 April 2006 to 31 December 2006 as PST was formed on 25 April 2006 (date of constitution) and chartering operations commenced on 26 May 2006. Hence full year 2006 reflected 219 operational days as against 365 operational days for full year 2007. Therefore, the variances are not meaningful for comparison.

**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

**17 Interested Party Transaction**

Name of Interested Person	Notes	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
		31-Dec-07 US\$'000	25-Apr-06 to 31-Dec-06 US\$'000	31-Dec-07 US\$'000	25-Apr-06 to 31-Dec-06 US\$'000
Pacific International Lines (Private) Limited					
- reported for the first half year	(a)	17,123	274,311	-	-
- reported for the second half year	(a)	84,858	17,406	-	-
PST Management Pte Ltd					
- reported for the first half year	(b)	712	138	-	-
- reported for the second half year	(b)	722	724	-	-
Tranpac Holdings Inc (100% owned subsidiary of PIL)					
- reported for the first half year	(c)	-	-	-	-
- reported for the second half year	(c)	222,200	-	-	-

**Explanatory notes:**

- (a) Comprise purchase of vessels at PST's listing in 2006, bareboat charter payments, ship management agreement executed on 14 September 2007 and bareboat charter executed on 27 November 2007.
- (b) Comprise management fee and trustee fee payments.
- (c) Comprise Memoranda of Agreements executed on 14 September 2007 and 27 November 2007.

The ship management agreement executed on 14 September 2007, bareboat charter executed on 27 November 2007 and Memoranda of Agreements executed on 14 September 2007 and 27 November 2007 are conditional upon PST obtaining unitholders' approval at an extraordinary general meeting that will be convened on a later date.



**PACIFIC SHIPPING TRUST**

**Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2007**

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This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, changes in operating expenses, trust expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

ON BEHALF OF THE DIRECTORS

BENEDICT KWEK GIM SONG  
Chairman

SUBHANGSHU DUTT  
Chief Executive Officer

**BY ORDER OF THE BOARD OF PST MANAGEMENT PTE. LTD.  
AS TRUSTEE-MANAGER OF PACIFIC SHIPPING TRUST**

Lim Ka Bee  
Company Secretary  
**22-Jan-08**