



(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 First Quarter Ended 31 March 2007**

The financial information set out in Item 1 (a), (b), (c), (d) of this announcement for the quarter ended 31 March 2007 has 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 March 2007, PST owned eight container vessels which were chartered to Pacific International Lines (Private) Limited ("PIL") on bareboat basis for the tenures of eight to 10 years.

Where appropriate, comparisons have been made against the projected figures for the financial year ending 31 December 2007 ("the Projection"), as disclosed in the prospectus for the initial public offering of PST dated 19 May 2006 ("the Prospectus"), prorated for the period ended 31 March 2007.

Unless otherwise stated, all capitalized terms used in this announcement shall have the same meaning as the Prospectus.

<b>DBS Bank is the financial adviser, underwriter and bookrunner for the initial public offering of Pacific Shipping Trust</b>
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**1(a) Income Statement for the Quarter ended 31 March 2007**

	Notes	Actual 01/01/07 to 31/03/07 Note (a) US\$'000
<b>Gross revenue</b>	(b)	<b>8,514</b>
Depreciation		(3,219)
Management fees		(341)
Trustee fees		(14)
Other expenses		(126)
Finance income	1(a)(i)	164
Finance expense	1(a)(i)	(2,263)
<b>Net profit before tax</b>		<b>2,715</b>
Income tax expense	(c)	(15)
<b>Net profit after tax</b>		<b>2,700</b>

**1(a)(i) Finance income and expense**

	Notes	Actual 01/01/07 to 31/03/07 Note (a) US\$'000
Interest income:		
- Bank deposits		111
- Interest rate swaps	(d)	53
		<b>164</b>
Interest expense:		
- Bank loans		(1,895)
Fair value losses on interest rate swaps	(e)	(368)
		<b>(2,263)</b>

**Footnotes:**

- (a) No comparative income statement has been presented as PST was formed on 25 April 2006 (date of constitution).
- (b) Consists of bareboat charter income from the existing eight container vessels.
- (c) This relates to tax payable on the taxable interest income on bank deposits.
- (d) This relates to the net interest income arising from the interest rate swaps.
- (e) 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. The previous quarter recorded a net gain of US\$0.16 million.

**Distribution Statement**

	Notes	Actual 01/01/07 to 31/03/07 US\$'000
Net profit after tax		2,700
Add: Non-tax deductible items	(a)	3,597
Less: Repayment of borrowings		(2,875)
<b>Income available for distribution</b>		<b>3,422</b>
Add: Net taxable income for the quarter ended 31 December 2006 to be distributed	(b)	104
<b>Income to be distributed</b>		<b>3,526</b>
(i) Tax-exempt income		3,327
(ii) Tax-exempt (one-tier) income	(c)	199
<b>Income to be distributed</b>		<b>3,526</b>

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**Footnotes:**

- (a) Includes the fair value losses on interest rate swaps which are unrealised, depreciation and trustee fee.
- (b) This relates to net taxable income of PST that was retained in the previous period.
- (c) This relates to total net taxable income of PST which is to be distributed for the current quarter.

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

	Notes	Actual 31/03/07 US\$'000	Actual 31/12/06 US\$'000
<b>Non-current asset</b>			
Vessels	(a)	260,062	263,281
<b>Current assets</b>			
Other receivables		62	52
Cash and cash equivalents		8,623	8,648
		8,685	8,700
<b>Total assets</b>		<b>268,747</b>	<b>271,981</b>
<b>Non-current liability</b>			
Secured bank loans	1(b)(ii)	(105,915)	(108,790)
<b>Current liabilities</b>			
Charter income received in advance	(b)	(1,987)	(1,987)
Other payables		(311)	(249)
Secured bank loans	1(b)(ii)	(11,501)	(11,501)
Interest rate swaps	(c)	(1,143)	(775)
Current income tax payable		(58)	(43)
		(15,000)	(14,555)
<b>Total liabilities</b>		<b>(120,915)</b>	<b>(123,345)</b>
<b>Net assets attributable to unitholders</b>		<b>147,832</b>	<b>148,636</b>
<b>Unitholders' funds</b>			
Units in issue		151,650	151,650
Unit issue costs		(4,983)	(4,983)
Accumulated profits		1,165	1,969
<b>Total unitholders' funds</b>		<b>147,832</b>	<b>148,636</b>

**Footnotes:**

- (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 charterparty 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.

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

**Secured bank loans**

Amount repayable within one year

Amount repayable after one year

Note	Actual	Actual
	31/03/07	31/12/06
	US\$'000	US\$'000
(a)	11,501	11,501
	105,915	108,790
	117,416	120,291

***Explanatory notes:***

- (a) PST has drawn down US\$127.0 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 assignment of the bareboat charter agreement.

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**1(c) Cash flow statement**

	Actual 01/01/07 to 31/03/07 Note (a)
	US\$'000
<b>Operating activities</b>	
Net profit before tax	2,715
<b>Adjustments for</b>	
Depreciation	3,219
Fair value losses on interest rate swaps	368
Interest income	(164)
Interest expense	1,895
Operating profit before working capital changes	8,033
Changes in working capital	
Other receivables	(1)
Other payables	62
<b>Cash flows from operating activities</b>	<b>8,094</b>
<b>Investing activities</b>	
Interest received	155
<b>Cash flows from investing activities</b>	<b>155</b>
<b>Financing activities</b>	
Repayment of bank loans	(2,875)
Interest expense paid	(1,895)
Distribution paid to Unitholders	(3,504)
<b>Cash flows from financing activities</b>	<b>(8,274)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(25)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>8,648</b>
<b>Cash and cash equivalents at end of the period</b>	<b>8,623</b>

***Explanatory notes:***

- (a) No comparative cash flow statement has been presented as PST was formed on 25 April 2006 (date of constitution).

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**1(d)(i) Statement of movements in unitholders' funds for the period from 01/01/07 to 31/03/07 ( Note (a) )**

	Units in Issue	Unit Issue Costs	Accumulated Profits	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at beginning of the period</b>	<b>151,650</b>	<b>(4,983)</b>	<b>1,969</b>	<b>148,636</b>
Distribution paid	-	-	(3,504)	(3,504)
Net profit after tax	-	-	2,700	2,700
<b>Balance as at 31/03/07</b>	<b>151,650</b>	<b>(4,983)</b>	<b>1,165</b>	<b>147,832</b>

**Footnotes:**

- (a) Prior period comparatives as at 31 March 2006 are not available as PST was formed on 25 April 2006 (date of constitution) and was listed on SGX on 26 May 2006.

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

At the beginning and end of the period

Actual 01/01/07 to 31/03/07 Units
337,000,000

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

The figures 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 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.

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

	Note	Actual 01/01/07 to 31/03/07	Projection 01/01/07 to 31/03/07 Note (a)
Weighted average number of units	(b)	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		0.80	0.99
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		0.99	1.04
(ii) Tax-exempt (one-tier) income		0.05	-
Total		1.04	1.04

**Footnotes:**

- (a) The figures shown are pro-rated from the Projection disclosed in the Prospectus based on 90 days for the quarter.
- (b) The weighted average number of units is weighted for the period from 1 January 2007 to 31 March 2007.

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

	Note	Actual 31/03/07	Actual 31/12/06
Net asset value per unit (US\$)	(a)	0.44	0.44

**Footnotes:**

- (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 March 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 period ended 31 March 2007.

**9 Where a forecast, or a prospect statement, has been previously disclosed to unitholders, any variance between it and the actual results.**

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

**Income Statement**

	Notes	Actual 01/01/07 to 31/03/07 US\$'000	Projection 01/01/07 to 31/03/07 Note (a) US\$'000	Increase/ Decrease %
<b>Gross revenue</b>	(b)	<b>8,514</b>	<b>8,514</b>	0%
Depreciation		(3,219)	(3,039)	6%
Management fees		(341)	(341)	0%
Trustee fees		(14)	(13)	8%
Other expenses		(126)	(123)	2%
Finance income	9(a)(i)	164	-	NM
Finance expense	9(a)(i)	(2,263)	(1,666)	36%
<b>Net profit before tax</b>		<b>2,715</b>	<b>3,332</b>	-19%
Income tax expense	(c)	(15)	-	NM
<b>Net profit after tax</b>		<b>2,700</b>	<b>3,332</b>	-19%

**9(a)(i) Finance income and expense**

	Notes	Actual 01/01/07 to 31/03/07 US\$'000	Projection 01/01/07 to 31/03/07 Note (a) US\$'000	Increase/ Decrease %
Interest income:				
- Bank deposits		111	-	NM
- Interest rate swaps	(d)	53	-	NM
		<b>164</b>	-	NM
Interest expense:				
- Bank loans		(1,895)	(1,666)	14%
Fair value losses on interest rate swaps	(e)	(368)	-	NM
		<b>(2,263)</b>	<b>(1,666)</b>	36%

**Distribution Statement**

	Notes	Actual 01/01/07 to 31/03/07 US\$'000	Projection 01/01/07 to 31/03/07 Note (a) US\$'000	Increase/ Decrease %
Net profit after tax		2,700	3,332	-19%
Add: Non-tax deductible items	(f)	3,597	3,051	18%
Less: Repayment of borrowings		(2,875)	(2,875)	0%
<b>Income available for distribution</b>		<b>3,422</b>	<b>3,508</b>	-2%
Add: Net taxable income retained for the quarter ended 31 December 2006 to be distributed	(g)	104	-	NM
<b>Income to be distributed</b>		<b>3,526</b>	<b>3,508</b>	1%
(i) Tax-exempt income		3,327	3,508	-5%
(ii) Tax-exempt (one-tier) income	(h)	199	-	NM
<b>Income to be distributed</b>		<b>3,526</b>	<b>3,508</b>	1%

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***Explanatory notes:***

*NM- Not meaningful*

- (a) The forecast figures are derived by prorating the Projection disclosed in the Prospectus.
- (b) Consists of bareboat charter income from the existing eight container vessels.
- (c) This relates to tax payable on the taxable interest income on bank deposits.
- (d) This relates to the net interest income arising from the interest rate swaps.
- (e) 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. The previous quarter recorded a net gain of US\$0.16 million.
- (f) Includes the fair value losses on interest rate swaps, depreciation and trustee fee.
- (g) This relates to net taxable income of PST that was retained in the previous period.
- (h) This relates to total net taxable income of PST which is to be distributed for the current quarter.

**9(b) Review of performance for the quarter ended 31 March 2007 (the "Q1")**

The Q1 2007 gross revenue at US\$8.51 million was consistent with the Projection. This was derived from the bareboat charter income of the existing eight container vessels, which have been contracted up to an average of about 9 years.

Interest income of US\$0.11 million was derived from deposits placed with banks for efficient cashflow management.

Depreciation was higher than Projection by 6% because the Projection was based on remaining useful lives rounded to years.

Interest expense on bank loans, net of the interest income from interest rate swaps settlements, resulted in net borrowing costs of US\$1.84 million for Q1 2007. Interest expense was higher than projected by 14% mainly due to the averaging effect from prorating the projected figures by number of days as well as the effect from the actual loans drawdown date and repayment dates being later than the dates assumed in the Projection.

Other trust expenses for Q1 2007 at US\$0.13 million was slightly higher than the Projection by 2% and comprised professional fees, regulatory fees, printing and administrative expenses.

Net profit after tax of US\$2.70 million for Q1 2007 was lower than the Projection by 19% mainly due to the fair value loss of US\$0.37 million. This was mainly due to the net change in fair value of the interest rate swaps during the quarter resulted in a loss totalling US\$0.37 million. The Projection had assumed no change in the fair value of the interest rate swaps. These fair value losses will not impact the income to be distributed.

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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 the 1st quarter 2007, there were a total of 2,933 fully cellular container vessels over 1000 teu in size, operating globally. Amongst these only 4 ships were not employed due to various reasons, ie. breakdown, repairs or awaiting employment. This is equivalent to 99.9% of the fleet (exceeding 1000 teu size) being fully employed.<sup>1</sup>

The decline in the container ship charter market which we witnessed in the 2nd half of last year was not just halted but rallied as well. This rally was evident across all sectors starting from the 1700 teu size upwards to the 3000 teu.

The container ship charter index (BOXI) rose by 18 points or 14.8% in the 1st quarter of 2007.<sup>2</sup>

The bulk carrier and tanker market remained resilient, particularly the Dry Bulk market where ships prices and charter rates touched new peaks.

The above factors will not have any impact on PST's income from its existing eight vessels and distributions due to the long term charters it has in place for the next quarter and also the next 12 months.

Sources:

1. Axsmarine website "www.axsmarine.com"
2. Braemar Container Shipping & Chartering - 1st Quarter report for 2007

**Outlook for the financial year ending 31 December 2007**

Barring any unforeseen circumstances the Trustee-Manager of PST is optimistic of delivering at least the projected distribution per unit for the FY2007 as stated in the Prospectus based on existing charter agreements signed.

**11 Distributions**

**(a) Current financial period**

Any distributions declared for the current financial period: Yes

Name of distribution: Distribution for 1 January 2007 to 31 March 2007

**(i)** Distribution type: Tax-Exempt Income

Distribution rate: 0.99 cents per unit

Par value of units: Not applicable

Tax rate: 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.

**(ii)** Distribution type: Tax-Exempt (One-Tier) Income

Distribution rate: 0.05 cents per unit

Par value of units: Not applicable

Tax rate: 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.

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**(b) Corresponding period of the immediately preceding financial period**

Any distributions declared for the previous corresponding financial period: Not applicable

**(c) Date payable:** 30 May 2007

**(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 3 May 2007 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 3 May 2007 will be entitled to the Distribution to be paid on 30 May 2007.

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

Not applicable

**13** The board of directors of PST Management Pte. Ltd. do hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the financial results for the quarter ended 31 March 2007 to be false or misleading.

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.

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

Eunice Ng Puay Li  
Company Secretary  
**24 April 2007**