Cass Business School
CITY UNIVERSITY LONDON

# Individual Coursework Submission Form

## Specialist Masters Programme

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|---|---|
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| **MSc in:** Shipping Trade and Finance | **Student ID number:** 080049046 |
| **Module Code:** SMM550 | |
| **Module Title:** Shipping Strategy | |
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CASS BUSINESS SCHOOL

# A Precious Strategy

## Coursework for Shipping Strategy SMM550

**PG-Hashim, Rizwan**

**7/10/2013**

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## *Executive Summary*

Precious Shipping started in the most humble of ways with a handful of individuals and a few ships and quickly went on to become an established name in shipping. The company has built a strong internal culture centred on generating returns for shareholders, good corporate governance, and strong relationships with other shipping related parties. Owing to its recruitment policies and low management turnover, the company has strong internal synergies that contribute to its success. Externally, the shipping world continues its stagnation post 2008 with more bankruptcies and defaults. Interestingly, leading economic indicators suggest that the world economic is growing but shipping continues to grapple with excess capacity. There has also been a progression toward larger vessels and PSL has pre-empted this and has moved to the Supramax segment, while maintaining a strong presence in the Handysize segment. However, looking at the age profiles, the Handysize segment has the most room to accommodate additional capacity through scraping as the fleet average age is relatively high. On the cargo front, there continue to be changes that may greatly affect trade flows and subsequently parcel sizes hence the focus in this report. In order to accommodate these cargo developments PSL has positioned itself in an attractive way, giving it exposure to blue chip clienst who are likely to be at the forefront of any major developments. Furthermore the company has adopted a position that aims to lock revenues in for the long-term. From a strategic stand point, PSL's Seven Deadly Sins of Shipping have led the company through these troubling times while its competitors are recording losses and filing for court protection. PSL has consistency expanded the fleet counter cyclically and has levered up at the bottom of the market in order to avoid financial distress. This strategy has led to strong financial position with a relative low debt to equity ratio and cash rich to fund expansion. Ultimately, PSL competes globally using time charters and strategy aiming to reduce risk as much as possible to sustain a profitable entity.

# *Introduction*

The aim of this analysis is to evaluate the strategy of Precious Shipping Public Company Limited (PSL) and compare it to a peer group of competitors. The following entails a brief overview of the report's structure, and thereafter an explanation regarding the composites of the competitor group.

The report begins by providing commentary on PSL's mission and vision statements. Thereafter, an internal environment overview consisting of the following subsections: historical account of how PSL started, company profile, and organisational culture. Following the internal analysis a discussion of the external market will be conducted commenting on the developments in the relevant size segments, cargo developments, entry and exit, and pricing in the freight market. The following sections analyse PSL using established strategic frameworks such as SWOT and Porter's Five Forces. The last two sections will be an evaluation of PSL's strategy and finances relative to it's competitors.

Wherever relevant, reference will be made to PSL's competitor group. It is vital to identify which companies have been selected for this and why. While it is widely acknowledged that a significant number of companies operate in the same size segments one has to try and match like-with-like as much as possible. As will be explained in greater detail, PSL is a pure-play drybulk tramp owner and operator focusing on the smaller bulk segments and as such can only be compared to those firms who have similar asset exposure. After extensive review two companies were selected: Pacific Basin and Genco Shipping And Trading (Genco). The reason for selecting Pacific Basin is down to the fact that it almost exclusively operates in the Handysize and Handymax sectors, has a history for competing with PSL and is viewed by many financial analysts as being a prime competitor. Genco was selected for similar reasons, 43% of it's fleet in 2012 was in the smaller size segments. In addition to asset exposure, Genco, Pacific Basin and PSL have a stated preference for using long-term contracts as opposed to the spot market, operate globally, and target blue chip clients.

## Mission

"To be the most respected Shipping Company in the world, providing best services and solutions to facilitate International dry-bulk trade."

Source: (http://www.preciousshipping.com/Aboutus/MissionStatement/tabid/56/Default.aspx

Reading strategic literature from authors such as Richard Lynch, mission statements should be thought of as where the company wants to end up. These statements are very similar to goals set by individuals such running a marathon in one year. Such statements tend to be very broad in nature, but when looking at companies one has to factor in consistency. Since PSL's inception the mission statement has remained unchanged, and looking at the awards and accolades section of the PSL website it can be concluded that management have made every attempt to achieve the mission. Such awards include the Marine Money Shipping Company of The Year award in 2007 and most recently the CEO was awarded a life-time achievement award from SeaTrade. There appears to time horizon, but when asked Khushroo Kali Wadia the CFO responded by saying "why have a time frame for something you will be working towards for the rest of your life?".

## Vision

Since the company's listing on the Stock Exchange of Thailand in 1993 the vision stated by PSL's managing director and CEO is to own and operate a young and modern fleet all under long-term charters with blue chip companies. In addition, the vision also entails a sustainable cost advantaged obtain through low operational expenses (opex), buying younger ships at the bottom of the market, and selling older tonnage at or as close to the market peak as possible to encash capital gains on a regular basis. Ultimately the vision sees a highly profitable entity providing a consistently stable return to shareholders.

The above vision statement can be through of as a more detailed explanation as to how PSL aims to become the most respected shipping company in the world. More importantly, the main goal is actually broken down into a series of smaller goals. When asked about time horizons here, senior management were of the same and stated as cycles come and go periodically, it is difficult to time when the company aims to expand or contract the fleet. However, they were adamant that consistency was far more important than time horizons. Another element to note is that the vision statement draws several parallels with PSL's stated strategy, something that will be discussed in greater detail.

# Internal Environment

## History

Precious Shipping was established in 1989 and listed on the Stock Exchange of Thailand (SET) in 1993. However, the company's origins go back much further in history and to simply ignore it would cast aside a vital part of the company's identity.

PSL can traces its roots back to a trading house, Gangjee Premjee & Co (GP), established in British Burma that traded exclusively in rice sourced in Thailand, and Burma and sold in the African and Middle Eastern markets. However, the company was relocated to Bangkok, Thailand in 1918 following the end of the First World War and growing resentment toward British influence in Burma. This juncture marks the beginning of a new chapter in the company's history. The mantle of leadership passed to Chimanlal Shah the son of one of the company's founders. Under his guidance the company flourished despite being the only non-Chinese rice traders in the country. But as the business began to grow so too did needs of customers and risks faced by the company. As such it fell to Chimanlal son, Kirit Shah, to solve these problems. Kirit Shah believed that by diversifying in to different business segments GP could offer its customers greater value and capture more of the value along the chain. One of these ventures was GP Shipping, what would eventually become Precious Shipping.

Having successfully diversified into multiple business segments (Real Estate, Construction, Jewellery Manufacturing, Diamond Trading, Pharmaceuticals, Latex, Rubber Gloves, Health Supplements etc.,) by the early 1980s, GP began experiencing severe problems with shipping its cargo, with ship-owners either going bust after collecting full freight or discharging their cargoes at unscheduled ports and creating a bigger problem with their customers and the costs associated with the transhipment of these goods. An important point to keep in mind here is the cargo that being shipped was not homogenous, and the ships being chartered were tweendeckers. Having lost patience with shipowners and fearing permanently losing customers and a loss of reputation, Kirit Shah decided to initially get full control of the transportation of his cargoes by Time Chartering ships and then later to diversity and own a fleet of ships that could cater for GP's own cargo. Kirit Shah scoured the market looking for someone to head this new venture. Through a trusted contact the Hon. Ali Maniku, the Minister of Shipping for the Maldives Government, Khalid Hashim was recommended.

After a brief period of managing GP's freight on the operations side Khalid Hashim's brother, Munir Hashim, was brought on to manage all operations connected with shipping activities. in the mid 1980ies, bank funding was largely unavailable to the fledgling organisation and thus vessels were acquired using equity contributed from Kirit Shah and the Hashim brothers with the ever generous Mr Shah also acting as the 'banker' for 50% of the capital costs of such acquisitions.. The first 3 vessels were acquired this way, but in 1988 bank shipping finance became available through loans from Credit Agricole Bank (now Calyon). This released capital tied up in the first three ships and thereafter the company went on a spree of acquisitions.

At this juncture Jaipal Mansukhani a former chief engineer and Technical Superintendent with Scindia Steam Navigation was brought on to head Great Circle Shipping Agency, PSL's wholly owned

ship management division. In 1991 after 3 years of spectacular growth GP Shipping had outgrown its role as providing tonnage for GP and began to compete internationally and eventually listed on the Stock Exchange of Thailand (SET) in 1993. Thus, the entity that is known across the world as Precious Shipping Public Company Limited (PSL) was born. Using the capital raised from the initial public offering (IPO) and debt raised from local banks more ships were acquired taking the size of the fleet from 7 in 1991 to 48 in 1997. A significant point to bear in mind is that after PSL went public it no longer served as the shipping division of the GP Group, but rather was a full-fledged shipping entity competing globally as a tramp provider of tonnage.

However, the fantastic progress was to come to a grinding halt following the Asian Financial Crisis starting in 1997. The problem faced by PSL was that its debt was in USD whilst all its accounts and book keeping had to be done in Thai Baht as PSL was a Thai registered company. The Thai Baht devalued at the onset of the crisis. Whats more is that liabilities and expenses were US dollar denominated, effectively multiplying the obligations owed in Thai Baht. However, it is interesting to note that even during the crisis PSL was able to keep making interest payments but was struggling with principal payments only. In was in this light that banks (DNB, Calyon, BnP, EXIM, BBL) agreed to PSL's request to restructure their outstanding loans. PSL emerged from its restructure toward the end of 2002, and in 2003 the shipping market began its mega cycle with freight rates and earnings climbing to levels never before seen. In was in this environment that PSL began to rapidly rebuild its fleet through opportunistic second-hand acquisitions.

Between September 2003 and September 2004 the fleet grew from 28 ships to 52 ships. Thereafter PSL added another 2 ships in 2005. PSL then stayed put in asset terms till early 2007 when 10 ships with an average age of 27 years were sold at a profit. Starting in early 2009 and ending in Q1 2010 another 25 ships with an average age in excess of 26 years old were sold, once again, at a profit. The total Capital Gains realised from the sale of these 35 ships was about USD 80 million. As the second hand prices of ships at the time were astronomically high, and there was a huge backwardation in new building prices, PSL began an extensive fleet renewal programme via the new building route with ABG Shipyard in India in early mid-2007. The renewal plan consistned of 18 vessels (12 handysize and 6 supramaxs). Additionally 4 cement carriers were ordered against long-term charters with a reputed cement manufacturer in India, UltraTech Cement. Fearing that the shipping market would collapse, PSL fixed the dry bulk vessels on order at ABG for long-term charters at the then prevailing market rates in early 2008, and in the second half of 2008 the Baltic Dry Index collapsed spectacularly following the failure of Lehman Brothers. Thereafter, ABG Shipyard began facing difficulties and all ship building orders were significantly delayed. PSL began the process of novating/cancelling all delayed contracts once they had past their expiry dates and received their principal and interest from the new buyers/ABG. From 2011 onwards PSL began to opportunistically acquire second-hand vessels, and at present has a fleet of 40 ships (39 in the water and one expected to be delivered in June/July 2013) consisting of 31 handy and 9 supra (one Supramax still be to delivered) and 4 cement ships under construction and expected to be delivered one a quarter in 2014.

## *Funding*

As stated in the history of the company, for the first few ships that were bought the Hashim brothers and Kirit Shah provided the initial equity capital. Additionally, Kirit Shah also acted as a debt provider, but when banks were willing to lend his debt was replaced with bank debt. Each ship was acquired for approximately $2m.

As of 3rd January 2013 the market capitalisation of PSL is, and has a capital structure consisting of 36% debt and 64% equity.

## *Ownership Structure*

As previously stated PSL was listed on the SET in 1993 with approximately 60% of the company held by the Shah and Hashim families. The table below provides the ownership break down of the company. After the aforementioned families, the largest shareholders are Thai NVDR and Norges Bank. The Hashim and Shah families have been shareholders since the company's inception, and thereafter the following have been shareholders for more than 5 years. Khalid Hashim serves as CEO, Munir Hashim serves as commercial director. In addition they sit on the board of directors as executive directors along with Mrs. Nishita Shah, Kirit Shah and Ishaan Shah.

**Table 1 Shareholder Percentage Ownership**

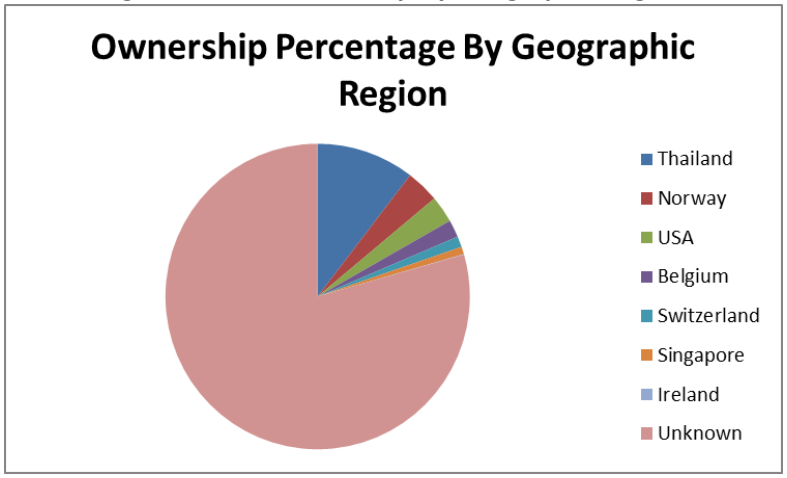
| Corporation | Number of Shares | Percentage |
|---|---|---|
| Globex Corporation | 266,625,206 | 25.65 |
| Shah, Nishita | 98,586,000 | 9.48 |
| Grain Trade Co LTD | 74,668,000 | 7.18 |
| Unistretch Limited | 7,600,400 | 0.73 |
| **Total Amount Held By Shah Family** | **447,479,606** | **43.04** |
| Hashim, Khalid | 92,839,850 | 8.93 |
| Hashim, Munir | 87,590,850 | 8.43 |
| **Total Amount Held By Hashim Family** | **187,434,500** | **17.36** |
| Thai NVDR LTD | 72,279,208 | 6.95 |
| Norges Bank | 29,583,691 | 2.85 |
| State Street Bank EU | 15,489,500 | 1.49 |
| State Street | 14,578,686 | 1.4 |
| Gedra Enterprises IN | 11,634,294 | 1.12 |
| Pictet & CIE | 9,619,000 | 0.93 |
| Shah Slil Sevantil | 8,243,200 | 0.79 |
| Phatra Capital PCL | 7,505,000 | 0.72 |
| TFB For MFC Thai Fund | 7,003,800 | 0.67 |
| Govt Of Singapopre | 6,674,300 | 0.64 |
| East Fourteen Limited | 6,275,400 | 0.6 |
| Sonakul Chatu Mongol | 5,230,000 | 0.5 |
| Morgan Stanley | 7,003,800 | 0.67 |
| Sivasriaumphai Supha | 3,300,000 | 0.32 |

| | | |
|---|---|---|
| Others | 166,049,872 | 19.95 |

Source: Bloomberg

## *Ownership Break Down*

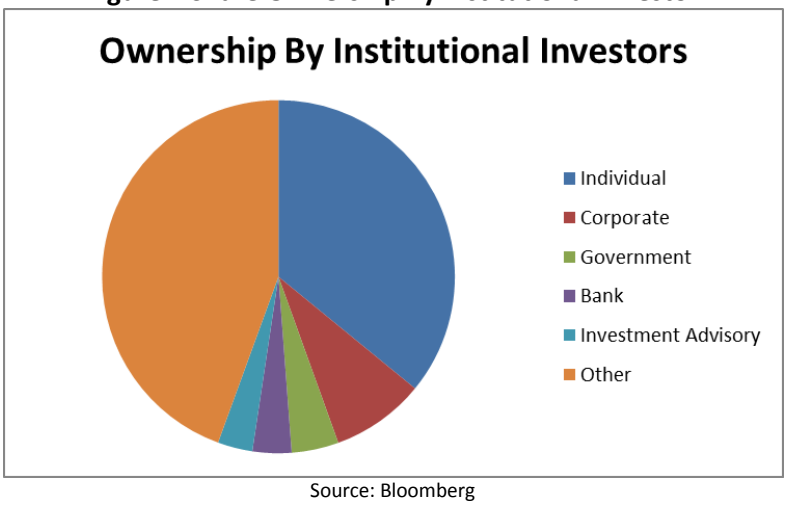
**Figure 1 Share Ownership By Geographic Region**




Source: Bloomberg

Based on the above the vast majoreity of PSL's shareholdings are held by various holding companies incorporated in multiple jurisdictions

**Figure 2 Share Ownership By Institutional Investor**

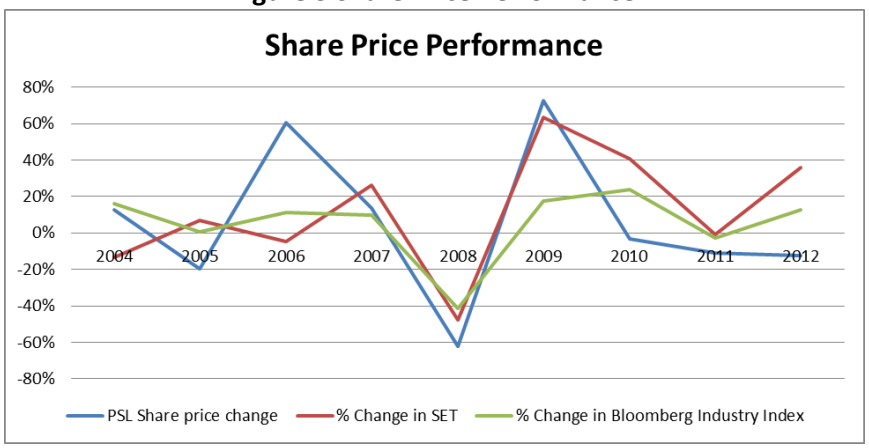



Source: Bloomberg

The vast majority of PSL's shares are held by private holding companies which are not classified as any particular type of investor. The individuals who hold the majority of shares are Nishita Shah, and the two Hashim brothers.

## *Stock Performance*

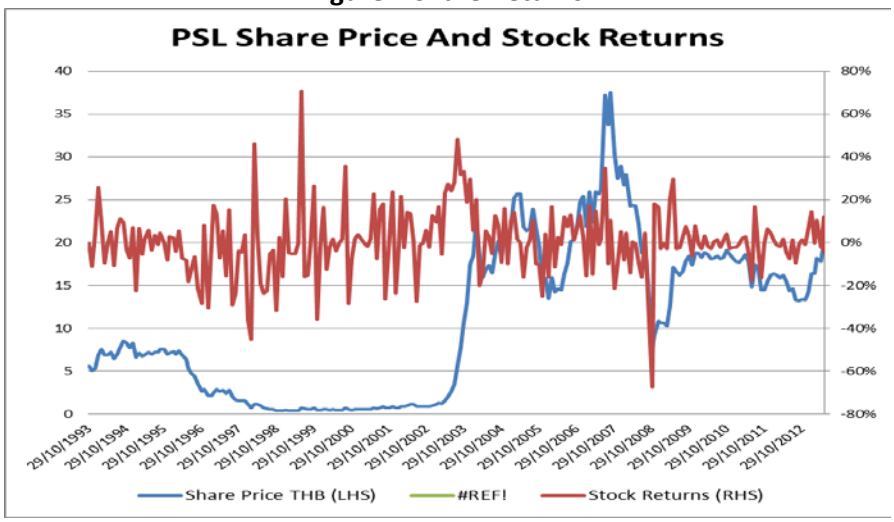
**Figure 3 Share Price Performance**




Source: Bloomberg

The above displays returns on PSL's shares against a industry index from Bloomberg and the Stock Exhcnage of Thailand (SET). As seen there have been times when PSL's shares have outperformed the SET and the bloomberg index. However, the average return on the local stock index has been 11% from 2004-2012 while PSL's stock has provided a return of 5.6%. The sharp fall in 2008 coincides with the financial market crash and the collapse of the BDI. As seen PSL's stock was not immune from such conditions falling by 62% between 2007-2008.

**Figure 4 Share Returns**



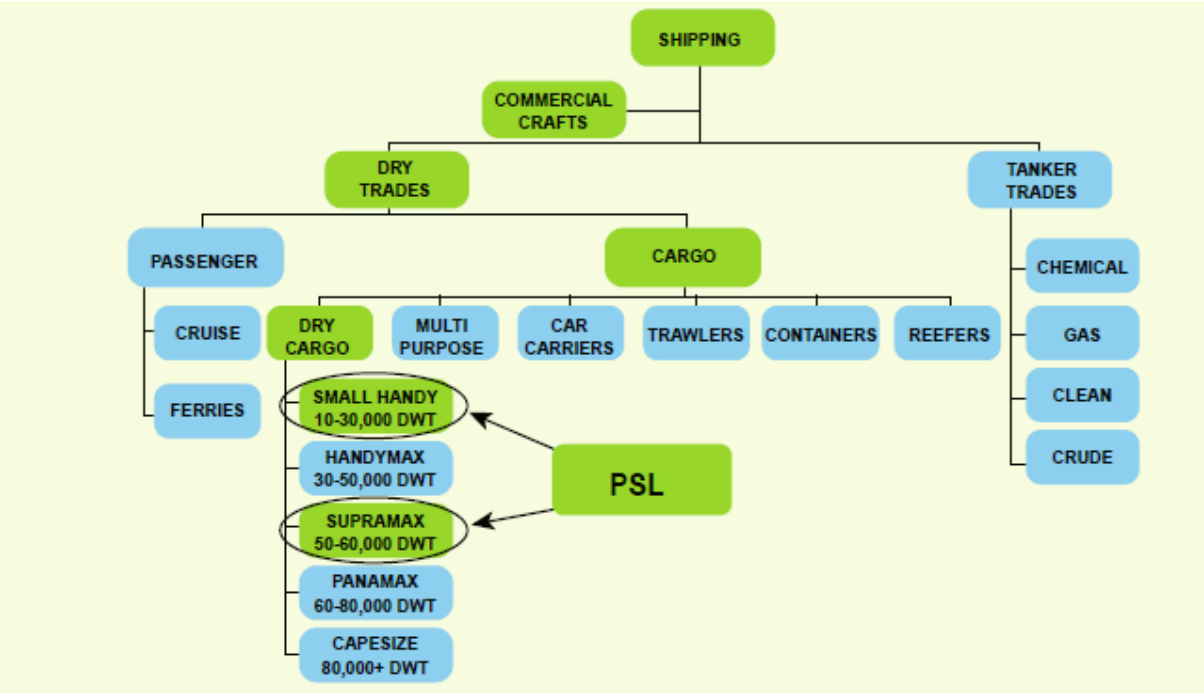

Source: Bloomberg

Since it's IPO PSL's share price as experienced substantial growth, providing shareholders a holding period return from IPO till December 2012 of 10,600%. An interesting aspect of the share price is the decline that occurred toward the end of 1996 and continued till 2001. This reflects the troubles PSL faced after the Asian Financial Crisis. Furthermore, the rapid ascention since 2003 is in line with the boom in the shipping markets, and so is the subsequent fall in 2007. Comparatively, from the

low point of THB .35 reached on the 31/12/1998 to the maximum price of 37.5 seen on the 28/09/2007 provided a holding period return of 106%.

## *Company And Fleet Profile*

**Figure 5: World Merchant Fleet**




Source: Precious Shipping 2012 Annual Report

PSL is a pure-play dry bulk tramp shipowner and specialises in the Handysize and Supramax sectors. Furthermore, the company also has a small foothold in the costal Indian cement trade. Below is a summary of the current fleet by deadweight tonnes (DWT).

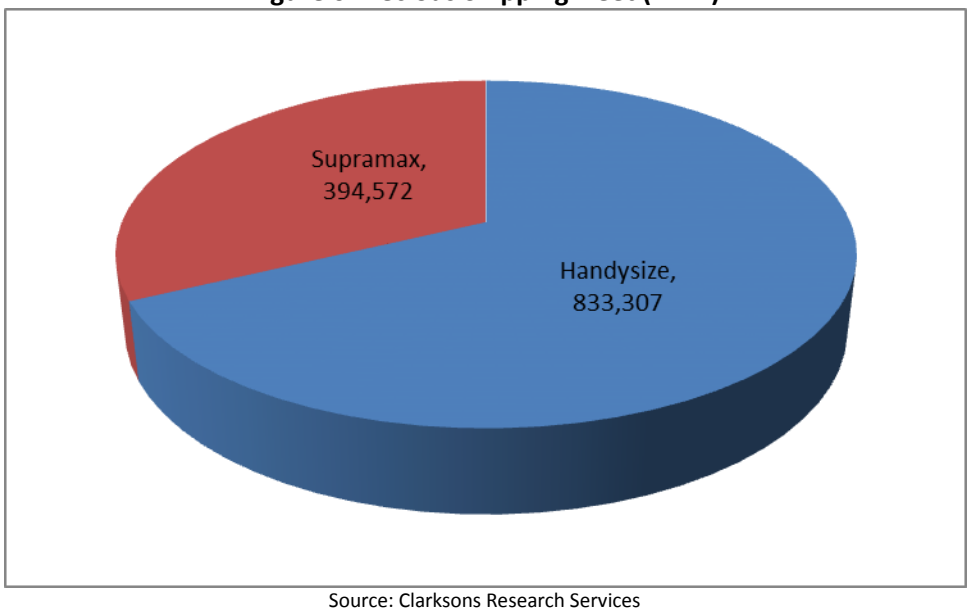
**Table 2 Precious Shipping Current Fleet**

| Name | Type | Dwt | Flag | Built | Yard |
|---|---|---|---|---|---|
| Fujisan Maru | Cement Carrier | 16883 | Bahamas | 1976 | Imabari S.B. |
| Apisara Naree | Handysize | 18596 | Thailand | 1996 | Cheung Ku |
| Bussara Naree | Handysize | 18596 | Thailand | 1997 | Cheung Ku |
| Suchada Naree | Handysize | 23732 | Thailand | 1994 | Shin Kurushima |
| Parinda Naree | Handysize | 23720 | Thailand | 1995 | Kanasashi K.K. |
| Boontrika Naree | Handysize | 27881 | Thailand | 1990 | Kanasashi K.K. |
| Tharinee Naree | Handysize | 23724 | Thailand | 1994 | Kanasashi K.K. |
| Chollada Naree | Handysize | 18485 | Thailand | 1997 | Cheung Ku |
| Dusita Naree | Handysize | 18486 | Thailand | 1997 | Cheung Ku |
| Emwika Naree | Handysize | 18462 | Thailand | 1997 | Cheung Ku |
| Ploypailin Naree | Handysize | 26472 | Thailand | 1995 | Imabari S.B. |
| Fonthida Naree | Handysize | 28484 | Thailand | 1995 | Kanda S.B. Co. |
| Rattana Naree | Handysize | 28514 | Thailand | 2002 | Kanda S.B. Co. |
| Chalothorn Naree | Handysize | 27079 | Thailand | 1996 | Mitsubishi H.I. |
| Saranya Naree | Handysize | 28584 | Thailand | 1991 | Imabari S.B. |
| Sujitra Naree | Handysize | 28290 | Thailand | 1995 | NKK Corp. |
| Vijitra Naree | Handysize | 28646 | Thailand | 1997 | Naikai S.B. |
| Urawee Naree | Handysize | 28415 | Thailand | 1997 | Imabari S.B. |
| Mathawee Naree | Handysize | 28364 | Thailand | 1996 | Imabari S.B. |
| Rojarek Naree | Handysize | 29870 | Thailand | 2005 | Shikoku Dock. |
| Nalinee Naree | Handysize | 31699 | Thailand | 2005 | Saiki Hvy. Ind. |
| Ananya Naree | Handysize | 33857 | Singapore | 2011 | ABG S.Y. |
| Chamchuri Naree | Handysize | 33733 | Thailand | 2005 | Shin Kochi H.I. |
| Charana Naree | Handysize | 33720 | Thailand | 2005 | Shin Kochi H.I. |
| Mookda Naree | Handysize | 30162 | Thailand | 2009 | Hindustan S.Y. |
| Mayuree Naree | Handysize | 30192 | Thailand | 2008 | Hindustan S.Y. |
| Benjamas Naree | Handysize | 33780 | Singapore | 2012 | ABG S.Y. |
| Mallika Naree | Handysize | 30195 | Thailand | 2008 | Hindustan S.Y. |
| Lanna Naree | Handysize | 33843 | Thailand | 2012 | Jiangsu Yangzijiang |
| Latika Naree | Handysize | 33869 | Thailand | 2012 | Jiangsu Yangzijiang |
| Chintana Naree | Handysize | 33857 | Singapore | 2013 | ABG S.Y. |
| Kanchana Naree | Supramax | 56920 | Thailand | 2011 | Taizhou Sanfu |
| Kirana Naree | Supramax | 56823 | Thailand | 2011 | Taizhou Sanfu |
| Apiradee Naree | Supramax | 57000 | Singapore | 2012 | Yangzhou Guoyu |
| Baranee Naree | Supramax | 56441 | Singapore | 2012 | Yangzhou Guoyu |
| Chayanee Naree | Supramax | 56548 | Singapore | 2012 | Yangzhou Guoyu |

| | | | | | |
|---|---|---|---|---|---|
| Daranee Naree | Supramax | 57000 | Singapore | 2012 | Yangzhou Guoyu |
| Warisa Naree | Supramax | 53840 | Thailand | 2010 | Hindustan S.Y. |
| Wariya Naree | Supramax | 53861 | Thailand | 2011 | |

An interesting aspect of the table above is the presence of both Thai and Singaporean flagged vessels. While PSL is based in Thailand it's vessels are employed globally, and prior to 2006 all vessels save for the Fujisan Maru were Thai flagged. The incorporation of the Singaporean flag is not a strategic shift towards basing operations in Singapore but was a requirement of the syndicated loan agreement after 2006 when Thailand began to experience political unrest.

**Figure 6 Precious Shipping Fleet (DWT)**



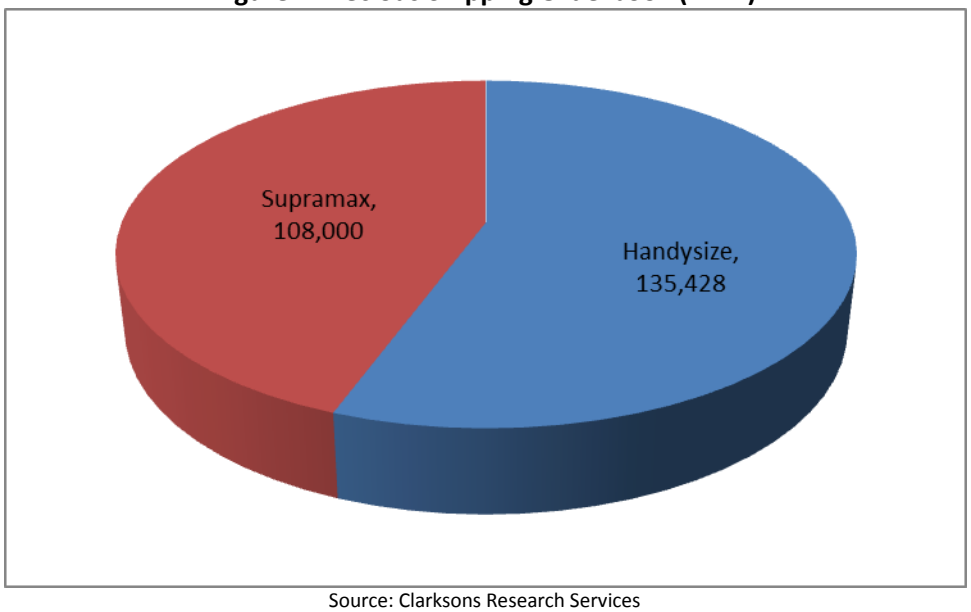

Source: Clarksons Research Services

As demonstrated by the above figure and table, presently PSL is heavily focused in the Handysize segment with 31 out of the 40 vessels within the size category, and the remaining 9 vessels of 50,000 DWT or more. PSL has 1 cement carrier, the oldest ship in its fleet, which currently operates exclusive with UltraTech cement on an Indian costal trade.

Historically, PSL was not active in the Supramax market, but was instead a pure Handysize player. The expansion into the Supramax segment is something that will be discussed in a later section. At present the average age of the Handysize fleet is 12.1 years, Supramax fleet averaging 1.57 years of age and a combined the fleet has an average age of just 10 years.

Part of PSL's stated strategy post the market boom of 2003-2008 was to renew the fleet by bringing in new and younger tonnage from the second-hand and newbuilding markets once the BDI had collapsed. In 2007 an order for 18 vessels was placed at ABG shipyard for 12 Handysize vessels and 6 Supramax vessels. Additionally, an order for 3 cement carriers was also placed, later increased to 4.

**Figure 7 Precious Shipping Orderbook (DWT)**




Source: Clarksons Research Services

As can be seen the Supramax vessels (2 in number) account for approximately 44% of the orderbook by DWT with the remaining 54% concentrated in the Handysizes sector. As mentioned in the history section ABG Ship Yard is failed to deliver a substantial amount of the orderbook, and as such PSL has cancelled or novated several contracts. The table below summaries all novations and cancellations, and its worth noting that despite the inability of the yard to deliver vessels there have been no legal proceedings and no refund guarantees exercised. PSL also has 4 cement carriers on order, and according to the Clarksons database, are the only cement carriers on order at this time.

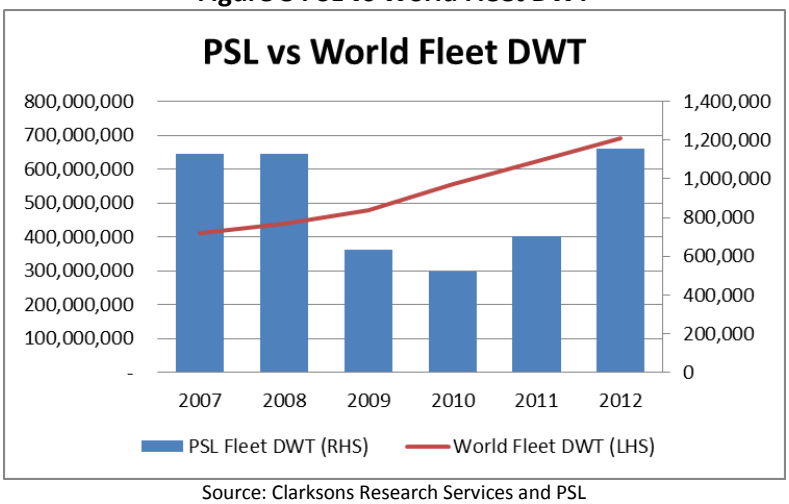
Newbuildings from ABG Shipyard -Novations / Cancellation signed and completed (Status: as on 31st March 2013)

| Hull/Yard Number | Date of Novation/ Cancellation | Price per Contract US$ Million | Advances Paid US$ Million | Novation Price US$ Million | Novation Price Received US$ Million | Balance to be Received in Cash US$ Million | Adjusted to other Hulls US$ Million | To be adjusted to other Hulls US$ Million | Gain on Novation US$ Million | Novation/Cancellation Completed/ Awaited |
|---|---|---|---|---|---|---|---|---|---|---|
| 2011 | | | | | | | | | | |
| 329 | 18-Mar-11 | 30.00 | 18.00 | 21.79 | 21.79 | - | - | - | 3.11 | Novation Completed on 29 Apr 11 |
| 330 | 18-Mar-11 | 30.00 | 18.00 | 21.66 | 21.66 | - | - | - | 3.10 | Novation Completed on 3 May 11 |
| 313 | 18-Mar-11 | 38.00 | 22.80 | 28.02 | 28.02 | - | | | 4.31 | Novation Completed on 16 Sep 11 |
| **Sub Total- 2011** | | **98.00** | **58.80** | **71.47** | **71.47** | **-** | **-** | **-** | **10.52** | |
| 2012 | | | | | | | | | | |
| 333 | 21-Dec-11 | 30.00 | 18.00 | 23.13 | 23.13 | - | | | 4.59 | Novation Completed on 28 Sep 12 |
| 315 | 25-Jan-12 | 38.00 | 22.80 | 28.53 | 28.53 | - | | | 5.18 | Novation Completed on 28 Sep 12 |
| **Sub Total- 2012** | | **68.00** | **40.80** | **51.66** | **51.66** | **-** | **-** | **-** | **9.77** | |
| 2013 | | | | | | | | | | |
| 336 | 10-Sep-12 | 30.00 | 6.00 | 8.48 | 0.10 | - | 8.38 | | 2.45 | Novation Completed on 28 Jan 13 |
| 340 | 10-Sep-12 | 30.00 | 6.00 | 8.53 | 0.10 | - | 8.43 | | 2.50 | Novation Completed on 22 Mar 13 |
| 347 | 10-Sep-12 | 38.00 | 15.20 | 23.98 | 16.38 | | 7.60 | | 8.22 | Novation Completed on 27 Mar 13 |
| 380 | 18-Jan-13 | 28.50 | 5.70 | 6.70 | 6.70 | | | | 0.75 | Contract Cancelled on 18 Jan 13 |
| **Sub Total- 2013** | | **126.50** | **32.90** | **47.69** | **23.28** | **-** | **24.41** | **-** | **13.92** | |
| **Total** | | **292.50** | **132.50** | **170.82** | **146.41** | **-** | **24.41** | **-** | **34.21** | |
| Newbuildings from ABG Shipyard -Novations signed but not yet completed (Status: as on 3rd May 2013) | | | | | | | | | | |
| Supramax Vessels - 54,000 DWT | | | | | | | | | | |
| 316 | 10-Sep-12 | 38.00 | 15.20 | 24.36 | 15.50 | 1.26 | 7.60 | - | | |
| **Grand Total** | | **330.50** | **147.70** | **195.18** | **161.91** | **1.26** | **32.01** | **-** | **34.21** | |

In light of the cancellations and novations outlined above, PSL replaced these contracts with purchases from the second-hand market and distressed contracts with other ship yards where

owners had walked away from the contracts. The vessels highlighted in yellow from table 2 above represent such purchases, while vessels highlighted in green are vessels delivered by ABG.

**Figure 8 PSL vs World Fleet DWT**




Source: Clarksons Research Services and PSL

The above graph displays PSL's historical fleet in terms of DWT. As observable PSL's fleet declined in 2009 just after the market peak and continued to rise at a pace of 12% per annum. In 2012 the fleet stood at 36 ships with a combined DWT of 692,737,000.

**Table 3 PSL Top 10 Clients**

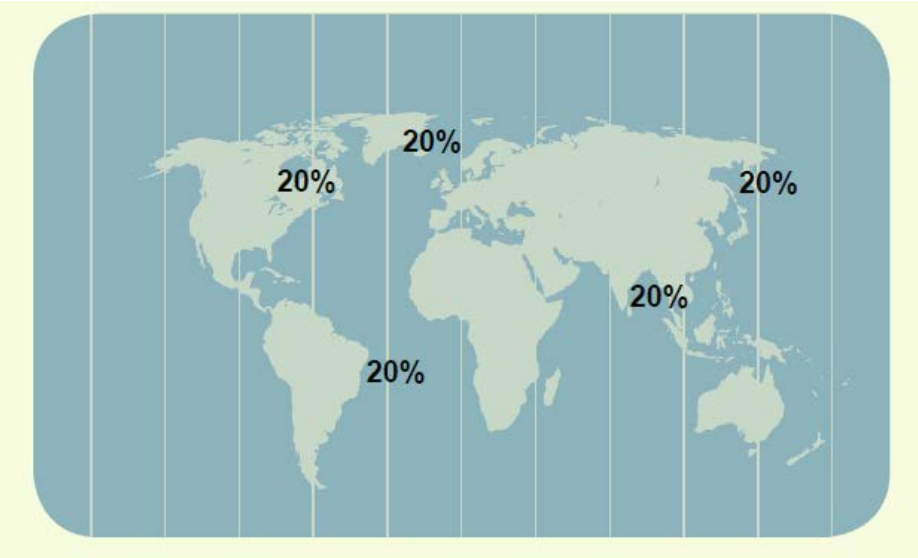
| Historical Top 10 Clients By Revenue | Location |
|---|---|
| Cargill | International |
| Island View Shipping | European |
| Oldendorff GMBH | Germany |
| STX Panocean | Korea |
| Clipper Bulk/Compass Rose Shipping | Denmark |
| Intermare Transport GMBH | Germany |
| Ultrabulk | Denmark |
| Ultratech | India |
| Carlon Shipping | Singapore |
| Others | International |

Source: PSL

The above table displays PSL's top 10 clients by revenue. The first characteristic of this table is that the clients in question are all blue chip companies in strong financial positions. STX Panocean, highlighted in yellow, has recently filed for bankruptcy. By June this year, when STX Pan Ocean became insolvent, PSL's exposure to them had already come down substantially and PSL do not expect to have any material impact from this insolvency on their results. Post Korea Line Corporation's bankruptcy in early 2011 PSL's management took the step to only fix short-term contracts (less than 6 months) with all companies based in Korea. Alternatively, long-term contracts could have been undertaken provided that charters were able to furnish a bank guarantee that

backed the full charter hire. Baring this short-term contracts where the only option available for STX. Furthermore, contacts with STX were fixed very recently when rates were at historical lows.

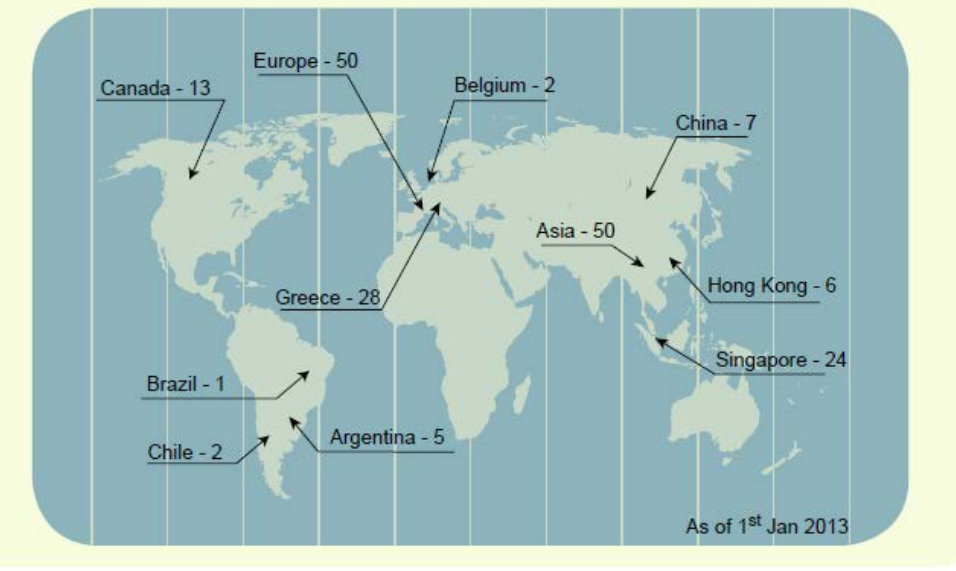
**Figure 9 PSL Geographic Operations**




Source: PSL 2012 Annual Report

Given that PSL is a tramp provider of tonnage, where vessels are operated is a decision that is difficult for PSL to influence and as such it is observed by PSL's chartering team that vessels are employed globally with no set geographic location taking preference. Pacific Basin, as the name suggests operates largely in the Pacific Basin catering for a significant amount of cargo going into and out of China. However, the company does have a presence in South Africa and regularly ships transport coal from Richards Bay. Similar to that of PSL, Genco has a similar geographic operating pattern. And as the figure below and previous table indicate PSL operates through a substantial number of brokers across the globe and has maintained a policy of not relying on one area of operation, broker or client.

**Figure 10 PSL Global Brokerage Cover**




Source: PSL 2012 Annual Report

# *Organisational Culture*

## *Seafaring Staff*

Historically PSL recruited heavily from Indian naval academies for seafarers, but as the Thai government began investing in local academies PSL's recruitment shifted toward local recruitment. At the time of PSL's IPO the majority of all seafarers were Indian nationals, but at present approximately 80% of all seafarers are Thai nationals and the remaining balance being made up of Indian nationals.

Recruitment for seafarers is done directly from academies, eliminating the need for manning agents. This policy ensures that individuals on board vessels have loyalty to the company only. Upon graduating cadets are recruited through a strenuous application process or through scholarships and put through the company's internal training programme. Thereafter cadets join vessels to gain experience and see first-hand what the company expects of them while they are under contract.

Additionally, PSL has invested heavily in developing an internal training centre at the head office in Bangkok. The training centre has a team dedicated to teaching both written and spoken English to all crew, and has a team that imparts basic information technological (IT) skills. Additionally, the training centre main focus is on practical aspects of modern day seafaring and brings current and upcoming officers up-to-date with the most recent regulations, client requirements, specifics of new vessels, simulation training and other requirements of suppliers such as insurers. Furthermore, officers are also required to attend presentations given by the company's insurance clubs that entail information on accident prevention, recent maritime disasters such as the Hebei Sprit, and hazardous cargo briefings. Presently, there are 34 captains and 27 chief engineers currently on board all of PSL's vessels having been with the company since they were cadets.

## *Technical Teams*

All members of PSL's technical, ship operations, training and safety management departments consist of former seafarers who have all been employed as seafarers from a cadet till a chief engineer or captain. This policy of recruitment has led to the majority of PSL's ship management, safety and operations teams to consist of wholly of former seafarers employed by the company.

This process of recruitment has had several benefits, with the most significant being that the bridge between the head office and vessels is greatly reduced by the familiarity that operations, and ship management staff have with the crew both as former seafarers themselves but also personally as at one point they would have either been at the same academy or sailed on the same vessel. The end result is more efficient communication between vessels and head office and more effective management. Furthermore, this gives seafarers a defined career path with the opportunity to come ashore and join the office if they wish, provided they possess the right skills and mind set.

## *Financial and Chartering Teams*

Staff recruitment for other departments is different to recruitment for technical departments. Firstly, on the financial side officers are recruited from within the GP group, as is the case with the current CFO. Other members of the financial teams were recruited locally from universities or local auditors who have audited PSL in the past. Utilising this policy PSL is able to attract individuals who are knowledgeable about local regulations and the auditing firms and how they operate. This makes filings and other disclosure requirements significantly easier. Unlike the technical and financial teams, the chartering team has grown relatively little. At present it stands at 4 members of staff, and that too the same 4 individuals since PSL's IPO.

Retention in both departments is again very high, and overall PSL has only seen 5 individuals leave the company since it's IPO. Furthermore, owing to the policy of staffing former seafarers, the company has an even split of 50/50 between Thai and Indian nationals employed.

## *Alliances and Partnerships*

Owning to PSL's humble origins and success it has developed a wide range of relationships with a whole host of brokers, banks and charterers. However, as PSL is a publicly listed company it shows no favouritism toward any particular organisation and with regards to finances, broking and insurances has maintained an open door policy. On the brokerage side PSL has in the past worked with several notable organisations for both sale and purchase and chartering. These names include Clarksons, Aries Shipbroking and several others. Like PSL Pacific Basin, and Genco are also public companies and have similar policies regarding counter parties.

## *Long-term Clients: UltraTech*

In 1999 PSL established a commercial relationship with UltraTech cement which was then a subsidiary of a company called Larsen and Toubro what operated in India. The Fujisan Maru was chartered under a long-term basis and continues to this day to be employed by UltraTech carrying cement along the Indian cost. Additionally, 4 new cement carriers on order in China will enter service with UltraTech over the next few years. The relationship with UltraTech fits with PSL's stated strategy of reducing risk, as these vessels are all under long-term charter with a blue chip company. And since the relationship was established in 1999 both companies continue to engage in commercial activity, not only in the cement trade but the drybulk side also. From presentations found on Genco's investor relations website, one can draw the conclusion that the company has relations with several big name charters such as Cargill and Pacific Basin. Pacific Basin could not be reached for comment.

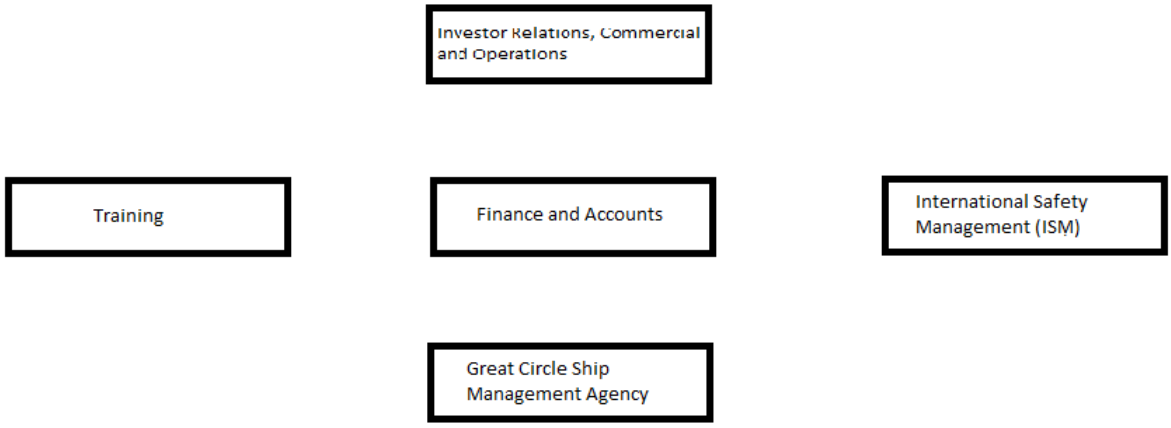
## *Banks*

DnB Nor was one of the first banks to lend to PSL in the late 1980's and has continued to be a source of finance for vessel acquisition. Furthermore, there are a number of regional and local banks that have lent to PSL over the years, most notably Kasikorn Bank and KTB who started lending in the early 2000's.

Using ThompsonOne Banker it can be revealed that Pacific Basin has a long standing relationship with Goldman Sachs, and has worked with several other investment banks in the past such as UBS and HSBC. Owing to Peter C. Georgiopoulos' finance background and the fact that Genco is based in New York the company has strong relationships with Morgan Stanley, JP Morgan, Dalhman Rose, Jefferies and Oaktree Capital.

## *Culture*

PSL has long maintained a highly centralised style of operations, with all management taking place at the head (only office) in Bangkok, Thailand. Similarly, Genco has also mandated that all decisions and operations be undertaken from their head office in New York. On the other hand, Pacific Basin has a highly decentralised policy with offices in 17 different countries. It is unclear how decisions are taken, but the rationale behind this strategic shift was to be closer to clients.




The investor relations department is run by the managing director and he is solely responsible for all investor relations, and report writing. The finance and accounts department manages all money generated by the commercial and operations departments, while Great Circle is largely responsible for spending the operational expenses of the fleet. Vessel acquisition decisions are taken by all 4 executive directors, and the following criteria is used.

1. Is the funding for the acquisition either in the form of debt or cash
2. Is the vessel fit for management and devoid of any technical issues
3. Can the vessel earn enough on the market to cover operating expenses and capital costs

Ultimately the decision to buy a ship is taken as a group decision only so that the rest of the directors understand why this is being done so that the knowledge becomes part of the culture and the succession planning within the company.

Competitive intelligence is a function under taken by all departments as each has interactions with various counter parts in the industry. While the managing director and financial director deal with banks and fund raising, the commercial director communicates with clients and the technical director is communicating with crew, officers and suppliers. Information is shared across all sectors

of the company. From conversations with Genco's investor relations team one can gather that competitive intelligence is treated in the same way as PSL. However, given that Genco use ship managers the information flow on the technical issues may not be as accurate as it would be if the technical manager was in house. This is down to the fact that the external manager may not wish to disclose certain facts as it may compromise the relationship. Pacific Basin could not be reached for comment.

| | Jaipal Mansukani | Khushroo Kali Wadia | Munir Hashim | Khalid Hashim |
|---|---|---|---|---|
| **Occupation** | Director (Technical) and Executive Director Precious Shipping Public Company Limited 1993-Present | Director (Finance) and Executive Director, Precious Shipping Public Company Limited 1999-Present | Director (Commercial) and Executive Director, Precious Shipping Public Company Limited | Managing and Executive Director, Precious Shipping Public Company Limited |
| **Age** | 62 | 49 years | 57 years | 59 years |
| **Tenure** | 20 years | 14 years | 22 years | 22 years |
| **Nationality** | Indian | Indian | Indian | Singaporean |
| **Previous Experience** | Technical Manager, Great Circle Shipping Agency Limited 1998-2001 | Director (Finance & Accounts), Maxwin Group of Companies 1994-1999 | Head of Operations, Geepee Corporation Limited 1986-1991 | Head of Shipping Department, Geepee Corporation Limited 1984-1991 |
| | Deputy Engineer Superintendent, Scindia Steam Navigation Limited 1985-1987 | Vice President (Finance & Administration), Suretex Limited 1997-1998 | Head of Commercial Operations, Maldives Shipping Limited 1981-1985 | Senior Executive, Pan Ocean Navigation & Trading Pte. Ltd 1979-1983 |
| | Assistant Engineer Superintendent, Scindia Steam Navigation Limited 1981-1984 | Financial Controller, Maxwin Group of Companies 1994 - 1999 | - | - |
| | Chief Engineer, Scindia Steam Navigation Limited 1977-1981 | Assistant Manager, A.F. Ferguson & Co. 1988 - 1990 | - | - |
| | Marine Engineer, Scindia Steam Navigation Limited 1971-1976 | - | - | - |
| **Committee Membership** | Member, Regional Committee, Nippon Kaiji Kyokai | - | Director, UK Defence Club, U.K | Deputy Chairman of the Board of Directors, The Swedish Club, Sweden. |
| | Member Regional Technical Committee, American Bureau of Shipping | - | - | Regional Committee Member, American Bureau of Shipping |
| | Member Regional Committee, LLoyds Register of Shipping | - | - | Austral-Asia Regional Committee Member, Bureau Veritas |
| | Member, Regional Technical Committee, Bureau Veritas | - | - | - |
| **Gender** | Male | Male | Male | Male |
| **Education** | Directorate of Marine Engineering Training, 1967-1971 | Bachelor's Degree in Science from University of Bombay, Chartered Accountant from Institute of Chartered Accountants of India | Master's Degree in Management Studies specializing in Marketing from the University of Bombay | Master's Degree in Management Studies specializing in Finance from the University of Bombay |

As a proxy for culture 3 out of the 4 executive directors are Indian with 1 director being Singaporean. Both nationalities share a great deal in common culturally and historically. Furthermore, 3 out of the 4 directors have been with the company more or less since inception, save for the finance director who joined in 2009. This has led to the creation of a highly cohesive management team with a shared experience of having overcome multiple market down turns such as 2008 and the Asian Financial Crisis.

Furthermore, all directs possess a master's degree or equivalent from highly reputable institutions. From this it can be observed that culturally and educationally all executive directors are very similar and share a substantial history (see history) and have worked with each other for 20 years or more.

Similarly, Genco have had the same management team in place since their IPO, all of whom have extensive experience in the shipping industry. For example, Robert Gerald Buchanan (President of Genco Shipping and Trading) is a managing director of Wallem Shipmanagement. It is worth noting that Wallem are used as external managers by Genco. Furthermore, the CFO John C. Wobensmith has extensive experience in the ship finance field having worked at American Marine Advisors, Inc., and other financial institutions. And lastly, Genco's principal Peter C. Georgiopoulos has had extensive experience in both the shipping and investment banking world having been employed at Drexel Burnham Lambert. Furthermore, he has also acted as a sale and purchase broker for multiple shipowners prior to founding Genco. Like PSL all senior directors have a master's degree or equivalent and share a common nationality and ethnicity.

Pacific Basin also employ highly qualified individuals with extensive shipping experience. For example the CEO, Mats H. Berglund, has an MBA from a highly reputed institution in Sweden and has held senior positions in Stena Lines both in Sweden and the USA. However, unlike Genco and PSL there appears to be a great deal of turn in management.

PSL's CEO has been the shipping press on multiple occasions, and has often been described as a highly capable and knowledgeable individual. Additionally, in 2012 he was awarded a life-time achievement award from SeaTrade for his work at PSL.

## *Corporate Governance*

The company has a board of directors consisting of the 4 executive directors listed above and 3 directors from the Shah family and 5 independent members. PSL's independent board members sit and chair the Nomination Committee, Remuneration Committee, and The Audit & Corporate Governance Committee. Each committee meets between 6-8 times per year and each independent director can serve a maximum of 2 years on each committee.

PSL has maintained the highest standards of corporate governance since going public in 1993, has strived to remain as transparent as possible and has received several wards locally for it's efforts in remaining transparent and shareholder friendly. Furthermore the company has several internal mechanisms that go above and beyond what is required by the Thai regulatory authorise. These include internal share purchase freezes instituted 3 days before any announcement is made to the stock exchange, and an active declaration policy whereby any purchases need to be reported to the finance and accounts teams.

An element that needs consideration is the fact that of the 12 members who have up the board of directors, 3 are from the Shah family. And given the proportion of shares held by the family it may raise concerns that policy may be dictated at the board level and not management. Using dividends as a proxy for influence over management one would expect that dividends paid would be counterproductive to the stated strategy if the family had a high degree of influence over management. However, from looking at PSL's dividend policy one can conclude that the Shah family act as directors and do not influence managerial decisions.

Since 2004 PSL has encouraged shareholders to take part in company affairs, and a prime example of this is setting the following year's dividend policy at the company's AGM. This is a practice that has been around since 2004. Another aspect of PSL's corporate governance policy is the one-share-one vote policy and ensuring that as many shareholders attend and vote at the AGM. Furthermore, the investor relations department is headed by the CEO who personally responds to all emails

## *Corporate Social Responsibility*

PSL has long held that Corporate Social Responsibility is a fundamental tenant of success, and as such as actively engaged the local seafaring community via contributions to maritime academies, assisting seafarers get bank accounts and mortgages. More specifically, in 2012 when Thai land was hit by severe flooding, PSL contributed a substantial amount toward the flood relief effort.

## *Concluding Remarks: Internal Environment*

Owing to its humble origins PSL has developed an internal culture dedicated to providing positive returns to shareholders, good corporate governance and developing stable relationships with a variety of counterparties. Furthermore, since IPO PSL has gone on to attract a wide range of shareholders from small local investors to well established institutions owing to its steady positive returns to shareholders. Another interesting aspect of the company is its organisational culture. PSL's senior management all have a master's degree or equivalent and have been working together for a significant amount of time. Furthermore, there are also synergies on the operations and technical teams with several former seafarers holding positions. These internal synergies have allowed PSL to run a very lean and cohesive operation. And lastly, PSL has maintained a high standard of corporate governance.

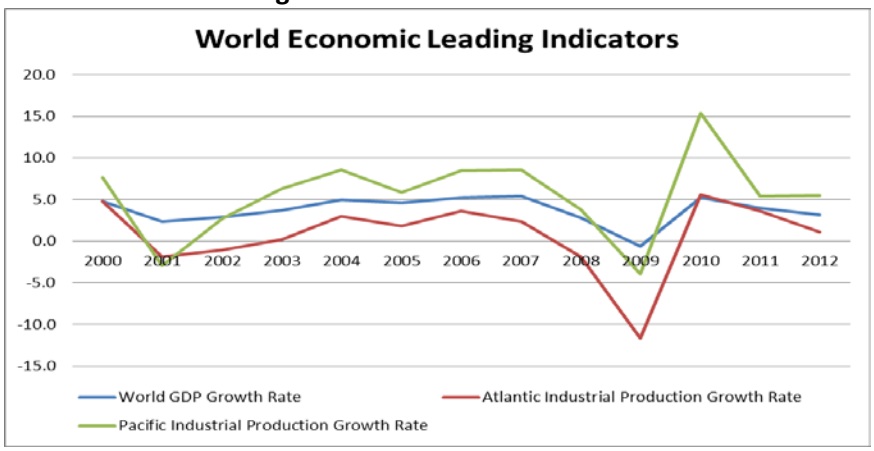
# External Environment

## Demand Fundamentals

Over the last decade world economic expansion has been tremendous, in 2012 world GDP was at $83 trillion, up more than $40 trillion since 2000. The rise is partly attributed to the economic progress of the BRIC nations, Brazil, Russia, China and India, but primarily China. For example, from 2000-2012 China was averaging GDP growth of 11%, while the US was averaging a growth rate of 2% over the same period. Additionally, in December 2001 China joined the WTO, reducing trade barriers which resulted in the opportunity for a significant amount of manufacturing to relocate to a lower cost country. The significant difference between China, the US and EU is that the later are already mature economies, while China is industrialising. It is a combination of joining the WTO and rapid economic growth that have been the causes for the increase in demand for raw materials which in turn drives the demand for shipping. Therefore, the demand for shipping is a derive demand. Chinese demand for iron-ore is a classic example, China has substantial reserves of iron-ore, but the FE content of this ore is very low and inefficient for steel making. However, Brazil and Australia excess amounts of iron-ore with high levels of FE and export these goods to markets where there is a demand, in this example from countries like China. The only way for iron-ore to get to China is by sea, hence the demand for shipping. The same can be said about other cargo such as grains, and other bulk cargo. Furthermore, it is this dispersion between supply and the demand for a particular good that determines the trade flow and the type of cargo will go on to affect the type of vessel employed.

Another factor to consider is that as the BRIC economies go on to create more wealth there will be a change in tastes and preferences regarding consumer goods and food sources. This is particularly relevant in developing economics where individuals are growing in affluence and began to move towards a more meat dominated diet. For meats like chicken the conversion factor is 2.4 kg of grain for 1 kg of meant, and for red meats such as beef the conversion factor is as high as 6 kg. These factors combined lead to a substantial increase in grain demand, which in turn increase the demand for grain cargo carried by sea.

**Figure 11 Economic Indicators**




Source: Clarksons Research Services

The above charts world GDP growth rate and industrial production broken down by region for the past 12 years. It is worth noting that post China joining the WTO in December 2001, the Pacific region has consistently outperformed the Atlantic in terms of industrial production and that the fall out caused by the Financial Crisis of 2008 had less of an impact on the Pacific region than it did on the Atlantic. More importantly with regards to shipping this has significant strategic importance as this industrialisation determines the direction of trade flows and volumes of cargo. This has strategic implications as to how a shipping company positions itself in this environment regarding size segment, geographic region and clientele.

Thus the drivers for shipping demand can be summed up as follows

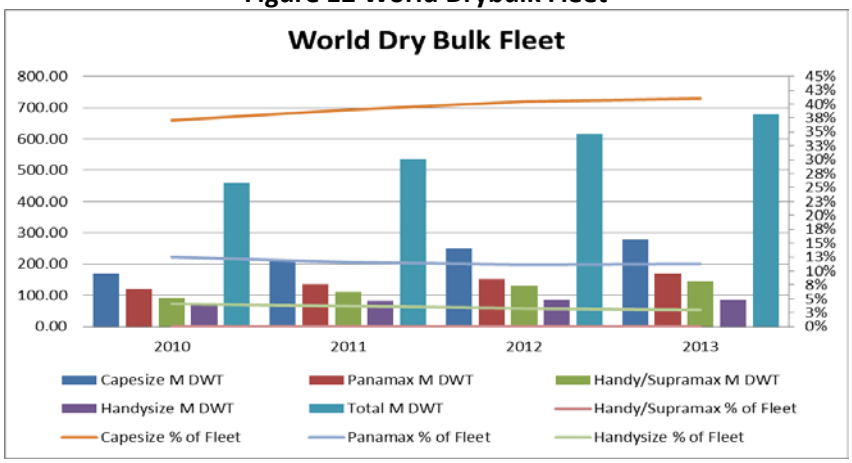
- World population is increasing and we are now 7 Billion people
- More wealth has been created in the last 2 decades than ever before as measured by the number of millionaires
- Eating habits have changed from a vegetarian diet to a more meat oriented diet requiring much more grain to be transported
- Urbanization is growing by leaps and bounds. In 1950 it was 29.1% by 2000 it had leaped to 47.1% or 2.9B people, and by 2010 was in excess of 51% or 3.5B people!
- Infrastructure development is continuing. In the GCC countries they are spending USD 2.4T on Infrastructure and Urbanization
- Infrastructure in the developed world is old and dilapidated and needs to be fully over-hauled and revamped
- Concerted world-wide Government stimulus plans in $ Trillions

## *Supply Fundamentals*

The supply of shipping in the short-term is determined by the fleet that is currently on the water, the efficiency of the fleet, and the market for scrap steel. And in the long-term supply is influenced by technological developments, the ability of yards to build vessels and the amount of ships on order.

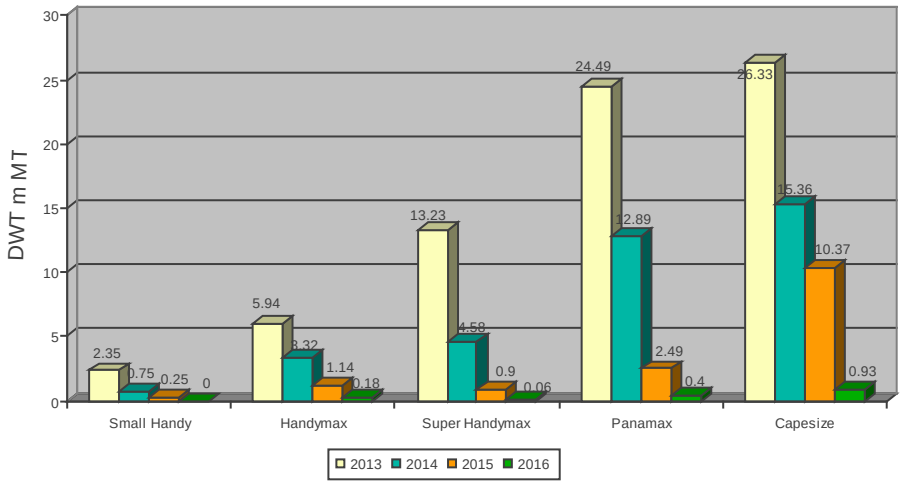
Currently the world fleet stands at 680 million DWT, an increase of 48% since 2010. As seen the Capsesize has been the real driver behind the surge in tonnage, with the Handymax/Supramax vessels also contributing to a lesser degree. On the other hand, the Handysize sector has been relatively stable.

**Figure 12 World Drybulk Fleet**




Source: Clarksons Research Services

**Figure 13 World Orderbook**




Source: Clarksons Research Services

The above displays the orderbook and therefore the amount of tonnage coming on stream till 2016. The capsize looks set for severe oversupply and with an average age of just 7 years, there is little slack in the form of scrapping. However, the same cannot be said about the smaller segments such as the smaller segments where the average age ranges from 14 years in the handysize segments to 10 years in the Panamax segment. In response to the surge in demand form shipownwers for assets, ship yards expanded aggressively and took orders even though they did not have the physical capability to build ships.

Thus the supply fundamentals can be summarized as follows

- Current fleet and productivity will continue to increase
- Yards have cut prices to simulate orders
- Yards are pushing news ‘eco’ designs that are as yet unproven

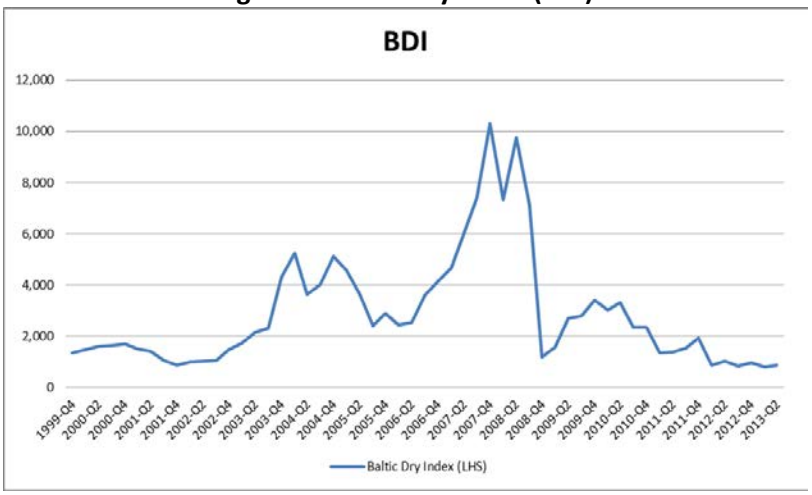
- Scrap prices have remained relatively firm encouraging massive scrapping
- Slippage continues to have an impact by slowing the arrival of new ships.

The phenomena of chronic over supply is a classical theme in shipping literature, and what will now follow is an analysis of size segments in which PSL operates focusing on the freight market, second-hand market newbuilding market and demolition market in the handysize and supramax sectors.

## *Freight Market, Pricing and Market Share*

The shipping industry is characterised by high degrees of volatility with respect to asset values and earnings, cut-throat competition and is prone spectacular booms and busts. The noted economist Martin Stopford has counted more than 50 cycles since the industrial revolution. The most recent cycle started approximately in 2003 owing to the aforementioned demand drivers and ended with a sharp fall in Q1 of 2009 post Lehman Brothers. There was a mild recovery 2009-2010 due to China's steel intensive USD 156 billion stimulus package, thereafter however, rates were back to low levels previously seen in 1999. Since the global economic meltdown which began in 2008, shipping markets have witnessed declining asset values and high profile bankruptcies, most recently that of STX Pan Ocean.

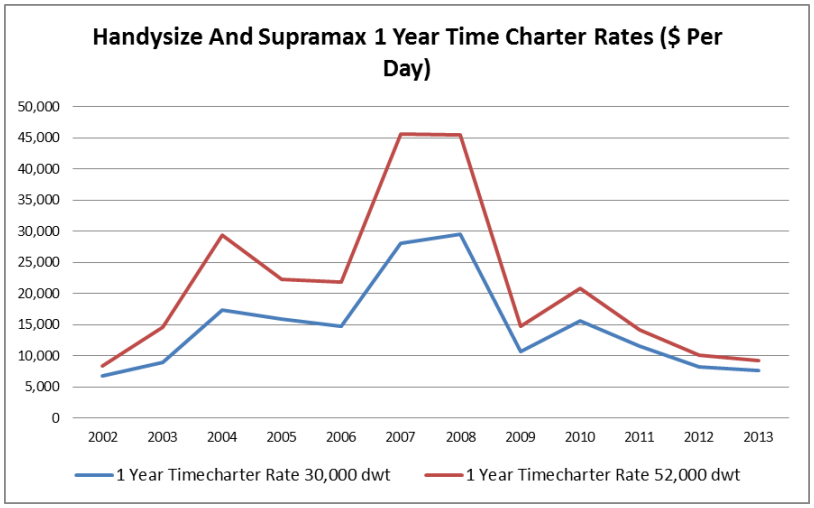
**Figure 14 Baltic Dry Index (BDI)**




Source: Clarksons Research Services

The above graph depicts the Baltic Dry Index (BDI) as a measure of freight market activity. From the peak in 2007 to the bottom in 2009 the BDI fell more than 90% over the span of a few months. Additionally the standard deviation in the index was 2219 over the period. When considering that in Q1 2013 the BDI averaged 796, such volatility is substantial. A similar pattern can be seen in 1 year time charter rates for both Handyszie and Supramax vessels in the graph below.

**Figure 15 Time Charter Rates**




Source: Clarksons Research Services

Fundamentally, the freight market is the source of revenue into the industry and acts as regular for supply and demand. What was observed between 2003-2008 was a period where trade volume was greater than fleet capacity, which drove rates upward. But as supply started to increase demand declined due to the onset of the financial crisis resulting in falling rates. Looking at the freight market in this light highlights how pricing formed in the industry.

Theortically (Stopford) shipping is described as a perfectly competitive market with shipowners, charterers and other end users of tonnage taking the price set by the forces of supply and demand. Here supply is defined as the total carrying capacity of the fleet, while demand is drived from world economic activity and the dispersion of cargo from points of consumption. The criteria for perfect competition is outlined in the table below.

| Assumptions | Perfect Competition | Shipping |
|---|---|---|
| Infinite buyers and sellers | X | X |
| Zero entry and exit barriers | X | |
| Perfect factor mobility | X | |
| Perfect information | X | X |
| Zero transaction costs | X | |
| Profit maximization | X | X |
| Homogenous products | X | X |
| Non-increasing returns to scale | X | X |
| Property rights | X | X |

Entry and exit in shipping is a costly affair given the volatility associated with asset values. However, one also has to factor in the avaliablility of finance of vessel acquisitions. In good markets, as seen in 2003-2008, a great deal of new players entered the market due to easy money policies of banks. This increase in credit not only spurred established owners to acquire vessels at inflated prices, but new entrants also. Furthermore, ship owners do not require in-house staff to manage commerical

and technical operations of vessels given these functions can be easily outsourced to ship management companies such as Wallem and Anglo Eastern. Secondly, while shipping assets are floating and can be reflagged relatively quickly, assets are not perfectly mobile. The threat of arrest arising of commercial disputes, piracy and the possibility of total loss limit the mobility of assets. And lastly, in shipping there are costs of doing business such as brokerage commisions on fixtures and sales of vessels. Thus when considering that the perfect competition assumptions are designed for a "perfect world" shipping comes exceptionally close.

As a quantitaive measure of the competitiveness of both the handyszie and supramax sctors the Herfindahl index was calculated for capacity based on the top 10 and 20 owners, share of world cargo trade volumes and total tonnage of two key clients of PSL.

**Table 4 Handysize And Supramax Herfindahl Indicies**

| HHI | Handysize | Supramax |
|---|---|---|
| Top 10 By Capacity | 0.166 | 0.207 |
| Top 20 By Capacity | 0.403 | 0.416 |
| Top 10 By Capacity-Normalized | 0.073 | 0.119 |
| Top 20 By Capacity-Normalized | 0.372 | 0.385 |
| By Bauxite Trade Volume | 0.00 | 0.000 |
| By Grain Trade Volume | 0.00 | 0.000 |
| By Steel Products Trade Volume | 0.00 | 0.000 |
| By Forest Products Products Trade Volume | 0.00 | 0.000 |
| By Share of Cargill Trade Volume | 0.043 | 0.000 |
| By Share of Oldendorff Trade Volume | 0.000 | 0.142 |

Source: Data from Clarksons Research Services, Calculations Done In MS Excel

In both segments the top 10 owners have moderate concentration based purely on capacity, with the Supramax sector slightly higher. Furthermore, when the HHI for the top 10 owners is normalized, the concentration is significantly lower. However, when the top 20 owners by capacity is considered the degree of concentration increases in both the Handysize and Supramax sectors. Interestingly, the HHI is similar for both segments, even after it is normalized. This indicates that the top 20 owners in both markets make up a significant proportion of total capacity. This indicates a fairly competitive industry, with no owner large enough to manipulate the market. Interestingly, when cargo volumes are considered, concentration is close to zero suggesting a very competitive market. Looking at the two charterers provided concentration is almost always close to zero or very low, again indicating high degrees of competition. This supports the theoretical view that shipping is highly, if not perfectly, competitive. As another measure of competitiveness the market share by DWT was calculated for both segments.

**Table 5 Top 10 Handysize Owners**

| Top 10 | Total DWT Capacity | DWT Capacity % of Total Fleet | Number of Vessels | Average Age |
|---|---|---|---|---|
| China Shipping Group | 1,816,876 | 5.84% | 59 | 21.88 |
| Pacific Basin Shpg. | 1,568,753 | 5.05% | 51 | 8.04 |
| COSCO Group | 1,515,631 | 4.88% | 50 | 17.78 |
| Polish Steamship Co. | 1,473,445 | 4.74% | 49 | 7.53 |
| Daiichi Chuo | 1,186,233 | 3.82% | 38 | 3.48 |
| Fednav Ltd | 1,137,272 | 3.66% | 32 | 9.89 |
| Sinotrans & CSC | 1,096,148 | 3.53% | 38 | 8.6 |
| Vinalines | 1,008,179 | 3.24% | 44 | 15.5 |
| Mitsui O.S.K. Lines | 953,005 | 3.07% | 34 | 9.31 |
| Shih Wei Navigation | 906,183 | 2.91% | 35 | 4.65 |
| SUM | 12,661,725 | 40.73% | 430 | |
| AVG | 1,266,173 | 4.07% | 43 | 11 |
| PSL #13 | 850,190 | 2.73% | 31 | 12.7 |

Source: Clarksons Research Services

Based on the above it is clear that the top 10 Handysize owners collectively control a significant proportion of the world fleet (40%) based on DWT. However, on average the top 10 owners control just over 4% of world capacity, and on an individual basis no owner controls more than 6%. Precious Shipping owns 850,190 DWT, equivalent to 2.84% of the world fleet. Thus in this segment, no one owner can maipulate capacity in order to influence price. This is in line with the theory of perfect competition outlined above. Below is a summary of the Supramax sector, where the same relationship holds. The only difference being that the market shares are slightly different.

**Table 6 Top 10 Supramax Owners**

| Top 10 | Total DWT Capacity | DWT Capacity % of Total Fleet | Number of Vessels | Average Age |
|---|---|---|---|---|
| COSCO Group | 5,415,369 | 9.57% | 109 | 13.97 |
| Nippon Yusen Kaisha | 4,152,853 | 7.34% | 80 | 5.99 |
| China Shipping Group | 3,329,650 | 5.88% | 62 | 5.3 |
| Eagle Bulk Shpg. | 2,507,640 | 4.43% | 46 | 5.97 |
| K-Line | 2,180,621 | 3.85% | 40 | 6.96 |
| Gearbulk Ltd. | 1,684,537 | 2.98% | 35 | 19.22 |
| Sinotrans & CSC | 1,723,592 | 3.04% | 34 | 7.87 |
| Mitsui O.S.K. Lines | 1,694,470 | 2.99% | 33 | 7.63 |
| Soroush Sarzamin | 1,481,248 | 2.62% | 31 | 16.16 |
| Jinhui Shpg. & Trans | 1,570,344 | 2.77% | 29 | 6.8 |
| SUM | 25,740,324 | 45.47% | 499 | |
| AVG | 2,574,032 | 4.55% | 50 | 10 |
| PSL | 447,532 | 0.79% | 8 | 1.625 |

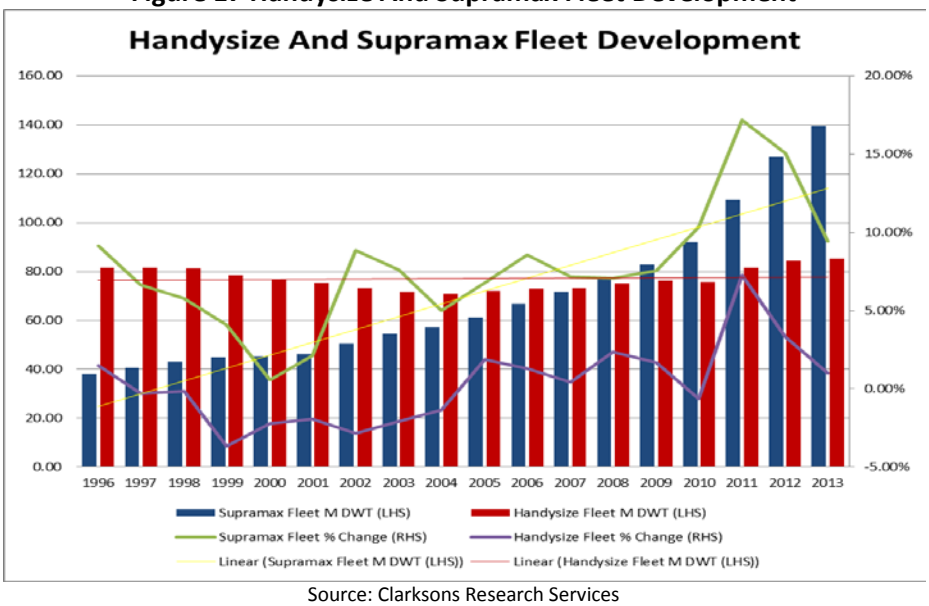
Source: Clarksons Research Services

it may be tempting to argue that a collusive ring can be formed by these owners, history has shown that collusion works best when members are few in number. Additionally, these are just the top ten owners, the remaing 40 owners control 60% (Handysize) and 55% (Supramax) of the world fleet,

thereby negating any potential for price collusion. A potential drawback of the above is that it is based on publically avaliable information and does not take into account the owners who are private. And lastly, looking at the average ages of some fleets raisis the question: Why would customers accept a price cartel formed by the top 3 when the average age is 16 years in the Handysize sector and ? In other words in order for a price cartel to be formed it needs to consist of enough tonnage and that too mondern and fuel efficient.

## *Second-hand And Newbuilding Markets*

**Figure 17 Handysize And Supramax Fleet Development**

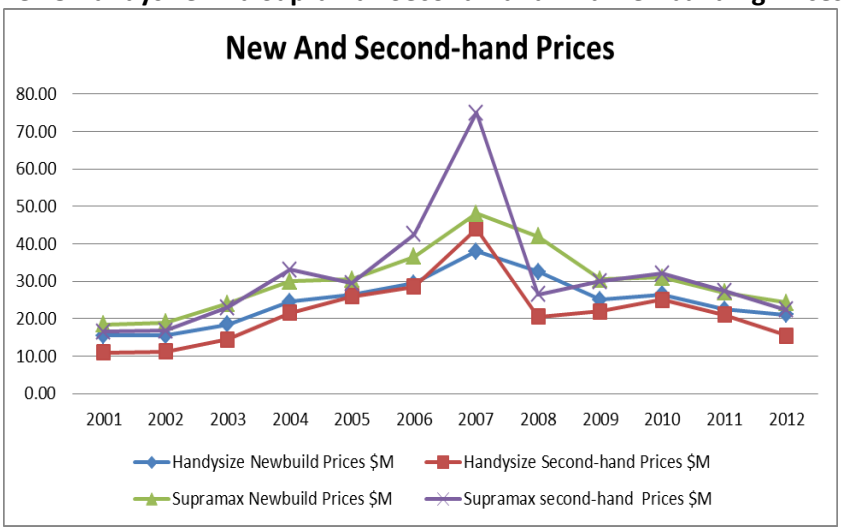



Source: Clarksons Research Services

The above figure tells a very interesting story about both the Handysize and Supramax segments. Firstly, from 1996-2007 the Handysize segment was larger than the Supramax by an average amount of 24.11 million DWT. Just as an illustrative figure in 1996 the Handysize fleet was roughly 2 times the size of the Supramax fleet, but in 2007 it was just 2 million DWT larger. This is the first significant trend: the progressive increase in the Supramax fleet while the Handysize fleet has stagnated around the 80 million DWT mark. This trend is demonstrated by the trend lines in Figure 17.

The reason for this trend is that previously ports where Handysize vessels used to call at had a draft of about 9.5 meters, but as ship designs improved and the economic benefits of larger ships were realized, ships became larger but shallower and ports increased their drafts where practical. Take PSL for example, in 1987 it's vessels had an approximate draft of at 9.5 meters and average DWT of 16,000, but 25 years later the average size is 32,000 DWT with the draft more or less unchanged. It is likely that in another 25 years the draft will be slightly deeper but with the average size of vessels calling at such ports being in the 55,000 DWT range.

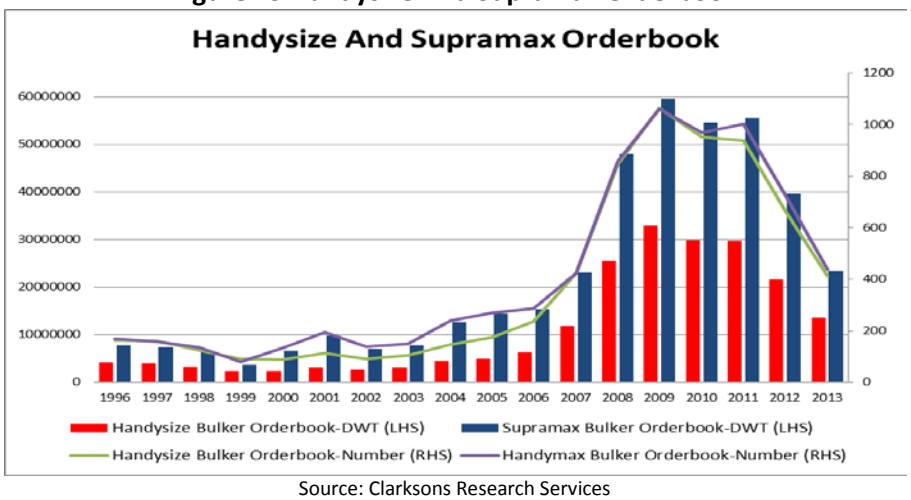
**Figure 18 Handysize And Supramax Second-hand And Newbuilding Prices ($)**




Source: Clarksons Research Services

Interestingly, second-hand price and newbuild prices for both the Handysize and Supramax vessels follow a similar pattern to that of the BDI. One possible explanation is that vessels were trading at prices determined by the law of one price which states that prices reflect all possible future income. This is further in line with the theory of perfectly competitive markets. However, where theory fails in practice is in 2009 after the crash prices did not reflect the earnings environment. This was in part due to owners having acquired assets at peak prices and were unwilling to sell them at a loss, and were hoping for a revival in the charter market. Furthermore, academic literature by Nikos Nomikos, Costas T Grammenos and others have noted that second-hand prices are subject to periods of inefficiency during bubbles. This is in part due to periods of excess bank financing. Furthermore, there are periods where second-hand prices exceed that of newbuild prices in both markets. Such periods of backwardation were not common prior to this cycle, which only further reaffirms that during boom periods asset values can move significantly away from efficient prices. The average price for second-hand Handysize and Supramax vessels during the period was $14m and $31m, while average newbuilding prices for the same period were $19m and $26m respectively. However, the rate of change in prices has fluctuated between -100% to 57%. This huge swing indicates that volatility in earnings directly filters through to assets.

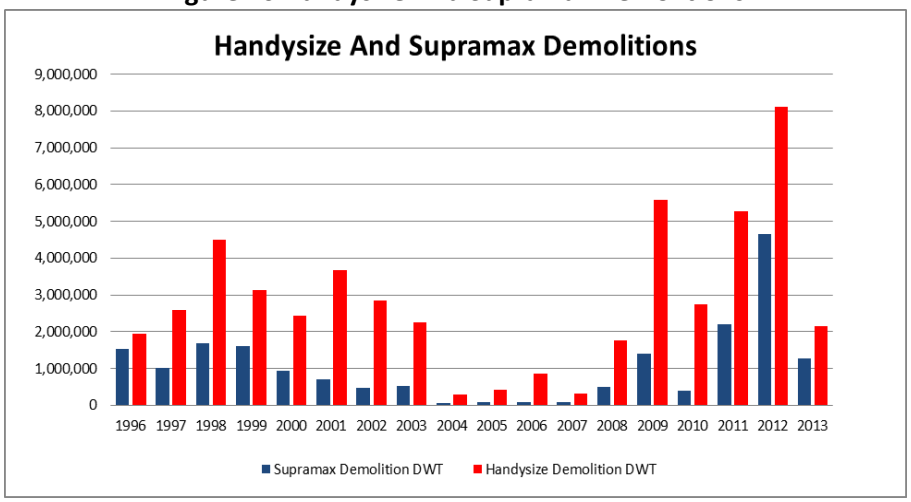
**Figure 19 Handysize And Supramax Orderbook**




Source: Clarksons Research Services

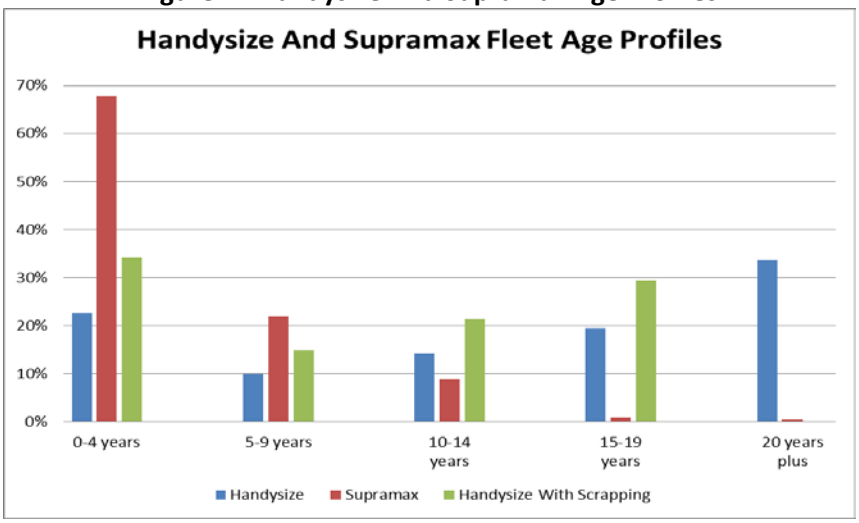
Considering the trend explained in Figure 17, the increase in the Supramax orderbook in DWT terms relative to the Handysize orderbook partly explains the trend explained in the previous graph. From 1996-2007 the Supramax orderbook grew by 23,169,527 DWT averaging a Year-on-Year (Y-o-Y change of 0%. On the other hand, over the same period approximately 11 million DWT was added to the Handysize sector, averaging a -4% Y-o-Y change. Prior to 1999 Handysize and Supramax numbers remained at similar levels, but post 2000 Supramax orders exceeding Handysize. This trend reverted from 2007 onwards but again remerged in 2009. One plausible explanation for this is that in the 1990's there was a progression toward larger ships, and from a yard perspective it was more lucrative to build larger ships than the small Handysizes. However, during the boom years there was a mass emergence of new yards in China with virtually no experience building ships and began taking orders for Handysizes due to their lower complexity.

**Figure 20 Handysize And Supramax Demolitions**




Source: Clarksons Research Services

**Figure 21 Handysize And Supramax Age Profiles**



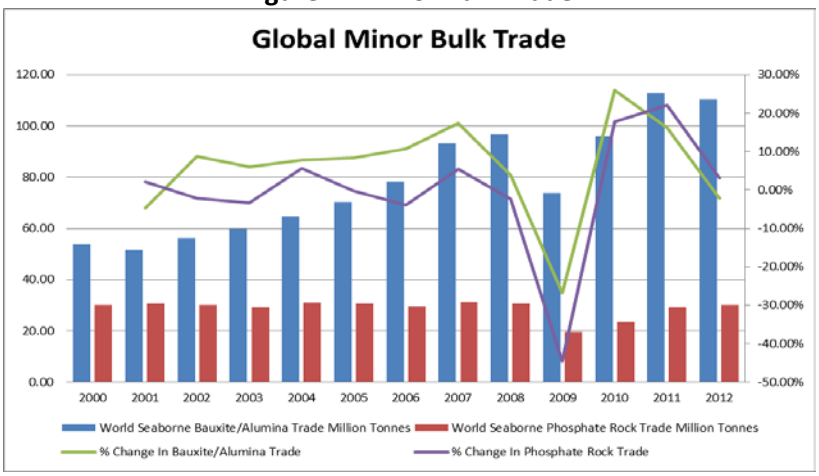

Source: Clarksons Research Services

From the Figure 21 it can be concluded that scrapping in the Handysize sector is significantly more pronounced than the Supramax sector, even during the peak years of 2000-2008. Demolitions hit a high in 2012 of 8m DWT in the Handysize sector and 4m DWT in the Supramax sector. However, on average scrapping in the Supramax sector was 4% over the period while scrapping was 0% in the Handysize sector. Based Figure 21 it is clear that at present (baring no new orders) the Handysize fleet is very old fleet, with 35% of the fleet older than 20 years of age. However, the opposite holds true for the Supramax fleet where close to 70% of the fleet is less than five years of age. This is largely due to this segment being relatively new compared to the Handysize and is still undergoing evolution with the recent development of Ultramax (63-64K DWT) vessels joining the world fleet. If one assumes that all vessels over the age of 20 years are scrapped the distribution changes such that the majority of the fleet is under the age of 5. This indicates that the Handysize sector is better equipped to accommodate a surge in capacity should there be another boom in the shipping markets, whereas the Supramax sector would suffer as there is no slack in the form of scrapping to regulate the supply side of the equation.

The ships in these respective size categories carry a wide variety of cargo. These cargos move in parcel sizes that are too small to fill a larger bulker such as a Capesize or Panamax to benefit from economies of scale and are simply too large to move in containers as benefits are lost due to loading and discharging complications. It is for this reason why noted Sale and Purchase (S&P) broker Henry Mytton-Mills of Aries Shipbroking has famously stated that the Handysize and Supramax vessels are the “work horse of the shipping industry”. Examples of such cargo are grains, specialist ores, forest products, steel and agricultural and fertilizer products.

## *Cargo Developments*

**Figure 22 Minor Bulk Trade**




Source: Clarksons Research Services

The above displays trade volumes of two minor bulk cargos from 2000-2012 carried primarily in Handysize vessels. Bauxite is the primary input for the manufacture of aluminium. The demand for aluminium is a derived demand stemming from the rapidly industrialising nations of the world particularly China. Therefore, the demand for bauxite is derived from the demand for aluminium.

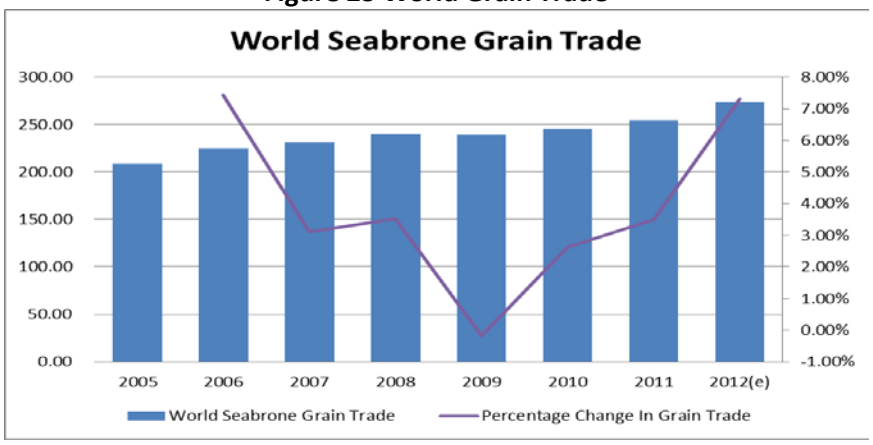
Over the period the trade in Bauxite/Alumina has increase substantially over the period, averaging a Y-o-Y change of 6%, and looking at the rate of change between 2000-2012 the increase is more than 100%. The sharp decline of 27% in 2009 is not surprising given deteriorating economic conditions at the time. Similarly, when conditions improved in 2009 trade increased by 26%, and continued its upward trajectory, reaching a peak of 112.88 million tonnes in 2011.

On the other hand, phosphate rock has not seen the rapid increase that bauxite/alumina has, but rather trade volumes have stagnated around 30 million tonnes. Likewise, there was a rapid decline in 2009, but greater in magnitude (50% decline). Like bauxite, phosphate rock is used in industrial production, primarily in production of fertilizers, and as such the demand for phosphate rock is derived from the demand for end products which in turn is derived from the agricultural sector. Over the period the average Y-o-Y change was -0.02%, with a maximum trade volume of 31.31m tonnes in 2007. A plausible explanation for the stagnation of this cargo could be the recent vertical integration that phosphate mines have undertaken in order to add more value to their product by converting phosphate rock into phosphoric acid. In addition to the minor bulks, the Handysize and Supramax also carry grain, coal and steel cargo.

Grain cargos also comprise a large segment of activity for these ships, particularly the Handysize. The main reasons for this is threefold: 1) trade flows are heavily export dominated with cargo moving from points of production in the United States, Western Europe, Russia, South America and Australia to points of consumption in Asia and the Far East, primarily China, and Africa. In the majority of cases the ports in these regions are not capable of taking larger vessels, 2) the cargo handling facilities at such export ports is often limited requiring vessels with cranes and grabs such

as the Handysize and Supramax, 3) the quantities being imported, (parcel sizes) particularly in the case of African countries, is not very large and as such using smaller vessels is the logical choice

**Figure 23 World Grain Trade**




Source: Clarksons Research Services

The above figure displays the volume of grain traded by sea from 2000-2012. The first aspect of the graph that is most obvious is the upward trajectory of trade. From 2000-2012 the average amount was 240m tonnes, and the average Y-o-Y change over the period was 3%. The figures appear relatively low compared to bauxite/alumina. From 2008-2009 there was almost no change in trade volumes indicating 0% growth in trade volume. However, thereafter trade continued it's upward trajectory. Part of the reason for almost no change from 2008-2009, despite economic conditions, is due to the fact that the demand for grain is inelastic as it is a food source for humans and animals. However, there are developments with this cargo that could have severe implications for cargo carriers.

The US has long been one of the largest exporters of grain, but the recent push to convert crop land for biofuel use has seen a reduction the export volumes. Another development is the impact that the growing demand for biofuels will have on the grain trade. The US has long been one of the largest exporters of grain, but the recent push to convert crop land for biofuel use has seen a reduction the export volumes. For example in 2000 the US exported 84 million tonnes of grain, whereas in 2012 it only exported 54 million tonnes. Additionally, with rapid industrialisation comes environmental impact that may affect the grain trade going forward.

**Table 7 Top Coal Exporters**

| *Exporter…* | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012€ | 2013(f) |
|---|---|---|---|---|---|---|---|---|---|
| **Australia** | 233 | 236 | 250 | 261 | 273 | 300 | 279 | 315 | 340 |
| **South Africa** | 72 | 68 | 67 | 68 | 67 | 70 | 69 | 75 | 80 |
| **Indonesia** | 129 | 175 | 189 | 200 | 233 | 291 | 323 | 347 | 370 |
| **Columbia** | 55 | 58 | 65 | 69 | 63 | 69 | 76 | 79 | 81 |
| **Venezuela** | 8 | 8 | 8 | 6 | 3 | 4 | 4 | 3 | 3 |
| **US (exc. Canada)** | 27 | 27 | 40 | 51 | 43 | 61 | 91 | 107 | 104 |
| **Canada** | 26 | 26 | 30 | 31 | 26 | 32 | 32 | 34 | 32 |
| **China** | 66 | 58 | 48 | 39 | 19 | 15 | 10 | 6 | 4 |
| **Others** | 56 | 48 | 56 | 52 | 48 | 59 | 62 | 92 | 95 |
| **TOTAL** | **672** | **703** | **752** | **776** | **777** | **900** | **945** | **1059** | **1110** |

Source: Clarksons Research Services

**Table 8 Top Coal Importers**

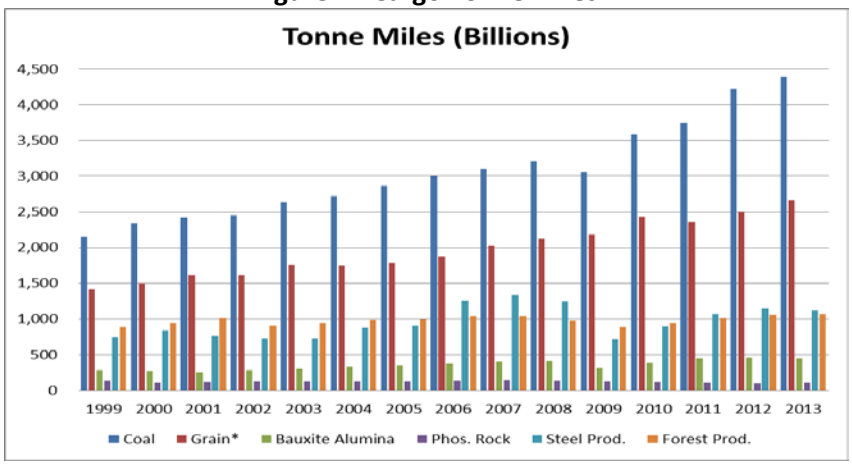
| *Importer…* | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012€ | 2013(f) |
|---|---|---|---|---|---|---|---|---|---|
| **Japan** | 175 | 171 | 181 | 186 | 158 | 178 | 170 | 179 | 183 |
| **South Korea** | 72 | 75 | 79 | 94 | 97 | 116 | 124 | 123 | 124 |
| **Taiwan** | 61 | 62 | 66 | 65 | 60 | 63 | 67 | 66 | 67 |
| **China** | 11 | 12 | 20 | 17 | 86 | 123 | 127 | 179 | 197 |
| **Thailand** | 6 | 10 | 14 | 15 | 16 | 16 | 17 | 18 | 19 |
| **Malaysia** | 10 | 11 | 12 | 15 | 14 | 21 | 23 | 22 | 22 |
| **Turkey** | 10 | 7 | 10 | 10 | 10 | 11 | 13 | 18 | 20 |
| **India** | 39 | 42 | 52 | 62 | 76 | 109 | 126 | 122 | 142 |
| **EU-25** | 182 | 200 | 201 | 201 | 160 | 153 | 173 | 189 | 186 |
| **US** | 26 | 31 | 31 | 29 | 19 | 15 | 10 | 7 | 6 |
| **Brazil** | 14 | 14 | 13 | 15 | 14 | 16 | 17 | 17 | 18 |
| **Other** | 66 | 68 | 73 | 67 | 66 | 78 | 80 | 120 | 127 |
| **TOTAL** | **672** | **703** | **752** | **776** | **777** | **900** | **945** | **1059** | **1110** |

Source: Clarksons Research Services

The above tables display the global seaborne steam and coking coal trade from 2005-2013(f). There are several developments that have greatly affected the Handysize and Supramax markets as a whole. Firstly, over the period the cargo volumes coming out of Indonesia have almost tripled. Similarly, the US has seen export volumes increase in a similar proportion while, exports from other nations such as Venezuela, Canada, and South Africa have increased at much lower rates. The change in US coal exports can partly be explained by the Shale Gas, which has gone on to replace a great deal of the coal used for domestic power generation. Another big development in the table is the fall in Chinese exports relative to imports. In 2005 China was a net exporter of Coal, whereas today it is a net importer and has gone on to displace Japan which has occupied this title since 1975 as the world's largest importer of coal. What is even more interesting is the fact that Chinese coal imports did not decline in 2009 like that of the EU, but instead continued on an upward trajectory. Chinese demand for coal is a derivative for the demand for power generation/consumption and steel generation/consumption. Given that China was undergoing rapid industrialisation and urbanization at the time the demand for such cargo is inelastic. Additionally, given that steel mills and coal fired power plants are 24/7 operations, they require a steady flow of cargo and hence require larger ships to move large quantities of coal and ore, in order to economise of freight. Another interesting facet of the importer's table is the surge in Indian coal imports, approximately an increase of 5 times. Like

China, India has a growing demand for power generation and it was recently reported in Bloomberg that of the 1,200 coal fired power plants to be installed over the next 5 years 400 will be in India. In the case of coal, this cargo is largely carried in Panamax and Supramax vessels due the fact that the importing nations cannot accommodate Capesize ships and/or do not have the shore discharging capabilities required for large vessels and hence prefer geared vessels. Hence why Supramax and Panamax vessels are preferred choice in these circumstances. Having explained briefly trends in the major cargo volumes, the following is an analysis of tonne miles.

**Figure 24 Cargo Tonne Miles**




Source: Clarksons Research Services

The question that must be asked is what is the impact of the developments in the cargo side on the Handysize and Supramax vessels? Firstly, looking at tonne miles it can be observed that in the coal and grain segments there is an increase on tonne miles. The demand for shipping is measured in tonne miles and therefore an increase as seen in these two segments is indicative of an increase in demand for these vessels. Secondly, theory also tells us that in order to economise on freight when tonne miles increase larger ships are required. Looking at the other cargos there is an upward trajectory, but not on the scale as the aforementioned cargos. Therefore, one can conclude that in these cargo segments there may be a drive toward scale economies arising from the employment of larger vessels such as Supramax vessels.

Cement is a cargo that requires specialised loading and discharging facilities both on board and on shore. Given the low value of cement, it is generally transported on roads between cement plants and consumption centres. However, large quantities are shipped by sea occasionally over short voyages between 2-3 days sailing, the reason being that if cement is left too long in a hold in hardens. Additionally, more than the hardening of cement there is the cost factor – road transport costs about 10 times more than sea transport whilst rail transport costs between 5 and 7 times more than sea transport, hence why in PSL's case, Ultratech may prefer to use cement ships as they actually reduce their costs of transporting cement produced at their plant in Pipava to their consumption centres in and around Bombay and Mangalore.

## *Concluding Remarks: External Environment*

The global economy, one of the leading drivers of shipping demand continues to remain sluggish despite efforts by governments to get things moving. While on the supply side yards continue to offer heavily discounted prices in order to stabilize their cash flows, adding additional capacity to an industry that is already facing substantial overcapacity. Additionally, there has been a progression toward larger vessels and PSL has pre-empted this and has moved to the Supramax segment, while the Handysize segment has stagnated. However, looking at the age profiles, the Handysize segment has the most room to accommodate additional capacity through scraping as the fleet average age is relatively high. Furthermore, from an asset value perspective, vessel prices continue to fall leaving room for more attractive acquisitions. And lastly, on the cargo front there have been developments that could change the industry as such developments influence trade flows. For example the US is emerging as a large exporter of coal due to the Shale Gas revolution. This may increase tonne miles leading to larger vessels dominating that particular trade in order to economise on economies of scale.

# Market Position

## Contract Exposure

If a company is more exposed to the long-term markets (time charter and COA) it is positioning itself to do business with reputed clients who prefer long-term less volatile contracts and lower counter-party risk. Secondly, from an operational stand point companies that are more exposed to long-term contracts are seen as technically competent owners who run vessels very well. And lastly, the proportion of the fleet fixed is indicative of how the company feels the market will behave. It follows from the previous sections that when rates are very high owners gain more by playing the spot market, but this changes when owners feel that the market will come down and secure long-term contracts to ride out market down turns. Aside from time charter exposure one should also look at the degree of forward cover, something that will be discussed in due course.

Based on the below PSL appears to have a policy of preffering time charters over the spot market. On the other hand, Pacific Basin includes COAs in the contracted day figures provided below. From a commercial perspective this implies that both companies are viewed by their clients as reliable service providers and good counter parties and risk averse.

**Table 9: Precious Shipping Spot And Time Charter Exposure**

| | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|
| **Time Charter** | 93.6% | 99.6% | 85.9% | 83.3% |
| **Voyage Charter** | 6.4% | 0.4% | 14.1% | 16.7% |

Source: Precious Shipping Annual Reports

**Table 10: Pacific Basin Spot And Time Charter Exposure**

| | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|
| **Contracted Days** | 100% | 100% | 47% | 54% |
| **Non-Contracted Days** | 0% | 0% | 53% | 46% |

The decline in long-term contracts is a symptom of a declining market in that charterers are unwilling to extend or renegotiate contracts when current rates are much lower, and as such prefer to use the spot market. This applies to all types of clients regardless of their commerical regard.

## Cargo Exposure

Type of employment also affects the type of cargo carried which then goes on to affect the type of ship employed. Below are tables that summarise the types of cargo carried by PSL and Pacific Basin.

**Table 11 Comodities Carried By PSL As a % Of Total Number Of Voyages**

| | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|
| **Agri Bulks** | 24% | 22% | 25% | 28% |
| **Pet Coke** | 6% | 9% | 5% | 6% |

| | | | | |
|---|---|---|---|---|
| **Minor Bulks** | 52% | 48% | 51% | 46% |
| **Others** | 17% | 21% | 19% | 20% |

Source: Precious Shipping Annual Reports

**Table 12 Comodities Carried By Pacific Basin By Volume**

| | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|
| **Agri Bulks** | 13% | 17% | 15% | 15% |
| **Coal/Coke** | 9% | 7% | 6% | 6% |
| **Minor Bulks** | 59% | 60% | 61% | 61% |
| **Ore** | 10% | 6% | 6% | 6% |
| **Others** | 5% | 5% | 6% | 6% |
| **Pet Coke** | 4% | 5% | 6% | 6% |

Source: Pacific Basin Annual Reports

As expected the minor bulks and agri bulks form the majority of cargo carried. However, PSL on average carries more agri bulks relative to the other two carriers. One consideration is the fact that grain cargo, particularly loaded in the US, has stringent heath regulations and therefore a carrier that is more exposed to grain cargo is indicative of better hold maintenance than rivals. Furthermore, mathematically speaking a carrier like Pacific Basin that carries a wide variety of cargo could potentially carry more of a particular cargo in absolute terms but as a percentage would appear lower relative to PSL due to higher total volume of cargo.

One also has to consider the company's clientele. PSL is highly exposed to the likes of Clipper and Cargill, both having signficant explosure to argi bulks therefore it is not surprising that PSL spends more voyage days carrying agri bulks while Pacific Basin is exposed to industrial end users which is reflected in the cargo mix. The types of cargo carried are highly relevant as they filter through to parcel sizes which then impacts the type of ship used in order to economise on cost.

## *Client Exposure*

As public companies, PSL, Genco and Pacific Basin cannot be seen to show any type of faourtisim toward a particular client. Acording to analysts at JP Morgan, Pacific Basin have no more than 4% of revenue generated from any client. PSL and Genco would not provide this information.

## *Concluding Remarks: Market Position*

From this section one can conclude that PSL and Geco are largely exposed to time charters while Pacific Basin is largely COA exposed. However, as noted in previous sections shipping is highly cyclical and as such exposure to the spot or time charters varies with market conditions. In good markets clients prefer time charters as it provides security against rising freight rates and in bad markets prefer the spot market as rates tend to be much lower. Furthermore, PSL has exposure to a wide variety of clients, and has indicated by table 3 tends to favour blue chip clients. Furthermore, as expected give the size segment PSL is exposed to a wide variety of cargo with no observable niche market. The same holds for Pacific Basin, and given that Genco is a tramp provider one can assume that it faces similar cargo exposure to that of PSL.

## *Percieved Strategy*

| Elements Requiring Focus | Action |
|---|---|
| Volatile earnings and asset values | Lock in earnings for long periods at the peak |
| Industry prone to booms and busts | Buy assets at the low point and sell or scrap older tonnage at the peak |
| Price takers industry | Lock in earnings for long periods at the peak |
| Drive toward larger ships substantial orderbook | Rate of increase in supply is greater than demand which depresses rates, therefore lock in earnings for long periods at the peak |
| Scrapping not always a solution to over capacity | Rate of scrapping is less than deliveries which depresses rates, therefore lock in earnings for long periods at the peak |
| Increase in tonne miles | Drive toward larger vessels to benefit from economies of scale |
| Potential decline in grain cargo | Increase in demand for energy will apply downward pressure on the grain trade, therefore owners should expose themselves to a wide variety of cargo |
| Change in coal trade dynamics | Drive toward larger vessels to benefit from economies of scale |
| Time charter contracts expiring | Drive towards more cost efficiency and savings |

## *Strategic Frame Works: Porters Five Forces SWOT*

Having described how PSL operates and the significant factors affecting the external environment, the following will provide an analysis of the PSL using Porter's Five Forces and a SWOT analysis.


### *Bargaining Power of Suppliers*

Suppliers in this case are defined as ship yards, sellers of bunkers, spares and other items used on board, ship management companies, banks, and IT support.

### *Yards*

The 2 primary activities provided are building new ships and repair work. Whats interesting is that in bad markets, the current situation, yards are offering highly attractive prices for newbuilds while in the good markets prices were highly inflated. The reasoning for this is that shipyards are effectively ponzi schemes, in that for no economic activity 10 to 20% of the vessel price is paid on contract signing. Additionally, given that ships last for 20+ years there is not a constant flow of turnover, therefore when orders start to fall cash flows are hit immediately and potentially for a very long time going forward. Thus, yards command a significant amount of influence during boom periods when supply is sticky and unable to meet sudden changes in demand and are at the whims of owners who have the capital to buy in bad markets. In this regard PSL greatly differs from a great deal of shipowners, in that by not acquiring vessels at the peak of the market it is now in a strong cash ready position to buy distressed newbuilding contracts at discounts. This was the case with all the vessels highlighted in yellow in table 2.

However, the state run companies like COSCO who are integrated and have their own yards may be able to sidestep this complication with yards and buy new vessels at relatively attractive prices.

Additionally, in China where the state has a large degree of influence, owners may be forced to place orders regardless of their bargaining position in order to maintain state policy.

Yards that do repair work have a steady flow of vessels to work on and regular turnover from owners. Naturally when there are more ships on the water the demand for such services increases, but given the sheer number of repair yards competing and offering a very similar service the type of premium they can command is very minimal. Therefore this type of supplier is limited in the type of action they can take. However, when fleets begin to grow PSL and other owners may be able to use this as leverage and bargain further with repair yards for better prices on drydockings and special surveys. Conversely, if fleets grow yards might also be in a position to raise prices and limit special discounts given to owners due to the sheer number of vessels available. Another factor to consider in this industry is that yards building vessels may enter into the repair segment in order to stabilize cash flows owing to a decline in orders.

## *Bunkers, Stores and Spares*

The more vessels that PSL has will enhance the ability it has to get better prices from suppliers of stores and spaces given the quantity and frequency of interactions will increase substantially. However, on the bunker side as demand increase due to more ships, and as oil prices continue to rise PSL and other owners will be at the whims of the market. To add to this is the market positional element, whereby if vessels are on time charter bunker prices do not affect earnings directly, whereas if PSL is more exposed to the voyage charter market higher bunker prices has a significantly negative impact on profitability.

## *Insurance Providers*

In order to legally operate a vessel owners must have valid Hull and Machinery (H&M) and Protection and Indemnity (P&I) insurance cover. H&M covers an owner in the event of any damage to the ship's hull or its machinery, while P&I covers the owner for incidents involving cargo damage or loss, injury, pollution. Most insurance clubs are mutual, in that contributions from members go towards covering any losses arising from member claims. Furthermore, some of the larger clubs are members of the International Group which acts as collective for reinsurance purposes. There is some degree of influence that owners can exert to influence the premiums paid. A good claims and operation track record and large fleet allow owners such as PSL to bargain for better premiums. However, due to PSL strategy of counter-cyclical buying and selling, fleet size may not serve as adequate leverage to lower annual premiums. Whats more is that in bad markets lowering costs is a vital in order to stay profitable. However, PSL does have an exceptional operational track record in its favour, which can serve as leverage to lower premiums. Another aspect to consider are additional insurances such as war risk which are typically placed in the London insurance market and must be done through a broker. In this regard having strong relationships with brokers is vital as it allows owners to buy insurance from appropriate syndicates.

### *Banks*

Banks act as suppliers of finance for vessel acquisition, sort term financing and supply money management services. As previously stated in good shipping markets banks are more liberal with who they lend to but also the amounts of capital provided. In some cases during the market boom banks were lending as much as 80% of the purchase price of vessels. However, after the market collapse expensive ships could no longer earn enough to breakeven, which resulted in a string of defaults and ultimately banks becoming the owner of these ships. Simultaneously, lending dropped off a cliff as banks assessed their positions and exposures to bankrupt owners. Historically PSL has maintained a policy of deleveraging in good markets and re-leveraging in bad markets. This could be problematic as traditional shipping banks are often over-exposed and unwilling to lend in bad markets. This is circumvented by borrowing from local banks who PSL has had a long relationship and understand that buying vessels at the bottom of the market is one of the best ways to ensure that loan-to-asset value covenants are not breeched.

## *Customers*

On the customer side the relationship between PSL and its clients tends to follow the market. PSL has a stated strategy of fixing ships on long-term charters and achieving a forward cover on vessels to avoid uncertainty in revenues. In good freight markets charterers prefer vessels be fixed for long-periods to get a discount to the then prevailing spot rates and, possibly, avoid paying higher rates later, while shipowners prefer to have vessels on the spot market to maximize their revenues. The converse holds true for bad markets where charterers are pressing for as low rates possible, and in some cases there have been negative rates. In this regard PSL is no different than any other tramp provider. However, what the company has seen recently that with the rise in owner-bankruptcies, clients are becoming increasingly more cautious of who they fix vessels for employment with, even if it is for a short period of time. In this light PSL is largely different from some of its competitors in that it is in a strong cash position and has not recorded a loss since 2000 and has plenty of cash in its balance sheet. Ultimately, PSL is in a good position to bargain for good charter rates in the market upturn as it has built a large modern and young fleet with good variation in size.

## *Potential Entrants*

Leading on from customers are potential threats, and this is where the two meet: increasingly it is being observed that companies such as Trafigura and Cargill are becoming owners of tonnage. This is highly significant for all shipowners as this potentially reduces the demand from such companies, or more importantly signifies a shift in policy towards owning of vessels in light of how expensive rates were back during the last cycle. At present there have not been any reported transactions in the Supramax and Handysize sectors but Cargill recently acquired a few capsize ships and Trafigura acquired a few product tankers in 2012.

Furthermore, the threat of entrants is also greatly influenced by the cycle. In boom periods 2003-2008 it was relatively easy to acquire financial capital to fund acquisitions given the high returns associated with shipping. However, when credit markets seized up post Lehman Brothers, financing became increasing challenging, increasing the cost of entry. This has the impact of increasing supply

during the down turn as typically there is a surge in orders for newbuilds at the peak cycle slated for delivery several years later.

## *Substitutes*

Given the quantities that ships transport it is tempting to think that there are no substitutes. However, that is looking at shipping as a whole and not inter market substitutability. When there is a shortage of cargo owners will take any freight that covers their operating expenses, and therefore it is quite possible to see Supramax vessels taking cargo that would have otherwise gone in a Handysize vessel or a Panamax taking a Supramax cargo. However, the "cascading affect" does have barriers in that gearless ships such as the Capesizes and Panamax trade primarily iron ore, coal and some grain cargo. Furthermore these ships call at ports where there is sufficient shore facilities for loading and discharging. Therefore, Capesize and Panamax vessels are only capable of poaching cargo from the smaller ships provided it heads to ports where using a geared ship is not a requirement.

## *Competitive Rivalry*

As mentioned in the external environment section, it is very difficult for a single company to set prices in the Handysize or Supramax segments. This implies that there is a high degree of price competition with tramp providers competing with each other for charterers, and ultimately price being set by the forces of supply and demand. However, shipping is a cyclical industry with times when freight rates are exceptionally high and times when rates near or exceed operating expenses. As such those companies who not only compete but time the markets right by fixing forward for long periods at attractive rates in good times and selling tonnage at the peak of the market weather the downside and are able to go on competing in the next cycle. Added to this are cost elements such as insurance, financing and bunkers and it soon becomes clear that shipowners face an environment where revenues fluctuate wildly and costs continue to rise. More recently the rivalry in the industry took a new turn when charterers such as Cargill began to become vessel owners. If this trend continues it may soon be the case that either charterers reduce the amount of tonnage they charter in effectively increasing the competition faced by owners for what little is left. Substitutability within the industry will remain an issue in the larger segments where vessels trade in areas that have sufficient capabilities to accommodate larger ships. While for the smaller geared segments larger vessels will find it rather difficult to compete in this this will not be the case as the trade routes are dependent on geared vessels. The role of suppliers varies with the market as previously stated, but the most significant factor to consider in this regard is that certain suppliers such as shipyards and banks influence the supply side.

## *SWOT*

| Strengths | Weaknesses |
|---|---|
| Strong internal synergies<br>Long-term contracted focused in all business segments<br>Counter cyclical buying<br>Strong relationships within the industry<br>Not facing financial difficulty | Relatively small fleet<br>High share ownership concentration may limit increase in market capitalisation |
| **Opportunities** | **Threats** |
| Attractive asset prices and solid growth opportunities<br>Progression toward larger vessels | Increase in charterers owning tonnage<br>Rising costs<br>Piracy<br>Bankruptcy of charters and owners<br>Over ordering leaded to an aborted recovery<br>Counter cyclical borrowing may be difficult if banks are over exposed or weak |

## *Strategic Review*

PSL strategy was as follows:

1. Sell older ships and en-cash capital gains on a regular annual basis
2. Purchase second hand/New Buildings from sellers/shipyards to rejuvenate the fleet and replace ships sold/scrapped when the BDI bottoms out
3. Acquire additional ships from the second-hand markets as and when opportunities present themselves during the down turn in the BDI
4. Fix Ships on Long Term Time Charter when markets are high and achieve a 50% forward cover on a rolling 4 year basis
5. Exploit the spot market for maximising profit from the spot fleet
6. Operate vessels as efficiently as possible without compromising quality

The strategy evolved and has come to be known as Khalid Hashim's famous Seven deadly sins

1. Do not buy any assets during peak years
2. Sell older ships and en-cash capital gains on a regular basis
3. Do not speculate whether it be by chartering ships in or by buying FFAs or by taking bunker hedges (PSL does not undertake any of these activities)
4. Fix Ships on Long Term Time Charter when markets are high and achieve a 50% forward cover on a rolling 4 year basis (Being done on an ongoing basis)
5. Deleverage your Balance Sheet when times are good (PSL prepaid our 9 year loan of USD 265 million taken in 2003/4 in just 2 years out of cash flow generated from our fleet)
6. Reduce dividends to the minimum level when you have debt in your balance sheet (PSL paid out the minimum levels of dividend during 2004/2005 when our debt was at its peak)
7. Acquire additional ships from the second-hand markets to replace your oldest ships only when opportunities present themselves when the BDI has collapsed (Work in progress)

Based on annual reports for 2008, 2009, 2010 Pacific Basin's stated strategy can be summarised as follows.

1. Charter out vessels directly to industrial commodity producers on a COA basis rather than intermediate ship operators to limit counter party risk
2. Charter in tonnage from head owners as opposed to intermediate ship operators to reduce counter party risk
3. Manage freight rate volatility using FFAs when cargo is not available
4. Promote an image of a financially strong and reliable service provider through sound business practices and financial prudence
5. Prepare for a weak drybulk market by diversifying into Ro-Ros, towage and other business segments
6. Expand the owned fleet opportunistically

However, in 2011 the emergence of the Euro Crisis prompted revision of the strategy and Pacific Basin sought to drive efficiencies throughout the fleet while growing opportunistically, maintained the policy of engaging industrial clients primarily on a COA basis and allowing for some degree of spot and period charters where appropriate. Additionally, the company continued to maintain the

policy of promoting a strong corporate profile through a strong balance sheet and smart commercial decisions. This strategy continued into 2012 with divesting the Ro-Ro segment and a greater emphasis on the dry bulk.

Genco

Owing to its origins the company has maintained a strategy similar to PSL's in that it aims to expand opportunistically and then time charter out newly acquired vessels to secure a steady stream of revenues. However, this strategy changed slightly in 2009 when Genco established Baltic Trading Limited, a vehicle aimed to capturing the high spot rates prevailing at the time, while Genco Shipping and Trading would continue to secure revenues through time charters.

The question is of course how successful was PSL relative to competitors in implementing this strategy? In order to answer this question the common strands from all strategies need to be isolated and then compared.

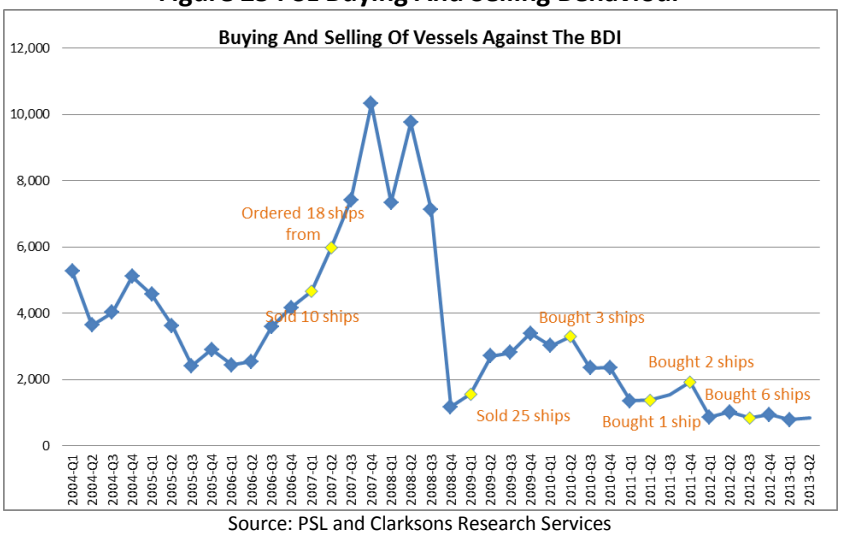
Common Strategic Elements

1. Opportunistic Acquisitions, ie counter cyclical acquisitions
2. Efficient vessel management
3. Preference for long-term charters (COA and time charters)

Thereafter, the financial review will serve as an assessment of the strategy under the hypothesis that successful strategy implies profitability.

## *1. Opportunistic Acquisitions*

**Figure 25 PSL Buying And Selling Behaviour**




Source: PSL and Clarksons Research Services

The graph above illustrates PSL's buying and selling behaviour with significant purchases taking place since 2011. Whats more is the 10 vessels sold in 2007 and the 25 vessels sold 2009 led to a capital gains of $80m with the average age of these ships being 26/27 years old. While one may put this

down to market conditions, this also says something about how the market views the vessels owned by PSL and further affirms its policy of investing in training and maintenance.

Comparatively, the tables below summaries changes in the fleets of Genco and Pacific Basin based off available information from Bloomberg and their Annual Reports.

**Table 13 Genco Asset Acquisitions**

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| **BDI-Annual Value** | 6,413 | 2,617 | 2,758 | 1,549 | 920 |
| **Genco Newbuilds/Second-hand # Ships** | 6 | 2 | 15 | 4 | 0 |
| **Genco Sales # Ships** | 1 | 0 | 0 | 0 | 0 |

Source: Genco Annual Reports

**Table14 Pacific Basin Vessel Acquisitions**

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| **BDI-Annual Value** | 6,413 | 2,617 | 2,758 | 1,549 | 920 |
| **Owned Fleet #** | 20 | 26 | 32 | 34 | 44 |
| **Change In Owned Fleet #** | - | 6 | 6 | 2 | 10 |
| **Chartered In Fleet #** | 57 | 86 | 81 | 112 | 128 |
| **Change In Chartered Fleet #** | - | 29 | -5 | 31 | 16 |
| **Newbuildings #** | 9 | 9 | 23 | 23 | 17 |
| **Change In Newbuildings #** | - | 0 | 14 | 0 | -6 |

Source: Bloomberg

Based on the above it is clear that Genco's strategy was to acquire vessels counter cyclically. The acquisition of 15 ships in 2010 was en bloc purchase of the Bourbon SA's fleet, which consisted of few newbuilds and a large number of vessels on the water. Interestingly there have been relatively few vessel sales, this could be due to the company acquiring newbuilds instead of second-hand vessels and as such the fleet would be quite young limiting the need to sell off older tonnage. A key strategic similarity between PSL and Genco is the fact that neither company has a preference of newbuilds, second-hands or contract resales, but in fact utilize all 3 in an opportunistically. Another difference on the acquisition front was the launch of Baltic trading, a wholly owned subsidiary of Genco Shipping and Trading aimed at capitalising on the volatility found in the spot market. This company was built by acquiring second-hand vessels in 2010. This differs from Genco's strategic aims of long-term contracts with blue chip clients for fairly obvious reasons. Such a strategy is not adopted by PSL and capitalising on the spot market is a tactic usually used in good shipping markets or when there is no other alternative.

Looking at Pacific Basin the pattern is not as clear as Genco or PSL. This is down to a different strategy, with Pacific Basin opting to augment its fleet by chartering tonnage in while Genco and PSL are tramp providers. Funnily Pacific Basin is a client of Genco. In 2008 the chartered in fleet stood at 57 vessels, 37 more than the owned fleet, and whats more this trend remains throughout the period with Pacific Basin chartering in more tonnage than it owns. Furthermore between 2008-2009 6 vessels were acquired and the same held for 2009-2010. This does not seem to fit with the strategy of counter cyclical buying as in 2008 the BDI reached its historical peak.

Looking at selected financial data below it is clear that all companies were in strong positions to engage in vessel acquisitions. While PSL did not buy any vessels in 2008 it did have an active newbuilding programme which required instalments to be paid (recorded as capex). Payments were made using internal cash and could easily be funded using cash from operating activities. With regards to shipping companies usually when free cash flows are negative indicates substantial capex. As expected free cash flows declined in 2009 due to a downsizing of the fleet and worsening market conditions and an increase in capex, all of which are in line with PSL's strategy at the time.

**Table 15 PSL Selected Financial Metrics Against The BDI**

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| **Annual BDI** | 6413 | 2617 | 2758 | 1549 | 920 |
| **Debt ($M)** | 29 | 135 | 163 | 205 | 275 |
| **CAPEX ($M)** | -44.25 | -87.95 | -30.39 | -78.34 | -165.67 |
| **Cash Flows From Operations** | 184.78 | 77.45 | 33.90 | 30.02 | 15.07 |
| **Free Cash Flow ($M)** | 4,681.27 | -360.09 | 111.29 | -1,472.71 | -4,677.92 |
| **Cash ($M)** | 3350 | 5849 | 4223 | 4375 | 1901 |

Source: Bloomberg

**Table 16 Pacific Basin Selected Financial Metrics Against The BDI**

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| **Annual BDI** | 6413 | 2617 | 2758 | 1549 | 920 |
| **Debt ($M)** | 836 | 834 | 708 | 733 | 876 |
| **CAPEX ($M)** | 324.64 | 276.07 | 541.25 | 170.12 | 190.03 |
| **Cash Flows From Operations** | 451.77 | 136.64 | 180.58 | 146.36 | 133.20 |
| **Free Cash Flow ($M)** | 127.12 | -139.43 | -360.67 | -23.76 | -56.83 |
| **Cash ($M)** | 975 | 999 | 212 | 95 | 633 |

Source: Bloomberg

**Table 17 Genco Selected Financial Metrics Against The BDI**

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| **Annual BDI** | 6413 | 2617 | 2758 | 1549 | 920 |
| **Debt ($M)** | 1263 | 1329 | 1717 | 1536 | 1556 |
| **CAPEX ($M)** | -510.55 | -288.71 | -971.58 | -132.62 | -3.27 |
| **Cash Flows From Operations** | 267.42 | 219.73 | 262.68 | 158.18 | -18.83 |
| **Free Cash Flow ($M)** | -243.14 | -68.98 | -708.90 | 25.57 | -22.10 |
| **Cash ($M)** | 125 | 188 | 271 | 228 | 73 |

Source: Bloomberg

Similarly, Pacific Basin and Genco had their own capacity expansion programmes indicated by CAPEX. Whats worth noting is that Genco had a level of CAPEX in 2008 that exceeded cash flow from operating activities suggesting that funding came in the form of debt, cash on the balance sheet or more appropriately the seasoned equity offering it undertook in 2008. Similarly, Pacific Basin also had undertook an SEO in 2008 aimed at raising capital for vessel acquisition. Unlike PSL who has not

ventured into the equity market since its IPO, these companies employ tactics aimed at exploiting operpriced equity markets. From a company perspective selling overpriced equity is a fantastic way to raise capital, but does little for shareholders, especially with hindsight involved.

In Genco's case, free cash flows were largely negative during the period, save for 2011. In 2010 CAPEX was at a peak coinciding with the launch of Baltic Trading. This required a significantly outlay for second-hand vessel acquisitions. One has to question the timing of this strategic divergence given that in 2010 there was a significant amount of uncertainty, asset values had not fully adjusted to prevailing market conditions. This then raises the question: were these vessels overpriced?

Looking at Pacific Basin a similar story is observable. 2010 marked a peak in CAPEX with free cash flows hitting a low point. Looking at the reduction in debt and cash on the balance sheet one can only conclude that in 2010 debt was repaid and a heavy amount of internal cash was used to fund CAPEX. Whats more worrying was the continued decline in cash seen the following year even though another SEO was done toward the end of 2009 and a convertible issue done in 2010. Given that CAPEX and cash flows from operating activities were declining, one has to ask: what was all this funding used for? On the convertible issue states that proceeds would be used to repay debt, but the debt level remained relatively constant, and being precise increased.

## *2. Efficient Vessel Management*

The table below summarises the operating expense in dollars per day for the 3 companies from 2009-2012. Comparatively, Pacific Basin is lowest cost operator with an average OPEX of $4,003 per day over the period. PSL on the other hand has an average of $4,235 per day and Genco averages on the higher end with $5,448 per day. On the Supramax side PSL's opex was $384 more than Genco, but one has to remember that the vessels in question have not completed a full year's service and therefore the observations are fewer resulting in a higher average.

**Table 18 PSL, Genco And Pacific Basin Opex**

| | Genco | | Precious Shipping | | Pacific Basin |
|---|---|---|---|---|---|
| | Handysize | Supramax | Handysize | Supramax | Handysize |
| **2009** | 4,123 | 4,876 | 3,888 | | 3,840 |
| **2010** | 4,297 | 4,513 | 4,156 | | 3,830 |
| **2011** | 4,475 | 4,626 | 4,306 | | 3,900 |
| **2012** | 4,900 | 5,200 | 4,589 | 5,584 | 4,440 |

Source: Annual Reports of PSL, Genco and Pacific Basin

**Table 19 Opex Comparison**

| | Industry Average | PSL Average | Genco Average | Pacific Basin Average |
|---|---|---|---|---|
| **Handysize** | 5,448 | 4,235 | 4,449 | 4,003 |
| **Handy/Supramax** | 6,115 | 5,584 | 4,804 | - |

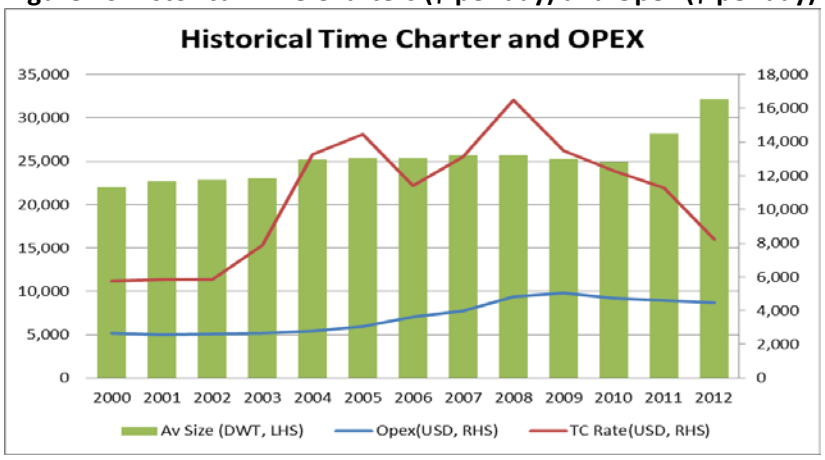
Source: PSL Moore Stephens

However when comparing all 3 companies against the Moore Stephens industry average, it is clear that all 3 companies have implemented their objective of running vessels as efficiently as possible. A possible reason for the industry average operating expense to be so high relative to the companies

operating expenses could be the use of ship managers. When there is an additional layer such as an external manager costs are bound to be higher than an independent self-managed owner. Secondly, some of the ships ordered from 2008 onwards were done as speculative investments and as such keeping operating expenses down may not be an objective for such owners.

The graph below displays time charter rates against OPEX from 2000-2012. It is clear that in bad markets earnings converge close to costs, hence why PSL has adopted policies aimed at reducing vessel operating expenses. For example if rates are at $8,000 per day and OPEX was $5,500 per day the margin to the owner is very low and when one considers debt and other financial obligations that $1,500 may not be a sufficient cushion. Furthermore, if one were to factor in spot markets rates in the Handysize market, say $6,500 per day, OPEX of $5,500 things look even worse.

**Figure 26 Historical Time Charters ($ per day) and Opex ($ per day)**




Source: PSL

## *3. Historical Forward Cover*

Implementing a policy of locking attractive rates in for future periods of time gives owners certainty of earnings allowing for future budgeting, but also provides a higher stream of revenues should the market turn. Furthermore, fixing vessels forward also signifies that participants in the market view the company as reliable and having a lower degree of counter party risk which in this case means a lower likelihood of asking for a contract renegotiation if rates improve.

The table below summaries the extent to which PSL and Pacific Basin are able to fix their vessels forward. Whats noticeable is that Pacific Basin have levels that are relatively stable while PSL's tend to fluctuate substantially. This is in part due to downsizing of the fleet at particular points in time as was the case in 2009. Thus if a company has few vessels to run, the percentage of time charters to voyage charters will naturally change as the size of the fleet changes. The drop between 2010-2011 and thereafter is due to vessels coming off time charters and having to go toward the spot market as at present rates do not merit long-term contracts. However, as is the strategy, when the market improves similar levels of forward cover can be expected for PSL. Genco could not be reached for comment.

**Table 20 Fleet Forward Cover 2009-2012**

| | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|
| **Pacific Basin % of Fleet Fixed Forward** | 60% | 56% | 54% | 55% |
| **PSL % of Fleet Fixed Forward** (30 June of each year | 78% | 92% | 58% | 28% |

From a strategic stand point this signifies that both companies prefer secure earnings as opposed to volatile spot earnings, even though they may be more attractive. The logic is that as markets can turn relatively quickly your ability to go from spot to period becomes exceedingly difficult and as such by sacrificing short-term gains for longer-term stability one avoids riding the wave downward when markets turn. Also another factor to consider is that as public companies both firms have obligations to shareholders, and need to provide steady returns. Thus time charters may be more appropriate for this reason. And lastly, from a financing perspective, lenders prefer to see a steady stream of revenue going forward when lending for extended periods, and by showing that the firm is able to generate steady revenues, even when markets are depressed, may enable the company to raise money for opportunistic acquisitions even in bad markets when banks are traditionally over exposed to shipping.

Deadly Sin 5 and 6

**Table 21 PSL Selected Financial Metrics**

| PSL | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| **Annual BDI** | 6413 | 2617 | 2758 | 1549 | 920 |
| **Debt ($M)** | 29 | 135 | 163 | 205 | 275 |
| **Dividend Yield** | 0.257 | 0.096 | 0.048 | 0.034 | 0.028 |
| **Dividends Per Share** | 2.8 | 1.8 | 0.87 | 0.55 | 0.4 |
| **Dividends Paid ($M)** | 85.80 | 60.60 | 41.03 | 21.14 | 15.06 |

**Table 22 Pacific Basin Selected Financial Metrics**

| Pacific Basin | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| **Annual BDI** | 6413 | 2617 | 2758 | 1549 | 920 |
| **Debt ($M)** | 836 | 834 | 708 | 733 | 876 |
| **Dividend Yield** | 0.214 | 0.040 | 0.041 | 0.030 | 0.011 |
| **Dividends Per Share** | 0.097 | 0.029 | 0.027 | 0.012 | 0.006 |
| **Dividends Paid ($M)** | 322.97 | 19.91 | 49.69 | 53.44 | 12.48 |

**Table 23 Genco Selected Financial Metrics**

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| **Annual BDI** | 6413 | 2617 | 2758 | 1549 | 920 |
| **Debt ($M)** | 1263 | 1329 | 1717 | 1536 | 1556 |
| **Dividend Yield** | 0.260 | 0.000 | 0.000 | 0.000 | 0.000 |
| **Dividends Per Share** | 3.85 | 0 | 0 | 0 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| **Dividends Paid ($M)** | 117.109 | 0.000 | 0.000 | 0.000 | 0.000 |

The above tables display the relevant financial information relating to dividends, and debt against the BDI. As seen PSL has maintained its policy of deleveraging in good markets as seen by the debt level in 2008 and re-leveraging in bad markets. All three dividend metrics move counter to debt acting as further evidence of PSL's strategy. Furthermore, PSl has a higher dividend yield than any other company indicating that the company's strategy is to attract long-term institutional and individual investors.

On the other hand Pacific Basin seems to provide returns to shareholders based on the shipping market as seen when comparing 2008 with 2012. Furthermore, leverage seems relatively constant save for 2010 and 2011 when it dropped below the $800m mark. What this indicates is that Pacific Basin's strategy is not spherical, in that the strategy does not incorporate financial elements such as debt or dividend policy.

And lastly, looking at Genco dividends were paid only in 2008 when shipping markets were at their all-time high. Debt on the other hand is the highest between all 3 companies and increase counter to the shipping markets. Given that the CEO of Genco is a former investment banker and the relationships with banks, the higher level of debt is not surprising.

## *Concluding Remarks: Strategy*

Based on the above analysis PSL has successfully implemented its stated strategy while Genco and Pacific Basin have encountered substantial difficulties in implementing theirs. PSL has timed the markets exceptionally well, selling older tonnage at the top of the market and acquiring newer and younger tonnage at the bottom while all other companies file for court protection. Looking at Genco a similar pattern of vessel acquisition can be observed, but with Pacific Basin things are not so clear. Annual reports are not a reliable source of information and neither was the investor relations team. But from the table provided one can make the argument that vessels were acquired in a procyclical way and not counter cyclically. Furthermore, while Pacific Basin uses long-term COAs they are still exposed to rising voyage expenses such as bunkers. Another strategic difference between PSL and its competitors is the use of public markets for raising capital. PSL has traditionally relied on bank lending and continues to do so, while Pacific Basin and Genco have both raised equity capital when shipping markets were doing well. All companies are relatively efficient at managing vessels and have implemented the policy of fixing vessels forward to the best of their ability.

# Financial Review

Having explained PSL's strategy and measuring it's effectiveness on a basic level the next step is determine if the strategy is actually effective from a financial perspective. This will be done by looking a selection of profitability, liquidity, efficiency and capital structure ratios in conjunction with relevant information from the income statement. Thereafter, statements will be analysed and the financial review will culminate with a valuation assessment.

## Ratio Analysis

**Table 24 Gross Margin**

| Gross Margin | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| PSL | 0.77 | 0.69 | 0.70 | 0.57 | 0.41 |
| Genco | 0.69 | 0.60 | 0.56 | 0.37 | -0.15 |
| Pacific Basin | 0.21 | 0.16 | 0.13 | 0.08 | 0.06 |

Source: Bloomberg

Based on the above all companies were effective at sustaining some degree of revenues during the period. PSL and Genco have ratios that are comparable while Pacific Basin's ratio is substantially lower. Whats more is that in 2012 Genco and Pacific Basin had values that were either negative or close to zero while PSL's was comfortably higher. From a strategic standpoint this ratio pertains toward voyage expenses or in accounting terms cost of sales.

**Table 25 Cost of Sales**

| Cost of Sales ($M) | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| PSL | 59.02 | 50.19 | 27.74 | 43.93 | 65.99 |
| Genco | 123.64 | 150.49 | 199.11 | 246.17 | 260.39 |
| Pacific Basin | 1332.35 | 797.68 | 1109.21 | 1204.35 | 1361.22 |

Source: Bloomberg

Based on the above it is apparent that Pacific Basin's strategy of using COAs as opposed to time charters is negatively impacting the company's profitability. The reason being that under a COA the owner is responsible for bunker costs and if bunker prices continue to rise while the freight rate per tonne of cargo remains fixed gross profit begins to decline. Furthermore, Pacific Basin also charters in a substantial amount of tonnage which increases cost of sales in terms of charter hire. In Genco's case vessels acquired during the peak of the market, and thereafter when the market began to decline and the time charter market closed owners were faced with expensive vessels and having to cover voyage costs. This resulted in cost of sales exceeding revenues which is what contributed to the loss in 2012. PSL on the other hand sold vessels in 2008 and 2009 which explains why its margins remained flat and why its cost of sales declined while its rivals saw an increased. Clearly, the strategy employed by Pacific Basin and Genco are not correctly implemented if their gross margins are so low.

**Table 26 Profit Margin**

| Profit Margin | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| PSL | 0.58 | 0.55 | 0.39 | 0.23 | 0.04 |
| Genco | 0.21 | 0.39 | 0.31 | 0.06 | -0.64 |
| Pacific Basin | 0.24 | 0.12 | 0.08 | 0.02 | -0.11 |

Source: Bloomberg

Looking at the profit margin which takes into account vessel depreciation, and interest expenses it is clear that Genco and Pacific Basin's strategies have gone wrong. In the case of Pacific Basin there are exceptional items that were recorded in 2011 and 2012 of $80.598M and $210.693M respectively. These relate directly to impairment charges due to the Ro-Ro business that was divested in 2012. Whereas in the case of Genco it has more to do with rising cost of sales and declining revenues.

**Table 27 Asset Turn Over**

| Asset Turn Over | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| PSL | 0.52 | 0.28 | 0.14 | 0.14 | 0.15 |
| Genco | 0.22 | 0.18 | 0.16 | 0.12 | 0.08 |
| Pacific Basin | 0.85 | 0.40 | 0.50 | 0.53 | 0.59 |

Source: Bloomberg

Looking how efficiently assets generate revenue it is clear that Pacific Basin is far more efficient than PSL and Genco. However, one has to consider that when using aggregated financial ratios other assets are included such as towage and Ro-Ros which is the case of Pacific Basin. Additionally, the substantial decline in PSL's ratio has more to do with selling of assets than efficiency, while Genco and Pacific Basin actually increased their fleets during this period.

**Table 28 Current Ratio**

| Current Ratio | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| PSL | 4.68 | 12.36 | 9.88 | 5.75 | 2.55 |
| Genco | 4.66 | 2.76 | 2.49 | 1.17 | 3.99 |
| Pacific Basin | 4.77 | 6.70 | 2.82 | 3.73 | 3.90 |

Source: Bloomberg

Based on the current ratio, all companies appear to be liquid and in the case of shipping the old adage of "cash is king" holds true. Keeping cash on the balance sheet serves multiple purposes aside from simply covering running expenses. These include signally a strong financial position, and keeping cash a side for fleet expansions.

**Table 29 Debt To Equity**

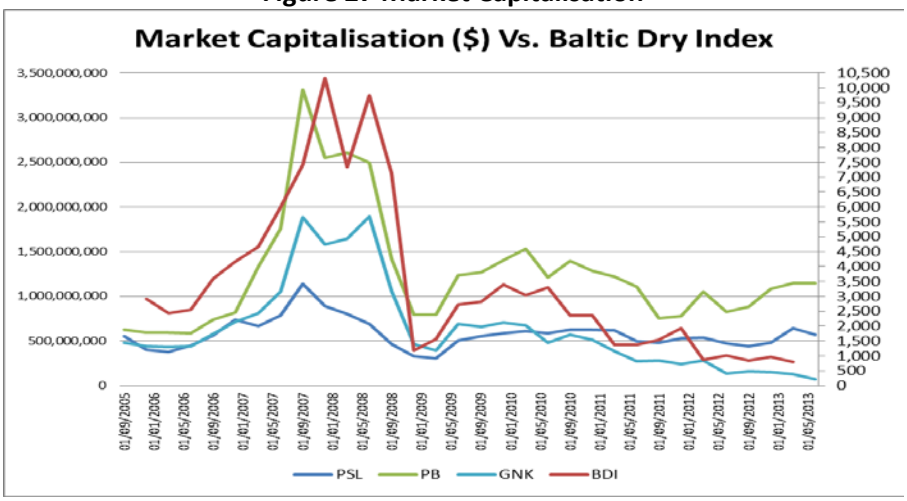
| Debt To Equity | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| PSL | 4.57 | 25.04 | 33.63 | 45.76 | 62.60 |
| Genco | 168.46 | 142.85 | 129.53 | 124.44 | 122.16 |
| Pacific Basin | 69.57 | 60.22 | 55.63 | 52.46 | 69.93 |

Source: Bloomberg

Based on the debt to equity ratio it is clear that PSL has maintained its strategy of leveraging in bad markets in order to acquire vessels opportunistically. Genco has seen a decline in debt since 2008, however the debt on the balance sheet is still over $1bn, while Pacific Basin and PSL have debts that are under the $1bn threshold. The reasoning behind PSL's strategy of deleveraging in good markets is down to the simple fact that companies go bust because of too much debt but hardly ever go bankrupt because of too little debt. Furthermore, timing debt policy against the shipping market ensures that the company is only capable of buying vessels with debt at the bottom of the market.

## *Valuation*

**Figure 27 Market Capitalisation**

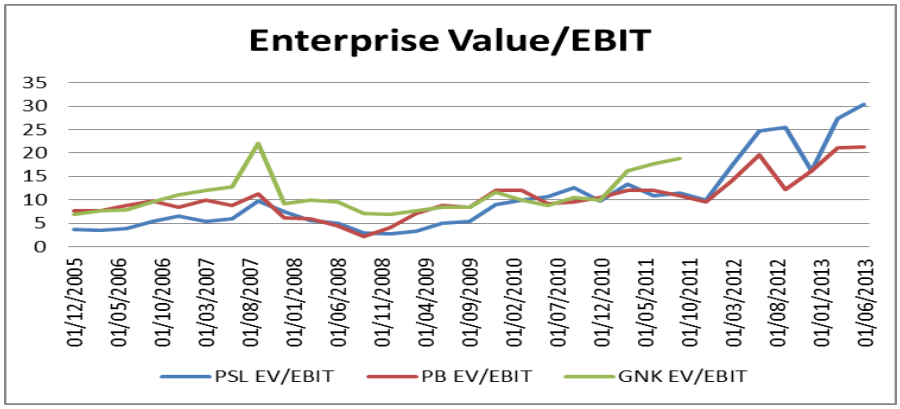



Source: Bloomberg

The above displays the BDI against the market capitalisation of all 3 compnaies. Pacific Basin has been by far the most valuable company with a market capitalisation of $3.4bn in 2007 while PSL and Genco had values far lower, withitn the $1bn-$2bn range. Interestingly the market capitalisation of Pacific Basin is still substantially higher than PSL's despite lower margins, and a loss in 2012. But the real interesting case is Genco, who in 2012 filed for Chapter 11. As this analysis has noted Genco's buying of assets may not have been fully counter cyclical vessels were not acquired near the top when asset values were irrationally high. Upon further investigation, a leading cause could be the fact that one of Genco's clients was J. Lauritzen who filed for bankruptcy as well.

This graph is indication that the market as a whole views Pacific Basin as a valueable company despite strategic short-comings. Secondly, when compared to PSL Pacific Basin has a substantially higher amount of shares in circulation while PSL has close to 60% held in house. In theory and in practice the greater the free flow of shares the higher the market value due to the liqudity premium. Furthermore, as stated in the previous section, Pacific Basin tend to be more active on the financial size issuing convertible securities and SEOs. These activities could contribute toward a higher market valuation if the market views such activities positively.

**Figure 28 Enterprise Value (EV)/Earnings Before Interest and Tax (EBIT)**




Source: Bloomberg

When considering the graph above one has to bear in mind that Genco's ratio trails off toward 2012 as the company filed for Chapter 11. But whats most striking about the above is that in 2013 PSL's ratio actually exceeds Pacific Basin's despite being undervalued in terms of market cap. An explanation for Pacific Basin's lower multiple could be mathematical: EV is decreasing at a faster rate than EBIT. On the other hand PSL's EV has been increasing due to the strategy of taking on debt at the bottom of the market, and whats more is that as freight rates continue to remain flat the mathematical quantity that is EV/EBIT actually gets larger.

## *Shareholder Returns*

**Table 30 Return On Equity**

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| **PSL** | 32.69 | 18.31 | 7.15 | 4.81 | 0.95 |
| **Genco** | 13.13 | 18.29 | 13.70 | 2.22 | -13.07 |
| **Pacific Basin** | 39.23 | 8.25 | 6.95 | 2.11 | -11.25 |

Source: Bloomberg

Looking at the above PSL has consistently been able to provide positive returns to shareholders while Genco and Pacific Basin failed to do so in 2012. Whats more is that the RoE for PSL was substantially higher the Genco's in 2008 despite downsizing the fleet and operating a much older fleet. Possible reasons for this could be Genco's use of the public markets in 2008 to fund further fleet expansion, by increasing the number of shares in circulation existing shareholders may have seen a transfer of wealth to new shareholders thereby lowering return on equity in 2008. Similarly Pacific Basin has seen its RoE decline over the period. Whats worth noting is that while in terms of market cap Pacific Basin was much higher than PSL in 2008, the RoE metric does not seem to indicate that there is a substantial benefit to holding a PSL share over a Pacific basin share. On the other hand based on RoE alone, holding a PSL share would provide a greater return to equity holders than holding a Genco share, but in 2008 Genco's market cap was much higher than PSL's. What this suggests is that gains from Genco and Pacific Basin come from capital gains (selling shares) rather than buying and holding. An explanation for the variation in market cap could be down to the type of investors these companies attract. PSL could be attracting longer term shareholders while Genco and Pacific Basin attract more speculative investors.

## *Analysts View*

Corrine Ping of JP Morgan and analysts at PhillipCapital have projected PSL to remain profitable in 2013 as it continues to implement a highly successful strategy. See the attached PDFs in the data file.

## *Concluding Remarks: Financial Review*

Unlike its competitors Genco and Pacific Basin, PSL did not record a loss in 2012 nor did it enter Chapter 11, and continues to operate profitably while acquiring new tonnage. This statement can be seen from looking at the most basic of ratios such as profit margin. Furthermore, PSL has also been able to steadily provide returns to shareholders as demonstrated by the RoE ratio, while it's competitors have actually made their shareholders worse off. Ultimately, the proof of a successful strategy is the bottom line, which in this case is positive and continuing to rise!

## *Conclusion*

Due to nature of the shipping industry, price taking, companies have no choice but to compete. However, where and how companies compete is what separates the profitable ones from the those that go bankrupt. In order to sustain any level of profitability in a highly competitive market a company must first have control of its cost base and the ability to keep that cost case as low as possible. Pacific Basin's strategy of using COAs has led to cost of sales rising substantially relative to earnings as bunkers and other cost items continue to rise while freight rates continue to decline. PSL not only maintains a low cost of sales but also has an OPEX far lower than the industry average. The next element is when to buy and sell ships. Buying at the peak is only sustainable for a short time, and that too assumes that the counter party will maintain the agreement even after the market falls. In order to survive in this market one needs to buy ships when the market is in decline and sell older tonnage when markets are good to release capital and provide returns to shareholders and fund future expansion. It is precisely this strategy that PSL has adopted, and has gone on to leverage its balance sheet in a counter cyclical manner in order to avoid financial distress when the market falls and pay dividends inversely to that of debt. All these policies reduce the likelihood of financial distress and provide a sustainable return to shareholders. From the report one can conclude that PSL has impeccable timing unlike its competitors. Whats more is that it continues to remain profitable while its peer group record losses and even file for court protection.

# *APPENDIX*

## *Financial Statements*

All financial data was taken from Bloomberg unless otherwise indicated.

For Pacific Basin and Genco please see the attached data file

### *PSL Balance Sheet*

| Assets ($ M) | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|
| + Cash & Near Cash Items | 34.88 | 43.64 | 96.46 | 175.17 | 140.50 | 138.53 | 62.15 |
| + Short-Term Investments | 0.00 | 0.00 | 0.00 | 0.82 | 0.00 | 0.00 | 0.00 |
| + Accounts & Notes Receivable | 2.80 | 1.03 | 1.35 | 1.26 | 1.13 | 3.96 | 7.09 |
| + Inventories | 1.21 | 0.17 | 0.19 | 0.00 | 0.00 | 0.00 | 0.00 |
| + Other Current Assets | 5.53 | 7.49 | 6.75 | 3.75 | 3.02 | 48.19 | 23.95 |
| Total Current Assets | 44.43 | 52.33 | 104.75 | 181.00 | 144.65 | 190.68 | 93.18 |
| + Long-Term Investments | 0.28 | 0.30 | 0.29 | 0.30 | 0.26 | 0.26 | 0.26 |
| + Gross Fixed Assets | 554.83 | 538.37 | 530.82 | 405.80 | 371.15 | 471.00 | 724.86 |
| - Accumulated Depreciation | 249.29 | 254.32 | 267.78 | 171.36 | 158.23 | 171.90 | 194.87 |
| + Net Fixed Assets | 305.54 | 284.05 | 261.46 | 233.03 | 212.92 | 299.10 | 530.00 |
| + Other Long-Term Assets | 3.36 | 109.10 | 150.65 | 248.74 | 306.23 | 234.89 | 162.10 |
| Total Long-Term Assets | 309.18 | 393.45 | 412.40 | 482.07 | 519.41 | 534.25 | 692.36 |
| Total Assets | 353.61 | 445.77 | 517.15 | 663.08 | 664.07 | 724.93 | 785.54 |
| **Liabilities & Shareholders' Equity ($ M)** | | | | | | | |
| + Accounts Payable | 2.29 | 1.98 | 2.77 | 1.34 | 0.37 | 1.05 | 0.06 |
| + Short-Term Borrowings | 0.00 | 0.00 | 0.00 | 0.00 | 4.90 | 22.75 | 26.22 |
| + Other Short-Term Liabilities | 17.68 | 21.42 | 19.62 | 13.30 | 9.37 | 9.36 | 10.32 |
| Total Current Liabilities | 19.97 | 23.40 | 22.39 | 14.64 | 14.64 | 33.16 | 36.60 |
| + Long-Term Borrowings | 0.00 | 0.00 | 21.29 | 128.53 | 158.56 | 199.74 | 270.19 |
| + Other Long-Term Liabilities | 0.00 | 4.89 | 7.66 | 6.68 | 4.77 | 5.75 | 5.26 |
| Total Long-Term Liabilities | 0.00 | 4.89 | 28.95 | 135.22 | 163.33 | 205.49 | 275.45 |
| Total Liabilities | 19.97 | 28.29 | 51.34 | 149.86 | 177.97 | 238.66 | 312.05 |
| + Total Preferred Equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| + Minority Interest | 0.3454 | 0.3767 | 0.3155 | 0.7347 | 0.9741 | 1.0491 | 0.0401 |
| + Share Capital & APIC | 25.82 | 43.07 | 46.74 | 48.62 | 54.01 | 51.41 | 53.07 |
| + Retained Earnings & Other Equity | 307.48 | 374.04 | 418.75 | 463.86 | 431.11 | 433.82 | 420.39 |
| Total Shareholders' Equity | 333.64 | 417.48 | 465.81 | 513.22 | 486.09 | 486.27 | 473.50 |
| Total Liabilities & Equity | 353.61 | 445.77 | 517.15 | 663.08 | 664.07 | 724.93 | 785.54 |

## *PSL Profit and Loss*

| ($M) | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|
| Revenues | 239.54 | 211.56 | 256.33 | 161.52 | 92.82 | 101.18 | 112.63 |
| - Cost of Revenue | 78.69 | 55.14 | 59.02 | 50.19 | 27.74 | 43.93 | 65.99 |
| Gross Profit | 160.85 | 156.42 | 197.31 | 111.34 | 65.08 | 57.25 | 46.64 |
| - Selling, General & Admin Expense | 63.43 | 76.19 | 48.18 | 39.00 | 31.96 | 30.57 | 38.26 |
| Operating Income | 97.42 | 80.23 | 149.13 | 72.34 | 33.12 | 26.68 | 8.38 |
| - Interest Expense | 3.80 | 3.67 | 3.92 | 7.75 | 9.45 | 14.46 | 13.96 |
| - Foreign Exchange Losses (Gains) | -3.24 | 0.00 | -1.84 | -1.27 | 0.21 | 0.18 | 0.18 |
| - Net Non-Operating Losses (Gains) | -1.36 | -50.32 | -1.80 | -24.70 | -15.26 | -11.73 | -10.52 |
| Pretax Income | 98.22 | 126.88 | 148.85 | 90.56 | 38.73 | 23.77 | 4.76 |
| - Income Tax Expense | 0.00 | 6.25 | 0.64 | 1.33 | 2.61 | 0.12 | 0.13 |
| Income Before XO Items | 98.22 | 120.63 | 148.21 | 89.23 | 36.12 | 23.65 | 4.63 |
| - Extraordinary Loss Net of Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| - Minority Interests | 0.17 | 0.14 | -0.05 | 0.40 | 0.31 | 0.08 | 0.09 |
| Net Income | 98.05 | 120.49 | 148.26 | 88.83 | 35.81 | 23.57 | 4.54 |

## *PSL Cash Flow Statement*

| ($M) | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|
| + Net Income | 98.048 | 120.49 | 148.26 | 88.834 | 35.808 | 23.575 | 4.5399 |
| + Depreciation & Amortization | 55.249 | 52.897 | 32.598 | 27.556 | 21.713 | 21.514 | 29.603 |
| + Other Non-Cash Adjustments | 1.1019 | -40.81 | -1.004 | -29.59 | -19.61 | -10.16 | -10.49 |
| + Changes in Non-Cash Capital | 1.6645 | 5.7979 | 4.9293 | -9.354 | -4.005 | -4.91 | -8.578 |
| Cash From Operating Activities | 156.06 | 138.37 | 184.78 | 77.447 | 33.901 | 30.021 | 15.074 |
| + Disposal of Fixed Assets | 4.2471 | 54.808 | 0.0041 | 69.082 | 25.989 | 0.0631 | 0.0088 |
| + Capital Expenditures | -12.57 | -22.94 | -44.25 | -87.95 | -30.39 | -78.34 | -165.7 |
| + Increase in Investments | -0.267 | 0 | 0 | 0 | 0 | 0 | 0 |
| + Decrease in Investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| + Other Investing Activities | 0 | -93.8 | -18.81 | -30.01 | -52.07 | 2.7647 | 18.994 |
| Cash From Investing Activities | -8.59 | -61.94 | -63.05 | -48.87 | -56.47 | -75.51 | -146.7 |
| + Dividends Paid | -47.4 | -77.1 | -85.8 | -60.6 | -41.03 | -21.14 | -15.06 |
| + Change in Short-Term Borrowings | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| + Increase in Long-Term Borrowings | 0 | 0 | 21.792 | 109.08 | 33.265 | 146.12 | 161.99 |
| + Decrease in Long-term Borrowings | -86.93 | 0 | 0 | 0 | -0.91 | -80.57 | -88.45 |
| + Increase in Capital Stocks | 1.5064 | 0 | 0 | 0 | 0 | 0 | 0 |
| + Decrease in Capital Stocks | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| + Other Financing Activities | -0.924 | 6.801 | -1.286 | -4.207 | -21.37 | 6.0508 | -6.535 |
| Cash from Financing Activities | -133.8 | -70.3 | -65.3 | 44.272 | -30.05 | 50.455 | 51.955 |
| Net Changes in Cash | 13.722 | 6.1366 | 56.432 | 72.849 | -52.62 | 4.9637 | -79.63 |

# *List of Tables And Graphs*

**Tables**



**Figures**

## *Data Sources*

Bloomberg and Clarksons Research Services where indicated

# *Appendix 2*

## *Vessel Particulars*

**- M.V. APIRADEE NAREE**
- ALL DETAILS ABTS N WOG N GIVEN IN GOOD FAITH
- TYPE SINGLE DECK BULK CARRIER

- FLAG: TBA, POR: TBA, OFF NO:TBA, IMO NO. TBA

- CALL SIGN: TBA / INMARSAT C: TBA

- CLASS - TBA

- DWT/DRAFT:-

SUMMER: ABT 56,700 MT / ABT 12.8 M

WINTER: ABT 55,100 MT / ABT 12.5 M

TROPICAL: ABT 58,200 MT / ABT 13.0 M

FRESH WATER: ABT 56,700 MT / ABT 13.1 M

TROPICAL FRESH: ABT 58,200 MT / ABT 13.3 M

- LOADED TPC - 58.8 MT

- LOA - 189.99 M / LBP - 185.00 M / BEAM - 32.26 M / MOULDED DEPTH - 18.00 M

- HEIGHT FROM KEEL: 45.86 M

- GT/NT - 33005 / 19321

- HO/HA - 5/5

- GEAR - 4 X 36 MT FOR HOOK USE AND 28 MT FOR GRAB USE, MAX OUTREACH ABT 11.9 M

- HATCH OPENINGS (ALL ABOUT):-

No.1 - 18.75 x 18.25 M

No.2 - 21.25 x 18.25 M

No.3 - 21.25 x 18.25 M

No.4 - 21.25 x 18.25 M

No.5 - 21.25 x 18.25 M

- HATCH COVERS - FOLDING TYPE

- TANK TOP DIMENSIONS (ALL ABOUT):-

NO.1 - L 27.90 X W/FWD 10.6 X W/AFT 23.8

NO.2 - L 28.60 X WIDTH 23.7

NO.3 - L 27.0 X WIDTH 23.7

NO.4 - L 29.6 X WIDTH 23.7

NO.5 - L 27.0 X W/FWD 23.7 X W/AFT 11.6

HT. TO MAIN DECK 16.20 M / HT. TO TRACKWAY 18.60 M / H.COAMING HEIGHT 2.50 M

- GRAIN CUBIC BREAKDOWN (ALL ABOUT):-

NO.1/13,000.00, NO.2/15,300.00, NO.3/14,500.00, NO.4/15,300.00, NO.5/13,400.00
TOTAL / 71,500.00 CBM

- AUSSIE FITTED, GRAIN FITTED, CO2 FITTED. NAT VENTS

- STRENGTHENED FOR HEAVY CARGOES, NOS 2 AND 4 HOLDS MAY BE EMPTY

- STRENGTHS - IN MT/M2:-

TANK TOP: NOS. 1,3&5 - 25 AND NOS. 2&4 - 20

- DECK AND HATCH COVER LOADING NOT ALLOWED.

- SPEED CONSUMPTION:-

LADEN: ABOUT 14.0 KNOTS ON ABOUT 35 MT IFO PLUS ABOUT 0.20 MT MDO
BALLAST: ABOUT 14.5 KNOTS ON ABOUT 32.5 MT IFO PLUS ABOUT 0.20 MT MDO
IN PORT:
IDLE ABOUT 2.5 MT IFO AND ABOUT 0.5 MT MDO
WORKING ABOUT 4.5 MT IFO AND ABOUT 0.5 MT MDO

IN PORT DURING WINTER ADDITIONAL IFO ABOUT 2.0 MT PER DAY

ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND

DOUGLAS SEA STATE 3.

VSL CONSUMES MDO IN MAIN ENGINES WHILE MANOUVERING IN/OUT OF PORTS, CANALS,

RIVERS, NARROW WATERS, FOGS ETC.

- BUNKER SPECS:-

FUEL OIL 380 CST SPECS: ISO 8217 2005 RMG 380

DIESEL OILS SPECS : ISO-8217 2005 DMB

- P&I CLUB: TBA, INSURED H&M VALUE: TBA

VESSEL'S DESCRIPTION GIVEN ABOVE ARE CLOSE/STANDARD PRINCIPAL PARTICULARS (BASED ON AN ASSUMED VESSEL) WHICH MAY VARY UPON COMPLETION/DELIVERY AT WHICH STAGE SUCH CHANGES TO BE INCORPORATED IN VSL'S DESCRIPTION.

**M.V. BARANEE NAREE**

- ALL DTLS ABTS N GIVEN IN GOOD FAITH

- TYPE BULK

- BUILT : SEP 2012. YANGZHOU GUOYU SHIPBUILDING CO LTD., CHINA

- FLAG: SINGAPORE, POR: SINGAPORE, OFF NO: 398015, IMO NO. 9613422

- CALL SIGN: S6EP8

- INMARSAT C: SAT-C ID: 456667510 OR 456667511

- FBB TEL: + 870773203613 FAX: + 870783019581
- CLASS - BUREAU VERITAS

- DWT/DRAFT:-

  SUMMER: 56441.1 MT / 12.800 M

  WINTER: 54870.4 MT / 12.533 M

  TROPICAL: 58014.4 MT / 13.067 M

  FRESH WATER: 56441.1 MT / 13.088 M

  TROPICAL FRESH: 58014.4 MT / 13.355 M

- LOADED TPC - 58.8 MT, FWA: 288 MM

- LOA - 189.99 M / LBP - 185.00 / BEAM - 32.26 M / MOULDED DEPTH - 18.00 M

- HEIGHT FROM KEEL: 45.86 M

- GT/NT - 33032 / 19231

- HO/HA - 5/5

- GEAR - 4 X 36 MT FOR HOOK USE AND 28 MT FOR GRAB USE, MAX OUTREACH ABT 11.9 M

- GRABS: 4 X 12.5 CBM SMAG-PEINER GRABS

- HATCH OPENINGS:-

  No.1 - 18.86 x 18.26 M

  No.2 - 21.32 x 18.26 M

  No.3 - 21.32 x 18.26 M

No.4 - 21.32 x 18.26 M

No.5 - 21.32 x 18.26 M

- HATCH COVERS - FOLDING TYPE

- TANK TOP DIMENSIONS- ALL ABOUT:-

NO.1 - L 27.88 x w/fwd 10.7 x w/aft 23.8

NO.2 - L 28.7 x Width 23.8

NO.3 - L 27.06 x Width 23.8

NO.4 - L 28.7 x Width 23.8

NO.5 - L 27.06 x w/fwd 23.8 x w/aft 9.06

h. to main deck 16.72M / h. to trackway 18.52M / h/coaming height 1.80M

- GRAIN CUBIC BREAKDOWN:-

NO.1 / 13009.86 NO.2 / 15333.25 NO.3 / 14553.08 NO.4 / 15333.27 NO.5 / 13404.64
TOTAL / 71,634,10 CBM
- AUSSIE FITTED, GRAIN FITTED, CO2 FITTED. NAT VENTS

- STRENGTHENED FOR HEAVY CARGOES, NOS 2 AND 4 HOLDS MAY BE EMPTY

- STRENGTHS - IN MT/M2:-

TANK TOP – NOS.1, 3 & 5 - 25 MT AND NOS. 2 & 4 - 20 MT

DECK AND HATCH COVER LOADING NOT ALLOWED.

- SPEED/CONS:

A) LADEN: ABOUT 14.0 KNOTS ON ABOUT 35 MT IFO PLUS ABOUT 0.20 MT MDO
B) BALLAST: ABOUT 14.5 KNOTS ON ABOUT 32.5 MT IFO PLUS ABOUT 0.20 MT MDO
IN PORT:
IDLE ABOUT 2.5 MTS IFO AND ABOUT 0.5 MTS MDO
WORKING ABOUT 4.5 MTS IFO AND ABOUT 0.5 MTS MDO

ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND

DOUGLAS SEA STATE 3

VSLS CONSUMES MDO IN MAIN ENGINES WHILE MANEUVERING IN/OUT OF PORTS, CANALS,

RIVERS, NARROW WATERS, FOGS ETC.

- BUNKER SPECS:-

FUEL OIL 380 CST SPECS : ISO 8217 2010 RMG 380

DIESEL OILS SPECS : ISO-8217 2010 DMB

EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES TO

BE MAINTAINED.

- P&I CLUB: SKULD, H+M VALUE – USD. 27.00 MILLION (SUBJECT TO CHANGES AS MAY BE

AGREED WITH HNM UNDERWRITERS FROM TIME TO TIME)

- OWNERS: PRECIOUS SPARKS PTE. LTD., SINGAPORE

**MV BENJAMAS NAREE**

- ALL DTLS ABTS N WOG N GIVEN IN GOOD FAITH

- BUILT 2012 AT ABG SHIPYARD LTD., INDIA

- TYPE: BULK / LOG CARRIER, DOUBLE HULL

- FLAG: SINGAPORE , POR: SINGAPORE , OFF NO.: 397027, IMO NO.: 9464027

- CALL SIGN: 9V9405, INMARSAT C TLX NO.: 456637710 / 456637711

- FBB TEL: + 870 773202253 FBB FAX: + 870 783010498

- CLASS: NKK

- DWT / DRAFT:-

- SUMMER - 33,780.49 MT / 10.20 M

- WINTER - 32, 743.34 MT / 9.987 M

-TROPICAL- 34,820.52 MT / 10.413 M

-LUMBER SUMMER - ( SAME AS SUMMER DRAFT)

-LUMBER WINTER - ( SAME AS WINTER DRAFT)

-LUMBER TROPICAL - (SAME AS TROPICAL DRAFT)

- LIGHT SHIP: 10,268.22 MT

-LOADED TPC: 48.728 MT MT FWA: 226 MM

- LOA: 182.50 M, LBP: 175.00 M, BEAM - 29.00 M, MOULDED DEPTH: 14.75 M

- AIR DRAFT FM KEEL: 49.45 M

- GT/NT: 23670 / 10850

SUEZ GT/NT: 23707.96 / 20998.28 (AS PER CLASS. ACTUAL SCA MEASUREMENTS MAY VARY FROM THIS)

PANAMA NT: 19172 ( AS PER CLASS. ACTUAL PCA MEASUREMENTS MAY VARY FROM THIS)

- HO/HA: 5/5

- HOLD NOS. 1 & 5 ARE SEMI BOX TYPE WITH LOWER HOPPERS.

HOLD NOS. 2, 3 & 4 ARE BOX TYPE.

STRENGTHENED FOR HEAVY CARGOES, ALTERNATE HOLD LOADING (NO. 2, 4 EMPTY

ON FULL LOAD OR NO. 1,3, 5 EMPTY ON PART LOAD).

- GEAR: 4 CRANES OF 30 MT SWL EACH ( 24 MT FOR GRAB OPERATION)

GEAR OUTREACH: ABT 11.5 M

- HATCH OPENINGS IN METERS (L X B):

NO. 1 - 16.80 X 15.00

NOS. 2, 3, 4 & 5 - 20.80 X 21.50

- HATCHCOVERS: FOLDING TYPE - HYDRAULIC

- GRAIN / BALE - IN CBM: 43469.36 / 42824.33

CUBIC BREAKDOWN - IN CBM:-

GRAIN: NO.1 - 6962.92 / NO.2 - 9554.78 / NO.3 - 8915.88 / NO.4 - 8915.88 /

NO.5 - 9119.90

BALE: NO.1 - 6783.92 / NO.2 - 9372.35 / NO.3 - 8827.12 / NO.4 - 8827.12 /

NO.5 - 9013.82

HOLD DIMENSIONS:-

L X B(F,A) AT TANKTOP X HT UPTO COAMING IN MTRS (ALL ABOUT)

NO.1 - 26.40 X (4.0, 24.95) X 14.90

NO.2 - 25.60 X (24.95, 24.95) X 14.90

NO.3 - 22.40 X (24.95, 24.95) X 14.90

NO.4 - 22.40 X (24.95, 24.95) X 14.90

NO.5 - 25.60 X (24.95, 3.62) X 14.90

- HT OF HATCH COAMING: ABT 1.5 M

- STEEL STANCHIONS:-

HEIGHT OF PORTABLE STANCHIONS: 7.5 M ( EXCEPT ABREAST NO.1 HATCH 6.0 M )

(VSL HAS FIXED STANCHIONS ABREAST OF MAST HOUSES AND EXTREME FWD OF NO. 1

HATCH

AND EXTREME AFT OF NO. 5 HATCH)..

- AUSSIE FITTED, GRAIN FITTED, CO2 AND SMOKE DETECTION SYSTEMS FITTED

- MECHANICAL VENTILATION (6 AIR CHANGES/HOUR) + NATURAL VENTILATION

- STRENGTHS (UNIFORM LOAD):-

MAIN DECK: 3.6 MT/M2

MAIN DECK HATCHES: 2.99 MT/M2

TANKTOP: 20.00 MT/M2

- SPEED/CONSUMPTION:-

ABT 14.0 KNOTS ON ABT 26 MTS IFO 380 CST + NO MDO AT SEA

IN PORT IDLE / WWW: ABT 2.0 MTS MDO / ABT 3.0 MTS MDO

IN PORT IN WINTER ADDITIONAL ABT 2.0 MT IFO PER DAY

ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND DOUGLAS SEA STATE 3. VESSEL HAS SHAFT GENERATOR AND DOES NOT CONSUME MDO AT SEA EXCEPT DURING BAD WEATHER IN WHICH CASE ABT 2 MTS MDO PER DAY.

VSL CONSUMES MDO IN MAIN ENGINES WHILE MANEUVERING IN/OUT OF PORTS, CANALS, RIVERS, NARROW WATERS, FOGS ETC.

BUNKER SPECS :

FUEL OIL 380 CST SPECS : ISO 8217 2005 RMG 380

DIESEL OILS SPECS : ISO-8217 2005 DMB

EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES TO BE MAINTAINED

OWNER: PRECIOUS FRAGRANCE PTE LTD, SINGAPORE

- P+I CLUB: UK P N I CLUB

- H+M VALUE: USD 30.00 MILLION (SUBJECT TO CHANGES AS MAY BE AGREED WITH HNM UNDERWRITERS FROM TIME TO TIME)

ENDS

**- M.V. CHAYANEE NAREE**

- TYPE BULK

- BUILT : 2012. YANGZHOU GUOYU SHIPBUILDING CO LTD., CHINA

- FLAG: SINGAPORE, POR: SINGAPORE, OFF NO: 398016, IMO NO. 9613434

- CALL SIGN: S6AF2 / INMARSAT C : 456670810 AND 456670811

- FBB TEL: + 870 773203558 FBB FAX: +870 783019532
- CLASS - BUREAU VERITAS

- DWT/DRAFT

SUMMER: 56547.90 MT / 12.800M

WINTER: 54977.20 MT / 12.533M

TROPICAL: 58121.20 MT / 13.067M

FRESH WATER: 56547.90 MT / 13.088M

TROPICAL FRESH: 58121.20 MT / 13.355M

- LOADED TPC – 58.8 MT FWA: 288 MM

- LOA - 189.99M / LBP - 185.00 / BEAM - 32.26M / MOULDED DEPTH - 18.00M

- HEIGHT FROM KEEL: 45.86M

- GT/NT - 33032 / 19231

- HO/HA - 5/5

- GEAR - 4 X 36MT FOR HOOK USE AND 28MT FOR GRAB USE, MAX OUTREACH ABT 11.9 M

-GRABS: 4 X 12.5 CBM SMAG-PEINER GRABS

- HATCH OPENINGS -

No.1 – 18.86 x 18.26M

No.2 – 21.32 x 18.26M

No.3 – 21.32 x 18.26M

No.4 – 21.32 x 18.26M

No.5 – 21.32 x 18.26M

- HATCH COVERS - FOLDING TYPE

- TANK TOP DIMENSIONS- ALL ABOUT

1 –L 27.88 x w/fwd 10.7 x w/aft 23.8

2 - L 28.7 x Width 23.8

3 - L 27.06 x Width 23.8

4 - L 28.7 x Width 23.8

5 - L 27.06 x w/fwd 23.8 x w/aft 9.06

h. to main deck 16.72M / h. to trackway 18.52M / h/coaming height 1.80M

- GRAIN CUBIC BREAKDOWN -

NO.1/13009.86 NO.2/15333.25 NO.3/14553.08 NO.4/ 15333.27 NO.5/13404.64 TOTAL / 71,634,10 CBM

- AUSSIE FITTED, GRAIN FITTED, CO2 FITTED. NAT VENTS

- STRENGTHENED FOR HEAVY CARGOES, NOS 2 AND 4 HOLDS MAY BE EMPTY

- STRENGTHS - IN MT/M2

TANK TOP - NOS 1, 3 & 5 – 25 MT AND N0. 2 & 4 - 20 MT

DECK AND HATCH COVER LOADING NOT ALLOWED.

A) LADEN : ABOUT 14.0 KNOTS ON ABOUT 35 MT IFO PLUS ABOUT 0.20 MT MDO
B) BALLAST : ABOUT 14.5 KNOTS ON ABOUT 32.5MT IFO PLUS ABOUT 0.20MT MDO
IN PORT
IDLE ABOUT 2.5MTS IFO AND ABOUT 0.5MTS MDO
WORKING ABOUT 4.5MTS IFO AND ABOUT 0.5MTS MDO

ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND DOUGLAS SEA STATE 3 VSLS CONSUMES MDO IN MAIN ENGINES WHILE MANEUVERING IN/OUT OF PORTS, CANALS,

RIVERS, NARROW WATERS, FOGS ETC.

-BUNKER SPECS :

FUEL OIL 380 CST SPECS : ISO 8217 2005 RMG 380

DIESEL OILS SPECS : ISO-8217 2005 DMB

EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES TO BE MAINTAINED.

- P&I CLUB:UK P N I CLUB,

- INSURED H&M VALUE: USD: 26.5 MILLION(SUBJECT TO CHANGES AS MAY BE AGREED WITH HNM UNDERWRITERS FROM TIME TO TIME)

- OWNERS : PRECIOUS VISIONS PTE. LTD., SINGAPORE

- ENDS

- M.V. CHARANA NAREE

- EX : MV.STX QUEENSLAND

- BUILT: SHIN KURUSHIMA, JAPAN, SEPT / 2005

- LOG / BULK

- CLASS: NKK

- FLAG: THAI / OFFICIAL NO: 540000429 / IMO NO : 9296303

- CALL SIGN – HSCH

- SAT C TELEX: 456700470

- FLEET 77 TEL: 765095970 FAX: 765096971

- DWT/DRAFT

SUMMER: 33,720 MT ON 9.823 M

WINTER: 32,802 MT ON 9.619 M

TROPICAL: 34,640 MT ON 10.027 M

LUMBER SUMMER : 34,893 MT ON 10.083 M

- VSLS LOADED TPC – 45.06 , FWA : 228 MM

- LOA-176.83 / LBP – 169.50/ BEAM- 28.80 M, - MOULDED DEPTH: 14.2 M

- GT/NT – 21,093 / 10,816

- 5/5 HO/HA,

- CRANES 4 X 30 MT HOOK USE AND 24 MT WITH GRAB OPERATION (VSL NOT GRAB FITTED)

- GEAR MAX OUTREACH ABT 9.5 M

- HATCH OPENINGS -

NO.1 – 13.6 M X 15.4 M

NO. 2,3,4,5 – 20 M X 20 M

- HATCH COVERS – FORE AND AFT FOLDING TYPE - HYDRAULIC

- TANK TOP DIMENSIONS ALL ABOUT IN METERS

NO.1 HOLD W(FWD 10.9 M, AFT 25.2 M) X L 23.6 M

NO.2 HOLD W(FWD 25.2 M, AFT 26.3 M) X L 28.0 M

NO.3 HOLD W(FWD 26.3 M, AFT 26.3 M) X L 28.0 M

NO.4 HOLD W(FWD 26.3 M, AFT 24.0 M) X L 28.0 M

NO.5 HOLD W(FWD 23.8 M, AFT 9.4 M) X L 27.2 M

- HEIGHT FM TANK TOP TO UNDER SIDE OF HATCH COVERS ABT 14 .35 M

- CAPACITIES GRAIN / BALE 43,241.72 CUM / 42,166.25 CUM

- INDIVIDUAL HOLD CUBICS IN CUM

GRAIN: NO.1 -6177.13 /NO.2- 9506.32 / NO.3- 9539.31 / NO.4- 9534.68 / NO.5 – 8484.28

BALE : NO.1- 6079.52 /NO.2 - 9279.56 /NO.3-9292.56 /NO.4 -9289.03 /NO.5 - 8225.58

- AUSSIE FITTED, GRAIN FITTED, Co2 FITTED, MECH VENTS

- HEIGHT OF COLLAPSIBLE STANCHION: 7.0 M(NO.1 ), 8.5 M( 2,3,4 AND 5)

- STRENGTHS - IN MT/M2

MAIN DECK – 4.1

MAIN DECK HATCHES – 3.1

TANK TOP – 18

- EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES TO BE MAINTAINED

- P+I CLUB – SKULD , H+M VALUE – USD: 18.00 MILLION(SUBJECT TO CHANGES AS MAY BE AGREED WITH HNM UNDERWRITERS FROM TIME TO TIME)

- OWNERS : PRECIOUS VENTURES LIMITED

**- M.V. CHAMCHURI NAREE**

- ALL DETAILS ABOUT N GIVEN IN GOOD FAITH
- EX : MV.STX PIONEER
- BUILT: SHIN KURUSHIMA, JAPAN, JUNE/ 2005
- LOG / BULK
- CLASS: NKK
- FLAG: THAI / OFFICIAL NO: TBA / IMO NO: 9296274
- CALL SIGN: TBA
- SAT C TELEX: TBA
- FBB TEL: +TBA / FBB FAX: +TBA
- DWT/DRAFT:-
  SUMMER: 33,733 MT ON 9.823 M
  WINTER: 32,815 MT ON 9.619 M
  TROPICAL: 34,653 MT ON 10.027 M
  LUMBERSUMMER : 34,906 MT ON 10.083 M
- VSLS LOADED TPC - 45.06 , FWA : 228 MM
- LOA - 176.83 / LBP - 169.50 / BEAM - 28.80 M
- MOULDED DEPTH: 14.2 M
- GT/NT - 21,093 / 10,816
- SUEZ GT/NT - 21,591.62 /19,553.77
  (SINCE SUEZ CANAL NT DEPENDS ON VARIABLE FACTORS CHARTS TO CONFIRM WITH THEIR AGENTS FOR THE ACTUAL SCNT FOR THE TRANSIT.)
- PANAMA NT: 17,597
- 5/5 HO/HA
- 4 X 30 MT CRANES MAX OUTREACH ABT 9.5 M
- HATCH OPENINGS:-
  NO.1 - 13.6 M X 15.4 M
  NO. 2,3,4,5 - 20 M X 20 M
- HATCH COVERS - FORE AND AFT FOLDING TYPE - HYDRAULIC
- TANK TOP DIMENSIONS:-
  ALL ABOUT IN METERS
  NO.1 HOLD: W(FWD 10.9 M, AFT 25.2 M) X L 23.6 M
  NO.2 HOLD: W(FWD 25.2 M, AFT 26.3 M) X L 28.0 M
  NO.3 HOLD: W(FWD 26.3 M, AFT 26.3 M) X L 28.0 M
  NO.4 HOLD: W(FWD 26.3 M, AFT 24.0 M) X L 28.0 M
  NO.5 HOLD: W(FWD 23.8 M, AFT 9.4 M) X L 27.2 M
- HEIGHT FM TANK TOP TO UNDER SIDE OF HATCH COVERS ABT 14.35 M
- CAPACITIES GRAIN / BALE: 43,331.48 CUM / 42,166.25 CUM
- INDIVIDUAL HOLD CUBICS IN CUM:-
  GRAIN: NO.1 - 6192.17 / NO.2 - 9527.79 / NO.3 - 9560.78 / NO.4 - 9556.15 /
  NO.5 - 8494.59
  BALE: NO.1 - 6079.52 / NO.2 - 9279.56 / NO.3 - 9292.56 /NO.4 - 9289.03 /
  NO.5 - 8225.58
- AUSSIE FITTED, GRAIN FITTED, Co2 FITTED, MECH VENTS
- HEIGHT OF COLLAPSIBLE STANCHION: 7.0 M (NO.1 ), 8.5 M ( 2,3,4 AND 5)
- STRENGTHS - IN MT/M2:-
  MAIN DECK - 4.1
  MAIN DECK HATCHES - 3.1
  TANK TOP - 18
- SPEED CONSUMPTION:-

IN BALLAST ABT 14.0 KTS, LOADED ABT 13.5 KTS ON ABT 24.5 MT/D IFO 380 CST + ABT 0.1 MT/D MGO IN PORT IDLE ABT 3.2 MT/D IFO + ABT 0.2 MT/D MGO IN PORT WORKING ABT 4.7 MT/D IFO + ABT 0.2 MT/D MGO ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND DOUGLAS SEA STATE 3. WHILST MANEUVERING IN/OUT OF PORTS, RIVERS, CANALS, NARROW WATERS, FOGS ETC VESSEL DOES BURN MGO IN THE MAIN ENGINE

- BUNKER SPECS:-
  FUEL OIL 380 CST SPECS : ISO 8217 2005 RMG 380
  DIESEL OILS SPECS : ISO-8217 2005 DMA
- P+I CLUB - SKULD, H+M VALUE - USD: 20 MILLION (SUBJECT TO CHANGES AS MAY BE AGREED WITH
  HNM UNDERWRITERS FROM TIME TO TIME)

OWNERS: PRECIOUS TREES LIMITED, BANGKOK

- **M.V. CHINTANA NAREE**
- ALL DTLS ABTS N WOG N GIVEN IN GOOD FAITH
- BUILT JAN 2013 AT ABG SHIPYARD LTD., INDIA
- TYPE: BULK / LOG CARRIER, DOUBLE HULL
- FLAG: SINGAPORE , POR: SINGAPORE , OFF NO.: 397028, IMO NO.: 9464039
- CALL SIGN: 9V9406, INMARSAT C TLX NO.: 456669910 / 456669911
- FBB TEL: + +870 – 773203501 FBB FAX: +870 - 783019488
- CLASS: NKK
- DWT / DRAFT:-
- SUMMER - 33.945.53 MT / 10.20 M
- WINTER - 32,908.38 MT / 9.987 M
- TROPICAL- 34.985.56 MT / 10.413 M
- LUMBER SUMMER - ( same as SUMMER DRAFT)
- LUMBER WINTER - ( same as WINTER DRAFT)
- LUMBER TROPICAL - (same as TROPICAL DRAFT)
- LIGHT SHIP: 10103.18 MT
- LOADED TPC: 48.728 MT MT FWA: 226 MM
- LOA: 182.50 M, LBP: 175.00 M, BEAM - 29.00 M, MOULDED DEPTH: 14.75 M
- AIR DRAFT FM KEEL: 49.45 M
- GT/NT: 23670 / 10850

  SUEZ GT/NT: 23707.96 / 20998.28 (As per class. Actual SCA measurements may vary from this)

  PANAMA NT: 19172 ( As per class. Actual PCA measurements may vary from this)

- HO/HA: 5/5
- HOLD NOS. 1 & 5 ARE SEMI BOX TYPE WITH LOWER HOPPERS.

HOLD NOS. 2, 3 & 4 ARE BOX TYPE.

STRENGTHENED FOR HEAVY CARGOES, ALTERNATE HOLD LOADING (NO. 2, 4 EMPTY

ON FULL LOAD OR NO. 1,3, 5 EMPTY ON PART LOAD).

- GEAR: 4 CRANES OF 30 MT SWL EACH ( 24 MT FOR GRAB OPERATION)

GEAR OUTREACH: ABT 11.5 M

- HATCH OPENINGS IN METERS (L X B):

NO. 1 - 16.80 X 15.00

NOS. 2, 3, 4 & 5 - 20.80 X 21.50

- HATCHCOVERS: FOLDING TYPE - HYDRAULIC

- GRAIN / BALE - IN CBM: 43469.36 / 42824.33

CUBIC BREAKDOWN - IN CBM:-

GRAIN: NO.1 - 6962.92 / NO.2 - 9554.78 / NO.3 - 8915.88 / NO.4 - 8915.88 / NO.5 - 9119.90

BALE: NO.1 - 6783.92 / NO.2 - 9372.35 / NO.3 - 8827.12 / NO.4 - 8827.12 / NO.5 - 9013.82

HOLD DIMENSIONS:-

L X B(F,A) AT TANKTOP X HT UPTO COAMING IN MTRS (ALL ABOUT)

NO.1 - 26.40 X (4.0, 24.95) X 14.90

NO.2 - 25.60 X (24.95, 24.95) X 14.90

NO.3 - 22.40 X (24.95, 24.95) X 14.90

NO.4 - 22.40 X (24.95, 24.95) X 14.90

NO.5 - 25.60 X (24.95, 3.62) X 14.90

- HT OF HATCH COAMING: ABT 1.5 M

- STEEL STANCHIONS:-

HEIGHT OF PORTABLE STANCHIONS: 7.5 M ( EXCEPT ABREAST NO.1 HATCH 6.0 M )

(VSL HAS FIXED STANCHIONS ABREAST OF MAST HOUSES AND EXTREME FWD OF NO. 1 HATCH

AND EXTREME AFT OF NO. 5 HATCH)..

- AUSSIE FITTED, GRAIN FITTED, CO2 AND SMOKE DETECTION SYSTEMS FITTED

- MECHANICAL VENTILATION (6 AIR CHANGES/HOUR) + NATURAL VENTILATION

- STRENGTHS (UNIFORM LOAD):-

MAIN DECK: 3.6 MT/M2

MAIN DECK HATCHES: 2.99 MT/M2

TANKTOP: 20.00 MT/M2

- SPEED/CONSUMPTION:-

ABT 14.0 KNOTS ON ABT 26 MTS IFO 380 CST + NO MDO AT SEA

IN PORT IDLE / WWW: ABT 2.0 MTS MDO / ABT 3.0 MTS MDO

IN PORT IN WINTER ADDITIONAL ABT 2.0 MT IFO PER DAY

ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND DOUGLAS SEA STATE 3. VESSEL HAS

SHAFT GENERATOR AND DOES NOT CONSUME MDO AT SEA

EXCEPT DURING BAD WEATHER IN WHICH CASE ABT 2 MTS MDO PER DAY.

VSL CONSUMES MDO IN MAIN ENGINES WHILE MANEUVERING IN/OUT OF PORTS, CANALS, RIVERS, NARROW WATERS, FOGS ETC.

BUNKER SPECS :

FUEL OIL 380 CST SPECS : ISO 8217 2005 RMG 380

DIESEL OILS SPECS : ISO-8217 2005 DMB

EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES TO BE MAINTAINED

OWNER: PRECIOUS THOUGHTS PTE LTD, SINGAPORE

- P+I CLUB: SWEDISH CLUB

- H+M VALUE: USD 23.00 MILLION (SUBJECT TO CHANGES AS MAY BE AGREED WITH HNM UNDERWRITERS FROM TIME TO TIME)

- **M.V. DARANEE NAREE**
- TYPE BULK
- BUILT : 2012. YANGZHOU GUOYU SHIPBUILDING CO LTD., CHINA
- FLAG: SINGAPORE, POR: SINGAPORE, OFF NO: 398017, IMO NO. 9613446
- CALL SIGN: 9V6453 / INMARSAT C: TBA
- CLASS - BUREAU VERITAS
- DWT/DRAFT
  SUMMER: 56512.2 MT / 12.800M
  WINTER: 54941.5 MT / 12.533M
  TROPICAL: 58085.5 MT / 13.067M
  FRESH WATER: 56512.2 MT / 13.088M
  TROPICAL FRESH: 58085.5 MT / 13.355M
- LOADED TPC - 58.8 MT FWA: 288 MM
- LOA - 189.99M / LBP - 185.00 / BEAM - 32.26M / MOULDED DEPTH - 18.00M
- HEIGHT FROM KEEL: 45.86M
- GT/NT - 33032 / 19231
- HO/HA - 5/5
- GEAR - 4 X 36MT FOR HOOK USE AND 28MT FOR GRAB USE,
  MAX OUTREACH ABT 11.9 M
- GRABS: 4 X 12.5 CBM SMAG-PEINER GRABS
- HATCH OPENINGS -
  No.1 - 18.86 x 18.26M
  No.2 - 21.32 x 18.26M
  No.3 - 21.32 x 18.26M
  No.4 - 21.32 x 18.26M
  No.5 - 21.32 x 18.26M
- HATCH COVERS - FOLDING TYPE
- TANK TOP DIMENSIONS- ALL ABOUT
  1 -L 27.88 x w/fwd 10.7 x w/aft 23.8
  2 - L 28.7 x Width 23.8
  3 - L 27.1 x Width 23.8
  4 - L 28.7 x Width 23.8
  5 - L 28.7 x w/fwd 23.8 x w/aft 9.1
  h. to main deck 16.72M / h. to trackway 18.52M / h/coaming height 1.80M
- GRAIN CUBIC BREAKDOWN -
  NO.1/13009.86 NO.2/15333.25 NO.3/14553.08 NO.4/ 15333.27 NO.5/13404.64 TOTAL / 71,634,10 CBM
- AUSSIE FITTED, GRAIN FITTED, CO2 FITTED. NAT VENTS
- STRENGTHENED FOR HEAVY CARGOES, NOS 2 AND 4 HOLDS MAY BE EMPTY
- STRENGTHS - IN MT/M2
  TANK TOP - NOS 1, 3 & 5 - 25 MT AND N0. 2 & 4 - 20 MT
  DECK AND HATCH COVER LOADING NOT ALLOWED.

A) LADEN : ABOUT 14.0 KNOTS ON ABOUT 35 MT IFO PLUS ABOUT 0.20 MT MDO
B) BALLAST : ABOUT 14.5 KNOTS ON ABOUT 32.5MT IFO PLUS ABOUT 0.20MT MDO
IN PORT
IDLE ABOUT 2.5MTS IFO AND ABOUT 0.5MTS MDO
WORKING ABOUT 4.5MTS IFO AND ABOUT 0.5MTS MDO
ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND DOUGLAS SEA STATE 3 VSLS CONSUMES MDO IN MAIN ENGINES WHILE MANEUVERING IN/OUT OF PORTS, CANALS, RIVERS, NARROW WATERS, FOGS ETC.

- BUNKER SPECS :
  FUEL OIL 380 CST SPECS : ISO 8217 2005 RMG 380
  DIESEL OILS SPECS : ISO-8217 2005 DMB
- P&I CLUB: U.K. P&I CLUB INSURED H&M VALUE
  USD: 26.5 MILLION(SUBJECT TO CHANGES AS MAY BE AGREED WITH HNM UNDERWRITERS FROM TIME TO TIME)
- OWNERS : PRECIOUS BRIDGES PTE.LTD., SINGAPORE

**M.V. FUJISAN MARU**

ALL DTLS ABTS N WOG N GIVEN IN GOOD FAITH

BUILT 1976, EX CAMIA-I, CONVERTED 1998 TO BULK CEMENT CARRIER

BAHAMAS FLAG

OFFICIAL NO. 731026, IMO NO. 7509732

CALL SIGN - C6PY4, SATCOM "C" TLX NO : 430866110 FJMU X

CLASSED NK 764707

SUMMER DWT/DRAFT - 16922.24 MT ON 9.054 M

TROPICAL DWT/DRAFT - 17436.05 MT ON 9.242 M

WINTER DWT/DRAFT - 16410.72 MT ON 8.866 M

VSLS LOADED TPC - 27.20

LOA - 146.68 / LBP - 136.00 / BEAM - 22.90 M

AIR DRAFT FM KEEL - 37.00 M

GT/NT - 10334/4876

SUEZ GT/NT - 10989.43 / 9832.50

PANAMA GT/NT - 11553.71 / 8330.51

4 HOLDS

TOTAL CEMENT CAPACITY (100 PCT) 16254.29 M3

NO 1: 3405.88, NO 2: 4005.82, NO 3: 4542.62, NO 4: 4299.98

CEMENT HANDLING SYSTEM CAPABLE OF LOADING AT THE RATE OF

ABOUT 600 TONS PER HOUR (MECHANICAL) AND DISCHARGING AT THE

RATE OF ABOUT 300 TONS PER HOUR, AVERAGE.

SPEED CONSUMPTION -

ABT 12 KNOTS ON ABT 20 MTS IFO 180 CST + ABT 1.6 MTS MDO

IN PORT IDLE - ABT 1.6 MTS MDO / IN PORT LOADING ABT 2.4 MTS MDO,

IN PORT DISCH MECH ABT 3.2 MTS MDO, IN PORT DISCH PNEU ABT 3.0

MTS MDO + ABT 1.4 MTS MGO

VSL CONSUMES MDO IN MAIN ENGINES WHILE MANOUVERING IN/OUT OF PORTS, CANALS, RIVERS, NARROW WATERS, FOGS ETC.

BUNKER SPECS :

FUEL OIL 180 CST SPECS : ISO 8217 : 1987 ISO-F-RME25 (CIMAC E25)

DIESEL OILS SPECS : ISO-8217:1987 ISO-F-DMB (MDO), ISO-F-DMA (MGO) - TO BE OF HIGH FLASH POINT

BUNKER CAPACITIES - IFO/MDO : 1050/105 MTS

BALLAST - 5474 T, F.W. ALL. - 204 mm

P+I CLUB - U.K. MUTUAL , H+M VALUE - USD. 3.50 MILLION

- **M.V. KANCHANA NAREE**
- ALL DTLS ABTS N GIVEN IN GOOD FAITH
- TYPE BULK
- BUILT: 2011, TAIZHOU SANFU SHIP ENGINEERING CO.LTD., CHINA , Y# 060109
- FLAG: THAI, POR: BANGKOK, OFF NO:5400 02908, IMO NO: 9434735
- CALL SIGN: HSCK / INMARSAT C: 456700453
- FBB TEL:+ 870-773202943, FBB FAX: + 870-783011183
- CLASS - BUREAU VERITAS
- DWT/DRAFT:-
  SUMMER: 56,920 MT / 12.800 M
  WINTER: 55,349.3 MT / 12.533 M
  TROPICAL: 58,493.3 MT / 13.067 M
- LOADED TPC - 58.8 MT, FWA: 288 MM
- LOA - 189.99 M / LBP - 185.00 M / BEAM - 32.26 M / MOULDED DEPTH - 18.00 M
- HEIGHT FROM KEEL: 46 M
- GT/NT - 33044 / 19231
- HO/HA - 5/5
- GEAR - 4 X 30 MT FOR HOOK USE AND 24 MT FOR GRAB USE, MAX OUTREACH ABT 11.9 M
- GRABS: 4 X 12.5 CBM SMAG-PEINER GRABS
- HATCH OPENINGS:-
  No.1 - 18.86 x 18.26 M
  No.2 - 21.32 x 18.26 M
  No.3 - 21.32 x 18.26 M
  No.4 - 21.32 x 18.26 M
  No.5 - 21.32 x 18.26 M
- HATCH COVERS - FOLDING TYPE
- TANK TOP DIMENSIONS - ALL ABOUT IN METERS:-
  No.1 - L 27.8 x w/fwd 10.6 x w/aft 23.8
  No.2 - L 28.6 x Width 23.8
  No.3 - L 27.0 x Width 23.8
  No.4 - L 28.6 x Width 23.8
  No.5 - L 28.5 x w/fwd 23.8 x w/aft 9.0
- Height fm tanktop to main deck abt 16.20 M / Height fm tanktop to trackway abt 18.0 M
- CAPACITY IN CUFT:-
  GRAIN / BALE: 2529758 / 2407150.4
- CUBIC BREAKDOWN IN CUFT:-
  GRAIN - NO.1/459443, NO.2/541494, NO.3/513942, NO.4/541494, NO.5/473385
  BALE - NO.1/435755, NO.2/516813, NO.3/489260, NO.4/516812, NO.5/448510
- AUSSIE FITTED, GRAIN FITTED, CO2 FITTED, NAT VENTS
- STRENGTHENED FOR HEAVY CARGOES, NOS 2 AND 4 HOLDS MAY BE EMPTY
- TANKTOP STRENGTHS - IN MT/M2:-
  NOS. 1,3 & 5 - 25
  NOS. 2 & 4 - 18
- DECK AND HATCH COVER LOADING NOT ALLOWED.
- SPEED CONSUMPTION:-
  A) LADEN: ABOUT 13.5 KNOTS ON ABOUT 33.0 MT IFO
  B) BALLAST: ABOUT 14.0 KNOTS ON ABOUT 32.5 MT IFO
  IN PORT:
  IDLE ABOUT 3.0 MT IFO + ABOUT 0.2 MDO
  WORKING ABOUT 6.5 MT IFO + ABOUT 0.2 MDO

ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4
AND DOUGLAS SEA STATE 3.
VSL CONSUMES MDO IN MAIN ENGINES WHILE MANEUVERING IN/OUT OF PORTS, CANALS, RIVERS, NARROW WATERS, FOGS ETC.

- BUNKER SPECS:-
  FUEL OIL 380 CST SPECS : ISO 8217 2005 RMG 380
  DIESEL OILS SPECS : ISO-8217 2005 DMB
  EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES TO BE
  MAINTAINED
- P&I CLUB: UK P N I CLUB
- H+M VALUE - USD. 26.5 MILLION (SUBJECT TO CHANGES AS MAY BE AGREED WITH HNM UNDERWRITERS FROM TIME TO TIME)
- OWNERS: PRECIOUS METALS LIMITED, BANGKOK

**- M.V. KIRANA NAREE**

- TYPE BULK

- BUILT : 2011. TAIZHOU SANFU SHIP ENGINEERING CO.LTD., CHINA , Y# 060108

- FLAG: THAI, POR: BANGKOK, OFF NO:TBA, IMO NO: 9434723

- CALL SIGN: HSJK / INMARSAT C: 456700454

- CLASS - BUREAU VERITAS

- DWT/DRAFT

  SUMMER: 56,823.4 MT / 12.800 M

  WINTER: 55,252.7 MT / 12.533 M

  TROPICAL: 58,396.7 MT / 13.067 M

- LOADED TPC – 58.8 MT FWA: 288 MM

- LOA - 189.99M / LBP - 185.00 M / BEAM - 32.26M / MOULDED DEPTH - 18.00M

- HEIGHT FROM KEEL: 46 M

- GT/NT - 33044 / 19231

- HO/HA - 5/5

- GEAR - 4 X 30 MT FOR HOOK USE AND 24 MT FOR GRAB USE, MAX OUTREACH ABT 11.9 M

- GRABS: 4 X 12.5 CBM SMAG-PEINER GRABS

- HATCH OPENINGS -

  No.1 – 18.86 x 18.26M

  No.2 – 21.32 x 18.26M

  No.3 – 21.32 x 18.26M

  No.4 – 21.32 x 18.26M

  No.5 – 21.32 x 18.26M

- HATCH COVERS - FOLDING TYPE

- TANK TOP DIMENSIONS- ALL ABOUT

  - TANK TOP DIMENSIONS- ALL ABOUT

  1 –L 27.8x w/fwd 10.6 x w/aft 23.8

  2 - L 28.6x Width 23.8

  3 - L 27.0x Width 23.8

  4 - L 28.6x Width 23.8

  5 - L 28.5x w/fwd 23.8 x w/aft 9.0

  h. to main deck 16.20M  / h. to trackway 18.0M

- CAPACITY IN CUFT

- GRAIN / BALE: 2529758 / 2407150.4

-CUBIC BREAKDOWN IN CUFT
- GRAIN -  NO.1/459443 , NO.2/541494, NO.3/513942,NO.4/541494,NO.5/473385

- BALE -  NO.1/435755, N0.2/516813,NO.3/489260,NO.4/516812,NO.5/448510

- AUSSIE FITTED, GRAIN FITTED, CO2 FITTED. NAT VENTS

- STRENGTHENED FOR HEAVY CARGOES, NOS 2 AND 4 HOLDS MAY BE EMPTY

- STRENGTHS - IN MT/M2

  TANK TOP - NOS 1, 3&,5 – 25  AND N0. 2 & 4  - 18

  DECK AND HATCH COVER LOADING NOT ALLOWED.

- SPEED CONSUMPTION -

 A) LADEN : ABOUT 13.5 KNOTS ON ABOUT 33.0 MT IFO
B) BALLAST : ABOUT 14.0 KNOTS ON ABOUT 32.5 MT IFO
  IN PORT: IDLE ABOUT 3.0  MT IFO + ABT 0.2 MDO
  WORKING ABOUT 6.5  MT IFO + ABT 0.2 MDO
  ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND DOUGLAS

  SEA STATE 3 VSLS CONSUMES MDO IN MAIN ENGINES WHILE MANEUVERING IN/OUT

  OF PORTS, CANALS,  RIVERS, NARROW WATERS, FOGS ETC.

 -  BUNKER SPECS :

FUEL OIL 380 CST SPECS : ISO 8217 2005 RMG 380

DIESEL OILS SPECS : ISO-8217 2005 DMB

EMISSION CONTROL RESTRICTION BY INTERNATIONAL,

NATIONAL, LOCAL AUTHORITIES TO BE MAINTAINED

- P&I CLUB: UK P N I CLUB
- H+M VALUE – USD: 26.5 MILLION(SUBJECT TO CHANGES AS MAY BE AGREED

WITH HNM UNDERWRITERS FROM TIME TO TIME)

- OWNERS : PRECIOUS PLANETS LIMITED, BANGKOK

- **M.V. LANNA NAREE**
- ALL DTLS ABTS N WOG N GIVEN IN GOOD FAITH
- BUILT SEPT 2012 AT JIANGSU YANGZIJIANG SHIBUILDING CO.LT., CHINA
- TYPE: BULK/LOG CARRIER
- FLAG: THAILAND, POR: BANGKOK, OFF NO.: T.B.A, IMO NO.: 9496939
- CALL SIGN: HSGL, INMARSAT C TLX NO.: 456700549
- FBB TEL: + 870773203566 FBB FAX: 870783019539
- CLASS: BUREAU VERITAS
- DWT / DRAFT:
- SUMMER: 33,842.6 MT / 9.816 M
- WINTER: 32,854.7 MT / 9.612 M
- TROPICAL 34,833.4 MT / 10.020 M
- LUMBER SUMMER: 35,300.7 MT /10.116 M
- LOADED TPC: 48.4 MT, FWA: 221 MM
- LOA: 181 M, LBP: 172 M, BEAM - 30.0 M, MOULDED DEPTH: 14.6 M
- GT/NT: 22,641 / 11,230
  SUEZ GT/NT: T.B.A.
  PANAMA NT: T.B.A
- HO/HA: 5/5
- GEAR: 4 CRANES OF 30 MT SWL EACH ( 24 MT FOR GRAB OPERATION) GEAR OUTREACH: ABT 10 M
- HATCH OPENINGS IN METERS (L X B):
  NO.1: 16.80 X 15.00 m
  NO.2-5: 19.20 X 19.20m
- HATCH COVERS: FOLDING TYPE - HYDRAULIC
- GRAIN / BALE - IN CBM: 47,042.2 / 44,435,2
GRAIN: NO.1- 8236.0 / NO.2- 9803.9 / NO.3- 9819.6 / N0.4- 9819.6 / N0.5-9363.1
BALE: NO.1- 7764.8 / NO.2- 9264.9 / N0.3- 9249.6 / NO.4- 9267.0 / NO.5-8888.9
- TANKTOP DIMENSIONS IN METERS LXB (F,A)X HEIGHT UPTO HATCH COAMINGS -ALL ABOUT
  No. 1 L : 26.40 m x B : ( fwd : 4.90 m , aft : 21.70 m) x H: 13.0 m.
  No. 2 L : 23.95 m x B : ( fwd : 22.20 m , aft : 23.20 m) x H :13.0 m.
  No. 3 L : 23.90 m x B : ( fwd : 23.20 m , aft : 23.20 m) x H :13.0 m.
  No. 4 L : 23.90 m x B : ( fwd : 23.20 m , aft : 23.20 m) x H :13.0 m.
  No. 5 L : 26.30 m x B : ( fwd : 23.20 m , aft : 10.00 m) x H :13.0 m.
- Height of hatch coaming from main deck: abt 1.60 m..
- STANCHIONS:
  VSL HAS FIXED STANCHIONS ABREAST OF MAST HOUSES AND EXTREME FWD OF
  NO. 1 HATCH AND EXTREME AFT OF NO. 5 HATCH. AND COLLAPSIBLE STANCHIONS ABREAST HATCHES
  HEIGHT NO.1 ABT 6.6 M AND 2-5 ABT 6.8 M
- AUSSIE FITTED, GRAIN FITTED, CO2, MECHANICAL + NATURAL VENTILATION
- STRENGTHENED FOR HEAVY CARGOES, ALTERNATE HOLD LOADING (NO. 2, 4 MAY BE EMPTY)
- STRENGTHS (DESIGN LOAD): MT/SQ,

MAIN DECK: OUT SIDE HATCH OPENING 3.5, INSIDE HATCH OPENING 2.5
MAIN DECK HATCHES: 3.0
TANKTOP: 25.0 MT
- SPEED/CONSUMPTION:-
IN BALLAST ABT 13.0 KTS, ON ABT 23.0 MT/D IFO 380 CST+ABT0.1MT/D MDO
LOADED ABT 13.0 KTS ON ABT 24.5 MT/D IFO 380 CST+ABT0.1MT/D MDO
IN PORT IDLE ABT 2.5 MT/D IFO 380 CST +ABT 0.2 MT/D MDO
IN PORT WORKING ABT 4.8 MT/D IFO 380 CST +ABT 0.2 MT/D MDO
ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND DOUGLAS SEA STATE 3 .
WHILST MANEUVERING IN/OUT OF PORTS, RIVERS, CANALS, NARROW WATERS, FOGS ETC VESSEL DOES BURN MGO IN THE MAIN ENGINE
BUNKER SPECS :
FUEL OIL 380 CST SPECS : ISO 8217 2005 RMG 380 DIESEL OILS SPECS : ISO-8217 2005 DMB EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES TO BE MAINTAINED.
-OWNERS: PRECIOUS LANDS LIMITED
- P+I CLUB: UK P N I CLUB
- H+M VALUE:USD: 20.0 MILLION (SUBJECT TO CHANGES AS MAY BE AGREED WITH HNM UNDERWRITERS FROM TIME TO TIME)

-ENDS

**M.V. MALLIKA NAREE**
ALL DETAILS ABOUT N GIVEN IN GOOD FAITH
EX: MV.GOOD PACIFIC
BUILT: MAY 2008 / HINDUSTAN SHIPYARD LTD., VISAKHAPATNAM - INDIA
DOUBLE HULLED, SINGLE DECK, SELF TRIMMING BULK CARRIER
CLASS: ABS
FLAG: THAI / OFFICIAL NO: 550001077 / IMO NO : 9354739
CALL SIGN - HSDM
SAT C TELEX: 456700499 + 456700542
FBB TEL: +870773202654 / FBB FAX: + 870783011288
DWT/DRAFT:-
SUMMER: 30,195.3 MT ON 9.7235 M
WINTER: 29,319.9 MT ON 9.5215 M
TROPICAL: 31,066.6 MT ON 9.9255 M
VSLS LOADED TPC - 43.4 , FWA: 214 MM
LOA - 178.70 M / LBP - 170.00 M / BEAM - 28.00 M / MOULDED DEPTH: 14.0 M
AIR DRAFT FM KEEL: 43.7 M
GT/NT - 19,891 / 10297
SUEZ GT/NT - 21,090.54 / 18,743.55 (BY CLASS)
(FOR THE VSL'S FIRST TRANSIT THE SCNT AS PER SCA WAS 19382.16 AND SCID No:037833
SINCE SUEZ CANAL NT DEPENDS ON VARIABLE FACTORS CHARTS TO CONFIRM WITH
THEIR AGENTS FOR THE ACTUAL SCNT FOR THE TRANSIT)
PANAMA NT: 16608
5/5 HO/HA
CRANES 4 X 30 MT FOR HOOK USE AND 24 MT FOR GRAB OPERATIONS
MAX OUTREACH ABT 12 M - BETWEEN HATCHES 1/2, 2/3, 3/4. 4/5
4 x 12 cbm GRABS - ELECTRO HYDRAULIC
HATCH OPENINGS:-
NO.1 - 16.6 M X 15.0 M
NO. 2,3,4,5 - 20.8 M X 21 M
HATCH COVERS - FOLDING TYPE - HYDRAULIC
TANK TOP DIMENSIONS:-
ALL ABOUT IN METERS
NO.1 HOLD - W (FWD 1.6 M, AFT 19.6 M) X L 26.4 M
NO.2 HOLD - W (FWD 19.9 M, AFT 22.4 M) X L 25.6 M
NO.3 HOLD - W (FWD 22.4 M, AFT 22.4 M) X L 27.2 M
NO.4 HOLD - W (FWD 22.4 M, AFT 22.4 M) X L 26.40 M
NO.5 HOLD - W (FWD 22.4 M, AFT 6.4 M) X L 27.2 M
HEIGHT FM TANK TOP TO UNDER SIDE OF HATCH COVERS ABT 14 M
CAPACITIES GRAIN / BALE 40,974.9 CUM / 38,000 CUM
INDIVIDUAL HOLD CUBICS IN CUM:-
GRAIN: NO.1 - 6064.40 / NO.2 - 8665.90 / NO.3 - 9189.70 / NO.4 - 8944.10 / NO.5 - 8110.8
BALE: NO.1 - 5605 / NO.2 - 8265 / NO.3 - 8455 / NO.4 - 8075 / NO.5 - 7600

AUSSIE FITTED, GRAIN FITTED, Co2 FITTED, MECH VENTS ONLY NO.3 HOLD OTHERS
NAT VENT
STRENGTHS - IN MT/M2:-
MAIN DECK - 4.1 (outside line of hatch) / 2.5 (inside line of hatch)
MAIN DECK HATCHES - NO.1 - 4.76 / NO.2 - 3.6 / NOS. 3,4,5 - 3.5
TANK TOP - 20
SPEED CONSUMPTION:-
ABT 13.5 KTS ON ABT 25.0 MT/D IFO 380 CST + ABT 0.1 MT/D MGO
IN PORT IDLE ABT 2.5 MT/D IFO 380 CST + ABT 0.2 MT/D MGO
IN PORT WORKING WITH GEAR ONLY ABT 4.5 MT/D IFO 380 CST + ABT 0.2 MT/D MGO
IN PORT WORKING WITH GEAR + GRABS 7.0 MT/D IFO + ABT 0.2 MT/D MGO
ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND
DOUGLAS SEA STATE 3 .
WHILST MANEUVERING IN/OUT OF PORTS, RIVERS, CANALS, NARROW WATERS, FOGS
ETC VESSEL DOES BURN MGO IN THE MAIN ENGINE
BUNKER SPECS:-
FUEL OIL 380 CST SPECS : ISO 8217 2010 RMG 380
DIESEL OILS SPECS : ISO-8217 2010 DMA
EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES
TO BE MAINTAINED
P+I CLUB - UK P N I CLUB, H N M VALUE - USD: 17.00 MILLION (SUBJECT TO CHANGES AS MAY BE
AGREED WITH HNM UNDERWRITERS FROM TIME TO TIME)
OWNERS: PRECIOUS FLOWERS LIMITED

**- MV MAYUREE NAREE**

- EX : MV.GOOD PRINCESS
- BUILT: JAN 2008 / HINDUSTAN SHIPYARD LTD., VISAKHAPATNAM - INDIA
- DOUBLE HULLED, SINGLE DECK, SELF TRIMMING BULK CARRIER
- CLASS: ABS
- FLAG: THAI / OFFICIAL NO: 5500 00990 / IMO NO : 9323649
- CALL SIGN - HSGM
- SAT C TELEX: 456700496
- FBB TEL: + 870773202661 / FBB FAX: +870783011290
- DWT/DRAFT
 SUMMER: 30,192.7 MT ON 9.7235 M
 WINTER: 29,317.3 MT ON 9.5215 M
 TROPICAL: 31,064.0 MT ON 9.9255 M
- VSLS LOADED TPC - 43.4 , FWA : 214 MM
- LOA-178.70 M / LBP - 170.00 M/ BEAM- 28.00 M / MOULDED DEPTH: 14.0 M
 AIR DRAFT FM KEEL: 43.7 M
- GT/NT - 19,891 / 10297
- SUEZ GT/NT - 21,090.54 /18,743.55 (BY CLASS)
 (SINCE SUEZ CANAL NT DEPENDS ON VARIABLE FACTORS CHARTS TO CONFIRM WITH
THEIR
AGENTS FOR THE ACTUAL SCNT FOR THE TRANSIT.)
- PANAMA NT: 16608
- 5/5 HO/HA,
- CRANES 4 X 30 MT FOR HOOK USE AND 24 MT FOR OPERATION WITH GRABS
- MAX OUTREACH ABT 12 M - BETWEEN HATCHES 1/2, 2/3, 3/4. 4/5
- 4 x 12 cbm GRABS - ELECTRO HYDRAULIC
- HATCH OPENINGS -
 NO.1 - 16.6 M X 15.0 M
 NO. 2,3,4,5 - 20.8 M X 21 M
- HATCH COVERS - FOLDING TYPE - HYDRAULIC
- TANK TOP DIMENSIONS ALL ABOUT IN METERS
 NO.1 HOLD W(FWD 1.6 M, AFT 19.6 M) X L 26.4 M
 NO.2 HOLD W(FWD 19.9 M, AFT 22.4 M) X L 25.6 M
 NO.3 HOLD W(FWD 22.4 M, AFT 22.4 M) X L 27.2 M
 NO.4 HOLD W(FWD 22.4 M, AFT 22.4 M) X L 26.40 M
 NO.5 HOLD W(FWD 22.4 M, AFT 6.4 M) X L 27.2 M
- HEIGHT FM TANK TOP TO UNDER SIDE OF HATCH COVERS ABT 14 M
- CAPACITIES GRAIN / BALE 40,974.9 CUM / 38,000 CUM
- INDIVIDUAL HOLD CUBICS IN CUM
 GRAIN: NO.1 - 6064.40 /NO.2- 8665.90 / NO.3- 9189.70 / NO.4- 8944.10 / NO.
5 -
8110.8
 BALE : NO.1- 5605 /NO.2 - 8265 / NO.3-8455 / NO.4 -8075 /NO.5 - 7600
- AUSSIE FITTED, GRAIN FITTED, Co2 FITTED, MECH VENTS ONLY IN NO.3 HOLD
OTHERS
NAT VENT
- STRENGTHS - IN MT/M2
 MAIN DECK - 4.1(outside line of hatch) / 2.5 (inside line of hatch)
 MAIN DECK HATCHES - No.1 - 4.76 / No.2 - 3.6 / NOS 3,4,5 - 3.5
 TANK TOP - 20
- SPEED CONSUMPTION -

ABT 13.5 KTS ON ABT 25.0 MT/D IFO 380 CST+ABT0.1MT/D MGO
IN PORT IDLE ABT 2.5 MT/D IFO 380 CST +ABT 0.2 MT/D MGO
IN PORT WORKING WITH GEAR ONLY ABT 4.5 MT/D IFO 380 CST +ABT 0.2 MT/D MGO
IN PORT WORKING WITH GEAR + GRABS 7.0 MT/D IFO +ABD 0.2 MR/D MGO
ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND
DOUGLAS
SEA STATE 3 . WHILST MANEUVERING IN/OUT OF PORTS, RIVERS, CANALS, NARROW
WATERS, FOGS ETC VESSEL DOES BURN MGO IN THE MAIN ENGINE
BUNKER SPECS :
FUEL OIL 380 CST SPECS : ISO 8217 2010 RMG 380
DIESEL OILS SPECS : ISO-8217 2010 DMA
EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES
TO
BE MAINTAINED.
- P+I CLUB - SWEDISH CLUB VALUE - USD: 17.00 MILLION (SUBJECT TO CHANGES AS
MAY BE AGREED WITH HNM UNDERWRITERS FROM TIME TO TIME)

OWNERS: PRECIOUS FLOWERS LIMITED

**- MV MOOKDA NAREE**

- EX : MV.GOOD PILGRIMS

- BUILT: AUG 2009 / HINDUSTAN SHIPYARD LTD., VISAKHAPATNAM - INDIA

- DOUBLE HULLED, SINGLE DECK, SELF TRIMMING BULK CARRIER

- CLASS: ABS - FLAG: THAI / OFFICIAL NO: 5500 -00788 / IMO NO : 9354741

- CALL SIGN - HSIM

- SAT C TELEX: 456700478 + 456700541

- FBB TEL: +870-773202249 / FBB FAX: +870-783010991

- DWT/DRAFT

  SUMMER: 30,162.5 MT ON 9.7235 M

  WINTER: 29,287.1 MT ON 9.5215 M

  TROPICAL: 31,033.8 MT ON 9.9255 M

- VSLS LOADED TPC - 43.7 , FWA : 214 MM

- LOA-178.70 M / LBP - 170.00 M/ BEAM- 28.00 M / MOULDED DEPTH: 14.0 M

- AIR DRAFT FROM KEEL ABT 43.65 M

- GT/NT - 19,891 / 10,297

- SUEZ GT/NT - 21,090.54 /18,743.55 (BY CLASS)

  (SINCE SUEZ CANAL NT DEPENDS ON VARIABLE FACTORS CHARTS TO CONFIRM WITH THEIR AGENTS FOR THE ACTUAL SCNT FOR THE TRANSIT.)

- PANAMA NT: 16608

- 5/5 HO/HA,

- 4 X 30 MT CRANES (TSUJI)- MAX OUTREACH ABT 12 M - BETWEEN HATCHES 1/2, 2/3, ¾ N 4/5

- 4 X 12 CBM GRABS - ELECTRO HYDRAULIC

- HATCH OPENINGS -

  NO.1 - 16.6 M X 15.0 M

  NO. 2,3,4,5 - 20.8 M X 21 M

- HATCH COVERS - FOLDING TYPE - HYDRAULIC

- TANK TOP DIMENSIONS ALL ABOUT IN METERS

  NO.1 HOLD W(FWD 1.6 M, AFT 19.6 M) X L 26.4 M

  NO.2 HOLD W(FWD 19.9 M, AFT 22.4 M) X L 25.6 M

  NO.3 HOLD W(FWD 22.4 M, AFT 22.4 M) X L 27.2 M

  NO.4 HOLD W(FWD 22.4 M, AFT 22.4 M) X L 26.40 M

  NO.5 HOLD W(FWD 22.4 M, AFT 6.4 M) X L 27.2 M

- HEIGHT FM TANK TOP TO UNDER SIDE OF HATCH COVERS ABT 14 M

- CAPACITIES GRAIN / BALE 40,974.9 CUM / 38,000 CUM

- INDIVIDUAL HOLD CUBICS IN CUM

  GRAIN: NO.1 - 6064.40 /NO.2- 8665.90 / NO.3- 9189.70 / NO.4- 8944.10 / NO.5 - 8110.8

  BALE : NO.1- 5605 /NO.2 - 8265 / NO.3-8455 / NO.4 -8075 /NO.5 - 7600

- AUSSIE FITTED, GRAIN FITTED, CO2 FITTED, MECH VENTS ONLY N0.3 HOLD

- STRENGTHS - IN MT/M2

  MAIN DECK - 4.1(OUTSIDE LINE OF HATCH) / 2.5 (INSIDE LINE OF HATCH)

  MAIN DECK HATCHES - NO.1 - 4.76 / NO.2 - 3.6 / NOS 3,4,5 - 3.5

  TANK TOP - 20

- SPEED CONSUMPTION:

  IN BALLAST ABT 14.0 KTS, ON ABT 24.0 MT/D IFO 380 CST+ABT0.1MT/D MGO

  LOADED ABT 13.5 KTS ON ABT 26.0 MT/D IFO 380 CST+ABT0.1MT/D MGO

  IN PORT IDLE ABT 3.2 MT/D IFO 380 CST +ABT 0.2 MT/D MGO

  IN PORT WORKING ABT 7.0 MT/D IFO 380 CST +ABT 0.2 MT/D MGO

  ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND DOUGLAS SEA STATE 3 . WHILST MANEUVERING IN/OUT OF PORTS, RIVERS, CANALS, NARROW

  WATERS, FOGS ETC

  VESSEL DOES BURN MGO IN THE MAIN ENGINE

  BUNKER SPECS :

  FUEL OIL 380 CST SPECS : ISO 8217 2010 RMG 380

  DIESEL OILS SPECS : ISO-8217 2010 DMA

EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES TO BE MAINTAINED.

- P+I CLUB: SKULD

- H N M VALUE: USD: 17.00 MILLION

(SUBJECT TO CHANGES AS MAY BE AGREED WITH HNM UNDERWRITERS FROM TIME TO TIME)

- OWNERS : PRECIOUS PEARLS LIMITED

**- M.V LATIKA NAREE**

ALL DTLS ABTS N GIVEN IN GOOD FAITH

BUILT NOV 2012 AT JIANGSU YANGZIJIANG SHIBUILDING CO.LTD., CHINA

TYPE: BULK/LOG CARRIER

FLAG: THAILAND, POR:BANGKOK, OFF NO.: T.B.A, IMO NO.: 9496941

CALL SIGN: HSJL, INMARSAT C TLX NO.: 456700550

FBB TEL: 870-773203503, FAX : 870-783010467

CLASS: BUREAU VERITAS

DWT / DRAFT:-

SUMMER: 33,869.2 MT / 9.816 M

WINTER: 32,881.3 MT / 9.612 M

TROPICAL 34,860.0 MT / 10.020 M

LUMBER SUMMER: 35,327.3 MT / 10.116 M

LOADED TPC: 48.4 MT, FWA: 221 MM

LOA: 181 M, LBP: 172 M, BEAM - 30.0 M, MOULDED DEPTH: 14.6 M

GT/NT: 22,641 / 11,230

SUEZ GT/NT: T.B.A.

PANAMA NT: T.B.A

HO/HA: 5/5

GEAR: 4 CRANES OF 30 MT SWL EACH (24 MT FOR GRAB OPERATION). VSL NOT GRAB FITTED

GEAR OUTREACH: ABT 10 M

HATCH OPENINGS:-

IN METERS (L X B)

NO.1: 16.80 X 15.00 M

NO.2-5: 19.20 X 19.20M

HATCH COVERS: FOLDING TYPE - HYDRAULIC

GRAIN / BALE - IN CBM: 47,042.2 / 44,435,2

GRAIN: NO.1 - 8236.0 / NO.2 - 9803.9 / NO.3 - 9819.6 / NO.4 - 9819.6 / NO.5 - 9363.1

BALE: NO.1 - 7764.8 / NO.2 - 9264.9 / NO.3 - 9249.6 / NO.4 - 9267.0 / NO.5 - 8888.9

TANKTOP DIMENSIONS:-

IN METERS LXB (F,A) X HEIGHT UPTO HATCH COAMINGS - ALL ABOUT

NO.1 - L : 26.40 M X B : ( FWD : 4.90 M , AFT : 21.70 M) X H: 13.0 M.

NO.2 - L : 23.95 M X B : ( FWD : 22.20 M , AFT : 23.20 M) X H :13.0 M.

NO.3 - L : 23.90 M X B : ( FWD : 23.20 M , AFT : 23.20 M) X H :13.0 M.

NO.4 - L : 23.90 M X B : ( FWD : 23.20 M , AFT : 23.20 M) X H :13.0 M.

NO.5 - L : 26.30 M X B : ( FWD : 23.20 M , AFT : 10.00 M) X H :13.0 M.

HEIGHT OF HATCH COAMING FROM MAIN DECK: ABT 1.60 M..

STANCHIONS:-

VSL HAS FIXED STANCHIONS ABREAST OF MAST HOUSES AND EXTREME FWD OF NO. 1 HATCH AND EXTREME AFT OF NO. 5 HATCH, AND COLLAPSIBLE STANCHIONS ABREAST HATCHES. HEIGHT NO.1 ABT 6.6 M AND 2-5 ABT 6.8 M

AUSSIE FITTED, GRAIN FITTED, CO2, MECHANICAL + NATURAL VENTILATION

STRENGTHENED FOR HEAVY CARGOES, ALTERNATE HOLD LOADING (NO. 2, 4 MAY BE EMPTY)

STRENGTHS (DESIGN LOAD) MT/SQ:-

MAIN DECK: OUT SIDE HATCH OPENING 3.5, INSIDE HATCH OPENING 2.5

MAIN DECK HATCHES: 3.0

TANKTOP: 25.0 MT

SPEED/CONSUMPTION:-

ABT 13.0 KNOTS ON ABT 24.5 MT/D IFO 380 CST + ABT 0.1 MT/D MDO

IN PORT IDLE ABT 2.5 MT/D IFO 380 CST + ABT 0.2 MT/D MDO

IN PORT WORKING ABT 4.8 MT/D IFO 380 CST + ABT 0.2 MT/D MDO

ABOVE SPEED WARRANTY FOR GOOD WEATHER UPTO BEAUFORT WIND FORCE 4 AND DOUGLAS SEA STATE 3.

WHILST MANEUVERING IN/OUT OF PORTS, RIVERS, CANALS, NARROW WATERS, FOGS ETC

VESSEL DOES BURN MDO IN THE MAIN ENGINE

BUNKER SPECS:-

FUEL OIL 380 CST SPECS : ISO 8217 2010 RMG 380

DIESEL OILS SPECS : ISO-8217 2010 DMB

EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES TO BE

MAINTAINED.

P+I CLUB: SKULD

H+M VALUE: USD. 19.0 MILLION (SUBJECT TO CHANGES AS MAY BE AGREED WITH HNM

UNDERWRITERS FROM TIME TO TIME)

OWNERS: PRECIOUS LAKES LIMITED

**- M.V. WARISA NAREE**

EX M.V. GOOD PRIDE

- ALL DTLS ABTS N WOG N GIVEN IN GOOD FAITH

- TYPE BULK CARRIER, DOUBLE HULL

- BUILT : APRIL 2010 HINDUSTAN SHIPYARD LTD,VISAKHAPATNAM, INDIA /HSL11136

- FLAG: THAILAND, POR: BANGKOK, OFF NO: TBA, IMO NO. 9343417

- CALL SIGN: HSRW

- INMARSAT C: SAT-C ID: 456700583 AND 456700584

- FBB TEL: + 870-773203373 / FBB FAX: +870-783019317
- CLASS - LR

- DWT/DRAFT

  SUMMER: 53839 MT / 12.623 M

  WINTER: 52334 MT / 12.360M

  TROPICAL: 55348 MT / 12.886M

- LOADED TPC – 58 MT FWA: 284 MM

- LOA – 190.0M / LBP – 183.25 / BEAM - 32.26M / MOULDED DEPTH – 17.50M

- HEIGHT FROM KEEL: 45.6M

- GT/NT - 32,661 / 18,210

- SUEZ GT / NT – 33,174.86 / 29,805.40 (SINCE THE SCNT DEPENDS ON VARIABLE FACTORS CHARTS TO CONFIRM WITH THEIR AGENTS FOR THE ACTUAL SCNT FOR THE TRANSIT)
- PANAMA NT: 27,078
- HO/HA - 5/5

- GEAR - 4 X 36MT FOR HOOK USE ( 28MT FOR GRAB OPERATION), MAX OUTREACH ABT 11.9 M

- GRABS: 4 NOS. X 6.5 - 14 CBM SMAG ELECTRO HYDRAULIC GRABS - MZGL (-5) 14000 – 6 – B – S
- HATCH OPENINGS –

  HATCH # 1 (LXB) -19.2 X 20.8 MTRS

  HATCHES # 2- 5 (LXB) – 21.6 X 22.4 MTRS
- HATCH COVERS - FOLDING TYPE

- TANK TOP DIMENSIONS- ALL ABOUT IN METERS

  No.1 Hold – 29.6 X 8.8 FWD/25.2 AFT

  No.2 – 26.0 X 25.2 M

  No.3 – 26.4 X 25.2 M

  No.4 – 26.4 X 25.2 M

No.5 – 29.2 X 25.2 FWD/7.2 AFT

HEIGHT UPTO MAIN DECK ABT 15.7 M HEIGHT OF HATCH COAMING ABT 1.99 M

- GRAIN CUBIC BREAKDOWN -

NO.1/12438 NO.2/13395 NO.3/13397 NO.4/ 13395 NO.5/13320 TOTAL / 65,945 CBM
- BALE CUBIC BREAKDOWN -

NO.1/12319 NO.2/13136 NO.3/13138 NO.4/ 13136 NO.5/13147 TOTAL / 64,876 CBM
- AUSSIE FITTED, CO2 FITTED, NATURAL VENTILATOR

- STRENGTHENED FOR HEAVY CARGOES, ALTERNATE HOLD LOADING (NO. 2, 4 MAY BE EMPTY)

- STRENGTHS (DESIGN LOAD)

TANK TOP: 25.0 MT/M2

MAIN DECK: 4.5 MT/M2

HATCH: 2.5 MT/M2

- SPEED CONSUMPTION-

BALLAST : ABT 14 KNOTS ON ABT 33 MT/D IFO 380 CST PLUS ABT 0.1 MT/D MGO

LADEN : ABT 13.5 KNOTS ON ABT 35 MT/D IFO 380 CST PLUS ABT 0.1 MT/D MGO

IN PORT
IDLE ABOUT ABT 3.0 MT /D IFO PLUS ABT 0.10 MT/D MGO
WORKING ABT 6.0 MT/D IFO PLUS ABT 0.2 MT/ D MGO
ABOVE SPEED WARRANTY FOR GOOD WEATHER UP TO BEAUFORT WIND FORCE 4 AND DOUGLAS SEA STATE 3 VSLS CONSUMES MDO IN MAIN ENGINES WHILE MANEUVERING IN/OUT OF PORTS, CANALS, RIVERS, NARROW WATERS, FOGS ETC.
ECO SPEED:

A) LADEN : ABOUT 12.5 KNOTS ON ABOUT 26.0 MT IFO PLUS ABOUT 0.10 MT MDO WOG
B) BALLAST : ABOUT 12.5 KNOTS ON ABOUT 24 MT IFO PLUS ABOUT 0.10MT MDO WOG
- BUNKER SPECS :

FUEL OIL 380 CST SPECS : ISO 8217 2010 RMG 380 / DIESEL OILS SPECS : ISO-8217 2010 DMA

EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES TO BE MAINTAINED.

- P&I CLUB: SWEDISH CLUB – H N M VALUE: USD: 15.0 MILLION (SUBJECT TO CHANGES AS MAY BE AGREED WITH HNM UNDERWRITERS FROM TIME TO TIME)

- OWNERS: PRECIOUS PONDS LIMITED, BANGKOK

**- M.V. WARIYA NAREE**

- ALL DTLS ABTS N GIVEN IN GOOD FAITH

- EX M.V. GOOD PRECEDENT

- TYPE BULK CARRIER, DOUBLE HULL

- BUILT: FEBRUARY 2011 AT HINDUSTAN SHIPYARD LTD, VISAKHAPATNAM, INDIA /HSL11137

- FLAG: THAI, PORT: BANGKOK, OFF NO: TBA, IMO NO. 9353668

- CALL SIGN: TBA

- INMARSAT C: SAT-C ID: (1) 456700617 AND (2) 456700616

- FBB TEL: + 870-773203278 / FBB FAX: +870-783019199
- CLASS - LR

- DWT/DRAFT:-

SUMMER: 53833 MT / 12.623 M

WINTER: 52327 MT / 12.360 M

TROPICAL: 55342 MT / 12.886 M

- LOADED TPC - 57.3 MT FWA: 284 MM

- LOA - 190.0 M / LBP - 183.25 M / BEAM - 32.26 M / MOULDED DEPTH - 17.50M

- HEIGHT FROM KEEL: 45.6M

- GT/NT - 32,661 / 18,210

- SUEZ GT / NT - 33,174.86 / 29,805.40 (as per class)

(SINCE THE SCNT DEPENDS ON VARIABLE FACTORS CHARTS TO CONFIRM WITH THEIR AGENTS

FOR THE ACTUAL SCNT FOR THE TRANSIT)

PANAMA NT: 27,078 (as per class). PCA tonnage to be issued on first transit

- HO/HA - 5/5

- GEAR - 4 X 36 MT FOR HOOK USE (28 MT FOR GRAB OPERATION), MAX OUTREACH ABT 11.8 M

- GRABS: 4 NOS.X 6.5 CBM-14 CBM, SMAG ELECTRO HYDRAULIC GRABS - MZGL(-5) 14000 - 6-B-S

- HATCH OPENINGS:-

HATCH # 1: (LXB) - 19.2 X 20.8 MTRS

HATCHES # 2 - 5: (LXB) - 21.6 X 22.4 MTRS

- HATCH COVERS – TTS TRANSFOLDING ELECTRO HYDRAULIC TYPE

- TANK TOP DIMENSIONS:-

ALL ABOUT IN METERS

No.1 Hold - 29.6 X 8.7 FWD/ 25.2 AFT

No.2 Hold - 26.4 X 25.6 M

No.3 Hold - 26.4 X 25.6 M

No.4 Hold - 26.4 X 25.6 M

No.5 Hold - 29.2 X 25.6 FWD / 7.2 AFT

HEIGHT UPTO MAIN DECK ABT 15.7 M, HEIGHT OF HATCH COAMING ABT 2 M

- GRAIN CUBIC BREAKDOWN:-

NO.1 / 12438 NO.2 / 13395 NO.3 / 13397 NO.4 / 13395 NO.5 / 13320 TOTAL / 65,945 CBM

BALE CUBIC BREAKDOWN -

NO.1 / 12319 NO.2 / 13136 NO.3 / 13138 NO.4 / 13136 NO.5 / 13147 TOTAL / 64,876 CBM

- AUSSIE FITTED, CO2 FITTED, NATURAL VENTILATOR

- STRENGTHENED FOR HEAVY CARGOES, ALTERNATE HOLD LOADING (NO. 2, 4 MAY BE EMPTY)

- STRENGTHS (DESIGN LOAD):-

TANK TOP: 25.0 MT/M2

MAIN DECK: 4.5 MT/M2

HATCHES: 2.5 MT/M2

- SPEED CONSUMPTION:-

BALLAST: ABT 14 KNOTS ON ABT 33 MT/D IFO 380 CST PLUS ABT 0.1 MT/D MGO

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IN PORT:

IDLE ABOUT ABT 3.0 MT/D IFO PLUS ABT 0.10 MT/D MGO

WORKING ABT 6.0 MT/D IFO PLUS ABT 0.2 MT/ D MGO

ABOVE SPEED WARRANTY FOR GOOD WEATHER UP TO BEAUFORT WIND FORCE 4 AND DOUGLAS

SEA STATE 3

VSLS CONSUMES MDO IN MAIN ENGINES WHILE MANEUVERING IN/OUT OF PORTS, CANALS, RIVERS,

NARROW WATERS, FOGS ETC.

- BUNKER SPECS:

FUEL OIL 380 CST SPECS: ISO 8217 2010 RMG 380 / DIESEL OILS SPECS: ISO-8217 2010 DMA

EMISSION CONTROL RESTRICTION BY INTERNATIONAL, NATIONAL, LOCAL AUTHORITIES TO BE

MAINTAINED.

- P&I CLUB: SWEDISH CLUB

- H N M VALUE: USD. 16.0 MILLION (SUBJECT TO CHANGES AS MAY BE AGREED WITH HNM

UNDERWRITERS FROM TIME TO TIME)

- OWNERS: PRECIOUS COMETS LIMITED, BANGKOK