

## ASIA - EDITION

MARINE  
M O N E Y  
Asia

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## PST CLOSES SINGAPORE'S FIRST SHIPPING TRUST IPO

It's never easy being the first one out, but Pacific Shipping Trust (PST) has successfully completed their book building process on Wednesday at noon and sold 222 million shares at US\$0.45 for their acquisition of eight container ships from privately owned PIL, which will take the vessels back on eight to ten year bareboat charters. The deal was not easy to do, but underwriters DBS with co-arrangers ABN Amro and DnB NOR Markets were able to market the deal successfully, attracting 1.5 times subscription interest, although PST did have to reduce their target price range of US\$0.50-US\$0.52 by 12% to satisfy institutional investors.

Of the 95% placement tranche, 55% was subscribed by Singapore based investment funds, 35% from the UK, 9% from Dubai and only 1% from the US and Hong Kong. We also learned that the 5% Singapore public offering tranche, which could be subscribed to thru DBS & POSB's ATM machines, was over subscribed by over 10 times, which is a good sign. It will be interesting to see if the next deal coming to market will increase the share offering to the public and if the market will be able to handle it.

With very few comparable companies as PST in the market and the new structure, we congratulate PST and its arrangers. The deal is not only good for

PIL and for PST, but also for the Singapore ship finance community who with the strong support of the government will most likely see more deals like this come to market. We already know companies as NOL and others have been sitting on the fence waiting to see how PST performed, and we hope the relatively successful execution of this transaction will lead to more deals. The challenge in Asia is that the growing potential investor base knows very little about the shipping industry so there is a big need for education. Hopefully we can ultimately see the same flow of funds coming towards shipping trusts/REITs as we have seen for the real estate market the past three years. PST started trading their shares on SGX Friday .

**The Transaction**

PIL, in standard sale leaseback fashion, has freed up \$250 million of cash on its balance sheet by the sale of the eight vessels shown in the table below. Meanwhile, the PIL maintains essentially full control of the assets and their management, as PST's trustee-manager will be a wholly owned subsidiary of sponsor PIL. PIL also locks in a 4% management fee and any upside or downside charter risk.

In addition, PST's profits – the charters being paid by PIL minus any costs – are tax free under Singapore's laws

that allowed for the development of a shipping business trust – and will also be distributed to shareholders essentially tax-free. Circa 30% of these returns will go to majority holder PIL, but the rest will go to PST's new investors under a yield structure whereby originally 100%, and reduced overtime to 90%, of "distributable income" will by definition be distributed to shareholders through quarterly dividends.

That income is essentially secured, within narrow bands defined primarily by the variable cost of financing, by 8 to 10 year charters to BBB-rated sponsor PIL. The income is also expected to grow over time as PST makes accretive acquisitions in the future; PIL has already granted the new public company right of first refusal on a number of vessels, and has agreed to "warehouse" others that it believes may be of interest to PST.

On the one side, PST would be hard pressed to prove its identity as an entity separate from PIL – much as Ship Finance International was immediately after its spin-off from Frontline – but on the other PST stands to benefit from the parental tendencies of its sponsor, who among other things agreed to lower the prices at which it would sell vessels to the public entity in response to how much investors were willing to pay.

### The Valuation

The vessels in PST's identified fleet had been independently appraised to be worth \$293 million altogether. However, in order to smooth the consummation of the deal and ensure reasonably financing costs for PST, PIL had agreed to lower the price of the fleet to \$286 million if the deal priced at the low end of the range. As it turns out, the shares priced \$0.05 lower than that, and PIL took virtually the full loss in the form as a discount to the prices at which it sold the fleet to

PST. As shown in the table, PST is taking the full fleet for \$271 million. The company should be expected to draw down little if any more than the \$127 million originally planned from its credit facility. This means that, if one takes the appraised vessel values provided in the prospectus, PST investors get the relatively modern at a discount equivalent to around 92% of NAV. This is typical of what we have seen in similarly structured deals in the US such as Ship Finance International and Seaspan, where the ships are sold to the public at a discount with long-term, conservatively priced charters.

The fleet list shows that, based upon the appraised value of the vessels and the charter rates, the vessels would have been sold for 7.6x-8.9x forward cash flow. This is reasonable when compared to the values in our Cash Flow Multiples by Vessel Type table in the 3-year charter column.

We calculate that the deal priced around 8.2x TEV/ EBITDA based on one full year of operating days at the specified bareboat rates and subtracting a 4% management fee. Based on the earnings forecasts provided in the PST prospectus, the deal priced at a P/E of 14.9x for 2006, and a more modest 10.6x for 2007, during which the fleet would be in operation for the full year, rather than simply from April onward. The shares are projected to yield 9% in 2006 and near 9.5% in 2007.

The debt component of the deal was provided through amortizing loan facilities from DBS Bank, DnB NOR, HSH Nordbank and OCBC totaling \$155 million. The DBS, HSH, and OCBC loans all have 12 year terms, while the DnB loan is to have a term of 10 years. As mentioned, due at least in part to the discounted prices at which PST will purchase the vessels, PST expects to draw down around \$127 million to begin with, which will be repaid in monthly installments beginning June 30.

Name of Vessel	Capacity (TEU)	Year of Delivery	Appraisal value	Purchase price	Daily Bareboat Charter Rate	Management Fees	Charter tenure	Cash Flow Multiple
Kota Kado	3081	2005	\$57,500,000	\$53,180,000	\$17,700	\$708	9	8.6
Kota Kaya	3081	2005	\$57,500,000	\$53,180,000	\$17,700	\$708	9	8.6
Kota Anggerik	1454	1999	\$31,750,000	\$29,370,000	\$11,000	\$440	8	7.6
Kota Anggun	1454	1999	\$31,750,000	\$29,370,000	\$11,000	\$440	8	7.6
Kota Arif	1454	1999	\$31,750,000	\$29,370,000	\$11,000	\$440	8	7.6
Kota Azam	1454	1999	\$31,750,000	\$29,370,000	\$11,000	\$440	8	7.6
Kota Rajin	943	2005	\$25,500,000	\$23,590,000	\$7,600	\$304	10	8.9
Kota Rancak	943	2005	\$25,500,000	\$23,590,000	\$7,600	\$304	10	8.9
<b>Totals:</b>			<b>\$293,000,000</b>	<b>\$271,020,000</b>	<b>\$94,600</b>	<b>\$3,784</b>		

# JAPAN SHIPYARD CAPACITY by WORLDYARDS.com

It is well known that supply side statistics in the shipbuilding arena are very patchy, but few would expect the extent of fragmentation. As it is well known, the orderbook ratio of a given shipping segment is one of the key considerations in making investment decisions, based on which billions of dollars are being committed for newbuildings. Are these ratios correct? And is Korea the No.1 shipbuilding nation as it is commonly believed? Do we need more shipyards to cope with the demand? Worldyards ([www.worldyards.com](http://www.worldyards.com)) equips us with the quantitative tools to analyze orderbook as well as shipbuilding capacity data to shed light on these questions. In the table I below, we list the orderbook data of 6 leading Japanese yards. The table tells us that yards are half empty in 2007 (next year!) and only 1/3 full for 2008. One must conclude by judging from the Japanese orderbook data in the below table that the newbuilding market faces imminent collapse.

Table I **Substantial Under-reporting of Japanese orderbook**

		Imabari	Universal	Tsuneishi	Mitsui	Mitsubishi	Sasebo
2006	DWT	5,811,933	4,639,220	2,783,300	2,471,010	1,256,060	1,068,600
	CGT	1,747,670	2,024,280	613,665	634,569	1,037,730	292,420
	Numbers	76	32	37	31	25	13
2007	DWT	2,598,800	4,325,850	1,556,050	2,206,190	1,127,150	1,069,200
	CGT	1,031,855	838,810	621,930	448,115	786,950	270,140
	Numbers	37	29	27	21	15	11
2008	DWT	1,913,800	4,599,648	661,140	1,176,200	730,600	230,000
	CGT	884,252	805,170	270,550	441,530	535,685	53,370
	Numbers	22	22	11	17	11	2
2009	DWT	1,228,100	3,820,000	152,500	1,305,040	757,120	114,500
	CGT	405,195	518,725	120,110	283,855	747,275	51,525
	Numbers	9	16	4	7	10	1
Ratio of Orderbook/Current Annual Capacity (in CGT terms)		1.85	3.48	2.25	2.54	2.47	2.01

But does this tally with practical experience? Please study bottom line of the table where the ratio of orderbook over current annual capacity for the various yards are listed. Even without natural productivity gains, these ratios for most shipyards should be around 4, as it is well known that leading Japanese shipyards are booked well into 2010. Sometime ago Cido made headlines that they contracted VLCCs at Universal for which they have to wait for 5 years! Universal by the way is one of the most transparent shipyards.

Some would point the finger to the yards for hiding real orderbook information for marketing reasons but apparently it has more to do with a technical reason - a regulation on insurances from the Japanese Ministry of Land Infrastructure & Transport. If all the missing orders are filled in, we are rather convinced that Japan is still No.1 shipbuilding nation in dwt ( for example, Imabari alone could add at least 6 million dwt to the total orderbook if its missing orders are revealed.) and only slightly lagging behind in CGT terms than Korea, not as currently believed - as per the table below.

Table II **Market Share of 3 big Shipbuilding Nations**

Shipbuilding Country	DWT	Market Share	CGT	Market Share
South Korea	89,853,173	37.00%	40,449,691	38.75%
Japan	78,107,661	32.16%	25,991,784	24.90%
China	49,057,678	20.20%	17,853,112	17.10%

Whatever the reason, the implications are immense. Firstly, distorted orderbook information conceals tonnage supply - owners will overbuild. Secondly, distorted orderbook statistics also lead to underestimation of shipbuilding output capacity. Shipyards expand rather recklessly. Both consequences are not good for shipbuilding and shipping market in the long run.

# SHIP FINANCE IN JAPAN: A MARKET OPENS, OPPORTUNITY ABOUNDS

The Marine Money model is predicated upon the belief that most nations of the world have a maritime industry. Some are small in scope, while others are enormous. It has also always been our belief that every maritime sector, no matter its size, could benefit from more efficient access to and a more competitive cost of capital. So we have married ship owners, shipbuilders, charterers, and the finest sources of capital the world over. But we had never before ventured to Japan, whose storied maritime industry boasts some of the most accomplished ship owning businesses, a shipbuilding industry that is a global model and trading and finance capabilities second to none. The Japanese maritime industry has always been part mystery because of its enormous domestic Corporate, financing and trading strengths, which led to significant self-sufficiency.

However, ask a shipowner, any shipowner, if they could save \$500 a day and you can be sure they would all say yes – regardless of the level of self-sufficiency. And so it was that 200 delegates and finance providers from Japan and around the world met in Tokyo today at the first annual Marine Money Japan Ship Finance Forum.

Sumitomo Bank (SMBC), our conference partner, helped to create a program designed to appeal across Japan's many maritime sectors from the giant mega-carriers to the worldly-wise Shikoku owners, yards and International capital providers.

The setting was the ultra stylish Grand Hyatt in Roppongi, which Japan veterans will know to be the newest and most fashionable business hotel. From the start the day was destined for dynamism, as the first arriving delegate was Yukito Higaki, president of Imabari Shipbuilding Co., Japan's largest shipyard. Owners controlling almost every ship owned and operated in Japan and almost every major ship lender joined him. A packed house greeted SMBC's Jun Ohta, conference co-chairman and general manager of the bank's structured finance department, as he opened the conference.

Several themes clearly developed throughout the day. Some with clear answers and some a bit more mysterious. But no doubt was left about the importance to financiers of this market.

## The Issues

How open to foreign lenders is Japan's ship finance market? What to make of Japan's tax code, which both drives investment and "punishes" earnings while the shipowners association pushes for and the government considers a tonnage tax?

Enormous joint venture potential in the energy sector, particularly LNG is clearly possible. With the freight market peak behind us, (though don't worry - there was not much pessimism expressed at all), what are the chances that Japan's independent owners will continue to see 95% to 100% financing at 50 to 70 basis points? And then there were unpredictable issues such as the dollar yen risk, the direction of Japan's interest rates that are so low at present, and the impact of new BIS 2 rules.

So, what about the market for ship finance: is it open? The consensus is yes, but primarily in special ways. That was the recurring point made by many on the morning's first banker panel where Otto Jan van Diepen, Fortis head of global ship-finance in Asia, said a resounding yes to the question, "or I wouldn't be here", even though he admitted to a limited access to the independent yet enormous Shikoku market. HSH Nordbank's Paul Chang indicated that he sees more chances to work cooperatively in big capital-intensive deals and that the capital markets and foreign lenders can bring new structures and constructive ways to work together. Harvey Ven, Director with Calyon in Hong Kong, which has been active in Japan with a sizable book of bilateral and structured loans, pointed out that as more foreign charterers take charters with Japan's independent "Shikoku" owners, foreign banks can bring a knowledge and thereby a comfort to get deals banked.

Jefferies' Harold Malone, while pointing out his firm's equity focus, echoed the thought that it was a natural evolution that as Japan's owners ventured into the global time charter markets capital market opportunities should develop for financiers. Mr. Ugari of SMBC pointed out that while yen based financings made for very competitive offerings to local owners, the risks of a dollar based revenue with a yen based cost model added a level to bankers which might provide opportunity to foreign lenders as risk exposure and BIS 2 pressures cause local banks to review their exposures.

Tomoni Kihara, transport finance team leader with Tokyo Star Bank, sounded most pragmatic when he pointed out that foreign bankers just could not compete as Japanese banks enjoy long-term relations with owners and take a corporate lending approach, which does not necessarily meet foreign banking security demands. Then add to that low interest rates. But even he thought that collaboration was possible, especially as foreign charterers come to the market. However, we also see banks as SMBC increasing their relationship with the international banks by inviting them into deals they manage. The bank who hired Stanislas Roger based in

Paris to head up their ship finance practice globally is a further testament to the banks efforts to grow their international portfolio and bridging West with East.

The theme of increasing foreign chartering participation with Japan's independent owners provided one of the main avenues of potential for foreign lenders looking to participate in ship lending here.

A marvelous question was posed by an independent owner from the audience about how to judge the counter party risk of a foreign charterer. Citibank's Yamada pointed out the clear importance of the charterer's credit quality and ways that an owner should investigate it – with their banker, through trading company relationships, the web and visits to each others offices. But for this owner an order placed for a vessel backed by a reputable charterer (Enron), turned out to have preceded the Enron collapse by just days. No doubt as foreign charterers become more important for Japan's independent

owners, access to information will be a valuable contribution by foreign lenders wishing to enter the market.

But so also were the prospect of foreign banks developing cooperation with new structured products, participations in larger deals, or as the risk profile of the freight market and dollar/yen risks shift and BIS 2 rules have an impact on bank practices.

Harold Malone noted that while the peak may have passed, the legacy of the last bull market is that the capital markets are open - and not just to the big credits. And he noted that the US capital markets are but one choice as he mentioned London, Oslo, and the Middle East as alternatives today. "There will always be an equity market for well structured deals with quality assets."

The session, which was moderated by Citigroup's Toshio Yamada, left the audience with the firm conviction that cooperation and opportunity exist, and he summarized the session by saying, "I am very happy on this point."

A panel on leasing and equity participations in Japan was a bit more circumspect. Jan Hagemann, MD of Lloyd Fonds, is clearly involved in the local market as several of the "Big 3" do charter his ships. But the challenge as he saw it was that it will be difficult for foreign equity to ever achieve its returns, and therefore enter the market as long as Japan's interest rates remain at current levels.

Mr. Taga, President of Santoku Senpaku, whose 100 ship fleet gave credence to his thoughts and who had earlier asked the Enron vetting question, advocated a balanced portfolio of ship types and charterers as a hedge against shipping's inevitable cycles and called for a collaboration between owners and their financiers.

Philip Clausius, fresh off his firm's successful Evergreen transaction felt that for larger deals where the dollar amount might stretch the ability of local markets opportunity existed, especially if local banks take the view that the dollar/yen exchange risk requires a capping of exposure. He pointed to the Evergreen deal as an example that even a heavily locally supported company of significant credit standing could benefit from the use of foreign financing from time to time.

Mizuho's Saida discussed raising a local equity fund from private investors familiar with shipping risks but noted that there were challenges, especially questionable tax benefits. But he believed that a middle risk exposure could mean a middle return level, which might mean success.

Andreas Povlsen with BTMU/New Boston Partners took a big picture view encouraged by the strength of Japan's traditional reliance on relationships, a world of increasing transparency and the possibility of more foreign operators and efforts to mitigate risk to express confidence of business development. He was also not alone to say that interests moving up and the dollar down would equalize the playing field giving structures a chance. Itochu's Hirokazu Inden, noted the challenge for any equity provider when he pointed out that REITs in Japan had returned 7% but were now heading towards 5% or even 3%.

And that really summarized the leasing and equity discussions – opportunities exist, the shifting risk profile as regards interest rates, US dollar/yen risk, and general market risks all provide opportunity, but how and when are the questions. But as Calyon's Ven noted, with time and commitment, portfolios are here to build.

The day ended with a panel on LNG. But before getting there, Marshall Islands' Bill Gallagher reminded everyone that while financing and registry efficiency are important, safety, reputation and regulatory and operational realities must never be forgotten. And it was on that serious and important note the conference was to finish.

It was a remarkable final session which had principals that together controlled over 1500 ships and 20,000 seafarers together discussing LNG and its project prospects, which left delegates viewing a financing need that in the next 12 months alone is \$14 billion.

Igor Boresenko from Sovcomflot, Mr. Nikaido of Mitsui OSK Lines, Mr. Aoki of K-Line and Mr. Nagasawa of NYK Line in a panel led by the articulate Mr. Warder of Watson Farley & Williams, together in a truly remarkable show of expertise presented a picture of what it takes to build successful ventures needed to meet the tenders of today's largest LNG projects. And make no mistake - in the area of energy and ship-

shipping project finance, Japan is a land of opportunity no matter where one is from.

JV's by their nature can be complicated, but add the high stakes billion-dollar+ amounts involved LNG deals, and it is truly to see what it takes to make these mega deals work. Why JVs? Access to business not available alone, access to expertise which partners can bring to a deal, sharing risk, sharing capital exposure, meeting partner special needs, bringing complimentary skills to a bid, meeting the challenges of control, differing goals, and communications challenges were just some of the moving parts to be understood or overcome in successful multi billion dollar LNG bids. That each participant had extensive experience had delegates riveted.

But in the end it was for the owners participating to remind financiers and the audience that no project exists without safe and quality management. The issues of crew sourcing, training, and availability, and safe operations were the subjects on which a session, which had described billions in financing requirements, was closed.

As NYK's Nagasawa told the audience, the myth of safety in LNG is not real, it takes enormous effort, commitment and

diligence. As MOL's Nikaido told the audience, training of crews is not a cost but an investment. That the four participants between them controlled 2000 ships and 20,000 crewmen meant these words have real meaning behind them.

For those new to the scene, the insights were novel and startlingly forthright. For the more experienced financiers perhaps the answers to some of the questions raised are still pending. But for sure the day's final panel sent folks to the reception dreaming of the potential behind the need for \$14 billion over just the next 12 months to finance known LNG deals.

SMBC's Nick Pitts Tucker, head of the bank's structured finance group in London, summed it up eloquently when he told the departing audience that the conference had succeeded to open eyes, identify challenges and opportunity for the financial and energy markets here, expand understanding and build relationships, old and new.

It was in fact a special moment in time. The huge audience left the reception only reluctantly, and the mingling of East and West was filled with goodwill and potential...Thanks to all our sponsors, until next year.



**Banker's Panel**

FL. Mr. Kihara of Tokyo Star Bank, Mr. Ven of Calyon, Mr. Malone with Jefferies, Mr. Ugari of SMBC, Mr. van Diepen of Fortis, Mr. Yamada of Citigroup and Mr. Chang of HSH Nordbank

## PEOPLE & PLACES

### TRADE FINANCE CORP. ESTABLISHES FINANCIAL BROKERING HOUSE

Hong Kong based Trade Finance, by its establishment was aimed at providing innovative financial solutions for small and medium companies involved in international trade whether they be producers, traders, end users, shipping companies or chartering companies. The company, which is headed by Mr. David Sullivan has established a new sister company. TFC Brokerage Ltd, a specialized insurance broker for trade & project finance has been launched and the corporate services business is finding a lot of interest for setting up companies and providing secretarial/administration services. Despite tough market conditions in China they have a reasonable pipeline and apart from diversifying their product range they are establishing themselves in new market such as Malaysia and Philippines. The new company has applied for the insurance broker license and is still being processed by the authorities.

### SINGAPORE SETS UP MARITIME ARBITRATION

Singaporean attorney Jude Benny is animated and enthusiastic anyway, but get him onto the subject of maritime arbitration Singapore style and watch out. Given the rise of the region's general significance to shipping, the question presents itself: why hasn't maritime arbitration developed apace? London and New York's dominance in the standard charter party tradition explains a great deal, but Jude points out some very valid reasons to move beyond this tradition, including time zone convenience, the undisputed expertise resident and with several Singapore special features: a fixed price for each arbitration dependent on its size, the ability to arbitrate in any selected law, and an international panel of arbitrators, many well known shipping experts from around the world, along with a typically Singaporean focus on business efficiency makes the nascent option increasingly attractive.



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# MARINE MONEY DEAL TABLES (SELECTED AS OF JAN 2006)

## BANK DEBT

Borrower	Arrangers / Buyers	Amount (US\$ M)	Pricing / Purpose / Remarks
Pacific Shipping Trust	DBS Bank, DnB NOR, HSH Nordbank and OCBC	\$155	12 year amortizing loan facility to acq. 8 container vessels from PIL
K1 Shipping	Woori Bank	\$173	Syndicated acquisition facility to purchase 4 mid range tankers
STX Pan Ocean	Woori Bank	\$90	8 year refinance closed as bilateral for 4 ships
Evergreen Maritime	Mizuho Bank & Taipei Fubon Commercial Bank as arrangers. 13 Participants	\$935	5 year syndication
EUKOR	DnBNOR	\$116	2xPCC newbuildings
EUKOR	Korea Development Bank	\$58	PCC newbuilding
EUKOR	Kookmin Bank	\$158	\$100M for refinance and \$58 for PCC newbuilding
Daeyang Shipping	Hana Bank	\$15	General corporate purposes
Hanjin Shipping	ING & Woori Bank as arrangers	\$55	Container box financing
Songa Shipholding	Nordea as lead arranger	\$510	Refinance of Chemical fleet
Vitraschant	Natexis	\$15	Acquisition of second hand bulk carrier
Korea Line	Citigroup as bookrunner, Bank of Nova Scotia, ING Bank, United Overseas Bank, Sumitomo	\$400	Financing for 2 x LNG newbuildings at L+50
Cido Shipping Group	Sumitomo Mitsui Banking Corp	\$240	10-year term; first Japanese-led international shipping syndicate

## EQUITY

Issuer	Underwriters / Advisors	Amount (US\$ M)	Structure / Pricing / Comments	Status
ChemOil	Unknown		Bunkering company looking at SGX listing	Early stages
Pacific Shipping Trust	DBS, ABN Amro & DnB NOR Markets	\$100	222M share 1st shipping reit at 0.45 per share	Done
Vietnam Ocean Shipping Agency (VOSA)	Unknown	\$11	Ho Chi Minh City IPO of 38.55% stake; 8x over subscribed	Done
China Shipping Group	BNP Paribas Peregrine	Undetermined	Hong Kong listing of dry bulk assets	Withdrawn
Omega Navigation	Jefferies, JP Morgan	Up to \$290	12,000,000 share IPO in NY & Spore at \$17 per share	Done
Pacific King Shipping	UOB Asia	Undetermined	Planned April IPO in Singapore	Withdrawn
Berlian Laju	Deutsche Bank, UBS	\$125-\$150	Planned Spring 2006 listing in Singapore	In progress
ASL Marine	Kim Eng Securities	\$12	Planned placement of 30,000,000 new shares at S\$0.68 each	In progress
Shreyas Shipping	Unknown	\$8	Global Depository Receipts for sale by Indian company; to be listed on Luxembourg Stock Exchange	In progress
Azuma	Nomura Securities	\$10	Planned Tokyo IPO by Japanese logistics' and warehousing venture with marine interests	In progress

# ANALYST COVERAGE

Shipping company	Securities firm	Rating	Price target*	Price on re- port date	Nature of report	Date issued
Arpeni Pratama	DBS Vickers	Strong Buy	Rp2100	Rp1500	Update	18-Apr
Berlian Laju	DBS Vickers	Strong Buy	Rp2100	Rp1,490	Update	18-Apr
Berlian Laju	Kim Eng	Buy	Rp1,600	Rp1,300	Update	2-Jan
Berlian Laju	CIMB	Outperform	Rp1,040	Rp1400	Update	2-Jan
Berlian Laju	UBS	Buy	Rp1,330	Rp1,040	Update	4-Jan
China Shipping Devt	DBS Vickers	Sell	HK\$4.80	HK\$6.25	Update	18-Apr
China Shipping Devt	Morgan Stanley	Underweight	HKD 5	HKD 5	Update	22-Dec
COSCO Corp	DBS Vickers	Buy	S\$2.43	S\$1.69	Update	18-Apr
COSCO Singapore	JPMorgan		S\$2.69	S\$2.46	Update	9-Nov
CSCL	Citigroup	Sell / Medium Risk	2.1	3.0	Update	26-Sep
CSCL	DBS Vickers	Fully Valued	HK\$2.63	HK\$2.83	Update	18-Apr
CSCL	Morgan Stanley	Equal-weight	HK\$2.98	HK\$2.93	Update	14-Oct
Evergreen	Citigroup	Sell / Medium Risk	18.0	21.0	Update	26-Sep
Ezra Holdings	DBS Vickers	Buy	S\$3.20	S\$2.86	Update	18-Apr
Great Eastern	Morgan Stanley	Overweight	Rs239	201.00	Update	12-Oct
Great Eastern	Citigroup	Hold	Rs248		Initiation	8-Feb
Hanjin	Citigroup	Sell / High Risk	16,000	24,150	Update	26-Sep
Jaya	DBS Vickers	Buy	S\$1.64	S\$1.31	Update	18-Apr
Jinhui Shipping	Pareto	Reduce	NOK 15.5	NOK 16.2	Update	28-Dec
Jinhui Shipping	ABG Sundal Collier	Sell	USD 1.80	USD 2.2	Update	1-Mar
Kawakaki Kisen	Morgan Stanley	Underweight	JPY 764.00	NOK 742.0	Update	22-Dec
Labroy Marine	DBS Vickers	Hold	S\$1.47	S\$1.45	Update	18-Apr
MISC	DBS Vickers	Fully Valued	RM8.60	RM8.80	Update	18-Apr
NOL	Citigroup	Sell / Medium Risk	2.50	3.08	Update	26-Sep
NOL	DBS Vickers	Fully Valued	S\$2.07	S\$2.17	Update	18-Apr
NOL	Morgan Stanley		S\$3.20		Update	4-Nov
NOL	Pareto	Hold	SGD 2.7	SGD 2.9	Update	30-Nov
OOIL	Citigroup	Sell / High Risk	20.0	28.7	Update	26-Sep
OOIL	DBS Vickers	Fully Valued	HK\$26.30	HK\$27.55	Update	18-Apr
Pacific Basin	Macquarie	Outperform	HK\$4.52	HK\$3.85		23-Aug
Pacific Basin	Goldman Sachs	Outperform	HK\$5.00	\$3.72		4-Aug
Pacific Basin	CSFB	Outperform	HK\$4.50	\$3.72		3-Aug
Pacific Basin	Cazenove	Outperform	\$4.30	\$3.98	Update	6-Mar
Pacific Basin	DBS Vickers	Buy	\$4.50	\$3.65	Update	18-Apr
Pacific Basin	UBS	Buy 2	\$0.64	\$0.51	Update	7-Mar
Precious Shipping	Macquarie	Outperform	THB54.95	THB48.24		23-Aug
Precious Shipping	DBS Vickers	Fully Valued	THB32.00	THB29.00	Update	18-Apr
Regional Container Lines	DBS Vickers	Hold	THB27.00	THB20.50	Update	18-Apr
Shipping Corp of India	Morgan Stanley	Underweight	130.00	156.40	Update	12-Oct
STX PanOcean	Macquarie	Outperform	S\$1.30	S\$1.08		23-Aug
STX PanOcean	CSFB	Outperform	S\$1.10			3-Aug
STX PanOcean	DBS Vickers	Fully Valued	S\$0.83	S\$0.85	Update	18-Apr
STX PanOcean	Goldman Sachs	Outperform	S\$1.40	S\$0.92	Update	17-Oct
Thoresen Thai	Macquarie	Outperform	THB40.20	THB35.51		23-Aug
Wan Hai	Citigroup	Sell / Medium Risk	19.0	24.0	Update	26-Sep
Yang Ming	Citigroup	Sell / High Risk	16.0	20.9	Update	26-Sep

Marine Money Asia Pte Ltd.

140 Cecil Street, #16-00  
PIL Building  
Singapore, 069540

Phone: +65 6222-9456  
Fax: +65 6491-5563  
Email:  
pbogen@marinemoney.com

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## FORUM SCHEDULE 2006



MAY 31	8TH ANN NORWAY SHIP & OFFSHORE FINANCE FORUM	OSLO CONCERTHALL,
JUNE 21-22	19TH ANN. MARINE MONEY WEEK	THE PIERRE, NEW YORK CITY
SEPT. 27	5TH ANN. SINGAPORE SHIP FINANCE FORUM	GRAND HYATT, SINGAPORE
OCT. 12	8TH ANN. GREECE SHIP FINANCE FORUM	ATHENS LEDRA MARRIOT
OCT. 19	7TH ANN. MARINE FINANCE FORUM-AMERICAS	HARVARD CLUB, NEW YORK
NOV. 14	3RD ANN. MARINE FINANCE FORUM-LATIN AMERICA	THE BILTMORE, MIAMI
DEC. 1	4TH ANN. CHINA SHIP FINANCE FORUM	RITZ CARLTON HOTEL, SHANGHAI