

Glossary of Terms

“back haul”	when import cargoes (suitable for a particular ship type) exceed the export cargoes in respect of that trade or region
“ballast”	the period of time during which a ship performs a voyage without cargo on board
“Baltic Dry Index” or “BDI”	the general dry bulk freight market indicator generated by the Baltic Exchange
“Baltic Handysize Index” or “BHSI”	the BHSI is published every London working day by the Baltic Exchange, who have collated information on fixtures for a number of routes in relation to a standard “28,000 dwt” vessel with 30 mt cranes and maximum 15 years of age. The index is also published on the basis of a Time Charter return, and is used to determine the value of the trading routes and settlement prices for FFAs
“Baltic Supramax Index” or “BSI”	the BSI is published every London working day by the Baltic Exchange, who have collated information on fixtures for a number of routes in relation to a standard “Tess 52” type vessel. This vessel is 52,454 dwt, with 4 x 30 mt cranes and grabs, and maximum 10 years of age. The index is also published on the basis of a Time Charter return, and is used to determine the value of the trading routes and settlement prices for FFAs
“bareboat” or “bareboat charter”	charter for an agreed period of time during which the ship owner provides only the ship while the charterer provides the crew together with all stores and bunkers and pays all Vessel Operating Costs
“Board”	the board of directors of the Company
“bunker(s)”	fuel, consisting of fuel oil and diesel, burned in the vessel’s engines
“capesize”	dry bulk carrier with a capacity of 80,000 dwt or more which, due to its size, must transit, when loaded, the Atlantic to the Pacific via Cape Horn or the Cape of Good Hope, and is typically used for long voyages in the coal and iron ore trades
“charter”	a contract for the commercial leasing of a vessel or space on a vessel
“charter-hire”	the revenue earned by a vessel pursuant to a Bareboat Charter or a Time Charter (See “freight” for Voyage Charter revenue)
“charterer”	a person, firm or company hiring a vessel for the carriage of goods or other purposes

“classification societies”	independent societies which certify that a vessel has been built and maintained in accordance with the rules of such society and complies with the applicable rules and regulations of the vessel's Flag State and the international conventions of which that Flag State is a member
“commercial management”	management of those aspects of ship owning and operation that relate to obtaining economic value from the vessel which includes ship financing, sale and purchase, chartering or vessel employment, voyage execution, insurance and claims handling, accounting and corporate administration
“contract of affreightment” or “COA”	is similar to a Voyage Charter but covers two or more shipments over an agreed period of time (this could be over a number of months or years), and no particular vessel is specified
“Controlling Shareholder”	any person who has the power, directly or indirectly, to secure that the affairs of the Company are conducted in accordance with the wishes of such person: <ul style="list-style-type: none"> (i) by means of the holding of shares entitling him to exercise or control the exercise of 30% (or such other percentage as may from time to time be specified in the Code on Takeovers and Mergers and Share Repurchases as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the Company; or (ii) by means of controlling the composition of a majority of the Board.
“demurrage”	an agreed amount payable to the ship owner by the Charterer when the agreed time allowed for loading or unloading cargo has been exceeded through no fault of the owner
“draft”	vertical distance between the waterline and the bottom of the vessel's keel (i.e. the depth of the ship in the water)
“drydocking”	the removal of a vessel from the water for inspection, maintenance and/or repair of submerged parts
“dwt” or “deadweight”	dead weight tonnes, the unit of measurement of weight capacity of vessels, which is the total weight (usually in metric tonnes) the ship can carry, including cargo, Bunkers, water, stores, spares, crew, etc. at a specified Draft
“flag state”	the country where the vessel is registered

“forward freight agreements” or “FFAs”	a derivative instrument that is a means of hedging exposure to freight market risk through the purchase or sale of specified time charter rates for forward positions. Settlement is in cash, against a daily market index published by the Baltic Exchange
“freight”	the revenue earned by a vessel pursuant to a Voyage Charter or a Contract of Affreightment
“front haul”	when export cargoes (suitable for a particular ship type) exceed the import cargoes in respect of that trade or region
“handymax”	dry bulk carrier of 40,000 to 59,999 dwt which carries a wide variety of cargoes including Major and Minor Bulk cargoes
“handysize”	dry bulk carrier of 10,000 to 39,999 dwt which is commonly equipped with cargo gear such as cranes. This type of vessel carries principally Minor Bulk cargoes and limited quantities of Major Bulk cargoes. It is well suited for transporting cargoes to ports that may have draft restrictions or are not equipped with gear for loading or discharging cargoes
“IHC Pool” or “IHC”	the International Handybulk Carriers Pool, established in October 2001, which is a contractual arrangement for the sharing of revenue earned by vessels entered into by its members
“IHX Pool” or “IHX”	the International Handymax Carriers Pool, established in July 2006, which is a contractual arrangement for the sharing of revenue earned by vessels entered into by its members
“ISM Code”	the International Management Code for the Safe Operation of Ships and for Pollution Prevention adopted by the International Maritime Organisation
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“mt” or “tonnes”	metric tonnes
“major bulk”	dry bulk cargoes consisting of iron ore, coal and grain
“minor bulk”	dry bulk cargoes such as forest products, iron and steel products, fertilisers, agricultural products, minerals and petcoke, bauxite and alumina, cement, other construction materials and salt
“newbuilding”	a vessel under construction or on order

“off-hire”	period during which a vessel is temporarily unable to operate under the terms of its Charter, resulting in loss of income under the Charter
“panamax”	dry bulk carrier of 60,000 to 79,999 dwt with beam not exceeding 32.2 metres which permits it to transit, when fully loaded, the Panama Canal. Panamax vessels are primarily used to transport Major Bulks, although they can be used to transport certain Minor Bulks such as fertilisers, ores, petcoke and salt
“P&I”	protection and indemnity. This denotes the insurance coverage taken by a ship owner or Charterer against third party liabilities such as oil pollution, cargo damage, crew injury or loss of life, etc.
“P&I Clubs”	a mutual insurance association providing P&I insurance coverage
“spot market”	the market for immediate chartering of a vessel, usually for a single cargo or short term trading
“supramax”	dry bulk carrier within the handymax sector, of 50,000 to 59,999 dwt, which is usually grab fitted and carries a wide variety of cargoes including Major Bulk and Minor Bulk cargoes
“technical management”	management of those aspects of ship owning and operation that relate to the physical operation of a vessel, including the provision of crew, routine maintenance, repairs, drydocking, supplies of stores and spares, compliance with all applicable international regulations, safety and quality management, environmental protection, newbuilding plan approval and newbuilding supervision, and related technical and financial reporting
“time charter”	charter for an agreed period of time where the ship owner is paid on a per day basis and is responsible for operating the vessel and paying the Vessel Operating Costs while the Charterer is responsible for paying the Voyage Costs and bears the risk of any delays at port or during the voyage except where caused by a defect of the ship
“time charter equivalent” or “TCE”	Freight and Charter-hire less Voyage Costs incurred expressed as a daily rate over the duration of the voyage
“tonnage”	a generic term referring to any kind of ocean-going cargo vessel or vessels
“voyage charter”	charter under which a ship owner is paid Freight on the basis of transporting cargo from a load port to a discharge port and is responsible for paying both Vessel Operating Costs and Voyage Costs
“vessel operating costs”	these consist of crew expenses, insurance, spare parts, stores and lubricating oils, vessel repairs and surveys, commissions and other miscellaneous running costs
“voyage costs”	bunker costs, port charges and canal dues (or tolls) incurred during the course of a voyage