

## Lunar New Year's Greetings from Tribini Capital

Kung Hei Fat Choi !

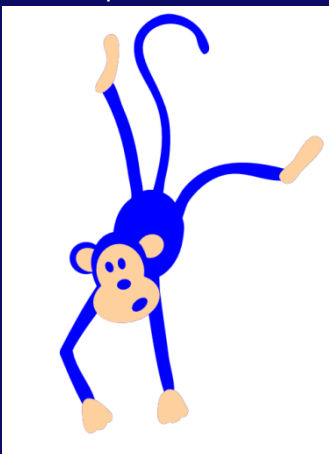
**Dear investors, friends and family,**

The year of the Ram was busy and challenging to say the least and whilst we managed to ensure almost 100% utilization of the vessels during the year it was still a challenge to make ends meet. In the early part of the year we parted with the oldest lady in the fleet when an attractive offer arrived on the e-mail. Whilst it was with some sadness and sentimental feelings, given she had also been our first ship, an upcoming docking and bleak employment prospects for older design vessels made it a necessary call and now with the benefit of hindsight, the right one. The newbuildings are progressing according to schedule, and again we have to thank Ouhua Shipyard for their cooperation and dedication. The New Year has only just started but we feel it's safe to say that it will be no less of a roller-coaster ride, so we are fastening our seatbelts for the Year of the Monkey!

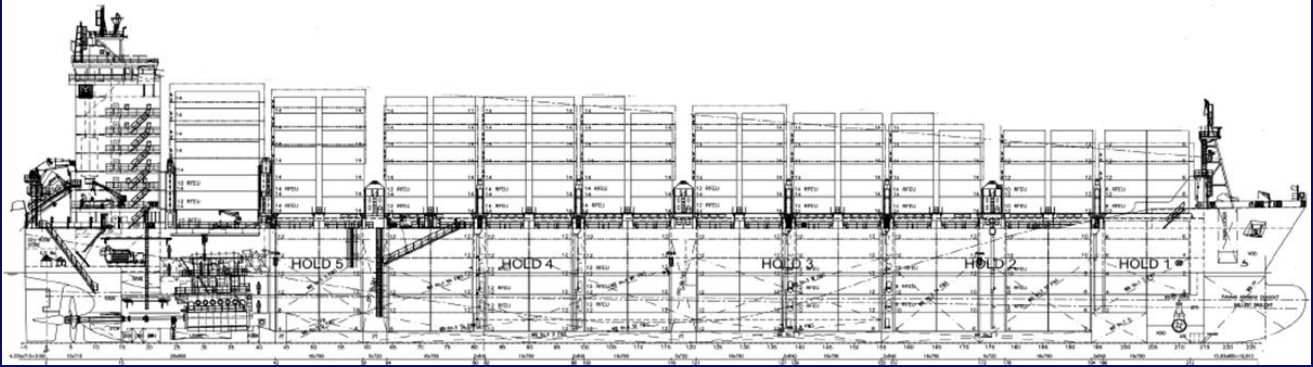


### **The Market**

The year started at the low levels which have been the norm since the financial crisis but with encouraging signs on the horizon mainly the falling number of idle ships particular for the sizes we are operating. Come second quarter this started to be reflected in higher rates and optimism (a concept almost forgotten) was spreading amongst owners and liner operators alike. Rates shot up, and we even saw 5 digits for a short while, but this short time euphoria was fast replaced with another downturn as ferocious as the one seen at the end of 2008. The biggest difference compared to 2008 is that this downturn was not caused by a severe meltdown of the financial markets and consequent drying up of liquidity and spending, but a continuous slowdown of the growth rates in the major trades – where “we” as an industry had already ordered and taken delivery of the vessels needed for a “normal growth” scenario, leaving us with a significant surplus of tonnage of all shapes and sizes. This surplus will take some time to “clean out” even assuming a slight growth in volumes, but it will happen especially for the sub 4000teu vessels where a large part of the fleet is poorly maintained and increasingly in need of capex-spending, which is not going to happen when earnings are less than operational expenses (forget cost of finance) and there is no sign of improvement in the foreseeable future. This will inevitably lead to a lot of scrapping, stakeholders across the board will stop throwing good money after bad, and once scrapped they will not come back to haunt us anymore. The timeframe for this is the million \$ question, which nobody can answer, but an educated guesstimate based on what we can see right now would be 2-3 years before a recovery will start to emerge.



## Newbuildings



As mentioned earlier a sincere thank should go to Ouhua Shipyard for their support, assistance and patience during the process so far and for being an ideal business-partner in the true sense of the word. On the supervision front we have partnered with Schulte Marine Concept whom we would also like to thank for an excellent job leveraging the experience and knowledge from across their organisation, adding a lot of value to the assignment. Always a great experience when you are surrounded by professionals.

The 2700teu Ruby design is a highly innovative creation taking full advantage of the newest in technology and the significant changes that are taking place in container shipping. Their 35.2m beam improves the vessels stability significantly and allows for an additional 25% intake measured in benchmark 14 tons homogeneous laden containers, in addition to an exceptional fuel economy thanks to the latest improvements in design techniques mastered by Neptune Ship Design in Rostock.

Whilst we are confident the ships will be attractive to charterers around the planet both with gear and as gearless, our latest round of presentations to the most potential clients showed an overall preference for the vessels as gearless. We have therefore cancelled the cranes which was part of the original contract. Saying that, if a charterer shows up with an attractive deal for the vessels with cranes, then they are fully prepared for same and can be “plug and play” fitted as soon as they can be delivered from the manufacture.



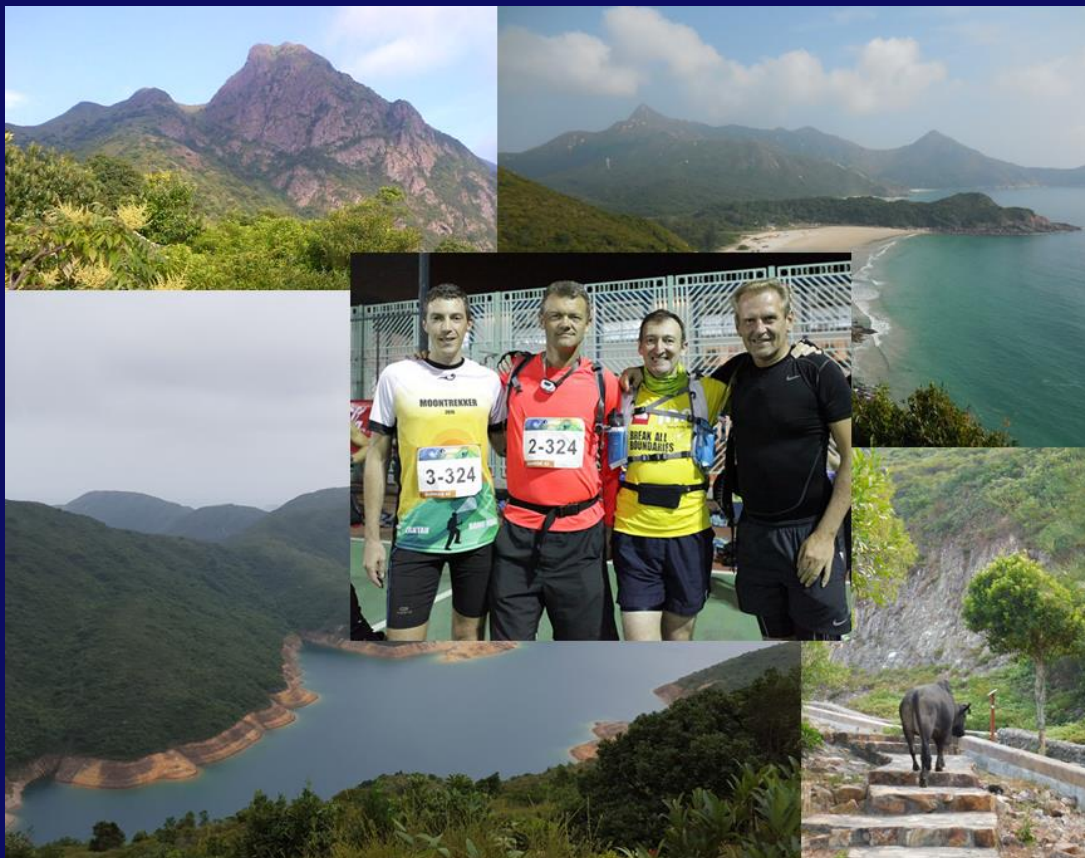
## New Ships

In the early part of the year the fleet was joined by a couple of Kamsarmax newbuilding bulkcarriers for which we are acting as disponent owners handling and overlooking commercial issues and practical matters with the charterers and technical managers. The vessels are trading under a one year time charter contract.



## This Year's Charity

Whilst we are still strongly supporting the FCC Po Leung Kuk Charity, the annual Ball in particular, we again decided to team up with colleagues from across the industry, namely Modern Terminals, Clarksons and CMA CGM, and participated in another 100 kilometre MacLehose hike in the mountains in the New Territories in the northern part of Hong Kong. Preparations had been extended to also include Barclays MoonTrekker which is a 43 kilometre night race on Lantau Island which was a perfect preparation for the large part of the MacLehose that takes place during night. We had a great race and more importantly an impressive HK\$70,000 was donated by friends and family to Oxfam which made us all extremely proud – A great thank you to all of our sponsors for your amazing support !



*Finally, the management of Tribini Capital would like to wish all our investors, financiers, advisors, friends, families, people at the shipyard, our managers and all your families a Happy, Healthy and Prosperous Year of the Monkey.*

