

HK shipping line on vessel buying spree

Wah Kwong says it has financing in place for expansion

[HONG KONG] Wah Kwong Maritime Transport Holdings intends to increase its fleet to about 30 by early 2012 and has the financing "in place" for the expansion.

The company had 11 carriers and tankers in August 2008, and it has ordered two supertankers for \$280 million for delivery in 2011. It will fund the project with cash and bank loans.

"For the tanker market, things are looking pretty optimistic there and one of the key drivers is obviously the imports into China," chief executive officer Timothy Huxley said in a Bloomberg Television interview yesterday.

The bulk of the growth in seaborne oil trade is trade into China, Mr Huxley said.

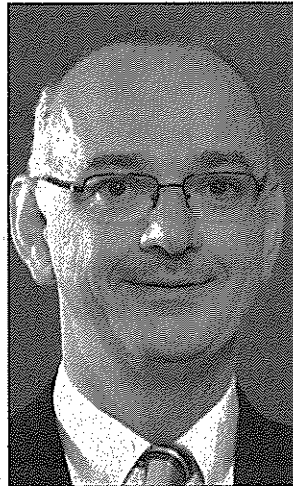
The Hong Kong shipping line which cancelled plans to sell shares in 2008, said it will proceed with a listing only "if the climate is right".

"At the moment, the IPO

market for shipping companies . . . that window is closed," Mr Huxley said. "We don't actually need to do it at the moment and going forward, we will certainly look at it again if the climate is right."

Wah Kwong cancelled a Hong Kong IPO in June 2008 because of weak demand for new shares.

This year, Xinjiang Goldwind Science & Technology and Swire Properties shelved plans to sell shares as Hong Kong's Hang Seng Index lost ground, falling 8 per cent year-to-date, and Europe's debt crisis curbed investor interest in new listings.



Mr Huxley: *The tanker market looks pretty optimistic, the main driver being China imports*

Even without funds from an IPO, Wah Kwong plans to increase its fleet of bulk carriers and tankers to meet demand growth in China. — *Bloomberg*