



## PRESS RELEASE

### 5<sup>th</sup> ANNUAL CAPITAL LINK INTERNATIONAL SHIPPING FORUM CHINA

#### A NEW ERA - SHANGHAI A TOP GLOBAL MARITIME HUB

#### Shipping, Trade & Finance

#### Tuesday & Wednesday, September 15 & 16, 2020 - Digital Conference

September 28<sup>th</sup>, 2020

[Capital Link's 5th Annual Digital International Shipping Forum - China](#) took place on **September 15 & 16, 2020** as a digital event. It was held **in partnership with Columbia Shipmanagement and Singhai Marine Services** and **with the support** of the **Shanghai/Pudong Government**.

**ICBC Leasing** was the **Lead Sponsor**.

**Nicolas Bornozis**, President of **Capital Link** stated that: “China has been the locomotive for global shipping. Shanghai and Pudong are already major hubs for the global shipping industry. This year for the first time, Shanghai ranked as the third largest shipping hub of the world. Recognizing the significance of China a lot of shipowners establish a presence in Pudong. For the last three years, Capital Link organizes a major international forum in Pudong in partnership with Singhai Marine Services and Columbia Shipmanagement. This forum brings to **Pudong** major international shipowners, financiers and other industry participants who come to exchange views with Chinese leaders on critical topics of the shipping industry.”

Since its inception, this Forum has been a top-level link between the International and Chinese shipping, financial and business communities by featuring industry leaders, debating latest market trends, and exploring business opportunities.

China has been a major business destination for the international shipping community, providing financing, shipbuilding, cargo trading and more.

The [5th Annual Capital Link Digital International Shipping Forum - China](#) explored cooperation and business opportunities in these areas and also highlighted the significance of Shanghai as a Global Maritime Hub.

Shipping has been navigating the challenges of Covid-19 while ensuring the global supply chain remains uninterrupted. Furthermore, the industry is going through a period of rapid change, the result of new environmental regulation and technology.

The Forum focused on fostering closer cooperation between the international and Chinese maritime communities discussing topics such as:

- Financing, Leasing and Private Equity
- Dealing with Chinese Shipyards
- Navigating in and out of Chinese Ports
- The increasing international presence of Chinese Seafarers
- Optimizing Cargo Trading with China
- Exploring joint venture opportunities, optimizing technical & commercial ship management
- Also, issues of critical significance to the industry such as availability of marine fuels, technology & digitalization, IMO 2020 and decarbonization, and issues affecting the global economy and trade and the global commodity and energy markets.

The Forum hosted a series of panel discussions featuring senior Domestic Chinese and non-Chinese executives and international experts and a series of 1x1 ONLINE Meetings between international shipping companies and Chinese Leasing Firms.

## **PARALLEL TRACKS - All presentations and Panels were available in both Chinese & English**

All Forum session replays and digital booth materials are now available on demand. Please visit the Auditorium and Exhibition Hall here: <https://forumshippingchina2020.capitallink.com/>

### **AGENDA**

**H.E. Ioannis Plakiotakis, Minister of Maritime Affairs & Insular Policy Hellenic Republic**, honored the Forum with delivering **Keynote Remarks on Day 1 – Tuesday September 16, 2020**.

The **Keynote Address of the 2<sup>nd</sup> Day of the Forum – Wednesday, September 16, 2020** was delivered by **Dr. Martin Stopford**, Non-Executive President, **Clarkson Research Services** and the **Session Keynote Remarks** were delivered by **Mr. Vassilios Demetriades**, Shipping Deputy Minister - **Republic of Cyprus**.

### **2020 CAPITAL LINK CHINA SHIPPING LEADERSHIP AWARD**

In the context of the Forum, the **2020 CAPITAL LINK CHINA SHIPPING LEADERSHIP AWARD** was presented to

**Prof. Yu Qing Sun President of Dalian Maritime University, China**, for his outstanding and significant contribution to the maritime education and the broader maritime industry.

### **DAY 1 - TUESDAY, SEPTEMBER 15, 2020 - SHANGHAI TIME**

**1:00 PM WELCOME REMARKS : Mr. Nicolas Bornozis, President - Capital Link**

**Mr. Bornozis stated:** “China has been a key force in the global maritime markets in shipbuilding, financing, and trading. And this year Shanghai for the first time has been included among the top global maritime industry hubs. This event from the very beginning has aimed to facilitate the interaction between the Chinese and the International maritime communities. This year’s Forum will cover critical topics of the industry along the three main shipping industry areas featuring Industry leaders both from China and worldwide. We are honored that the Keynote Speakers this year include the Minister of Shipping of Greece, the largest ship owning power in the world, Mr. Ioannis Plakiotakis, also the Deputy Minister of Shipping of Cyprus, Mr. Vassilios Demetriades as well as Martin Stopford who is the Non Executive Chairman of Clarkson Research, a particularly well known and respected global personality.

And we are very honored to have with us senior officials from the Pudong and Shanghai Governments. We are particularly privileged to be able to pay our respects to Professor Yu Qing Sun President of Dalian Maritime University, China and present him with the “2020 Capital Link China Shipping Leadership Award” in recognition of his outstanding and significant contribution to the maritime education and to the broader maritime industry in China and abroad. We are very happy that we are hosting a full scale digital platform over two days with an extremely rich and powerful agenda with local and International industry leaders. Please note that the content is available in both the Chinese and English languages.”

### **PANEL & PRESENTATIONS TOPICS**

#### **SHANGHAI AS A GLOBAL SHIPPING, TRADE & FINANCE HUB**

The section remarks were delivered by **Mrs. Xin Ya Zin, Chairman - Shanghai Pudong New Area Commission of Commerce**

**Mrs. Xin Ya Qin**, Chairman - **Shanghai Pudong New Area Commission of Commerce**, stated that this year the Forum is held online and she is equally delighted, if not more, to exchange ideas on growth. On behalf of the New Area Commission of Commerce in Shanghai, **Mrs. Xin Ya Qin** expressed her heartfelt thanks to the organizers for their continued support to the shipping industry in Pudong. **Mrs. Qin** also said that this is the 5<sup>th</sup> anniversary of the Forum being held in Pudong and it is a key platform for making Shanghai a center for shipping, finance, trade, economy and a size innovation.

**OPENING ADDRESS: Mr. Zhang Lin**, Deputy Director - **General of Shanghai Municipal Transportation Commission**

After welcoming all participants of the 5th Capital Link International Shipping Forum, China, **Mr. Zhang Lin**, Deputy Director of **General of Shanghai Municipal Transportation Commission**, noted that four Capital Link International Shipping Forums had been held in Shanghai since 2016 and this year had adopted a digital form due to Covid-19. He re-iterated that the Capital Link brand is widely recognized and valued worldwide for its interactive element and seamless delivery of quality informational and educational content. While Covid-19 has affected global economy, he praised the shipping industry for their determination to ensure maritime trade remained open and maintain supply lines to support the economy and people's daily life. As international economies are interdependent and intertwined, **Mr. Zhang Lin** stressed the use of intelligent means to seize the opportunities, use of capital innovation to sustain development, reducing costs and increasing efficiency are common challenges faced by shipping and financial institutions in the post Covid-19 era. He hoped the Capital Link International Shipping Forum, China, can provide enlightened solutions to tackle such challenges.

**Mr. Zhang Lin** highlighted that Shanghai Pudong as the pioneer of China Reform and Open-Door policies had developed the world's largest container port over the past 30 years. He said that a new wave of reforms has started. It is the Chinese government's vision to help global economic recovery and create a sustainable shipping industry. **Mr. Zhang Lin** wished the forum a great success.

**NAVIGATING THROUGH AND PAST THE COVID-19 DISRUPTION**

*Human Element, Shipping & Global Supply Chain*

*The panel will address the practical challenges related to crew changes, which have been greatly impacted by the pandemic putting the well-being and safety of crews and ships at risk. It will also discuss the cooperation needed among industry stakeholders, regulators and governments to address these issues. Also, it will highlight the increasing presence of Chinese seafarers serving in international shipping.*

**Moderator: Mr. Edward Liu**, Counsel & Legal Director - **Hill Dickinson**; Principle Representative - **ICS (China) Liaison Office**

**Panelists:**

- **Mr. Bjorn Hojgaard**, CEO - Anglo-Eastern Univan Group; Chairman - **The Hong Kong Shipowners Association**
- **Mr. Dennis Svane Hansen**, Vice President, Head of Global Manning - **BW Fleet Management**
- **Mr. Mark O'Neil**, President - **Columbia Shipmanagement**
- **Mr. Terence Zhao**, Managing Director - **Singhai Marine Services**
- **Mr. Allan Falkenberg**, Chief Executive Officer, Crew Management and Offshore - **Vships**

**Mr. Edward Liu**, Counsel & Legal Director - **Hill Dickinson**; Principle Representative - **ICS (China) Liaison Office**, stated: "The arrival of COVID-19 has presented truly enormous challenges for the entire maritime transport sector, an industry responsible for moving about 90% of global trade. At this time of continuing crisis, working with governments to ensure the maintenance of safe and efficient supply chains remains the overriding priority for the global shipping industry. There are still many other operational challenges, not least the ongoing crew change crisis, that must be urgently resolved in co-operation with governments, not to mention some profound economic and structural issues that will need to be addressed when the industry eventually emerges into the post pandemic landscape."

**Mr. Bjorn Hojgaard**, CEO - Anglo-Eastern Univan Group; Chairman - **The Hong Kong Shipowners Association**, stated: "Crew rotation has been the key challenge for ship operators since the outbreak of Covid-19. It's crucially important to reopen ports and borders so as to avoid disruption to the global supply chain upon which we all depend, and a humanitarian crisis as seafarers are trapped on ship. We must expect a level playing field by all nations, all ports."

A beggar-thy-neighbour policy where regulators or policy makers are expecting other ports/countries to solve our common problem will do the world no good. Seafarers must be exempted as other front-line workers from the most draconian lock-down rules, to ensure uninterrupted supply of food, energy and other essentials.”

**Mr. Dennis Svane Hansen**, Vice President, Head of Global Manning - **BW Fleet Management**, stated:

“Travel restrictions has lessened in some countries; however, we are still far from where we need to be, and most companies still today have 15-30% of Seafarers onboard well beyond the expiry of their contracts.

These Seafarers have made great sacrifices with some staying onboard well beyond 12 months with an adverse impact on their wellbeing, and many have had to miss important events at home or in the worse cases been unable to be there for ill or dying family members.

This humanitarian crisis threatens to disrupt vital supply chains that enables all of us access to food, medical and energy supplies, and pose a risk of a major marine incident happening due to Crew fatigue.

If the situation is to improve, then much more countries must declare Seafarers as “Key Workers” and provide unrestricted travel. Furthermore, we hope all ship owners and charterers will continue to find common grounds to allow for diversion of ships where necessary for crew change without significant losses to ship owners.”

**Mr. Terence Zhao**, Managing Director - **Singhai Marine Services**, shared that seafarer’s mental well-being is our highest priority. Our staff communicate regularly with onboard crew to provide encouragement. We worked very closely with our Principals to provide support for crew change under very challenging circumstances. In fact, getting the crew home safely is our greatest satisfaction.

In a discussion focused on global crew relief efforts throughout COVID-19, **Mr. Allan Falkenberg**, Chief Executive Officer, Crew Management and Offshore – **Vships**, spoke about the importance of raising visibility of the plight of seafarers across the mainstream media. While management companies have been proactive in raising the issue at an industry level, there was a disconnect in raising awareness across the wider media.

Allan also discussed embracing the long term challenges of the ‘new normal’ throughout the maritime industry, as well as considering greater transparency for ship owners on associated costs in order to claim back from their customers.

## **2020 CAPITAL LINK CHINA SHIPPING LEADERSHIP AWARD**

In the context of the Forum, the **2020 CAPITAL LINK CHINA SHIPPING LEADERSHIP AWARD** was presented to **Prof. Yu Qing Sun** President of **Dalian Maritime University, China**, for his outstanding and significant contribution to the maritime education and the broader maritime industry.

### **Honoree Remarks:**

#### **MARITIME EDUCATION IN THE CONTEXT OF INTELLIGENT SHIPPING**

**Prof. Yu Qing Sun** President of **Dalian Maritime University, China**, stated: “As a mode of modern shipping, intelligent shipping’s development has brought an overall reform in the whole shipping chain, which has an influence on the structural demands for professionals in ships, ports and services and furthermore a significant effect on the future maritime education. The following topic will focus on how to develop maritime education with integration of advanced technology and industry development against the background of intelligent shipping and from two aspects of intelligent ships and shipping finance.”

### **ABOUT CAPITAL LINK CHINA SHIPPING LEADERSHIP AWARD**

The annual “**Capital Link China Shipping Leadership Award**” aims to recognize the valuable contribution of those personalities who, through their long-established career, have played a decisive part to Chinese shipping gaining a leading position in the International Maritime Community.

In **2019**, the “**Capital Link China Shipping Leadership Award**” was presented to **Mr. Huang Youfang, D.E.**, President - **Shanghai Maritime University**; Dean - **Institute of China (Shanghai) Free Trade Zone Supply Chain**; President - **China Institute of Navigation (CIN)**, in **2018** to **Captain Xie Chun Lin**, Managing Director - **China Merchant Energy Shipping**, in **2017** to the President of **Shanghai Shipping Exchange**, **Mr. Zhang Ye**, and in **2016** to **Mr. Yang Xian Xiang**, CEO - **SITC International Holdings**.

## KEYNOTE ADDRESS

### **H.E. Ioannis Plakiotakis** **Minister of Maritime Affairs & Insular Policy Hellenic Republic**

In his key note speech the **Minister of Maritime Affairs and Insular Policy of the Hellenic Republic, Mr. Ioannis Plakiotakis**, stressed the strategic maritime relationship between Greece and China, based on a comprehensive institutional framework and highly successful business cooperation evidenced through the emblematic model investment of COSCO in Piraeus and the long-lasting trust of Greek shipowners to the Chinese shipbuilding sector. On this solid foundations, new ways of maritime cooperation will be explored. In relation to current challenges in the shipping sector, the Minister stressed the importance of supporting the work in the appropriate, IMO context for the implementation of the Organization's strategy to reduce GHG emissions from international shipping, as well as the need to support and facilitate the industry, as the drivetrain of international trade, to overcome Covid-19 and bring the global economy back to growth and prosperity.

### **INTERNATIONAL SHIPOWNERS RAISING CAPITAL IN CHINA & BEYOND**

*Chinese Leasing & International Finance Options*

*This panel features CFOs of major international companies with active presence in the Chinese Leasing market. The panel will discuss the various financing options available to international shipping companies, their experience and feedback on Chinese Leasing options.*

**Moderator: Mr. Jonathan Silver, Partner - Maples Group**

#### **Panelists:**

- **Mr. Evangelos Chatzis, CFO - Danaos Corporation**
- **Mr. Harald Gurvin, CFO - Flex LNG**
- **Mr. Jeffrey Pribor, CFO - International Seaways**
- **Mr. Vikram Hiranandani, Director of Corporate Finance - Scorpio Bulkers & Scorpio Tanker**
- **Mr. Christos Begleris, Co-CFO - Star Bulk Carriers**

**Mr. Jonathan Silver, Partner - Maples Group**, stated: "Over the past two decades, I have witnessed the significant growth and evolution of the PRC leasing industry – the deal structuring used to be basic and supported with residual value guarantees, using aircraft leasing RVGs as a base in lieu of precedents for sale and leaseback structures back then. Today, we see a range of operating lease and finance lease structures – and hybrids – many of which are ultimately financed by the both international and domestic PRC banks. The PRC lessors have now also taken advantage of JOLs and JOLCO structures and indeed pure operating leases. I am sure we will see still further evolution in time. "

**Mr. Jeffrey Pribor**, Senior Vice President and Chief Financial Officer of **International Seaways**, the New York based owner and operator of crude and product tankers stressed the desirability of diversification of debt sources on the balance sheet to support fleet renewal and growth. He noted that so called Scandinavian style first lien shipping debt still has a place for top tier owners and INSW brought 7 banks into such a deal in January of this year. However, Mr. Pribor also emphasized the importance of Asian lending including ECM and leasing. He said "International Seaways worked hard " to retain the ECM debt that had originally financed 6 Chinese built VLCCs it acquired in 2018 and values the Chinese lending and agency relationships very highly. He predicted that Chinese leasing could be an important part of future growth finance along with the US capital markets.

**Mr. Vikram Hiranandani**, Director of Corporate Finance - **Scorpio Bulkers & Scorpio Tanker**, stated: "We executed our first Chinese leasing deal with a top tier financial institution in April 2017. Since then, we have concluded over 15 leasing deals in China between Scorpio Tankers and Scorpio Bulkers. We currently have relationships with seven leading Chinese lessors, and we continue to see an increase in the number of Chinese lessors open to financing international shipowners – this is certainly encouraging news, especially at a time when several banks around the globe are limiting (or withdrawing) their ship financing activities. Also, we've observed that they are getting a lot quicker with their approval processes and some of their closing timelines are in line with conventional shipping banks."

### **ALTERNATIVE FINANCE OPTIONS FOR CHINESE & INTERNATIONAL SHIPPING PROJECTS**

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The section remarks were delivered by **Mr. Axel Siepmann**, Managing Director - **Braemar Naves**. **Mr. Axel Siepmann**, Managing Director of the financial advisory firm **Braemar Naves**, which is specialized in helping clients to arrange financing, thanked Mr. Bornozis and Capital Link for the opportunity to present debt financing options for shipping companies. He explained that traditional bank financing has become increasingly restrictive and has the tendency to focus on large, corporate clients. Traditional ship owners should therefore both carefully consider their own company structure but also get familiar with the available financing sources as to optimize financing terms for their investments. Axel explained the various sources of debt financing and their lending criteria and concluded, that there is no shortage of capital, if the right financing strategy is applied.

## **CHINESE FINANCE SOLUTIONS FOR THE SHIPPING INDUSTRY**

*Growth, Innovation & Adaptation to the New Shipping Industry Landscape*

*Chinese Leasing has become a mainstream financing option for the international shipping community with continued strong growth. This panel will discuss how the leasing industry is adapting to the current market challenges including the pandemic, market volatility, technological change and increasing regulation.*

**Moderator: Mr. Ji Woon Kim**, Shareholder - **VedderPrice**

### **Panelists:**

- **Mr. Fang Xiuzhi**, Head of Shipping - **Bank of Communications Financial Leasing Co., Ltd.**
- **Mr. Jack Xu**, Deputy Head of Shipping - **CMB Financial Leasing Co. Ltd.**
- **Mr. James Chen**, Director - **Smarine Advisors**

**Mr. Ji Woon Kim**, Shareholder – **VedderPrice**, stated: “Chinese leasing and finance have shown and maintained substantial growth in the global shipping sector in recent years. Their presence and clout in this market are now mainstream, becoming financing partners of first resort to shipowners and more than merely filling the gaps in available credit caused by the withdrawal of traditional shipping banks. During this current trying and challenging environment with the pandemic, market volatility and increasing regulations, Chinese lessors continue to build on their role in the market while admittedly becoming more cautious about lending money to shipowners and adding that extra focus is being given to borrowers’ cash flows, balance sheets and available liquidity.”

**Mr. James Chen**, Director - **Smarine Advisors**, stated: “China has kept its position as No. 1 ship finance supplying nation for a few years, with a market share at lower twenties. Chinese leasing is no longer an alternative funding source to global shipping. While China lessors have completed drawdown of USD 5 billion in 1st half of 2020, their appetite might be faded in the remaining of the year because of many uncertainties in coming months. But beyond 2020, ship finance will still attract Chinese appetite because China will continue its overseas lending as long as Chinese economy keeps growth.”

## **DAY 2 - WEDNESDAY, SEPTEMBER 16, 2020 - SHANGHAI TIME**

### **OPENING KEYNOTE ADDRESS** **TECHNOLOGY & SHIPPING**

The opening keynote address was delivered by **Dr. Martin Stopford**, Non-Executive President, **Clarkson Research Services**.

**Dr Stopford** discussed the merits of smart shipping as an investment. Conventional technology is no longer providing the performance improvements achieved in earlier years. Dr Stopford will discuss the ways in which digital technology will improve the performance of the maritime industry. This will be supported by rapidly expanding satellite communications services; and the initiatives of equipment manufacturers, shipbuilders and shipowners in applying proven I4 digital technology to provide the information and control needed to improve the performance of ships and sea transport operations.

### **SMART SHIPPING - WHAT IS IT ALL ABOUT?**

*The coronavirus has accelerated digitalization in the industry, reducing environmental pollution and improving operational efficiency and safety. As we look ahead, this panel will examine usage of new management models, technology, and collaboration in the shipping eco-system, and how owners, shipyards, ports and other industry stakeholders can use both digital and human intelligence for future growth.*

## Session Keynote Remarks:

**Mr. Vassilios Demetriades**, Shipping Deputy Minister - **Republic of Cyprus**, honored the Forum by delivering the session keynote remarks.

**Mr. Vassilios Demetriades**, Shipping Deputy Minister - **Republic of Cyprus**, stated:

“The digital transformation of the maritime transport sector is a tremendous challenge but also holds opportunities for those who know how to adapt and innovate.

The COVID-19 crisis has severely impacted the shipping industry, but unexpectedly resulted to the rapid advancement of technology.

Digital solutions can unlock enormous potential and bring benefits in areas such as safety, competitiveness, as well as increasing efficiency in ports and logistics operations.

The shipping sector is in a period of profound transformation where it needs to reduce greenhouse gas emissions and tackle air pollution, and continue to provide attractive employment. Embracing the new digital technologies is an important tool in coping with the green challenges.”

**Moderator: Mr. Norbert Kray**, Regional Manager Greater China, Maritime and Senior Vice President - **DNV GL**

### Panelists:

- **Mr. Mark Cameron**, Executive V.P. & COO - **Ardmore Shipping Corporation**
- **Mr. Andreas Hadjipetrou**, Managing Director / Chief Commercial Officer - **Columbia Shipmanagement**
- **Mr. Owen Fu**, Deputy General Manager - **Liberian Registry, China**
- **Mrs. Despina Panayiotou Theodosiou**, Co-CEO - **Tototheo Maritime**; President - **WISTA International**

**Mr. Norbert Kray**, **Regional Manager Greater China, Maritime and Senior Vice President - DNV GL**, stated:

“Despite all negative effects of COVID-19, the virus had one positive impact: it has accelerated digitalization by at least half a decade. This will help the shipping industry to further reduce its environmental footprint, while at the same time increasing operational efficiency and safety. When all stakeholders work together even closer towards a smarter maritime supply chain, I am very optimistic that shipping’s future will be bright. As a technology powerhouse, Asia, and in particular China, will give important impulses to make shipping safer, smarter, and greener – a journey on which the industry can count on DNV GL’s support.”

**Mr. Mark Cameron**, **Executive V.P. & COO - Ardmore Shipping Corporation**, stated: “You have to be smart about getting real value from smart shipping. Technology can be a performance enhancer, but are we joining the same dots that were always there, just connecting them in different ways? When a bigger, brighter market disrupter dot appears, are we ‘locked in’ to one form of technology over another? Is there a time where deploying the ‘smart’ shipping solution restricts your options as the cost of change becomes too great? Digital technology seems to be a business model often based on exponential value created through its use, at the other end of the spectrum, cyber risk is touted as one of the current major business risks. How can you be assured that today’s solution doesn’t very easily become tomorrow’s hostage?”

**Mr. Owen Fu**, **Deputy General Manager - Liberian Registry, China**, stated: “As one of the largest Flag States, Liberian Registry has a long-established track record of investing in advanced technology, including electronic certificates, detention prevention program and remote closing procedure, to provide the responsive and innovative service for our stakeholders. Especially in this pandemic background, we believe the digitalization will free up ship operators’ time and focus on making their vessels safer and more profitable. It is an irreversible trend in shipping industry.”

**Mrs. Despina Panayiotou Theodosiou**, **Co-CEO - Tototheo Maritime; President - WISTA International**, said that as an industry, we need to stop talking about how change is coming or that digitalisation is about to happen. It already is and will continue to do so, although some companies still need to look at which processes they should be addressing. Mrs Panayiotou Theodosiou also highlighted that due to the pandemic we would see a new level of trust in digital communication emerge and give impetus to create wiser supply chain integration, an opportunity that the industry must seize.

## CHINESE SHIPYARDS & INTERNATIONAL SHIPOWNERS "ADDRESSING THE NEW LANDSCAPE IN REGULATIONS & TECHNOLOGY".

*Chinese shipyards have been a major destination of choice for international shipping companies. The discussion will focus on the challenges faced by shipowners and the shipbuilding industry, the challenges of the pandemic, new fuel, ship design and engine requirements as the result of environmental regulations and market/charterer expectations. It will also address the experience and expectations of international owners who use Chinese shipyards for new buildings, repairs and scrubber installations. And will focus on the competitive positioning of Chinese shipyards in the global shipbuilding industry.*

**Moderator: Mr. Lianjun Li, Partner - ReedSmith Richard Butlers**

### Panelists:

- **Mr. Swem Sun, Director, COSCO SHIPPING HEAVY INDUSTRY CO, LTD**
- **Mr. Brian Nixon, Managing Director - Lavinia Bulk Shipping / Laskaridis Shipping**
- **Mr. Theo Baltatzis, Managing Director - Technomar Shipping**
- **Mr. Demetrios Koukoulas, Managing Director - TMS DRY Ltd.**
- **Mr. Zhang Tao, Deputy General - Yangtze Shipyard**
- **Mr. Zhu Guiming, Vice President, Yiu Lian Dockyards (Shekou) Limited**

**Mr. Lianjun Li, Partner - ReedSmith Richard Butlers,** stated: “There are many challenges which the shipowners and the Chinese shipyards are facing such as the IMO 2020 compliance, the difficulties of the labor movements due to COVID-19 and lack of new orders to the economic uncertainties . It is therefore very relevant to hear the voices and concerns of industry players including shipowners and Chinese shipyards who helpfully shared their unique insights. While it has created uncertainty to the industry, it is only through concerted efforts can we turn it into opportunity.”

**Mr. Brian Nixon, Managing Director - Lavinia Bulk Shipping / Laskaridis Shipping,** stated: “On behalf of Lavinia Bulk and Laskaridis Shipping I am very honoured to be a part of this China digital conference hosted by Capital Link. For many years we have had a very close relationship with Chinese shipyards and Chinese banks and especially with our large number of dry bulk newbuildings built in China over the last 10 years. We hope that this conference will further build our close friendships in China. It should bring new opportunities to do even more business in China especially with the new regulatory and technological changes fast approaching the shipping industry where close collaboration is required.”

**Mr. Demetrios Koukoulas, Managing Director - TMS DRY Ltd.,** stated: “TMS Dry, TMS Bulkers and TMS Offshore Services are 3 out of 5 ship-management companies under the TMS Group, managing a fleet of 61 vessels and having carried out over 200 drydockings and repairs at Chinese shipyards, including 53 retrofits of scrubbers. Since 2005 TMS has built 114 ships out of which 64 in China, consisting of 32 tankers and 32 bulk carriers.

The shipyards are selected by considering whether the specification of the ship meets Owner’s requirements, Yard’s experience and track record for the specific ship type, delivery time, contract price, payments terms and yard’s location.

Compared with other yards in Far East the Chinese shipyards offer competitive contract prices and payments terms, are flexible with the upgrades in the specification requested by the Owners and most of them follow the principle of “One-man Management” which facilitates the process of negotiations and problem solving.

Over the past 10 years there is a considerable improvement of the Chinese ship-building standards however there is still room for further improvement in the fields of investment in human resources, in sequence at production stages, investment in new equipment, selection of materials and by giving more attention to the detail during construction.”

### A NEW ERA FOR EQUITY INVESTMENT IN SHIPPING

*Shipping is a capital intensive industry. China is the world’s largest shipbuilding, ship owning, ship financing nation, also the largest importer and exporter. With decades of development, we are now at a stage to discuss whether and how we can explore more opportunities in this industrially. Panelists will look back in time and ahead to discuss about the opportunities and challenges in this emerging market.*

### Moderators:

**Mr. Vincent Xu, Consultant–Stephenson Harwood**  
**Ms. Simone Liu, Of Counsel–Stephenson Harwood**



## Panelists:

- **Mr. Nilesh Tiwary**, Manager - **Drewry Maritime Financial Research**
- **Mr. Steven Xiao**, Director - **Equator Fund**
- **Mr. Su Ning**, Director - **Equator Fund**; Founding Partner - **Front Line Capital**
- **Ms. Song Lingling**, Director General Manager - **DCL Investment**

**Mr. Vincent Xu**, and **Ms. Simone Liu**, stated: “China is the world’s largest shipbuilding, ship owning, ship financing nation as well as the largest importer and exporter. As a participant in the shipping industry, we always closely following the evolvement of the new economy and marking in-depth study on the opportunities and challenges arising thereof. We hope that through our discussion to find out more ways that we can explore more opportunists in this industrially.”

**Mr. Nilesh Tiwary**, Manager - **Drewry Maritime Financial Research**, stated: “Financial markets have been highly volatile in 2020 because of COVID 19. The S&P 500 index lost 30% between January and mid-March but recovered and enjoyed its strongest August in 34 years. Global Equity markets have been supported by a combination of liquidity, attractive equity risk premiums, and an ongoing recovery as economies reopen from lockdowns. But capital market activity in shipping has largely been muted. Despite rising shipbuilding challenges, Chinese yards won 63% of contracts in 1Q20 helped by domestic demand, while Korea (18%) and Japan’s (8%) shares were small. With shipping firms reporting better earnings, investors may soon have another look at shipping capital markets.”

**Mr. Steven Xiao**, Executive Director of **Shenzhen Equator Fund in Capital Link Panel Discussion**, stated: “After Serving IMC Shipping Group for 15 years (2003-2018), I took the ED position of Shenzhen Equator Fund in 2018.

Equator Fund, as a PE Fund with its headquarter in Shenzhen, leaning on the Greater Bay Region, is focused on worldwide maritime and logistics industrial assets investment. So far it has invested and managed some assets like LEG, LNG and dry bulk carriers; e.g. it formed the Luna Pool with Navigator Holdings on 15 liquefied petrochemical gas carriers, with a specific focus on ethylene and ethane cargoes. And The Fund is supposed to soon become the manager of Shenzhen Maritime Fund, a local Government guiding fund on maritime industrial development.

Maritime PE fund has seen its right timing and momentum in China since maritime industrial elements are right in place. China is leading in most of maritime aspects like manufacturing GDP (USA/Japan/Germany combined), Int’l trade (1st largest exporter, 2nd largest importer), largest skilled and well trained seafarer scale (over 1.6 million in total, 150,000 person times for int’l crewing annually), shipbuilding (new orders, order on hand, completion), vessel volume (170,000 in total, 22,000 for ocean sailing), shipping financing magnitude and tools (China Exim Bank and BOC are the 2nd and 3rd largest world traditional maritime bankers, and expanding China financial leasing, 20% of worldwide shipping financing)...

The dual circular economy policy, particularly the internal circular, is injecting new impetus in shipping industry; coupled with rapid development and application of new technology and environmental tools, it is anticipated another round of maritime industrial investment in RMB may surface soon; More assets might be financed, built, operated, returned in RMB. A weakened USD and increasingly internationalized RMB may accelerate this momentum.

Some China main port cities have been experimented maritime funds with relevant valuable experiences & lessons. It is right timing to broaden this horizon. The Greater Bay can leverage on its integrated financial markets like both SZ and HK Stock exchanges.

As for risk management, one shipping entity is fit to manage the normal economic and operational risks, but it is more complicated in face of political uncertainty and its economic implication; current top concern is the uncertain future of Sino-USA relationship.”

Like peers, as a maritime fund, we would like to see a world of peace, cooperation and sharing, like one Chairman Mao’s poem “Kunlun Mountain” says “一截遗欧，一截赠美，一截还东国；太平世界，环球同此凉热”-- In translation” I’d cleave you in three, One piece for Europe, One for America, One to keep in the East, Peace would then reign over the world, The same warmth and cold throughout the globe.

Walk the line and cross fingers!”

**Mr. Su Ning**, Director - **Equator Fund**; Founding Partner - **Front Line Capital**, stated: "The past decade has witnessed a steady growth of debt financing in the shipping sector from Chinese finance institutions, but not in equity investment. In Mr. Su’s view, on one hand many Chinese equity investors have yet to see the attraction of investment in shipping on the other, various services requested by shipping equity investment are less satisfactory and trust of

equity investors is yet to be gained due to lack of openness and transparency. Mr. Su hopes that in the next few years Chinese private equity investors would become more active participants in shipping sector. "

**Ms. Song Lingling**, Director General Manager - **DCL Investment**, stated: "At DCL we mainly focused on special situation investment opportunities, and we were particularly interested in distressed corporate restructuring deals in some specific areas. After years of in-depth research on the shipping industry, and participation of a few related deals, this year we became the controlling shareholder of the largest shipowner for chemicals in domestic ocean shipping lines. As the economy entered into the "new normal" with year of transition and adjustment coming up, we strongly believed that we could see more and more attractive opportunities for special situation investment and M&A in the shipping industry."

## **CHINESE SHIPOWNERS PERSPECTIVE**

*Looking Ahead: Opportunities & Challenges in Shipping*

*Shipping markets outlook, Covid-19 challenges & beyond, energy & commodity flows, investment opportunities, access to capital, operational & regulatory changes.*

**Moderator: Mr. Bill Guo**, Executive Director, Shipping - **ICBC Financial Leasing**

### **Panelists:**

- **Mr. Ding Lei**, Vice President - **China Merchants Energy Shipping Co., Ltd.**
- **Mr. Gu Jingsong**, Chairman & CEO - **COSCO Shipping Bulk Co.,LTD.**
- **Mr. Gao Changfeng**, CEO - **Shandong Shipping**
- **Mr. Yang Xianxiang**, Vice Chairman, Executive Director & CEO - **SITC International Holdings Co.**

## **INTERNATIONAL SHIPOWNERS PERSPECTIVE**

*Looking Ahead: Opportunities & Challenges in Shipping*

*Shipping markets outlook, Covid-19 & beyond, energy & commodity flows, investment opportunities, access to capital, operational & regulatory changes, business opportunities with China*

**Moderator: Mr. Theodore Jadick, Jr.**, Managing Director, CEO and President – **DNB Markets, Inc.**

### **Panelists:**

- **Mr. Jerry Kalogiratos**, CEO - **Capital Product Partners**
- **Mr. John Lycouris**, CEO - **Dorian LPG**
- **Mr. Aristidis Pittas**, CEO - **Euroseas**; CEO - **Eurodry**
- **Mr. Hamish Norton**, President - **Star Bulk Carriers**
- **Mr. John Dragnis**, CEO - **Goldenport Holdings**
- **Mr. Robert Burke**, CEO - **Ridgebury Tankers**

**Mr. John Lycouris**, CEO - **Dorian LPG**, stated: "This year has been challenging with the COVID-19 world epidemic. It was our mission to keep more than five hundred seafarers safe and to facilitate their movement whenever and wherever possible. Another was the completion of our scrubber projects in China during the period of epidemic concerns and tight quarantines. And in the last few months with China issuing tariff waivers, we saw Chinese demand for US LPG return, after more than a year of no LPG import volumes. This coincided with China's easing of the epidemic lockdowns at the end of the 1Q20 when several Petro-chemical infrastructure projects either returned from maintenance or started-up operations."

**Mr. Aristidis Pittas**, CEO - Euroseas; CEO – **Eurodry**, stated: "The arrival of Covid 19 in our lives has created unprecedented circumstances where a combination of events have altered the dynamics of the world economy for good. The fall of demand to such low levels not even seen during WW2 or the 2008 world recession was followed by vast injections of cash into the world economies which subsequently has led to a rapid return of demand across all sectors. It is exactly this kind of environment that creates the opportunities of the "future". The realization that humanity cannot work on the same assumptions again has accelerated the introduction of many new technologies that were vital due to the necessity to increase social distancing and reduce the possibility of infections. The need to transition to a cleaner environment is more than ever what will determine the future energy and commodity flows,

investment opportunities and relevant access to capital. Renewable energy, electric vehicles, artificial intelligence, etc. are factors that will alter societies every day's lives to such an extent not seen since the industrial revolution."

**Mr. John Dragnis, Goldenport Group CEO** stated: "The financing environment is evolving in terms of counterparties, as we have seen several European financial institutions withdraw from ship lending and Chinese banks and leasing houses, as well as US and European alternative lenders filling the gap. Securing ship financing has become significantly more challenging for smaller owners that do not have the ability to offer a strong corporate guarantee and have to accept rather onerous terms. For larger and especially diversified owners that have the ability to offer a strong corporate guarantee like ourselves, there is significant interest from European financial institutions and Chinese banks and leasing houses. As a matter of fact, we recently concluded with ICBC Financial Leasing our first lease financing which was also the first transaction to be approved following the outbreak of the COVID-19 pandemic."

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**With the Support of:** Shanghai Pudong New Area Commission of Commerce (Pudong Shipping Service Office)

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