News

# Mandarin Shipping: Attracting top investors

Hong Kong: Maritime CEO has another exclusive shipowner interview today with the first on-the-record interview this decade with one of Hong Kong's most talked about and intriguing shipping companies.

Amidst the raft of high profile fund raisings in New York, Oslo and elsewhere in the past couple of years, one Hong Kong based company has quietly set about growing a fleet with the aim to become a leading regional tonnage provider in the container feeder markets.

Mandarin Shipping was originally founded in 2006, but sat out the boom years of skyrocketing prices before identifying the container market as an area ripe for investment.

Having attracted backing from a number of well known shipping related investors, including industry heavyweights China Navigation and Wah Kwong, Mandarin has recently added to the two older containerships it acquired in early 2013 with an initial order for six 1,700 teu ships to be built at Ouhua Shipyard in China. The orders are sister vessels to the series on order at the yard by Mandarin shareholder China Navigation, who are also undertaking the supervision and have had considerable technical input.

Mandarin chairman Tim Huxley, who also doubles as ceo of Wah Kwong , comments: "This sector has had limited investment over the past few years, particularly since the German KG market hit problems. Liner companies are particularly sensitive to fuel efficiency and hence we see an opportunity to build an Asian based company providing a first class service with modern, fuel efficient ships to the major liner companies."

Mandarin's remit is not just focused on the container market and Huxley says they have "looked long and hard" at various bulk carrier projects, but couldn't really make sense of them. Huxley won't be drawn on how big he sees the company growing, but says that with the initial cornerstone investors allowing the company to prove itself with this first order, further expansion, both in terms of number of ships and the investor base will now be sought.

"It's not just about owning efficient ships," he says. "We want to be a lean company which gives investors maximum returns, so we have been very careful in ensuring our costs and fee structures are the most competitive in the business, but without compromising quality."

Huxley is one of the best known names in Hong Kong's shipping fraternity. After decades with shipbroker Clarkson he struck out on his own with Mandarin Shipping nearly ten years ago, before a tempting position with Wah Kwong came along. Also in the Mandarin mix is William Fairclough, another ex-Clarkson broker, widely praised for his razor sharp analytical market nouse. Together, Huxley and Fairclough have wooed some major names to come and invest and Mandarin is now poised for considerable growth after a long time in the shadows. [03/10/14]